

One Wisconsin Now: Gov. Tony Evers budget plan to offer new hope for help to student loan borrowers

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Will Include Provision Regarding State Authority to Help Borrowers Refinance Higher Education Loans

MADISON, Wis. — With student loan debt topping \$1.5 trillion nationally and \$24 billion in Wisconsin, Gov. Tony Evers has announced his budget plan will begin taking steps towards implementing a common sense plan to allow borrowers to refinance their loans, just like you can with a mortgage. One Wisconsin Now Executive Director Analiese Eicher said Evers' plan offers new hope for borrowers for getting help refinancing their loans, after 8 years of opposition from the previous Republican chief executive.

“Wisconsin student loan borrowers have done the right thing, they’ve worked hard to get an education and they took on the personal responsibility to pay for it,” commented Eicher. “It’s great news that now they have an ally in Gov. Evers, instead of an opponent in Scott Walker, for helping them refinance their loans, just like you can with a mortgage.”

Democrats in the state legislature have offered the Higher Ed, Lower Debt plan which included creating a state authority to help refinance student loans since 2013. However, opposition from the previous Walker administration and

Republicans in control of the state legislature had prevented consideration of the plan.

Despite the opposition of Republican lawmakers, a proposal to help borrowers refinance their student loans is popular with the public, across partisan and demographic lines, according to public opinion research. An overwhelming 79 percent supported “a plan to allow student loan borrowers to refinance their loans, just like you can with a mortgage.” A mere 9 percent were opposed. Support was strong across partisan lines with 85 percent of those identifying as Democrats, 70 percent of Republicans and 82 percent of independents favoring the proposal. In addition, 79 percent of men and women supported student loan refinancing along with 74 percent of voters age 18-29, 71 percent of voters age 30-45, 87 percent of voters age 45-65 and 77 percent of voters age 65 plus.

Eicher noted that the broad support makes sense because of the depth and breadth of the impact of the student loan debt crisis.

Nationally, there are over 44 million borrowers with over \$1.5 trillion in student loan debt. The debt burden for their education now exceeds other leading forms of consumer debt, like credit card and auto loans, and has been increasing at a rapid rate, rising 50 percent since hitting the \$1 trillion mark in 2012. While nearly 85 percent of the debt is held by people under the age of 50, student loan debt in Wisconsin isn't just for the young. A study from the Consumer Financial Protection Bureau (CFPB) finds that borrowers over age 60 is the age demographic in which debt is growing the fastest. In Wisconsin, the number of borrowers over age 60 rose by an astounding 48 percent and their debt increased by 45 percent between 2012 and 2017.