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Rep. George Miller (D-CA) Opening Statement at Committee Markup of H.R. 1911 and H.R. 1949

***WASHINGTON, DC** -- Below are the prepared remarks of U.S. Rep. George Miller (D-CA), the senior Democrat of the House Committee on Education and the Workforce, for the committee markup of H.R. 1911 and H.R. 1949.*

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In less than 50 days interest rates on subsidized Stafford loans for the neediest college students will double from 3.4 percent to 6.8 percent. With total student loan debt already surpassing one trillion dollars, we need to stop that interest rate hike.

But the committee meets this morning not to ensure interest rate relief but to consider legislation that will make a college education more expensive for millions of students and their families.

H.R. 1911 has been advertised as a long-term fix to the interest rate hike. But it's a long-term fix that makes the long-term problem worse. The New York Federal Reserve recently found that student loan debt has almost tripled in the last eight years as more students need to borrow more money to go to school.

Study after study shows the damaging, domino effect student debt is having on our economy.

Just last week, the Consumer Financial Protection Bureau released a report that found that student loan debt can limit graduates' ability to access small business credit and start a business, affect their ability to qualify for a mortgage and purchase their first home, and limit the choices they make about their careers and where they live.

The problem is that students and their families are in too much debt. It's a drag on the economy. It's a burden that threatens to keep hard-working low-income and middle-income young people from achieving their American Dreams and moving up the economic ladder.

And so the bill before us today is, frankly, puzzling.

Instead of reducing student debt, this bill increases student debt. A low-income, four-year borrower enrolling in college next year would pay more interest on her student loans under the Republican proposal than she would if we took no action.

According to the Congressional Research Service, once in repayment, that four-year student would owe $26,403 under current law. But that same debt under H.R. 1911 would rise to $27,459, a 14.4 percent increase in interest payments.

This increased cost is thanks to a bait and switch. The bill uses widely variable rates. It lures students in with an initial lower rate, only to charge them higher rates in the long-term once they graduate and when it actually matters for repayment.

The Congressional Research Service found that, whether it's a student taking subsidized loans, a student taking both subsidized and unsubsidized loans, or parents taking PLUS loans, this bill makes college more expensive. Just look at the charts.

Those increased payments add up. According to the Congressional Budget Office (CBO), this bill raises nearly $4 billion over the next decade. That money comes right out of students' pockets.

My Democratic colleagues and I adamantly oppose any effort to make college more expensive. We have a moral and economic obligation to ensure that all qualified students who want to attend college can afford to go.

And so the Democratic substitute will:

- Freeze interest rates at 3.4 percent rate on subsidized loans for the next two years, allowing students to continue to lock in these low interest rates.

We should then use the upcoming Higher Education Act reauthorization to tackle student loans as part of a comprehensive effort to address college costs and affordability. I hope my colleagues on the other side of the aisle will agree that a bipartisan HEA reauthorization is the right process for tackling the long-term question of student debt.

Finally, the committee will also consider legislation today to study how to enhance higher education transparency. The Improving Postsecondary Education Data Act is a step in the right direction to providing students and parents with information about college costs and financial aid options in order to help them effectively plan for college.

I urge my colleagues to support H.R. 1949. However, our differences on how to address the impending interest rate hike couldn't be starker. The choice before us is clear. It speaks to what America's priorities will be for the next generation.

Here's the choice. We can allow college students to continue to benefit from low interest rates by freezing the 3.4 percent rate on subsidized loans for the next two years.

Or we can do what H.R. 1911 suggests and charge students and families higher interest rates and make college more expensive. It is that simple.

Our students and families deserve better than this bait and switch scheme we're voting on today.

I urge my colleagues to reject H.R. 1911.

House Education and the Workforce Committee Democrats