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Amendment to the Chairman's Mark

Offered by Representatives Jeffries, Van Hollen, Schwartz, Yarmuth, Pascrell, Moore, Castor, McDermott, Lee, Cicilline, Pocan, Cardenas, Blumenauer, and Schrader

Prevent Student Loan Interest Rates from Doubling

1. Increase budget authority and outlays for Function 500 by the following amounts in billions of dollars to reflect $4.255 billion starting in 2013 to ensure that interest rates on subsidized student loans do not double on July 1, an action that would increase the cost of college for 7 million students facing tough job prospects in the recovering economy.

	2014	*2015*	*2016*	*2017*	*2018*
BA	1.500				
Outlays	1.855	0.435			

2. Adjust the aggregate levels of revenue by amounts equal to the foregoing outlay changes in paragraph 1, reflecting the reduction or elimination of: 1) tax subsidies for the major integrated oil companies; 2) egregious tax breaks such as special depreciation for corporate jets; 3) loopholes in our international corporate tax system that encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, resulting in fewer American jobs to support the middle class; or 4) tax breaks for those with adjusted gross incomes above $1 million annually.

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

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

   The resolution assumes sufficient funding to spare college students from increased debt by maintaining the current 3.4 percent interest rate on subsidized student loans through June 2014. Congress gradually cut the interest rate on subsidized Stafford loans from 6.8 percent in 2007 to 3.4 percent in 2011. However, that interest rate will double on July 1, 2013, which will add an average of $2,800 in higher loan repayment costs to nearly 7.5 million low- and middle-income borrowers. Obtaining a college degree has a proven positive impact on future employment and salary, but graduates increasingly struggle with high levels of student loan debt; in 2011, two thirds of graduating seniors had student loans, and they faced an average debt of $26,600. Extending the lower interest rate for an additional year protects students from graduating with even higher debt to be repaid at the same time they are looking for work when jobs are scarce.

The resolution accommodates this necessary level of student loan funding by reducing or eliminating the following: tax subsidies for the major integrated oil companies; egregious tax breaks such as special depreciation for corporate jets; loopholes in our international corporate tax system that encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens; and tax breaks for those with adjusted gross incomes above $1 million annually.