

College Cost Reduction and Access Act

The largest investment in higher education since the GI Bill – at no new cost to taxpayers

The College Cost Reduction and Access Act will provide **the single largest investment in higher education since the GI bill**. And it will do so at **no new cost to taxpayers**, by cutting excess subsidies paid by the federal government to lenders in the student loan industry.

This new investment is critically important. College costs have grown nearly 40 percent in the last five years. Students are graduating from college with more debt than ever before. And many would-be students are holding off on going to college, or skipping it altogether, because they don't believe they can afford it.

By boosting scholarships and reducing loan and tuition costs, the College Cost Reduction and Access Act makes an historic investment in America's college students, its economic competitiveness, and its future, while maintaining fiscal responsibility. The legislation would:

Strengthen the Middle Class by Making College More Affordable

- ✓ Cutting interest rates in half on subsidized student loans over the next four years.
- ✓ Making student loan payments more manageable for borrowers by guaranteeing that borrowers will not have to pay more than 15 percent of their discretionary income in loan repayments, and allowing borrowers in economic hardship to have their loans forgiven after 25 years.

Increase the Purchasing Power of the Pell Grant Scholarship

- ✓ Increasing the maximum Pell Grant scholarship by \$490 next year and at least \$1,090 over the next five years, ultimately reaching a maximum scholarship of at least \$5,400 by 2012.
- ✓ Expanding eligibility through needs analysis to include and serve more students with financial need.

Ensure a Highly Qualified Teacher in Every Classroom

- ✓ Providing upfront tuition assistance to qualified undergraduate students who commit to teaching in public schools in high-poverty communities or high-need subject areas.

Encourage and Reward Public Service

- ✓ Providing public servants loan forgiveness after 10 years of public service and loan repayment for military service members, first responders, law enforcement officers, firefighters, nurses, public defenders, prosecutors, early childhood educators, librarians, and others.

Make Historic New Investments in Minority-Serving Institutions

- ✓ Making a landmark new investment of \$510 million over five years in Historically Black Colleges and Universities, Hispanic-Serving Institutions, Tribal Colleges, Alaska Native and Native Hawaiian institutions, and the newly designated Predominantly Black Institutions and institutions serving Asian Americans and Pacific Islanders and Native American students – to ensure that students will not only enter college, but remain and graduate.

Encourage State and Philanthropic Participation in College Retention and Financing

- ✓ Establishing a partnership among federal, state and local government entities and philanthropic organizations through matching challenge grants aimed at increasing the number of first generation and low-income college students.