

Congress of the United States
Washington, DC 20515

June 6, 2017

The Honorable Tom Cole
Chairman
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Cole and Ranking Member DeLauro:

With the cost of a college education and the debt needed to afford it growing every year, Americans are demanding action to lower the crushing cost of higher education. Unfortunately, the President's Fiscal Year (FY) 2018 budget proposal would make college more expensive. As you continue to develop your FY 2018 Labor, Health and Human Services, Education and Related Agencies appropriations bill, we write to express our strong opposition to the Administration's proposed elimination of subsidized Stafford Loans within the Department of Education budget.

As you know, subsidized student loans are utilized by low-income undergraduate students, many of whom would not otherwise be able to attend an institution of higher education. In fact, in the last school year, over six million students borrowed through this program. Subsidized student loans allow a student to earn a degree without needing to burden themselves with the crushing costs of student loan interest rates. We owe it to the next generation of college students to push for student loan policies that will not hold them back.

In the justification for phasing out subsidized loan programs in the *2018 Major Savings and Reforms* document, the Office of Management and Budget states that "in-school interest subsidy has not been rigorously evaluated." Yet, the subsidized Stafford Loan program has proven to make college more affordable for low-income students. Ending the availability of this loan will increase college costs by thousands of dollars per student borrower. By removing the interest subsidy for Stafford Loans, a student taking out the maximum loan would likely owe an additional \$5,700 in interest when entering loan repayment. Over the next decade, phasing out the subsidized Student Loan program alone would cost students and families across the country \$39 billion.

Despite these facts, the Administration remains willing to remove this important source of financial aid from America's neediest college-bound students using a fact-free justification. Student debt is a drag not just on a student, graduate, or their family; it's a drag on our entire

economy that impacts when – or if – a borrower can buy a home, start a family, get a business off the ground, or change careers. To divert resources from students who need it most, our nation is only perpetuating our student debt crisis.

Every student deserves access to an excellent education and the subsidized Stafford Loan program is an essential part of achieving the college dream for millions of Americans. We therefore urge the subcommittee to maintain the subsidized Stafford Loan program in the FY 2018 appropriations bill and thank you for your continued support for higher education programs.

Sincerely,



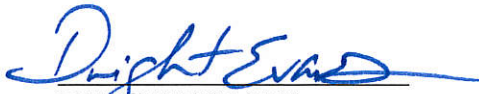
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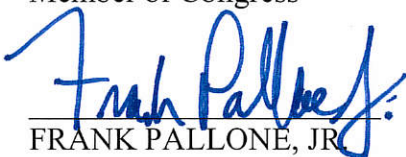
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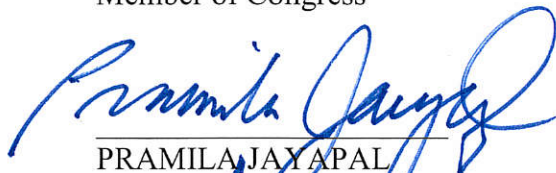
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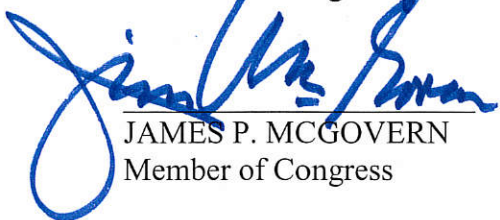
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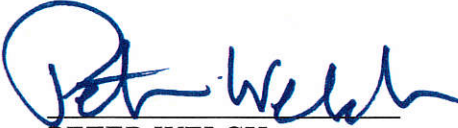
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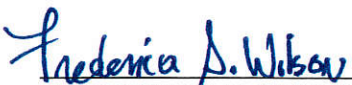

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