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June 22, 2016

Mr. GordonWayne Watts
821 Alicia Rd
Lakeland, FL 33801-2113

Dear Mr. Watts:

Thank you for your continued correspondence regarding education and student loans. I appreciate you taking the time to share your views on this important matter, and welcome the opportunity to respond.

As always, I appreciate your insight and commitment to student loan debt and education policy.

Students are the foundation of our country's future. Ensuring they have the ability to afford a college education is the first step in preparing them to compete in an increasingly global marketplace.

Over the past 25 years, the cost of going to college has quadrupled. About 60% of students take out loans to finance their education, and more than half borrow over \$10,000. In 2010-2011, 7.6 million undergraduate students borrowed Subsidized Stafford Loans. The U.S. Department of Education (ED) estimates over 7.4 million undergraduate students will have borrowed Subsidized Stafford Loans in 2012-2013. Students in the Class of 2013 graduated with an average of \$30,000 in debt.

Additionally, the issue of student debt also affects our deficit. The Congressional Budget Office has projected that every dollar lent in 2010 by the William D. Ford Direct Loan Program, administered by the Department of Education, would add 13 cents to the federal deficit. Given that the government disbursed \$27.7 billion in subsidized Stafford loans, that 13-cents-on-the-dollar ended up costing \$3.6 billion. As a result, the Department of Education added \$3.5 billion to the federal deficit in 2010, with subsidized Stafford loans alone.

You may be interested to know, Representative John Kline (MN-02) introduced H.R. 1911, the Smarter Solutions for Students Act, on May 9, 2013 and seeks to set floating rates on new Stafford loans at the 10-year Treasury rate plus 2.5%. At the same time, it would also protect borrowers by capping the rates at 8.5%. Under this plan, a borrower could consolidate his or her loans after graduation to achieve a fixed rate. H.R. 1911 passed the House, with my support, on May 23, 2013.

Following the House passage, the Senate amended this bill, such that, as enacted into law, it sets the annual interest rate on Stafford loans at the rate on high-yield 10-year Treasury sets plus 2.05%, but caps the rate at 8.25% for undergraduates. For graduate students, this law sets interest rates at the rate on high-yield 10-year Treasury notes plus 3.6%, capped at 9.5%. This bipartisan solution passed the Senate on July 24, 2013, by a vote of 81 to 18, and the House on July 31, 2013, with my support, in an overwhelming vote of 392 to 31. President Barack Obama signed it into law on August 9, 2013, making it law.

Additionally, to address some of the specific legislation you contact me about, H.R. 3451, the Student Loan Bankruptcy Parity Act of 2015, was introduced by Representative Daniel T. Kildee (MI-05) on November 8, 2015. This legislation seeks to make student loans dischargeable in bankruptcy cases. This bill has been referred to the House Committee on the Judiciary, of which I am not a member. Please know should this bill come before the full House of Representatives for a vote, I will be sure to keep your strong support in mind.

Additionally, H.R. 1674, the Private Student Loan Bankruptcy Fairness Act of 2015, was introduced by Rep. Steve Cohen (TN-09) on March 26, 2015 and amends the federal bankruptcy code to allow student loans to be treated like regular consumer debt and be dischargeable in bankruptcy. This bill has been referred to the House Committee on the Judiciary, of which I am not a member. Please know should this bill come before the full House of Representatives for a vote, I will be sure to keep your concerns in mind.

Finally, H.R.507 was introduced during the 109th Congress by Rep. John Boehner (OH-08) on February 2, 2005 and sought to expand Pell Grant awards to as much as \$5,800 per award. The bill would also attempted to simplify the college aid application process and reduce fees students pay on loans among other initiatives. Much of this bill was signed into law in the 2008 reauthorization of the Higher Education Act. The Section you referenced in the bill has been enacted into law. However, the current loan program used by the federal government is the Direct Loan program.

Citizen input is the cornerstone of good public policy, and I commend you for taking action. Thank you again for all of your input.

It is an honor and privilege to represent constituents like you of the 15th District of Florida. To learn more on how I may serve you, please visit <http://dennisross.house.gov>. Please feel free to continue to contact me in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Ross", written in a cursive style.

Dennis A. Ross
Member of Congress

P.S. Thank you again for contacting me. I am constantly looking for ways to help Central Floridians. If you have a minute, I'd love to hear your thoughts on your experience. [Click here to take a brief constituent satisfaction survey so I can learn how to better serve you.](#)

DR/MR