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Public Statements

Kagen is Working to Make College More Affordable

Press Release

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KAGEN IS WORKING TO MAKE COLLEGE MORE AFFORDABLE

Congressman Steve Kagen, M.D. wants to make it easier for students in Northeast Wisconsin to attend universities and technical colleges. The Congressman held a forum today at UW-Green Bay to talk about student loans. Kagen was joined by financial aid specialists from UW - Green Bay, Northeast Wisconsin Technical College and St. Norbert College as well as the education loan manager with Associated Bank.

"I am working hard to bring higher-wage jobs back to Northeast Wisconsin and more-and-more these higher wage jobs will require a college or technical degree." said Kagen. "Working together we will build a better future for all of us and to do that we must guarantee that our children will have the education and skills they need to prosper."

Kagen praised the local schools and financial institutions for their work within the community and their participation in today's event.

Congressman Kagen strongly supports increasing access to higher education for all Americans. In September 2007, Kagen voted for the College Cost Reduction and Access Act, the largest single investment in college financial aid since the GI Bill of 1944. It will boost college aid by roughly \$20 billion over the next five years. In May 2008, Kagen also voted for the Ensuring Continued Access to Student Loans Act, legislation authored in response to the impact of the housing crisis on student loans. Kagen also voted for the 21st Century GI Bill which expands the education benefits veterans receive under the GI bill to restore the promise of a full, four-year college education and make the veterans of Iraq and Afghanistan part of an American economic recovery, just like World War II veterans a generation ago.

"Congress did a nice thing by increasing the amount of money available for student loans," said Jeffrey A. Zahn, financial aid director at St. Norbert College. "There is concern that student loans will not be available, but institutions, such as Green Bay-based Associated Bank, are willing to help students."

"We're the names and the faces behind the financial aid process," continued Zahn. "If you get the forms filled out and get them to the schools, we can evaluate them and go over your options with you."

All the advisors urged students and their parents to call schools and financial institutions if they have questions. "As financial aid advisors, our job is to help students and their families unravel and understand the financial aid process," said Emily Ysebaert, Northeast Wisconsin Technical College financial aid director.

"The key to paying for higher education is for parents to prepare and start saving early," said James Rohan, assistant director of financial aid at the University of Wisconsin-Green Bay. "But if that doesn't happen, students can look at ways of minimizing the costs and expenses."

There are approximately 10,000 current student loans from college and technical school students in the 8th Congressional District

Congressman Kagen gave out the following information at the event:

College Cost Reduction and Access Act

On September 27th, 2007, the College Cost Reduction and Access Act (H.R. 2669) was signed into law. It had previously passed the House of Representatives on September 9 by a margin of 292-97 with Congressman Kagen voting in favor.

- * This is the largest single investment in college financial aid since the GI Bill of 1944.
- * The College Cost Reduction and Access Act will boost college aid by roughly \$20 billion over the next five years.
- * Under the legislation, the maximum value of the Pell Grant scholarship will increase by \$1,090 over the next five years, reaching \$5,400 by 2012, up from \$4,050 in 2006, thus restoring the Pell's purchasing power.
- * Some students will see an immediate boost of almost \$500 in their Pell Grant scholarship in the 2008-2009 school year alone.
- * Roughly 5.5 million low- and moderate-income students will benefit from this increase.
- * The legislation will also cut interest rates on need-based student loans in half, from 6.8 percent to 3.4 percent, over the next four years. Once fully phased-in, this will save the typical student borrower - with \$13,800 in need-based student loan debt - \$4,400 over the life of the loan.

The Ensuring Continued Access to Student Loans Act

On May 7, 2008, the Ensuring Continued Access to Student Loans Act (H.R. 5715) was signed into law. This legislation was a response to the impact of the housing crisis on student loans. It had previously passed the House of Representatives on May 1, 2008 by a margin of 388-21, with Congressman Kagen voting in favor as well as the entire Wisconsin delegation.

In recent months, turmoil in the U.S. credit markets has made it difficult for some lenders in the federally guaranteed student loan program to secure the capital needed to finance college loans, leading some lenders to scale back their lending activity.

H.R. 5715 will:

- * Reduce borrowers' reliance on costlier private college loans and encourage responsible borrowing
- * Under current law, dependent undergraduate students can borrow up to \$3,500 in subsidized and unsubsidized federal loans during their first year of college; \$4,500 during their second year; and \$5,500 during their final two years of college.
- * Over the course of their education, dependent undergraduate students can currently borrow up to \$23,000 in total federal student loans (both subsidized and unsubsidized) and independent undergraduates can borrow up to \$46,000 in total loans.
- * H.R. 5715 would increase the annual loan limits on federal unsubsidized student loans by \$2,000 for undergraduate students
- * And would increase the the total loan limit over the course of a student's education to \$31,000 for dependent undergraduates and to \$57,500 for independent undergraduates.
- * Give parent borrowers more time to begin paying off their federal PLUS college loans

- * PLUS loans are federal loans taken on by parents to pay for their students education.
- * Under current law, parent borrowers must begin repayment of federal PLUS college loans 60 days after the disbursement of the loan.
- * H.R. 5715 would give parents the option to defer repayment until up to six months after their children leave school, giving families more flexibility in hard economic times.

In Wisconsin

- * There are 10,304 current student loans from college and technical school students in 8th Congressional District
- * 75,905 student loans in Wisconsin as a whole.
- * 67,945 students in Wisconsin receive Pell grants

Source: http://kagen.house.gov/list/press/wi08_kagen/kagenloansevent.html
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