



NATIONAL ASSOCIATION OF
GRADUATE-PROFESSIONAL
STUDENTS

PRESS RELEASE

Contact: Meredith T. Niles,
Director of Legislative Affairs, NAGPS
443-536-8390
legislative@nagps.org

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NATIONAL ASSOCIATION OF GRADUATE-PROFESSIONAL STUDENTS OPPOSES SENATE STUDENT LOAN DEAL (S.1334)

[Washington, D.C.] – Today, the National Association of Graduate-Professional Students (NAGPS) announced its opposition of Senate student loan proposition S. 1334. The bill, introduced by Senator Manchin (D-WV), would continue the practice of differential borrowing rates between undergraduate and graduate students, and introduce significant long-term risk of increased interest rates to students.

The bill ties graduate and professional student loan interest rates to the 10 year treasury yield rate plus an additional 3.6% interest, with a 9.5% threshold. Under this bill, interest rates are based on the treasury yield rate prior to June for the year (1.8% for 2013), which puts rates for the first year at 5.4%. However, the rate is currently 2.5% and is likely to increase, suggesting that rates for graduate students will continue to climb in the long run. Undergraduate rates would be set at the 10 year treasury yield rate plus 2.05% with a cap of 8.25%. The Congressional Budget Office estimates that the bill would cut the fiscal deficit by \$715 million, but this would come at the expense of students and their families who will face increased interest rates.

“Unfortunately this bill falls short in preventing higher student loan interest rates in the long-term, especially for graduate and professional students who no longer have subsidized Stafford loan options. These high rates will be felt immediately by graduate and professional students who pay interest on their loans while in school. A cap of 9.5% offers no guarantees that our rates won’t significantly increase in the future,” stated Meredith Niles, NAGPS Director of Legislative Affairs and a PhD Candidate at University of California, Davis. She added, “We should be encouraging students to enter higher education to help keep our economy growing and create jobs, not deterring them with higher interest rates.”

The average undergraduate debt is nearly \$24,000 while debt for a doctoral degree is an additional \$52,000 and nearly \$80,000 for professional degrees. Graduate and professional students often still have debt from their undergraduate studies and some face additional economic burdens because they have families. The NAGPS urges Congress to come to a bipartisan solution that does not raise student loan rates—now or in the future—and unifies undergraduate and graduate student rates.

NAGPS has launched a popvox campaign opposing the bill at: <http://pvox.co/hfQRWn>

Visit “Grads Have Debt 2” on Facebook (www.facebook.com/GradsHaveDebt2) to read about graduate and professional students personal accounts of their debt struggles from across the country.

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Founded in 1987, the National Association of Graduate-Professional Students (NAGPS) is a completely volunteer, student-run, national non-profit organization that represents more than 600,000 graduate and professional students at over 90 institutions across the United States. NAGPS sustains a member network that connects graduate and professional students, shares resources, provides benefits and training, and advocates at the state, regional and national level to give a voice to all graduate and professional students.

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