

**MAY 1, 2002**

**SCHAKOWSKY, DEMOCRATS RALLY AGAINST BUSH PLAN TO RAISE TUITION ON COLLEGE STUDENTS**

**NEARLY 700,000 STUDENTS PER YEAR WOULD BE AFFECTED**

**WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) and her Democratic colleagues today joined Democratic Leader Dick Gephardt and college students to rally against a proposal by the Bush Administration that would make paying back college loans more expensive.**

**"College students are the latest victims of the Bush tax cut for the rich. To deliver the hundreds of billions of dollars promised in his tax cut to the top one percent, President Bush is taxing college students," Schakowsky said.**

**Each year, nearly 700,000 students consolidate their student loans in order to benefit from a fixed, lower interest rate. This lower, fixed rate - which applies to the full term of the loan, up to thirty years - saves students money and helps them pay off their loans sooner. In an effort to reduce the federal deficit by raising more money from students who are paying back their loans, however, the White House has proposed legislation that would prevent students from consolidating their loans and locking in the lower, fixed rate. If this legislation were enacted, consolidated loans would have variable interest rates, which fluctuate with market rates.**

**"Under the Bush proposal, a student with a \$20,000 loan would have to pay about \$5,300 more in interest over the term of the loan. Students from hard working low and middle income families are more likely to graduate with significant loan debt. Under the Bush plan, they will be leave college owing more money. That is unfair and Democrats, with the help of students in our nation's colleges, will defeat this proposal," Schakowsky said.**