

# Petri readies bill aimed to make it easier to repay student loans

By Kevin Baerison

The Capital Times/Medial News Service

WASHINGTON — Responding to a growing student loan default crisis that threatens the stability of the national student loan program, Rep. Tom Petri, R-Wis., today said he is garnering support for a bill that would make it easier

for people to repay their loans.

Under the Income Dependent Education Assistance Act, college graduates who borrowed money from the government to attend college or trade schools would repay their loans based on their annual salary.

"This bill would give some relief to students who don't want to default on their loans, but are having difficulty

paying them back," Petri said.

Petri said that repayment would be adjusted each year, based on a standard interest rate, so a person's payments could rise or fall every year, depending on their salary.

The interest rate would be configured by adding 2 percentage points to the average Treasury Bill interest rate for that year. Petri projected the rate to

average 8 percent.

If after 12 years the person still has outstanding debt, the government would pay off the balance. If a person with a high income pays off the loans before the 12-year period, then they may have to pay additional interest.

Both individual and family incomes would be considered when repayment schedules are determined.

Petri said that Susan Molinari, R-N.Y., and Sam Geldenson, D-Conn., will co-sponsor the bill, which he hopes to introduce in the next few weeks.

Rep. Scott Klug, R-Wis., said that he would not pledge support for the measure until he sees it in its final form.

"What looks good on paper does not always work in reality," Klug said.