

BRUCE L. BRALEY
1ST DISTRICT, IOWA

VETERANS' AFFAIRS COMMITTEE
Ranking Member, Subcommittee on
Economic Opportunity

OVERSIGHT AND GOVERNMENT
REFORM COMMITTEE

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Chairman

Congress of the United States
House of Representatives

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February 7, 2012

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

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

Dear Speaker Boehner and Minority Leader Pelosi:

As you may know, interest rates on subsidized Stafford loans are scheduled to double on July 1st, 2012, unless congressional action is taken. Please work together to pass legislation to prevent this drastic increase.

Currently, the interest rate for subsidized Stafford loans is set at 3.4%, as a result of legislation passed into law in 2007. If this provision expires, then interest rates on subsidized Stafford loans will double to 6.8% on July 1st. This increase would add tens of thousands of dollars in extra cost for students trying to pay for college. For example, a student taking out the maximum \$23,000 in subsidized student loans would see an increase of \$5,200 over a 10-year repayment period and \$11,300 over a 20-year repayment period.

As college tuition continues to drastically rise, students cannot afford thousands of more dollars in bills because Congress failed to act. After witnessing the debacle that occurred over the payroll tax extension, I would hate to see a similar scenario occur with this issue. Please pass legislation to prevent an increase in student loan interest rates before July 1st. I stand ready to work in any way possible to make sure we keep student loan interest rates at their current level.

Sincerely,


Bruce L. Braley