

WASHINGTON, DC – Congressman Joe Courtney today applauded new initiatives by President Obama to help students repay their federal student loans. The initiatives include a new income-based repayment plan, which will allow borrowers to cap their student loan payments at 10 percent of their discretionary income. The Administration’s new “Pay As You Earn” proposal will make these benefits available to some borrowers as early as 2012, and will reduce monthly payments for as many as 1.6 million borrowers nationwide.

The executive order that President Obama is signing today will accelerate the changes made by Congress in the Student Aid and Fiscal Responsibility Act (SAFRA), which would have capped student loan payments at 10 percent of discretionary income, beginning in 2014.

“Today’s announcement is welcome news to Americans struggling with massive student loan debt,” **said Congressman Courtney**. “Building on the income caps established by SAFRA will give Americans more disposable income, something that, by itself, has potential to inject new spending into our economy. A college degree is still vital to competing in our global economy, but obtaining that education should not require incurring a lifetime of debt.”

Currently, more than 36 million Americans have federal student loan debt, but fewer than 450,000 Americans participate in income-based repayment. Millions more may be eligible to reduce their monthly payments to an amount affordable based on income and family size.

Borrowers looking to determine whether or not income-based repayment is the right option for them should visit www.studentaid.ed.gov/ibr .

Congressman Courtney has been a leading voice on Capitol Hill for expanding access to higher education. As a member of the House Education and Labor Committee’s Higher Education Subcommittee, Courtney successfully fought for passage of the College Cost Reduction Act, the Higher Education Opportunity Act, the Post-9/11 G. I. Bill of Rights and SAFRA. These laws have helped to expand access to college and reduce the financial burdens on families and students. In recognition of his leadership, Congressman Courtney was given the 2011 Henry Yost Award, the highest honor given by the American Association of University Professors.

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