

*Votes against legislation to raid funding for preventative health screenings*

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**WASHINGTON, DC** – Today, Rep. Peter DeFazio (D-OR) voted against legislation that guts funding for counties to provide breast and cervical cancer screenings, newborn birth defect testing, and child immunization for low-income women and children in order to pay for reduced student loan interest rates.

“I have fought to lower student loan interest rates on direct student loans for my entire career,” said DeFazio. “We can keep these interest rates low, but we should not be forced to choose between vital funding for county public health programs that provide essential services to low income Americans and low interest rates for student loans. There are a number of ways to keep student loan interest rates at current levels without adding to the deficit. We could adjust the top tax rate by 1% on income above \$380,000 for two years. We could close tax loopholes for oil companies making record profits. But these options were blocked from consideration because of anti-tax ideologues. Counties already struggling to provide basic public services should not see vital funding used as a political football.”

The National Association of Counties (NACo) opposed the legislation, warning it would eliminate vital county health programs that provide for disaster preparedness and other health emergencies.

“The next generation of business leaders, political leaders, doctors, teachers, engineers and others shouldn’t be priced out of a quality education. I support responsible legislation that would stop the student loan interest rate hike without raiding a fund that provides preventative health care for low-income Americans,” said DeFazio.

DeFazio supports alternative legislation that would maintain low interest rates for Stafford student loans without gutting public health programs. HR 3826 prevents the doubling of student loan interest rates. HR 4816 prevents the student loan interest rate hike without adding to the deficit by eliminating tax breaks for oil and gas corporations making record profits.

He has been a consistent supporter of federal higher education programs such as Pell grants, federal work study, and student loan forgiveness to help make college more affordable. He was proud to support the Student Aid and Fiscal Responsibility Act (SAFRA) which became law in 2010. SAFRA eliminated taxpayer financed subsidies to banks making federal educational loans in favor of a more cost efficient model, the Direct Loan program. Eliminating bank subsidies resulted in \$61 billion in tax-payer savings over the next 10 years.

### BACKGROUND

The Stafford Subsidized Loan interest rate is set to increase from 3.4% to 6.8% on July 1<sup>st</sup>. This affects all future borrowers and students who are currently enrolled who take out new loans for the upcoming academic year. A one year extension will help 7.4 million students by saving them \$6 billion over the next ten years. It will save each student an average of \$1,000 in increased interest payments.

In 2010-2011 Stafford loans made up 35% or \$40 billion of the total student loan market.

Cost of college tuition has increased five- fold since 1985 and for the first time ever student loan debt tops credit card debt, exceeding \$1 trillion. Two-thirds of all college students graduate with loans averaging over \$25,000.

This isn't the first assault on student financial aid. In addition to raising the interest rate, Republicans have proposed to cut Pell Grants and work study in their FY2013 budget crafted by Rep. Paul Ryan. The GOP budget slashed higher education funding by \$166 billion over 10 years. The budget cut college aid for more than 9 million students, cut the maximum Pell Grant below current-law levels, and eliminated grants for 400,000 students in 2013 alone. The budget also eliminated the income-based repayment program that helps graduates manage their loans.

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