



Legislation Text

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120154
ORIGINAL
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Resolution urging the United States Congress to pass federal legislation limiting Student Loan interest rates, creating new loan forgiveness provisions, and converting some borrowers' private loans to federal loans. This resolution urges the United States Congress to pass S. 2343: Stop the Student Loan Interest Rate Hike Act, sponsored by Sen. Harry Reid and H.R. 4170: Student Loan Forgiveness Act of 2012, sponsored by Rep. Hansen Clarke. S. 2343 extends 3.4% interest rates on Stafford loans to July 1, 2013. H.R. 4170 permanently caps the interest rates at 3.4%, creates new loan forgiveness provisions and allows some borrowers to convert private loans to federal loans.

Whereas, The Common Council of the City of Milwaukee recognizes the importance of student loans for those pursuing college educations; and

Whereas, The expiration on July 1, 2012, of 3.4% interest rates on Stafford loans would affect approximately 6 million undergraduate students, with a potential annual loss of at least \$1,000 for each student; and

Whereas, U.S. student loan debt surpassed total credit card debt in 2010 and is projected to exceed \$1 trillion during 2012; and

Whereas, 2012 college graduates with loans owe an average of more than \$25,000, up 5% from the year before; and

Whereas, Approximately 85% of student loan debt is owed to the federal government, and those loans typically carry lower rates and borrower protections such as income-based repayment maximums; and

Whereas, Federal legislation S. 2343: Stop the Student Loan Interest Rate Hike Act, sponsored by Sen. Harry Reid, extends 3.4% interest rates on Stafford loans to July 1, 2013 and funds the extension through the closing of a loophole involving S-corporations that are not usually taxed by the Internal Revenue Service; and

Whereas, Federal legislation H.R. 4170: Student Loan Forgiveness Act of 2012, sponsored by Rep. Hansen Clarke, permanently caps the interest rates at 3.4%, creates new loan forgiveness provisions and allows some borrowers to convert private loans to federal loans; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Common Council urges the United States Congress to pass S. 2343: Stop the Student Loan Interest Rate Hike Act, before the July 1, 2012, deadline; and, be it

Further Resolved, That the Common Council urges the United States Congress to pass H.R. 4170: Student Loan Forgiveness Act of 2012; and, be it

Further Resolved, That the City Clerk shall send copies of this resolution to each member of Wisconsin's U.S.

Congressional delegation.

LRB139341-1

Rich Watt

5/18/12