



New York City Comptroller
John C. Liu

STATEMENT

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LIU ON STUDENT LOAN RATES

NEW YORK, N.Y. – Comptroller John C. Liu stated the following today on student loan rates:

“The Congressional compromise to tie federal student loan interest rates to the U.S. Treasury 10-year borrowing rate and to set a cap for the new rates is good news for undergraduates starting college this fall. On July 1, rates for new subsidized Stafford loans doubled from 3.4 to 6.8 percent. Under this new deal, undergraduates will be able to borrow at a rate of 3.9 percent. In the near future, borrowing interest rates will undoubtedly increase as the economy improves, but they will be capped at 8.25 percent – a critical component of the legislation. However, any meaningful strategy to help New Yorkers attend college must address rising college costs and stagnant incomes. Lowering borrowing interest rates is important, but the benefit is wiped out if tuition and fees keep rising and income is stagnant or declining.”

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