



581,000 Student Loan Borrowers in Massachusetts Would Benefit from Refinancing

THE ISSUE

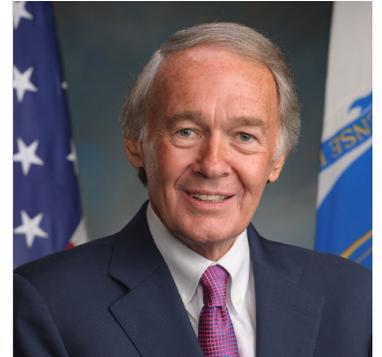
Students, families, and communities have all been affected by the growing problem of student loan debt.

- Nearly 1 in 5 U.S. households is affected by student debt.¹
- There are 40 million borrowers in the U.S. carrying \$1.2 trillion² in student loan debt.
- The average debt load for a 2012 bachelor's degree recipient is approximately \$29,400.³
- 980,000 Massachusettsans have student loan debt.
- The total student loan debt for the state is \$24,214,544,000.⁴

Many student loan borrowers have high and unmanageable interest rates. This not only impacts their ability to repay loans, but other life decisions as well.

- According to a report by the New York Fed, thirty-year-olds with student loan debt were **less likely to own a home** than those without student debt—the opposite of what happened pre-recession.³
- For older borrowers, student loan debt may prevent parents from contributing to their children's college education or even **delay their own retirement.**
- While consumers with car and home loans have the option of lowering their monthly payments by refinancing their loans, those with student loans do not.

The ability to refinance student loans will help young people, families, and seniors achieve a fair shot in this economy.



Senator Markey (D)
@MarkeyMemo

VOTED YES



Senator Warren (D)
@SenWarren

VOTED YES

THE SOLUTION

Earlier this year, the Senate was only 2 votes short of the needed 60 votes to move forward Sen. Elizabeth Warren's (D-MA) Bank on Students Emergency Loan Refinancing Act (S.2432). This bill would allow student loan borrowers—including those with graduate and parent loans—to refinance their loans to

a lower interest rate. For those with private loans, refinancing student loans into the federal loan system would allow borrowers access to programs like income-based repayment plans and public service loan forgiveness (PSLF). **According to the Congressional Budget Office, passing Senator Warren's bill would reduce the deficit by about \$14 billion during the 2015-2024 period.**⁵



Allowing hardworking students and families to refinance their loans would not only help borrowers, but also the entire economy.

- A report by Generation Progress and the Center for American Progress found that lowering student loan interest rates to 5 percent in 2013 would have saved borrowers \$14 billion and added \$21 billion to the economy in the first year alone.⁶

Ultimately, refinancing student loans will help 25 million borrowers save an average of \$2,000 over the life of their loan and help families become more financially stable.⁷

WHAT'S HAPPENING AROUND THE ISSUE

There's a national movement around the ability to refinance student loans.

- In conjunction with the Higher Ed Not Debt campaign, Generation Progress helped collect and deliver more than **300,000 petition signatures** calling for student loan refinancing to Senate offices.
- In addition to delivering petitions, **30 organizations** signed on to a letter in support of refinancing which was delivered to all 100 Senate offices.
- From Twitter town halls to live webinars, borrowers have also taken action online using #itsourinterest, which resulted in over **10 million Twitter impressions** during the week of the first vote on the Bank on Students Emergency Loan Refinancing Act.



This recess, student loan borrowers from across the country will be reaching out to their Representatives and Senators to ask them to take action.

FOR MORE INFORMATION

For more information and to get involved, check out itsourinterest.org.

Personal Story

“ Each month, I pay \$316 toward a balance of \$38,900. The balance never goes down because the interest is higher than my payment. I have paid more than \$6,000, but the balance increases because of the interest. I am currently unemployed. Each week, I carefully place my unemployment check toward my accounts including my student loans. I don't have money to put gas in my car to drive anywhere since the entire unemployment check is paying bills. ”

*-Stephanie DeMartino, 45,
Southbridge, Massachusetts*

RELATED RESOURCES

[Calculate Your Refinancing Savings](#)

[Refinancing Student Loans 101](#)

[Fact Sheet on Sen. Warren's Bank on Students Emergency Loan Refinancing Act](#)

[It's Our Interest: The Need to Reduce Student Loan Interest Rates](#)

END NOTES

1 “Among, US Households, 1 in 5 Has Student Loan Debt,” available at <http://www.edtrust.org/dc/press-room/news/among-us-households-1-in-5-has-student-loan-debt> (last accessed August 2014).

2 “Student Debt Swells, Federal Loans Now Top a Trillion,” available at <http://www.consumerfinance.gov/newsroom/student-debt-swells-federal-loans-now-top-a-trillion/> (last accessed August 2014).

3 The Institute for College Access and Success, “Student Debt and the Class of 2012” (2013), available at <http://projectonstudentdebt.org/files/pub/classof2012.pdf>.

4 Ibid

5 <http://www.cbo.gov/publication/45433>

6 Anne Johnson, Tobin Van Ostern, “It’s Our Interest: The Need to Reduce Student Loan Interest Rates” (Washington: Center for American Progress 2013), available at <http://www.americanprogress.org/wp-content/uploads/2013/02/StudentLoan-Refinancing-5.pdf>.

7 The Domestic Policy Council and Council of Economic Advisers, Taking Action: Higher Education and Student Debt, (The White House, 2014), available at http://www.whitehouse.gov/sites/default/files/docs/student_debt_report_final.pdf.

This fact sheet was updated to reflect the accurate amount of total outstanding federal student loan debt in each state on August 26, 2014.