

Oregon Students to Pay at Least \$2141 More for College Starting Jul 1

by Bend Weekly News Sources

Parents, Students Hit With Higher Loan Payments

Oregon students have to pay \$2141 to \$2575 more in college loans beginning July 1, according to a new report released by the research arm of the Campaign for America's Future. College students and graduates will be pushed deeper into debt as interest rates on Stafford loans -- the basic student loan -- rise from 5.3 percent to 7.14 percent on old loans and to 6.8 percent on new loans at the end of this week.

Parents that take out PLUS loans to help their children pay for an undergraduate education also face rising interest rates. Beginning Saturday, rates on PLUS loans will increase from 6.1 percent to nearly 8 percent for existing loans and to 8.5 percent on new loans, costing the average parent nationally an extra \$3000 and \$3953 respectively.

Campaign for America's Future co-director Robert Borosage explained how Congress has carried out a raid on student aid through acts of commission and omission.

"The failure of the current administration and Congress to make college affordable for all qualified students is a disservice to the country," said Borosage. "The Republican leadership has allowed interest rates on student loans to rise, increased the interest rate on loans that parents take out to help pay for their children's education and refused to allow a vote on a bill that would cut interest rates in half on new loans."

The rising interest rates come at a bad time for American families attempting to pay for college. Tuition at the average 4-year public university has increased by 40 percent since 2001, and nearly two-thirds of all 4-year college graduates now have student loans. Students and their parents are going further into debt, creating a burden that is often unsustainable. Student loan debt already causes 14 percent of young graduates to delay marriage; 30 percent to hold off on buying a car; 21 percent to postpone having children; and 38 percent to delay buying a home.

Students and families need relief from rising interest rates on student loans. Sen. Richard Durbin, D-Ill., and Rep. George Miller, D-Calif., responded to the public's concern earlier this year by introducing legislation that cuts student loan interest rates in half. Their legislation would have saved Oregon students and families \$4685 in payments, according to the report.

NOTE: A copy of the Oregon student loan report is available at <http://ourfuture.org>