

With student loan debt reaching a crisis stage nationwide, Rep. Peter Welch today announced efforts to block a scheduled doubling of Stafford Student Loan interests rates that could add up to \$11,000 in additional repayment costs for some Vermont college students.

Welch is pushing for passage of H.R. 3826, which would extend the current 3.4 percent interest rate on Federal Direct Stafford Student Loans. If Congress fails to act, the rate will double to 6.8 percent on July 1, 2012, increasing by \$11,000 the twenty-year repayment costs for a student borrowing maximum amount.

"This is a real threat to middle class families already struggling to send their kids to college," Welch said. "Affordable loans are essential to families who are piecing together the resources to pay tuition and fees. Interest rates are at an all-time low. It simply defies logic that rates could double and push a college education even further out of reach for working families."

Welch's announcement comes as student loan debt in the U.S. is pushing \$900 billion, surpassing debt held on credit cards and auto loans. In Vermont, nearly 70 percent of college graduates hold student loan debt. The average debt per student is nearly \$30,000, making Vermont college graduates the sixth most heavily indebted in the nation.

Welch was joined for today's announcement by Cody Paiva, a UVM junior; Patrick Mangus, a recent graduate of CCV; Ben Truman, a parent of a student entering college; and Don Vickers, President and CEO of Vermont Student Assistance Corporation (VSAC).