

Washington, DC -- The determined efforts of U.S. Representative Michael A. Arcuri (D-Utica) and the U.S. Congress to make college more affordable came to fruition yesterday when President Bush signed into law the College Cost Reduction and Access Act (H.R. 2669) – providing the single largest investment in college financial aid since the 1944 GI Bill, helping millions of students and families pay for college at no new cost to taxpayers.

“This marks a historic day for families and students across the 24th district who have been priced out of higher education for far too long,” **said Arcuri**. “In today’s global economy, education is the key to our children’s future and the future of Upstate New York. Last year, I pledged to make sure Upstate families weren’t priced out of a good education. Since taking office in January, I have done just that, improving access to higher education by reducing interest rates on student loans and increasing critical Pell Grants awards. This is a huge step toward meeting that goal.”

The College Cost Reduction and Access Act will boost college financial aid by more than \$20 billion over the next five years – including increasing financial aid \$2,217,665 for college students in New York. The bill pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by \$20.9 billion. It also includes \$750 million in federal budget deficit reduction.

In New York, 243,696 students take out need-based loans each year at public 4-year schools – causing a typical student to accumulate \$14,276 of debt. In the 24th district alone, there are 12,681 borrowers, attending our eight four-year colleges and universities and four two-year institutions.

Under H.R. 2669, the maximum value of the Pell Grant scholarship would increase by \$1,090 over the next five years, reaching \$5,400 by 2012. Close to 6 million low- and moderate-income students would benefit from this increase.

To reduce the cost of loans for millions of student borrowers, H.R. 2669 would cut interest rates in half on need-based student loans, from 6.8 percent to 3.4 percent over the next four years. Once fully phased-in, the interest rate cut would save the typical New York student borrower with need-based loans \$4,570 over the life of the loan.

“College costs have grown nearly 40 percent in the last five years,” **said Arcuri**. “Students are graduating from college with more debt than ever before and 200,000 students do not go to college every year because they can’t afford to. This historic legislation helps restore the American dream for those families.”

In addition, the legislation would ensure student borrowers do not face unmanageable levels of federal student debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 25 years.

H.R.2669 includes a number of other provisions to ease the financial burden on students and families such as tuition assistance for excellent undergraduate students who agree to teach in public schools and loan forgiveness after 10 years of public service.

Since taking office, Arcuri has also supported – and the House has passed – legislation to improve and reauthorize the national Head Start program, add thousands of highly qualified K-12 math and science teachers to our schools, and expand research opportunities.

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