

Allow Students to Refinance Their Student Loans

First passed in 1965 to ensure that every individual has access to higher education, regardless of income or zip code, the Higher Education Act (HEA) governs student-aid programs. One key component to making college more affordable is allowing students to refinance their student loans at a lower rate.

▶ **Making college more affordable.**

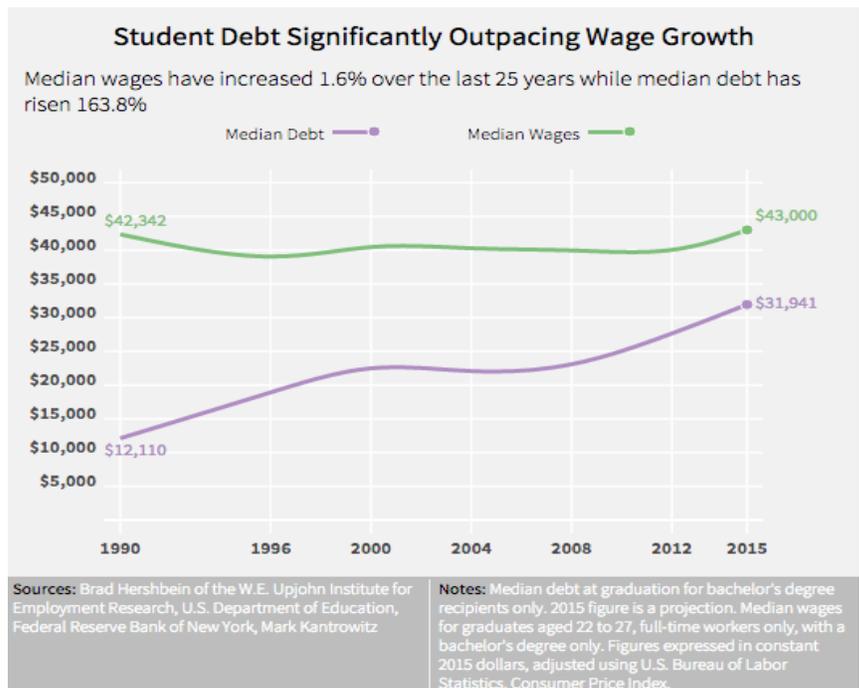
The student debt burden stands at \$1.2 trillion and exceeds total credit card debt. Two out of three students borrow money to attend college. Many graduates have crushing debt that constrains their future as well as our economy—they cannot afford to buy homes or cars, start businesses, support families, invest, or contribute to economic growth in other ways.

▶ **High student loan debt negatively impacts prospective educators who reconsider their career choice in favor of a more profitable**

profession that will enable them to have less debt or to pay their debt back sooner.

▶ **The U.S. government should not be profiting off students and families.** Keeping Americans locked into interest rates of nearly 7%, when borrowing costs are so low, results in a huge profit. Last year, the Congressional Budget Office estimated that the federal government will earn \$127 billion from student lending over the next 11 years.

▶ **NEA launched its Degrees Not Debt campaign in 2014 to draw attention to the mounting student debt crisis in America.** Allowing students to refinance their loans is one of the key goals of the Degrees Not Debt campaign. To learn more, please visit: <http://www.nea.org/degreesnotdebt>.



NEA Member Voices on the Hill:

New Jersey Education Association Member and College Professor Mecheline Farhat Roldan, testifying before the Senate on February 3, 2016:

"I truly believe that one way to alleviate student loan debt is to allow those carrying the debt to refinance at a lower rate. It never made sense to me that we can do so with all other types of loans, from mortgages to business loans yet, especially once consolidated, students are trapped with interest rates as high as 9%. How is anyone supposed to be able to relieve themselves of this burden? "

NEA Student Member and College Senior Alexis Ploss, testifying before the Senate in July 30, 2014:

"Our nation needs more passionate teachers who will touch the lives of our children. I know so many students who won't give up on their dream to teach, and I am incredibly grateful for their dedication. We need to work to make this reality more positive. Though the debt I'm accruing is monumental, I stay hopeful for the future because there are people all over this country, including so many of my NEA Student Program colleagues and fellow union members, working to help make college affordable for students everywhere."