



Duckworth, Durbin Re-Introduce Bill to Help Americans Refinance Student Loans and Save Thousands of Dollars

March 21 2019 8:17 AM

— U.S. Senators Tammy Duckworth (D-IL) and Dick Durbin (D-IL) joined U.S. Senator Elizabeth Warren (D-MA) and Congressman Joe Courtney (CT-02) in reintroducing legislation to allow Americans with outstanding student loan debt to refinance their loans at more affordable interest rates, potentially saving thousands of dollars. The bicameral *Bank on Students Emergency Loan Refinancing Act* would also allow graduate and parent borrowers to refinance at competitive rates, helping them reduce their monthly payments and repay their loans sooner.

“I know how tough it is for hard-working students and their families to pay for college – I put myself through college with student loans, grants, and heck of a lot of waitressing,” said Senator Duckworth. **“Every day, an affordable education is growing further and further out of reach for middle-class families, limiting young Americans' prospects for the future and threatening both our economic growth and global competitiveness. This common-sense legislation will make college more affordable and help countless families struggling under the weight of their student debt.”**

“Giving students the ability to refinance their student loans at lower and more affordable interest rates would help millions of student borrowers save money,” Durbin said. **“Congress must do more to address the student loan debt crisis in America.”**

“The student debt crisis is real for millions of Americans, and our current student loan system is deeply unfair to borrowers,” Senator Warren said. **“This legislation has always been about basic fairness: people should be able to lower their federal student loan interest rates and reduce their debt burdens like they can with a mortgage, car loan, or other consumer loans.”**

“With interest rates near historic lows, students and recent graduates should be able to refinance their debts in the same way that we allow business entities, homeowners, and others to refinance,” said Representative Courtney. “A college education is one of the most valuable investments a family can make, but it’s also become one of the most expensive – and student loans often come with higher interest rates than mortgages, car loans and other forms of consumer lending. With so many young borrowers struggling to make payments on student loans with overinflated interest rates and on legacy loans with high interest rates that are locked-in, and with agencies like the Federal Reserve and the Consumer Financial Protection Bureau sounding the alarm on the dangers of rising student debt, Congress shouldn’t wait any longer to take action on Senator Warren’s and my bill, which will help ease the burden on student and family borrowers by giving them the same sort of refinancing options available in other markets.”

The *Bank on Students Emergency Loan Refinancing Act* would allow borrowers with existing public or private student loans to refinance those loans to a 3.76 percent annual interest rate – the same lower rate that was offered in the 2016-2017 school year. Graduate school loans could be refinanced to 5.41 percent, and parent loans for a child’s education to 6.41 percent. According to estimates from the Department of Education, about 25 million borrowers would be likely to refinance under this legislation, and borrowers would receive an average savings of \$2,000 over the life of their loan.

Duckworth and Durbin [introduced](#) the *Servicemember Student Loan Affordability Act* in July of 2017 to fix a provision in the federal law that unintentionally discourages members of the military from consolidating or refinancing pre-service student loans and taking full advantage of all student benefits provided to servicemembers.

In February of last year, Duckworth led a group of Senators in [introducing](#) the *Community College to Career Fund Act*, legislation to make education more affordable for students pursuing degrees in high-skill industries and help close the “skills gap” by making it easier for businesses to fill vacant, good-paying jobs with qualified candidates. As a Congresswoman, she introduced the In The Red Act, which would strengthen Pell Grants and make community college tuition-free for deserving students to help prepare them for high-skilled jobs.

In addition to Duckworth, Durbin and Warren, the legislation is cosponsored in the Senate by U.S. Senators Tammy Baldwin (D-WI), Michael Bennet (D-CO), Richard Blumenthal (D-CT), Cory Booker (D-NJ), Sherrod Brown (D-OH), Ben Cardin (D-MD), Bob Casey (D-PA), Maria Cantwell (D-WA), Catherine Cortez Masto (D-NV), Dianne Feinstein (D-CA), Kirsten Gillibrand (D-NY), Kamala Harris (D-CA), Maggie Hassan (D-NH), Martin Heinrich (D-NM), Mazie Hirono (D-HI), Amy Klobuchar (D-

MN), Patrick Leahy (D-VT), Joe Manchin (D-WV), Ed Markey (D-MA), Robert Menendez (D-NJ), Jeff Merkley (D-OR), Chris Murphy (D-CT), Gary Peters (D-MI), Jack Reed (D-RI), Bernie Sanders (I-VT), Jeanne Shaheen (D-NH), Tina Smith (D-MN), Debbie Stabenow (D-MI), Tom Udall (D-NM), Chris Van Hollen (D-MD), Sheldon Whitehouse (D-RI) and Ron Wyden (D-OR).