

Altmire: Bill Protecting Access to Student Loans to Become Law

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The Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715) will help to ensure that ongoing turmoil in the credit markets does not jeopardize families’ ability to secure loans to pay for college. The president is expected to sign this bill into law.

This bill increases federal loan limits for students by \$2,000 a year, which will reduce students’ dependence on more expensive private loans. With this increase, students will now be able to borrow \$5,500 in federal loans for their first year at college, \$6,500 for their second and \$7,500 for their final two years.

“With a growing number of lenders announcing that they would suspend making new loans next year, Congress quickly acted in a bipartisan manner to protect access to student loans,” Altmire said. “This bill should give families much-needed reassurance that ongoing turmoil in the financial markets will not jeopardize their ability to pay for college. Bolstering the value of low-interest, federal loans will save students money in the long run by making them less dependent on private loans that carry higher interest rates. Sending this bill to the president today is the one of the best graduation presents Congress could deliver to America’s high school seniors.”

In the wake of Pennsylvania Higher Education Assistance Agency’s (PHEEA) decision to suspend the issuance of new student loans, the Ensuring Continued Access to Student Loans Act of 2008 (H.R. 5715) would also give the U.S. Secretary of Education the power to purchase loans from lenders in the Federal Family Education Loan program, thus restoring liquidity to the student loan market.

It would also help families being hit hard by the weakening economy finance their children’s education. The bill allows parent borrowers to defer beginning payment on their federal PLUS loans until up to six months after their children leave school, providing much-needed financial flexibility. It will also help struggling homeowners pay for college by making sure that short-term delinquencies in mortgage payments do not prohibit otherwise eligible parents from being able to borrow parent PLUS loans.

In March, Congressman Altmire also joined 18 members of the Pennsylvania delegation in sending a letter to the

Secretary of Education, Chairman of the Federal Reserve and the Secretary of the Treasury urging them to work together to ensure the continued availability of student loans.