



# Student Government

UNIVERSITY OF COLORADO **BOULDER**

Mr. Jack Waldorf  
Associate Director of Federal Relations  
225 East 16<sup>th</sup> Avenue, Suite 580  
102 Denver  
Denver, Colorado 80203

Dear Mr. Waldorf,

We are writing on behalf of the Executive office of the University of Colorado Student Government (CUSG) to provide feedback with respect to student loan interest rates and current proposals in the United States Congress intended to address the impending increase in student loan rates. Higher education is becoming more and more difficult to afford, especially for middle and low-income families and students from underrepresented backgrounds. In order to ensure access and affordability to higher education, it is imperative that the government keeps interest rates low on Federal student loans. This would include rates on both subsidized and unsubsidized Stafford loans, as well as PLUS loans.

Based on conversations with students and student leaders on the University of Colorado Boulder campus, we offer the following recommendations and feedback on student loan interest rate solutions:

We recommend that federal student loan interest rates continue to be fixed for the lifetime of the loan.

We recommend a fixed-interest rate that does not vary with market rates to provide consistency for students during the lifetime of their college career. Ideally, this rate would remain at 3.4%.

Although we oppose market-based interest rates, we recommend any solution with a market-based interest rate have an interest rate cap and that cap be no greater than 6.8%.

We recommend that the interest rates for unsubsidized Stafford loans be decreased and that graduate students with demonstrated financial need gain access to subsidized Stafford loans. This would help ensure graduate students have access to loans with low interest rates to decrease the financial burden of their education and allow more students to pursue graduate education.

We recommend that any legislation that addresses federal PLUS loans either maintain or decrease the current interest rate.

We endorse the passage of Senate Bills 897 (“Bank on Students Loan Fairness Act”) and 953 (“Student Loan Affordability Act”), which are short-term solutions

that maintain current or lower interest rates for the next 1 to 2 years. Specifically, Senate Bill 897 ties the rate of subsidized Stafford loans to the same rates that banks receive for borrowing from the Federal Government for 1 year. Senate Bill 953 continues to extend the current rates for Stafford loans for 2 additional years (3.4% for Subsidized and 6.8% for Unsubsidized).

We oppose the passage of House of Representatives Bill 1911 (“Smarter Solutions for Students Act”) and Senate Bills 682 (“Comprehensive Student Loan Protection Act”) and 909 (“Responsible Student Loan Solutions Act”), which are long-term solutions to student loans that do not provide fixed or variable-fixed interest rates and may not address both types of Stafford loans.

We appreciate your willingness to outreach to us and collect our feedback. We ask that you share these recommendations and considerations with the Colorado Congressional delegation as soon as possible and provide our contact information to their offices if they have any questions or need any further information.