

Senate Republicans Continue to Block Student Loan Refinancing

Written by GBP Staff

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<http://newiproggressive.com/images/stories/S5/uwgb-student-government-s5.jpg>



Refinancing good enough for Minnesota graduates but not Wisconsin residents. Up to \$295 million per year could be lost to state's economy.

MADISON - Led by Senator Sheila Harsdorf, Chair of the Senate Universities and Technical Colleges Committee, Senate Republicans continued to block efforts to approve student loan refinancing Thursday when the committee voted on a handful of GOP bills that they claimed were aimed at addressing the high cost of higher education.



“The single biggest thing we could do to help the nearly 1 million Wisconsin residents who have student loan debt is to help them refinance their loans at lower interest rates,” said Senator **Dave Hansen**

(D-Green Bay), co-author of the Higher Ed/Lower Debt bill. “Unfortunately, instead of passing the one thing we know will help the most people at the lowest cost, we get a package of bills that do nothing to lower the cost of a single student loan payment.”

The Senate committee met today to take up a package of legislation that Republicans and the Governor claim will help lower the cost of college and student loans. But the package, at its best, would help just 32,000 of the 1 million with student loans, leaving the remaining 97% at the mercy of Wall Street.

“It’s as if they looked at the polls and asked ‘what’s the least we can do to make voters think we care,’ and then did even less”, said Hansen. “Their lack of understanding of the student loan issue is surpassed only by their lack of concern for the million or so people in this state who have student loans—60% of whom are over the age of 30.”

Analysis by the non-partisan Legislative Fiscal Bureau shows that reducing the interest rate just

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3% on a \$28,000 loan can save a borrower \$50 per month and over \$590 a year on their payments resulting in a savings of over \$10,690 over the life of the loan. Such savings could be a big boost for the state's sagging economy.

"If low cost student loans are good enough for graduates of the University of Minnesota then they should be good enough for graduates of University of Wisconsin schools whether they're in River Falls, Platteville or Green Bay," said Hansen.

Unlike Minnesota where they embraced this cost effective and common sense approach to the student loan crisis, state Republicans continue to oppose refinancing to the detriment of both borrowers and the state's economy.

If just half of the state's student loan holders could save \$50 per month on their payments, \$295 million per year could become available to be spent in the state's economy. Including the tax cut in the Higher Ed/Lower Debt bill, the state economy could see a boost of nearly \$400 million a year.

Legislative writer Jay Wadd contributed to this story.