

# Support Sen. Elizabeth Warren and S.897

# #BankOnStudents

Take Back the Fed to issue 0.75% Federal Stafford Loans – **MORE AT [AGAINSTAUSTERITY.ORG](http://AGAINSTAUSTERITY.ORG)**

## TO THE SENIORS OF THE CLASS OF 2013

**Give yourself a real graduation present: cut the interest on your student loans to 0.75%!**

**Make sure your commencement ceremony helps to pass S.897, Senator Elizabeth Warren's Bank On Students Loan Fairness Act!**

As every college student knows, the crushing burden of student loan debt poses the single greatest obstacle to anyone seeking a good education. An undergraduate degree frequently means \$30,000-\$50,000 and up in debt. An advanced degree starts at twice that, and medical and law degrees can saddle the student with six-figure loans. For the nation as a whole, student loan debt is a social crisis set to exceed \$1 trillion. Interest rates vary, but they are always far too high for young people starting out in life. And things are scheduled to get worse, with **the interest rate on one key type of student loan set to double from 3.4% to 6.8% on July 1**. A whole generation of young people is being forced to put their lives on hold, prevented by high interest debt from continuing their schooling, from renting or buying a home, from getting married and having children. This is simply intolerable.

At the same time, **Wall Street banks can borrow from the Federal Reserve Discount Window for a mere 0.75%**. That's right – just three quarters of 1%. Why should students be crushed when the bankers who caused the present economic crisis with their wild and irresponsible derivatives speculation get a sweetheart deal?

Fortunately, Massachusetts Senator Elizabeth Warren has now offered a bill – S.897, the Bank on Students Loan Fairness Act – which would force the Federal Reserve to fund federal Stafford loans through the US Department of Education at an annual interest rate of just 0.75%; the discount rate the Fed offers banks. Do the arithmetic and you can easily figure out how much interest this bill will save you every year. But this bill faces an uphill battle to become law, since it is likely to be opposed by Wall Street lobbyists, the congressional leadership of both parties, and by the Obama White House. The only hope for the Warren bill lies in a massive outpouring of support, starting with the graduation ceremonies of the class

of 2013. That means a big part of your economic destiny is now in your hands.

Graduation ceremonies are often marked by boring platitudes from overpaid and cynical celebrities. But now you can use your graduation day as a springboard to cutting your monthly loan payment.

**Make sure in advance that your commencement speaker is going to deliver a stirring call to make Senator Warren's bill into law right now, before July 1.** If your current speaker won't actively support the bill, fire them and find a speaker who will. Your college or university president knows better than anybody what a huge problem student loan indebtedness represents for individual borrowers and for the country. They need to actively organize to support the Warren bill. If they refuse, then something is very wrong. The same goes for the rich fat cats who often sit on boards of trustees. If they can't support Senator Warren, they are not interested in higher education. Influential professors should be encouraged to come forward as public spokespersons for Senator Warren's approach. Use your college radio and newspapers to alert the entire student body. And don't forget to mobilize debt-ridden recent alumni coming back for reunions.

**Plan to have your commencement ceremony pass a strong resolution demanding the immediate passage of the Warren bill.** Make sure this resolution goes to the relevant congressmen and senators, along with the demand that they co-sponsor Senator Warren's measure and get more votes for it. If they drag their feet, assure them that they will soon be voted out of office. On more militant campuses, it may be appropriate to demonstrate or to occupy a building and stay there until the Warren bill is signed into law by Obama. Make sure you tell the local media in advance. The general public will be with you on this one.

Senator Warren would also benefit from feedback. All of her arguments in favor of a Fed-assisted 0.75% interest rate on Stafford loans apply to all other categories of student loans as well. Everyone without exception should be able to refinance at 0.75%, including holders out of Perkins loans, Federal Direct Student Loans, and Plus Loans taken out by parents. The Department of Education must be given the means to refinance all private student loans at the new lower rate.

This may be your only chance to help Senator Warren cut the interest rates you will be paying for a long time. The end of the semester is coming soon. If you let this chance slip by, you will have only yourself to blame.