

Senator Elizabeth Warren's (D-MA) Bank On Students Emergency Loan Refinancing Act

Earlier this summer, the Senate voted on Senator Elizabeth Warren's (D-MA) Bank on Students Emergency Loan Refinancing Act (S.2432). Although the bill failed to reach cloture (vote was 56-38), it was an important step toward alleviating the more than \$1.2 trillion of debt carried by 40 million Americans [[Congressional Budget Office](#)]. The bill received bipartisan support, and Democrats have stated their commitment to reintroduce the bill later this year [[Politico](#)].

The Bank on Students Emergency Loan Refinancing Act would:

Allow all eligible federal student loan borrowers to refinance their loans down to interest rates offered to new 2013-2014 borrowers (see chart below).

Allow eligible borrowers to refinance high-interest private loans into federal programs in order to take advantage of lower federal rates, as well as benefits and protections offered by the federal student loan program.

- About 10 percent of borrowers hold private loans eligible for refinancing. [[Washington Post](#)]
- Allow an estimated 25 million student loan borrowers to refinance their student loans at lower interest rates, saving the typical borrower \$2,000 over the life of his or her loan. [[The Domestic Policy Council & The Council of Economic Advisors](#)]
- Pay for refinancing by implementing the Buffet Rule to close tax loopholes for millionaires and billionaires.
- Reduce the deficit by about \$14 billion during the 2015-2024 period. [[Congressional Budget Office](#)]

Bank on Students would refinance loans down to the 2013-2014 direct loan rates:

Direct Subsidized Loans (Undergraduates): 3.86 percent interest rate

Direct Unsubsidized Loans (Undergraduates): 3.86 percent interest rate

Direct Unsubsidized Loans (Graduate or Professional Students): 5.41 percent interest rate

Direct PLUS Loans (Parents and Graduate or Professional Students): 6.41 percent interest rate

[[Federal Student Aid](#)]

More than \$1.2 trillion in student loans are hurting borrowers and the economy.

In 2012, average student debt upon graduation was \$29,400. [[The Project on Student Debt](#)]

70 percent of recent graduates have student loan debt. [[The Project on Student Debt](#)]

Student loan debt is only second in size to mortgage debt. [[Generation Progress](#)]

Refinancing loans above five percent would have saved borrowers \$14 billion in 2013, money that could have been reinvested in other sectors of the economy, or used to invest in homes, cars, or small businesses.

[[Center for American Progress](#)]

The majority of federal student debt is at rates above six percent, yet other types of federal debt have rates below two percent. [[Center for American Progress](#)]

More Millennials cite student loan debt a major concern than any other form of debt, and only 40 percent believe they got a good value on their education. [[Fusion](#)]

The following Senators voted YES for Warren's bill on June 10, 2014:

Tammy Baldwin (D-WI)	Mary Landrieu (D-LA)
Mark Begich (D-AK)	Patrick Leahy (D-VT)
Michael Bennet (D-CO)	Carl Levin (D-MI)
Richard Blumenthal (D-CT)	Joe Manchin (D-WV)
Cory Booker (D-NJ)	Ed Markey (D-MA)
Barbara Boxer (D-CA)	Bob Menendez (D-NJ)
Sherrod Brown (D-OH)	Jeff Merkley (D-OR)
Maria Cantwell (D-WA)	Barbara Mikulski (D-MD)
Benjamin Cardin (D-MD)	Lisa Murkowski (R-AK)
Thomas Carper (D-DE)	Christopher Murphy (D-CT)
Bob Casey (D-PA)	Patty Murray (D-WA)
Chris Coons (D-DE)	Bill Nelson (D-FL)
Susan Collins (R-ME)	Mark Pryor (D-AR)
Bob Corker (R-TN)	John Reed (D-RI)
Joe Donnelly (D-IN)	Jay Rockefeller (D-WV)
Richard Durbin (D-IL)	Bernie Sanders (I-VT)
Kay Hagan (D-NC)	Brian Schatz (D-HI)
Tom Harkin (D-IA)	Chuck Schumer (D-NY)
Heidi Heitkamp (D-ND)	Jeanne Shaheen (D-NH)
Martin Heinrich (D-NM)	Debbie Stabenow (D-MI)
Mazie Hirono (D-HI)	Jon Tester (D-MT)
Dianne Feinstein (D-CA)	Mark Udall (D-CO)
Al Franken (D-MN)	Tom Udall (D-NM)
Kirsten Gillibrand (D-NY)	John Walsh (D-MT)
Tim Johnson (D-SD)	Mark Warner (D-VA)
Timothy Kaine (D-VA)	Elizabeth Warren (D-MA)
Angus King (I-ME)	Sheldon Whitehouse (D-RI)
Amy Klobuchar (D-MN)	Ron Wyden (D-OR)