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Congress of the United States
House of Representatives
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June 18, 2012

The Honorable John Boehner
Speaker of the House
H-232, The Capitol
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Senate Majority Leader
S-221, The Capitol
U.S. Senate
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
H-204, The Capitol
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Senate Minority Leader
S-321, The Capitol
U.S. Senate
Washington, DC 20515

Dear House and Senate Leaders:

As we work to improve our national economy, it is critical that we invest in the education of our young people. As you know, the deadline to extend the 3.4 percent interest rate for federal Stafford Direct loans is fast approaching, and I urge you to work together to develop legislation that will pass both the House and Senate and prevent the interest rate from doubling.

If Congress does not act, on July 1, 2012, the federal student loan interest rate will double from 3.4 percent to 6.8 percent. Should we allow this to happen, seven million students will incur an additional \$6.3 billion in loan repayment costs from 2012-2013. Already, student loan debt exceeds \$1 trillion, surpassing credit card debt as the number one source of financial hardship for America's young people.

I have held several roundtables with college students in my district, and have met with college administrators across Western New York. I consistently hear the same thing: it is crucial that we freeze interest rates at their current level to help make college affordable for our students.

One student from the University of Rochester said: "The only thing I can think about is putting off this debt. I'm at least [\$50,000] under." Another student, from Daemen College, told me that an interest rate increase would definitely cause him to not return to school next year.

The stories I hear on a daily basis are extremely troubling. Young Americans deserve the opportunity to receive a college education. Unfortunately, Congress' inability to compromise is threatening their future.

Cynthia Zane, President of Hilbert College in Hamburg, New York asks, "At a time when interest rates are at an all-time low for mortgages, etc. and when we are trying our best to keep

the cost of college affordable, why would we raise interest rates on student loans? The decision will make college more expensive for the students who do not have other means of affording a college education. It is completely counterintuitive.”

We cannot allow political posturing to put the education of our nation’s students at risk. I urge you, once again, to find a compromise that will keep the federal student loan interest rate at 3.4 percent.

Sincerely



Kathleen C. Hochul
Member of Congress