

College Affordability Action Plan

Congressman Ron Kind

Representing Wisconsin's Third Congressional District

We Must Act Now

Student loan debt has surpassed \$1 trillion, higher than credit card debt and second only to homeowner mortgage debt. On average, Wisconsin students hold more than \$28,000 in student loans when they graduate but some students owe well over \$100,000. My plan provides five simple and workable options to ease the burden on current and future student borrowers and their families.

Government Shouldn't Profit from Student Loans

The federal government is expected to make \$127 billion in profit from the federal student loan program over the next ten years. The PELL Grant Funding Act will stop the federal government from making money by putting students further into debt. My legislation directs any profit the government makes from federal student loan programs into federal Pell Grant programs, making sure that Pell Grants remain sustainable and affordable for future students.

Allow Refinancing of Student Loans – Like Mortgages

Like homeowners can do with their mortgages, student borrowers should be allowed to refinance their loans if interest rates drop. Student borrowers can be saddled with decades of high interest loans and large monthly payments. It is common sense that students should be able to take advantage of refinancing when lower interest rates become available.

Extend and Expand Tax Incentives to Address College Affordability

In order to remain globally competitive, our citizens must have access to higher education. One way to make college affordable and accessible is to extend and expand tax incentives. The American Opportunity Tax Credit, Tuition Deduction, and the Student Loan Interest Deduction are all tax incentives that can help students pay for school. We can also promote college accessibility and affordability by removing barriers to savings plans and allowing qualified expenses to include computers. Investing in education must remain a priority to ensure that America remains competitive in an increasingly global economy.

Match Loan Payments to Earnings

Many borrowers struggle to make payments in the years after graduation when their incomes are often lowest or if they become unemployed. A simple solution is to create a streamlined and dynamic repayment system that automatically adjusts to a borrower's ability to pay.

Year-Round Pell Grants

Nearly 9 million students depend on Pell Grants to attend and complete college. As our economy changes and grows, no longer are students between the ages of 18 and 22. With the growing costs of a four-year degree, enrollment at community and technical colleges has increased. Restoring access to year-round Pell Grants would help students both graduate early and on time by providing the flexibility they need to complete their courses.