

Eshoo Votes for Historic Increase in College Financial Aid

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WASHINGTON, D.C. - Congresswoman Anna G. Eshoo, D-Palo Alto, voted today for final passage of historic legislation she cosponsored to make college affordable for millions of students and their families. H.R. 2669, the College Cost Reduction and Access Act, makes the single largest investment in higher education since the GI Bill in 1944 and at no additional costs to taxpayers.

"Education is the most important investment we make in the future of our country. That's why this legislation is so important because it helps students and their families pay for the rising cost of a college degree, without accumulating mountains of debt once they graduate," Eshoo said. "With passage of this bill, barriers to higher education are eliminated and doors of opportunity are opened to more students than ever before."

The College Cost Reduction and Assistance Act:

- Boosts college financial aid by more than \$20 billion over five years. The bill pays for itself by reducing excessive federal subsidies to lenders in the college loan industry.
- Increases the maximum value of the Pell Grant Scholarship by more than \$1,000 to \$5,400 in 2012. Nearly 6 million low- and moderate-income students will benefit from the increase.
- Cuts the interest rate in half on need-based student loans. The typical student borrower will save \$4,400 over the life of a loan once the rate cut from 6.8 percent to 3.4 percent is fully phased in after four years.
- Caps student loan repayments at 15 percent of a borrower's annual discretionary income and allows borrowers in economic hardship to have their loans forgiven after 25 years.
- Provides tuition assistance for excellent undergraduate students who agree to teach in U.S. public schools.

The House approved the Conference Report for H.R. 2669 by vote of 292 to 97 to send the legislation to the President for his signature.

Fact Sheet

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