

## Mahoney Helps Pass Historic College Cost Reduction Act

(Washington, D.C.) - Congressman Tim Mahoney (FL-16) today helped pass the College Cost Reduction Act Conference Report. The bill, which also passed the Senate, now heads to the President, who is expected to sign it into law. This legislation makes the single largest investment in higher education since the GI Bill of 1944 by increasing college aid by over \$20 billion over five years with no new costs to taxpayers. The bill also offers loan forgiveness for firefighters, first responders, troops, and others who have given 10 years of public service.

"This is a historic investment in our students, teachers, first responders, nurses, soldiers, police officers and others who work for the betterment of our community. It will save the average Florida student over \$4,000. By making college more affordable, this bill will put the dream of higher education within the reach of hundreds of thousands of more Floridians," said Congressman Tim Mahoney.

### Impact on Florida Students

Total Increase in Loan & Pell Aid to Florida over 5 years: \$1.5 billion  
 Florida students at 4 year public schools who take out need-based loans each year: 125,475  
 Debt of typical need-based loan borrower at 4 year public schools: \$13,663  
 Interest Rate Cut Savings Per Florida Student over the life of a 4 year school loan: \$4,370  
 Total Number of Florida Students who receive the Pell Grant: 300,621

### Summary of Conference Report

The College Cost Reduction and Access Act provides the single largest investment in higher education since the GI bill. With this bill, the Congress is delivering on its promise to make college more affordable and accessible for all qualified students. The legislation boosts college aid by about \$20 billion over the next five years. The legislation pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry thereby imposing no new cost to taxpayers. It also includes \$750 million in federal budget deficit reduction. The legislation will:

### Strengthen the Middle Class by Making College More Affordable

- Cutting interest rates in half on subsidized student loans over the next four years.
- Making student loan payments more manageable for borrowers by guaranteeing that borrowers will not have to pay more than 15 percent of their discretionary income in loan repayments, and allowing borrowers in economic hardship to have their loans forgiven after 25 years.

### Increase the Purchasing Power of the Pell Grant Scholarship

- Increasing the maximum Pell Grant scholarship by \$490 next year and at least \$1,090 over the next five years, ultimately reaching a maximum scholarship of at least \$5,400 by 2012.

- Expanding eligibility through needs analysis to include and serve more students with financial needs.

#### Ensure a Highly Qualified Teacher in Every Classroom

- Providing upfront tuition assistance to qualified undergraduate students who commit to teaching in public schools in high-poverty communities or high-need subject areas.

#### Encourage and Reward Public Service

- Providing public servants loan forgiveness after 10 years of public service and loan repayment for military service members, first responders, law enforcement officers, firefighters, nurses, public defenders, prosecutors, early childhood educators, librarians, and others.

#### Make Historic New Investments in Minority-Serving Institutions

- Making a landmark new investment of \$510 million over five years in Historically Black Colleges and Universities, Hispanic-Serving Institutions, Tribal Colleges, Alaska Native and Native Hawaiian institutions, and the newly designated Predominantly Black Institutions and institutions serving Asian Americans and Pacific Islanders and Native American students - to ensure that students will not only enter college, but remain and graduate.

#### Encourage State and Philanthropic Participation in College Retention and Financing

Establishing a partnership among federal, state and local government entities and philanthropic organizations through matching challenge grants aimed at increasing the number of first generation and low-income college students.

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