

FACTSHEET: DON'T DOUBLE THE RATE ON STAFFORD LOANS

Students and families in the U.S. are struggling to afford the skyrocketing costs of a college education, and are now forced to take out record amounts of student loans. Unless Congress acts soon, subsidized Stafford student loan interest rates will double from 3.4% to 6.8% on July 1st, adding thousands in interest costs over the life of a loan.

Rising Costs Lead Students and Families to Turn to Loans to Pay for College.

- **Americans now owe over \$1 trillion in student loan debt**, surpassing credit card debt for the first time
- **The cost of tuition has increased over 500% since 1985**, forcing more students and families to turn to student loans
- **Student loan borrowers hold an average of \$25,500 in student loan debt**
- Two-thirds of all college students graduate with student loan debt

Doubling the Rate on Subsidized Stafford Loans Hurts Students Across the Country.

- **30% of all undergraduates took out subsidized Stafford loans in 2010-2011**
- **7.4 million students will rely on subsidized Stafford Loans this year** to help pay for college
- If the rate on subsidized Stafford loans doubles from 3.4% to 6.8%, **students will pay an extra \$1,000 on average per loan** due to increased interest charges
- If a student takes out the allowed maximum of \$23,000 in subsidized Stafford loans over four years of college, the rate increase will add almost \$5,000 interest over the life of the loans combined

In this economy, the last thing Congress should do is make a college education more expensive. Time is running out; help us urge members of Congress to work together and pass legislation to keep interest rates where they are. For more information, visit DefendYourDollars.org.