

8 GREAT WAYS STUDENT AID REFORM WORKS FOR YOU

Since 2007, the Democratic-led Congress has:

1

INCREASED THE MAXIMUM PELL GRANT AWARD TO \$5,550 THIS YEAR

By 2017, the maximum Pell Grant is expected to be \$5,975. The value of the Pell Grant had been shrinking—paying 75% of college costs in 1977, and just 33% last year.

2

MADE YOUR STUDENT LOAN REPAYMENTS MORE AFFORDABLE

Right now you can cap your student loan payment at 15% of your discretionary income, and any balances you have left after 25 years will be forgiven. For new borrowers starting in 2014, this goes down to 10% of your discretionary income, with balances forgiven after 20 years.

3

LOWERED STUDENT LOAN INTEREST RATES ON YOUR NEED-BASED LOANS

Subsidized Stafford loan rates have been dropping and will continue to decrease over the next two years, going down to 4.5% in the 2010-2011 school year and reaching 3.4% in the 2011-2012 school year.

4

INVESTED IN STUDENTS, NOT BANKS

By switching all schools to the more efficient Direct Loan program, the government will save \$61 Billion over the next 10 years—money that will now be used to help you, rather than to give subsidies to banks.

5

MADE IT EASIER TO APPLY FOR FEDERAL STUDENT AID & PLAN FOR TEXTBOOKS

We streamlined the Free Application for Federal Student Aid (FAFSA) process down from 100 questions and created a two-page FAFSA-EZ form—giving families extra time to plan for college expenses. On textbooks, colleges are now required to provide you with advance information on textbook pricing to help you plan. And publishers must provide pricing information on “unbundled” versions of every “bundled” textbook they sell.

6

INVESTED IN COMMUNITY COLLEGES - \$500 MILLION A YEAR FOR NEXT 4 YEARS

All students—including those who are returning to school after being in the workforce—will have access to high-quality, low-cost higher education. More courses will be available, at times that work for you.

7

INVESTED \$3 BILLION IN HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-SERVING INSTITUTIONS

This can renew, reform, and expand programming to provide students with the support they need to stay in school and graduate.

8

ENCOURAGED TEACHING THROUGH TUITION ASSISTANCE AND REWARDED PUBLIC SERVICE THROUGH LOAN FORGIVENESS

You can receive up to \$4,000 a year in up-front tuition assistance if you commit to teaching in a high-need school or subject area for four years after you graduate. If you work in public service or at a non-profit for 10 years, and make payments on your federal student loans during that time, any balances you have after 10 years will be forgiven.