

Washington, DC -- Congressman Vern Buchanan (R-FL 13) today helped pass legislation to reduce college costs for low and middle income students. The “College Cost Reduction and Access Act” (H.R. 2669), which passed the House 292 to 97, cuts excessive federal subsidies to student loan lenders and invests the savings in student aid to make college more affordable to qualified students.

“As someone who grew up in a blue-collar family to become a successful businessman and Member of Congress, I know first-hand the value of a college education,” said Buchanan. “The spiraling cost of college has saddled graduates with enormous debt and discouraged others from going to college at all. This is a fiscally responsible bill that will make it more affordable for students, regardless of their backgrounds, to go to college and improve their lives.”

The college cost reduction bill would increase the maximum value of federal Pell Grants by \$1,090 over the next five years from \$4,050 in 2006 to \$5,400 by 2012. Roughly 5.5 million low- and moderate-income students would benefit from the increase. Additionally, the bill cuts interest rates on need-based student loans in half from 6.8 percent to 3.4 percent over the next four years – saving the typical student borrower \$4,400 over the life of the loan. About 6.8 million students take out need-based loans each year.

Earlier this year, Buchanan was one of 47 House Republicans – and the only Florida Republican – to support the House-passed version of the bill and one of 77 Republicans House members to vote today for the House-Senate final passage. The president has indicated he will sign the bill, which passed the Senate earlier today by a vote of 79 to 12.