

Altmire: Interest Rates on Federal Student Loans Will Drop July 1

(Washington, D.C.) -- U.S. Congressman Jason Altmire (PA-04) today issued the following statement on the drop in interest rates on need-based federal student loans from 6.8 percent to 6.0 percent starting July 1st.

College Cost Reduction and Access Act's interest rate cut will save Pennsylvanians starting college this fall an average of \$2,580

(Washington, D.C.) -- U.S. Congressman Jason Altmire (PA-04) today issued the following statement on the drop in interest rates on need-based federal student loans from 6.8 percent to 6.0 percent starting July 1st. As one of the key provisions of the historic College Cost Reduction and Access Act, this interest rate cut will save the average Pennsylvania student starting college this fall \$2,580 over the life of his or her loan.

By 2011, interest rates on federal subsidized student loans will be cut in half to 3.4 percent, saving the average student with federal need-based student loan debt \$4,400 over the life of his or her loan. Each year, 5.5 million students borrow need-based federal student aid.

"In recent years, the skyrocketing cost of college has become a huge financial burden for American families," Altmire said. "During the 2006 election, Democrats pledged to make college more affordable and that's exactly what we did by passing the College Cost Reduction and Access Act.

"On July 1, millions of college students are going to see the real benefits of this legislation when they see a drop in the interest rates on their federal student loans," Altmire continued. "Given our sluggish economy and the growing toll that high gas and food prices are taking on families' budgets, this drop in interest rates could not have come at a better time."

For the 2008-2009 academic year, in addition to the federal student loan interest rates being cut to 6.0%, the College Cost Reduction and Access Act will give students \$4,000 in up-front tuition assistance each year if they commit to teaching high-need subjects in high-need public schools upon graduation. Pell Grant scholarships will also increase by \$490 (raising the maximum award to \$4,731). By 2012, the maximum Pell Grant award will rise to \$5,400, a \$1,090 increase from 2006.