



Legislation Text

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Res. No. 799

Resolution calling upon Congress to pass and the President to sign the Bank on Students Emergency Loan Refinancing Act of 2015

By Council Members Ulrich and Eugene

Whereas, Outstanding student loan debt currently totals more than \$1 trillion, surpassing total credit card debt, according to the Federal Reserve Bank of New York; and

Whereas, As students struggle to pay for their college education, banks can receive federal government loans at a rate of 0.75%; and

Whereas, The current interest rate for subsidized Stafford student loans is 3.4%, but will double on July 1, 2015 unless Congress intervenes; and

Whereas, Congress is now confronted with the issue of whether to allow the new 6.8% interest rate take to effect July 1, 2015, or to enact legislation that would establish a different interest rate; and

Whereas, The unemployment rate for recent college graduates in 2014 was 14.9%, according to the United States Department of Labor; and

Whereas, Increasing the federal student loan interest rate will put more of a financial burden on students at a time when they are already squeezed by unemployment and confronted with significantly high debt; and

Whereas; S.793, introduced by Senator Elizabeth Warren (D-Mass.) and H.R.1434, introduced by Rep. Joe Courtney (D-Ct.), known as The Bank on Students Emergency Loan Refinancing Act of 2015 (the Act),

would set interest rates for federally-subsidized student loans at 0.75 percent for one year; and

Whereas, The Federal Reserve would provide the funds for the lower rate on student loans, according to the Act; and

Whereas, Under the Act, federal student loans would continue to be administered by the United States Department of Education; now, therefore, be it

Resolved, That the Council of the City of New York calls on upon Congress to pass and the President to sign the Bank on Students Emergency Loan Refinancing Act of 2015.

6/4/15
LS 4814
KJR