

Legislation sent to the President for signature

Washington, D.C. - Congress has passed the bipartisan College Cost Reduction Act, which makes the largest commitment to college affordability since the GI Bill passed in 1944.

The legislation now awaits the signature of President Bush, who recently withdrew his veto threat of the bill.

"The passage of this bill represents the greatest federal commitment to college affordability in generations. This bipartisan legislation will improve college affordability for middle class Vermont students and families and open the door to higher education for new generations of students," said Welch. "I welcome the President's support and look forward to quick enactment so that higher education becomes a reality for more Vermonters."

For Vermont, the College Cost Reduction Act of 2007 is expected to benefit over 10,000 Vermont students, will provide Vermonters an estimated \$61 million in financial aid, and cut interest rates for an average savings of \$4,370.

The legislation provides over \$17 billion in financial aid over the next five years and adds no new cost to taxpayers by reducing excessive federal subsidies paid to large lenders in the college loan industry.

The College Cost Reduction Act of 2007:

- **Increases the Pell Grant scholarship** maximum value to \$5,400, phased in over five years, which is up from \$4,050 in 2006;
- **Cuts interest rates in half**, from 6.8 percent to 3.4 percent, on need-based student loans over five years. This would save the average Vermont student borrower - with \$13,761 in need-based student loan debt - \$4,370 over the life of the loan. Each year, over 13,500 Vermonters take out need-based loans;
- **Provides tuition assistance** for undergraduate students who agree to teach in the

nation's public schools and loan forgiveness for college graduates that go into public service professions; and

- **Includes college cost containment measures** by providing incentives and rewards for institutions to keep tuition costs down.