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July 24, 2013

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
H232 Capitol
Washington, DC 20515

Dear Speaker Boehner:

The Senate has just passed a bipartisan bill to reverse the recent student loan interest rate hike. I am writing to urge you to bring this bill – the Senate amendment to H.R. 1911 – directly to the House floor for a vote and to pass it without delay.

As you know, due to Congressional inaction, interest rates doubled on subsidized student loans on July 1st. The House majority passed a partisan bill in June purporting to stop the rate hike, but that bill, H.R. 1911, was dead on arrival in the Senate. Enacting the House-passed bill would have inflicted more harm on students and families than allowing the rates to double. In its first five years, it would have increased total student loan debt by approximately \$1 billion. Over the 11 year budgetary window, it would have raised student debt by \$3.7 billion. The House-passed H.R. 1911 used adjustable rates – a bait-and-switch that we saw devastate Americans who took on adjustable rate mortgages during the housing boom. Students would sign up for a loan at one rate but be subjected to a different rate that ballooned yearly even through repayment. For example, an incoming freshman this year would be lured into borrowing under today's low rates, but over time the interest on the same loan would balloon to a projected 7.45 percent when she enters repayment five years later.

The Senate, by contrast, undertook serious bipartisan negotiations. Those talks have produced a solution that the House should take up immediately. The Senate bill rejects the House majority's insistence on massive deficit reduction on the backs of students. In its first five years, the Senate bill will lower student loan interest rates providing students and families \$25 billion in student debt relief. This year, an incoming freshman can borrow loans at a 3.86 percent interest rate on both subsidized and unsubsidized Stafford loans and continue to borrow at rates below current law through their academic career. The same student making full use of the Stafford loan program stands to save over \$3,300 compared to current law. That savings will provide critical

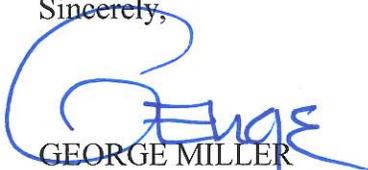
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relief for families just emerging from the worst recession since the Great Depression, who experienced bouts of unemployment, tightened belts, and loss of savings just as they prepare to send their children to college. Additionally, in contrast to the House bill, borrowers will know what they will owe when repaying their loans under the Senate bill. The Senate bill's rates are fixed for the life of the loan. Moreover, Senate Democrats successfully included a cap on interest rates, to protect students and families from any potentially skyrocketing rates in the future.

Enactment of the Senate bill in no way means our work is done. This bill helps reduce costs to students and families, but it does not solve the long-term student loan debt crisis. It does not eliminate the significant profits currently collected by the federal government from student loans. Accordingly, I remain committed to keeping interest rates down and to addressing college cost as a whole. It's my goal to make sure every American who wants to go to college has access to an affordable and high-quality higher education. Through the reauthorization of the Higher Education Act, Congress must enact reforms to drive down the underlying cost of college and, if rates should climb unacceptably, revisit the Senate bill's provisions.

Mr. Speaker, the House passed a bill that was detrimental to students and families. The Senate has passed a bill that helps students and families afford college as they climb out of a deep recession. It delivers real relief to millions of Americans as they struggle to pay for a college education over the next few years. I hope you will drop your support of the House bill and move immediately to pass the Senate bill. Let's send this measure to the President's desk for his signature.

Sincerely,



GEORGE MILLER
Senior Democratic Member