

Walker Offers More of the Same on Student Loans

Written by GBP Staff

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



Gov. Scott Walker's response to the student loan crisis is to direct Wisconsin residents with student loans to private financial institutions. This approach created the problem, we need something new.

MADISON - Governor Walker unveiled a website on Tuesday that he claims will solve the student loan crisis by directing Wisconsin residents with student loans to private financial institutions. With much fanfare, the Governor announced that the State Department of Financial Institutions website will allow thirteen Wisconsin banks and credit unions an outlet to promote their businesses.

It was his most detailed plan yet to combat the growing student debt crisis. Unfortunately, this latest announcement does little to help people struggling under the weight of student loans. All it really does is refer people to private lenders and from what we've seen this is a problem the private sector has not been able to solve.

Senator **Dave Hansen** (D-Green Bay), along with Rep. Cory Mason, has authored the "Higher Education, Lower Debt (HELD)" legislation which would offer immediate tax relief and the potential for real savings student loan holders by creating a new state authority to refinancing existing student loan debt.



"If the private sector was able and willing to help refinance student loans we wouldn't have the student loan crisis we have today," said Hansen. "Other states like our neighbor Minnesota have recognized this and put in place a plan similar to HELD that makes it possible for their residents to refinance their student loans."

Since HELD was first introduced, several other states have moved forward with their own

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student loan refinance plans. Wisconsin has not. The amount of total student loan debt in Wisconsin is at \$19 billion and rising with the average student loan debt at over \$28,000. In addition, Governor Walker has failed to fully fund existing financial aid programs for students, forcing thousands of them to incur even more student loan debt.

“Unfortunately, there is nothing truly new here,” said Hansen. “Now that they seem to recognize the student loan crisis is real it is my hope the Governor and the Legislature will support a plan like HELD that truly helps students so they can invest in our economy rather than continue to help line the pockets of Wall Street banks and corporate student lenders.”

Legislative writer Jay Wadd contributed to this story.