

# Stakes Are High As Congress Considers Student Loan Cut

by *Kevin Bruns*

(NAPSA)—In just a few weeks, the U.S. Senate will consider a bill that will have an impact on every community in the nation and the futures of millions of students. The proposal is a multibillion dollar cut in the nation's largest student loan program—the guaranteed student loan program which provided over \$39 billion in educational assistance for 5.4 million students and parents in 2004 alone.

Given what's at stake, the Senate should consider—and the public should know—the consequences of making an excessive cut in the student loan program.

With guaranteed student loans, families win. Each year, students and parents rely upon the Federal Family Education Loan Program to help make their goals of higher education a reality. And because student loan providers compete with each other, students and parents benefit from low-cost loans and high-quality service.

With guaranteed student loans, taxpayers win. The money lent to these families comes from private financial markets, not taxpayers. The loans are economical too—less than \$900 million was spent last year to support \$245 billion in outstanding loans or less than four-tenths of a cent on every outstanding dollar of loans.

With guaranteed student loans, our communities win. It's our colleges, universities and schools that produce the nurses, doctors, engineers, teachers, technicians, etc., that are so important to each of our community's quality of life. And it has been the availability of low-cost loans that has helped Americans from all walks of life both fulfill their potential and become productive workers and responsible citizens.

Finally, the largest secondary school classes in history will be graduating over the next several years. They may also be the most diverse.

So is this really the time for the federal government to reduce support for higher education?

Congress ought to be concentrating on ways to increase access to higher education. That means lowering financial barriers and making more young people aware of grants and loans and the value of postsecondary education and training. An excessive cut in student loans is a step in the wrong direction.

*Kevin Bruns is executive director of America's Student Loan Providers, a national coalition of more than 80 lenders and guaranty agencies that provide federally guaranteed loans to students and parents through the Federal Family Education Loan Program.*