

am very pleased to report that yesterday, September 18, Congress sent historic college aid legislation to the President's desk for his signature. The bill, the College Cost Reduction and Access Act, was passed by overwhelming bipartisan majorities in both the House and the Senate on September 7. This piece of legislation will provide the single largest investment in higher education since the 1944 GI bill.

The College Cost Reduction and Access Act will cut interest rates on subsidized student loans in half over the next four years, while making student loan payments more manageable for borrowers by guaranteeing that individuals will not have to pay more than 15 percent of their discretionary income in student loan repayments. In addition, the approximately 5.5 million students who receive Pell Grant scholarships each year would see an immediate increase in their maximum scholarship next year and an increase of \$1,090 over the next five years.

In Massachusetts, this legislation will save students nearly \$5,000 in interest payments and will provide extra Pell Grant support to the 77,000 students who receive the scholarship annually.

This new investment is long overdue. The cost of attending public college rose by almost 40 percent over the past five years during the Republican-led Congress, yet the maximum Pell Grant increased by only 8 percent during that time period.

In addition, I am sure that you will be pleased to hear that the bill pays for itself by reducing excessive federal subsidies paid to lenders in the college industry by \$20.9 billion. It also includes \$750 million in federal budget deficit reduction.

College educations are more expensive than ever, but also more necessary than ever. We need to do what ever we can to break down the financial barriers that prevent too many capable students from pursuing higher education.

Sincerely,

John W. Olver
Member of Congress