

Joint Finance Democrats: Propose allowing Wisconsin residents to refinance student loan debt

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Madison – Today, Democrats on the Joint Committee on Finance proposed that Wisconsin residents be able to refinance student loan debt. The proposal would allow Wisconsin residents to refinance their student loan debt at a lower interest rate through an independent state refinancing authority.

“Last week, Republicans told us that Wisconsin residents needed to ‘pull themselves up by their bootstraps’ to get a college degree. Roughly 70 percent of Wisconsin students are doing exactly that – taking on student debt to pay for college with the hopes they’ll get a good-paying job,” said Rep. Katrina Shankland (D-Stevens Point). “These hard-working Wisconsinites should be able to refinance their college debt just like a mortgage or car loan. It’s time for the Republicans in Madison to get with the program and empower people to reduce their debt burden.”

“If we want Wisconsin’s economy to work better we need to do more for our citizens that have student debt. Requiring student debt to be able to be refinanced just like home loans and car loans is the only way to truly address the student debt crisis. Our plan also offers tax credits from those with debt payments, which is money in the pocket of citizens,” said Sen. Jon Erpenbach (D-Middleton).

“Every person drowning in a sea of college loan debt is a person not able to afford to buy a home, to start a family, to save for their retirement, or to pay for their healthcare,” said Rep. Gordon Hintz (D-Oshkosh). “Allowing Wisconsinites to refinance their student loan debt is good for the entire state. It frees up income for thousands of Wisconsin taxpayers that can be spent in their communities, to start new businesses and grow the economy. This is a financially smart decision for Wisconsin residents and for the state.”

“After six years of failed leadership and misplaced priorities from the Republican party, the time for action is now,” added Sen. Lena Taylor (D-Milwaukee). “Crippling student loan debt prevents individuals from purchasing a home, car or starting a business. This proposal targets relief to Wisconsin student loan borrowers and opens the door to new opportunities for hardworking families and locally-grown businesses.”

According to the Institute for College Access & Success, the average Wisconsin college graduate has nearly \$30,000 in debt at the time of graduation. While some graduates are able to get stable employment and repay their loans, about one in every 10 UW school graduates default on their loans within three years, according to a project from the USA Today Network called “Degrees of Debt.” According to national figures, Wisconsin has the fifth highest rate of student debt in the country.