

(September 27, 2007) Lipinski Praises Largest College Aid Expansion In Six Decades

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New Law Boosts Scholarships and Reduces Loan and Tuition Costs
for Middle Class Families

WASHINGTON - Today, Representative Dan Lipinski (D-IL) applauded the largest federal investment in college financial aid since the GI Bill of 1944. The College Cost Reduction and Access Act of 2007, H.R. 2669, was signed into law this morning by President Bush. The final version of the bill, passed by both the House and the Senate on September 7, provides students with more than \$20 billion in financial aid over the next five years while imposing no new costs on taxpayers.

"As a former college professor I know how critical a college education is and I understand how expensive it has become, loading down students and their families with large debts coming out of college," said Rep. Lipinski. "This new law will provide significant help in making college more affordable for millions of students and families. I am proud to have played a role in accomplishing this victory for middle class families."

The College Cost Reduction and Access Act raises the Pell Grant scholarship value by at least \$1,090 over the next five years, ultimately reaching a maximum scholarship of at least \$5,400 by 2012. This new aid will benefit roughly 230,000 students in Illinois. The bill also will cut interest rates in half on need-based student loans over the next four years, from 6.8 percent to 3.4 percent, saving every Illinois student approximately \$4,500 over the life of their loans.

In addition, the bill will provide tuition assistance for excellent undergraduate students who are going into teaching, and it will provide loan forgiveness for college students who go into public service professions. The legislation will be funded by cutting excess subsidies paid by the federal government to lenders in the student loan industry thus preventing any new costs from being imposed on taxpayers.

"Making college more affordable is particularly important at a time when the costs of attending college continue to skyrocket," said Rep. Lipinski. "This new law will make a real difference in the lives of millions of students and their families. I will continue to work to ensure that financial barriers do not prevent any qualified student from pursuing higher education."