

*Says new law makes college more affordable and reduces the deficit*

Mankato, MN – Today at Rasmussen College in Mankato, Congressman Walz highlighted a new law that will make college more affordable for students, improve the student loan process and save taxpayer dollars.

“As a teacher and a parent, I know how critical a high-quality education is to our country’s economic future, but I also know how much anxiety middle class families feel about the cost of college.” said Walz. “This new law makes the student loan process more efficient, puts the best interests of students first and makes college more affordable. And because we are taking the middle man out of the student loan process, we’re saving taxpayer dollars, investing some of them in education and using the rest to reduce the deficit by \$10 billion over the next ten years.”

Kristi Waite, President of Rasmussen College said she believes the transition to direct loans has been smooth for the college. She also said, “This is the best solution in that it makes college attainable for more people and gives students, their families and financial aid officers a more streamlined lending process.”

The new law will reform the system of federal student loans to save the taxpayers \$61 billion

over 10 years and will direct \$10 billion back to the Treasury to reduce the deficit. It will change the way the student loan system functions by originating all new loans through the Department of Education's Direct Loan program, but will maintain competition among private lenders and non-profits to provide top-notch customer service for student borrowers and save jobs. Unlike loans made by banks, loans originated directly through the Department of Education must be serviced by workers in the United States.

These reforms will make college loans more reliable for students and families, and ensure that loans operate in the best interests of borrowers by reducing many of the potential conflicts of interest that exist in the current loan system.