

Press Release

REP. CHRIS GORSEK

STATE REPRESENTATIVE, DISTRICT 49

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Rep. Gorsek Wants Fair Treatment for Students

Rep. Gorsek calls on Congress to support Bank on Students Loan Fairness Act

TROUTDALE – Representative Chris Gorsek (D-Troutdale) has introduced a bill that calls on Congress to give students the same interest rates available to big banks.

House Joint Memorial 19 calls on Congress to support the Bank on Students Loan Fairness Act, introduced by Senator Elizabeth Warren (D-MA).

The interest rate on new, federally subsidized student loans is set to double on July 1st from 3.4 to 6.8 percent. Unless Congress acts, the cost of borrowing money to go to college will double for millions of Americans. Meanwhile, a big bank can get a loan through the Federal Reserve discount window at a rate of about 0.75 percent.

"Students in Oregon are already struggling with massive student loan debt," said Representative Chris Gorsek (D – Troutdale). "It is outrageous that big Wall Street banks can get such a sweet deal while hardworking young people are faced with rapidly increasing rates."

The Bank on Students Loan Fairness Act would allow students who are eligible for federally subsidized Stafford loans to borrow at the same rate that big banks get.

The Congressional Budget Office recently increased the forecasted profit for the student loan program to \$50.6 billion, up from the February forecast of \$35.5 billion. This increase comes as student loans now total more than \$1 trillion, an amount the Federal Reserve has identified as a risk to household spending.

"We should be doing everything we can to support young people who want to improve their opportunities in life by going to college. It's time for Congress to put students before big banks," Rep. Gorsek said.

Rep. Gorsek is an instructor at Mt. Hood Community College and member of the House Committee on Higher Education and Workforce Development. Six U.S. Senators have joined Sen. Warren as cosponsors, including Senator Jeff Merkley (D-OR)