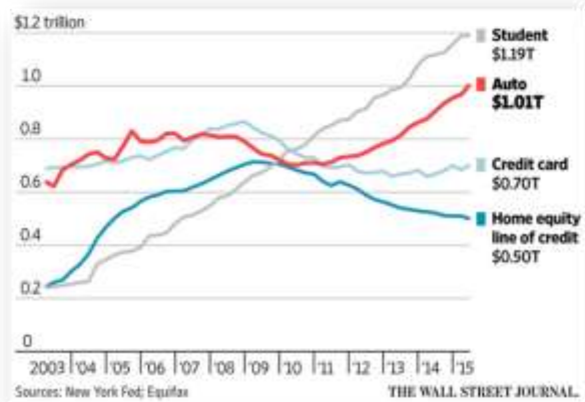
Allow Students Loans To Be Refinanced When Interest Rates Drop

First passed in 1965 to ensure that every individual has access to higher education, regardless of income or zip code, the Higher Education Act (HEA) governs student-aid programs. A key component of making college more affordable is allowing student loans to be refinanced when interest rates drop—like mortgages and other kinds of loans.

- **Make college more affordable.** The student debt burden stands at $1.2 trillion and exceeds total credit card debt. Two out of three students borrow money to attend college. Many graduates have crushing debt that constrains their future as well as our economy—they cannot afford to buy homes or cars, start businesses, support families, invest, or contribute to economic growth in other ways.



- **High student loan debt can discourage prospective educators.** Many reconsider their career choice and enter a more profitable profession that entails less debt and allows them to repay student loans sooner.

- **The U.S. government should not profit from students and families**. Keeping Americans locked into interest rates of nearly 7 percent when borrowing costs are much lower results in a huge profit. The Congressional Budget Office estimates that the federal government will earn $127 billion from student lending over the next 11 years.

- **New Jersey Education Association member and college professor Mecheline Farhat Roldan, testifying before the Senate on Feb. 3, 2016:** "Students are trapped with interest rates as high as 9 percent. How is anyone supposed to be able to relieve themselves of this burden?"

- **NEA launched its Degrees Not Debt campaign in 2014 to draw attention to America's mounting student debt crisis.** Allowing students to refinance their loans at lower rates is one of the key goals of the campaign. To learn more, check out nea.org/degreesnotdebt.

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