

Rep. Bauer offered the following resolution:

**House Resolution No. 269.**

A resolution to urge Congress to extend the 3.4 percent federal Stafford student loan rates and avoid a doubling of those rates to 6.8 percent on July 1st.

Whereas, Interest rates on federal student loans for low-income students are set to double to 6.8 percent, from the current 3.4 percent, on July 1, 2012, if Congress does not act. The change will cost the average college student borrower about \$1,000 more for each year of school. With tuition costs also rising at about 8 percent a year, the effective cost of college will jump about 20 percent for the typical student relying on these loans; and

Whereas, Currently, about 7.4 million college students, about a third of all undergraduates, rely on subsidized Stafford student loans. These loans are based on need and targeted to low and moderate income students and families, giving them a chance to earn a college degree; and

Whereas, The average student debt is about \$25,000 per student and overall U.S. student debt is more than \$1 trillion, which is more than all the outstanding credit card debt in the United States. It is the highest level of student debt in American history, up almost 43 percent since 1996. This debilitating debt could trigger a financial meltdown like the mortgage crisis if students are unable to repay their loans; and

Whereas, Unlike debt incurred from mortgages, credit cards, medical bills, and even gambling losses, private student loans are not forgivable under bankruptcy laws. Most of today's students are ill-equipped to deal with large debt. Most have never had experience with credit and median weekly earnings for 25-34 year olds have fallen 5 percent since 2001. Student loan debt can be garnished from wages and Social Security and those who default may ruin their credit and be unable to buy a home or car; and

Whereas, Young people today and future generations need higher education more than ever, to be able to pursue the American dream and become productive members of society. College graduates fare much better than their non-college peers, but the cost of a college education is increasingly out of reach for many. The millennial generation may be the first in America not to be better off than their parents. Students should not be prevented from acquiring an education because of cost, when it is increasingly becoming the only path to financial security in America; now, therefore, be it

Resolved by the House of Representatives, That we urge Congress to extend the 3.4 percent federal Stafford student loan rates and avoid a doubling of those rates to 6.8 percent on July 1st; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.