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August 23, 2016

Mr. GordonWayne Watts
821 Alicia Rd
Lakeland, FL 33801-2113

Dear Mr. Watts:

Thank you for contacting my office regarding H.R. 3451, the Student Loan Bankruptcy Parity Act of 2015. I appreciate you taking the time to share your views on this important matter, and I welcome the opportunity to respond.

As you may know, H.R. 3451 was introduced by Representative Daniel T. Kildee on November 8, 2015 and seeks to amend title 11 of the United States Code to make student loans dischargeable in bankruptcy cases.

Students are the foundation of our country's future. Ensuring they have the ability to afford a college education is the first step in preparing them to compete in an increasingly global marketplace.

Over the past 25 years, the cost of going to college has quadrupled. About 60% of students take out loans to finance their education, and more than half borrow over \$10,000. In 2010-2011, 7.6 million undergraduate students borrowed Subsidized Stafford Loans. The U.S. Department of Education (ED) estimates over 7.4 million undergraduate students will have borrowed Subsidized Stafford Loans in 2012-2013. Students in the Class of 2013 graduated with an average of \$30,000 in debt.

Additionally, the issue of student debt also affects our deficit. The Congressional Budget Office has projected that every dollar lent in 2010 by the William D. Ford Direct Loan Program, administered by the Department of Education, would add 13 cents to the federal deficit. Given that the government disbursed \$27.7 billion in subsidized Stafford loans, that 13-cents-on-the-dollar ended up costing \$3.6 billion. As a result, the Department of Education added \$3.5 billion to the federal deficit in 2010, with subsidized Stafford loans alone.

You may be interested to know, Representative John Kline (MN-02) introduced H.R. 1911, the Smarter Solutions for Students Act, on May 9, 2013 and seeks to set floating rates on new Stafford loans at the 10-year Treasury rate plus 2.5%. At the same time, it would also protect borrowers by capping the rates at 8.5%. Under this plan, a borrower could consolidate his or her loans after graduation to achieve a fixed rate. H.R. 1911 passed the House, with my support, on May 23, 2013.

Following the House passage, the Senate amended this bill, such that, as enacted into law, it sets the annual

interest rate on Stafford loans at the rate on high-yield 10-year Treasury sets plus 2.05%, but caps the rate at 8.25% for undergraduates. For graduate students, this law sets interest rates at the rate on high-yield 10-year Treasury notes plus 3.6%, capped at 9.5%. This bipartisan solution passed the Senate on July 24, 2013, by a vote of 81 to 18, and the House on July 31, 2013, with my support, in an overwhelming vote of 392 to 31. President Barack Obama signed it into law on August 9, 2013, making it law.

Student loans are an essential component to making the cost of college more affordable, which is why I lent my full support to this measure.

H.R. 3451 has been referred to the House Committee on the Judiciary, of which I am not a member. Please know should this bill come before the full House of Representatives for a vote, I will be sure to keep your concerns in mind.

Most students are now saddled with extraordinary debt and are entering one of the weakest recoveries in history. As the father of two sons in today's economy, I know first-hand the important role education plays in today's society and I will continue to work with my colleagues on solutions to reduce both the cost of education and the student debt in our country.

It is an honor and privilege to represent constituents like you of the 15th District of Florida. To learn more on how I may serve you, please visit <http://dennisross.house.gov>. Please feel free to continue to contact me in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Ross", written in a cursive style.

Dennis A. Ross
Member of Congress

P.S. Thank you again for contacting me. I am constantly looking for ways to help Central Floridians. If you have a minute, I'd love to hear your thoughts on your experience. [Click here to take a brief constituent satisfaction survey so I can learn how to better serve you.](#)

DR/MR