AMDT #20

Amendment to the Chairman's Mark

Offered by Representatives Pocan, Van Hollen, Yarmuth, Pascrell, Moore, Castor, McDermott, Lee, Lujan Grisham, Dingell, Norcross, and Moulton

Lower Student Debt by Refinancing Student Loans and Protecting College Aid

1. At the end of Title IV, add the following:

"DEFICIT-NEUTRAL RESERVE FUND FOR STUDENT LOAN REFINANCING.

In the House, the chair of the Committee on the Budget may revise the allocations, aggregates, and other appropriate levels and limits in this resolution for the budgetary effects of any bill or joint resolution such as the Bank on Students Emergency Loan Refinancing Act, or amendment thereto or conference report thereon, that helps students lower their student loan debt by allowing them to refinance their federal loans, by the amounts provided by that legislation if such measure does not increase the deficit for the period of fiscal years 2017 through 2026."

2. Strike Section 614 and replace it with the following:

"POLICY STATEMENT ON LOWERING STUDENT DEBT THROUGH REFINANCING STUDENT LOANS

(a) FINDINGS. — The House finds the following:,
   1) More than two thirds of those graduating from college in 2014 had student loan debt, and the average debt had grown to $28,950.
   2) To add to the burden, 7.2 percent of young college graduates were unemployed in 2014, making it hard to repay their student loan debt.
   3) Existing federal student loan policies lock students into one interest rate for the life of the loan, and do not allow students to refinance their loans at current market rates.

(b) POLICY ON LOWERING STUDENT DEBT THROUGH REFINANCING STUDENT LOANS. — It is the policy of this resolution to accommodate legislation such as the Bank on Students Emergency Loan Act that would allow students to lower their debt by refinancing their federal student loans. Outlay changes from such measure shall be offset by adjusting the aggregate levels of revenue by equal amounts, reflecting the reduction of tax expenditures for the top one percent of income earners, or of unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the "carried interest" loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding $1 million per year."

3. Increase mandatory budget authority and outlays for Function 500 by the following amounts in billions of dollars to help students with financial need afford college by maintaining mandatory increases in the maximum Pell grant, maintaining in-school interest subsidies on federal student loans for needy students, and maintaining repayment options that helps students manage their loan debt.

	2017	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
BA	15.524	19.550	20.805	21.402	21.955	22.926	19.960	20.675	21.359	22.006
Outlays	7.500	17.085	19.112	20.070	20.693	21.225	20.186	19.153	19.558	20.143

4. Adjust the aggregate levels of revenue by amounts equal to the foregoing outlay changes in paragraph 3, reflecting the reduction of tax expenditures for the top one percent of income earners, or unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the "carried interest" loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding $1 million per year.

5. Make all necessary and conforming changes to the Chairman's mark.

6. Amend the committee report to reflect the following policy assumptions:

The resolution helps students lower their debt by accommodating legislation that lets them refinance federal student loans to the lowest available rate, by retaining current law that does not charge interest on certain federal loans while students with financial need are still in school and that offers students repayment options to help manage their loan debt, and by maintaining funding already enacted for Pell grants. At a time when the returns to a college education are so dramatic in terms of lifetime earnings and employment possibilities, the last thing Congress should do is make it harder for students to afford college by cutting grant aid and adding to student loan debt.

Unlike business practice that allows homeowners to refinance their mortgage when market rates improve, students are locked into one interest rate for the life of their federal loan.

Therefore, they cannot take advantage of changes in market rates to lower their debt. This inability to refinance their loan increases the burden on recent college graduates at a time when more than two thirds of those graduating from college had student loan debt, and the average was $28,950. To add to their burden, 7.2 percent of young college graduates in 2014 were unemployed, making it hard to repay their debt. This resolution expresses the intent of Congress to make college more affordable and lower student debt with deficit-neutral legislation allowing students to refinance their loans to the lowest rate available.

The resolution also maintains in-school interest subsidies on certain loans to needy students and existing options that help students manage their loan debt, along with existing mandatory funding for Pell grants. Almost 8 million students depend on Pell grants to afford a college education, and 72 percent of those students have family incomes of less than $30,000 per year, making it well-targeted aid. Many Pell grant recipients also rely on federal student loans to pay for college.

The resolution accommodates funding for student aid by reducing or eliminating some of the following: tax expenditures for the top one percent of income earners; or by reducing unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the “carried interest” loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding $1 million per year.