

## ***Wisconsin Student Loan Borrowers Need Real Relief, Not Political Gimmicks***

**By State Representative Cory Mason (D-Racine) and Dave Hansen (D-Green Bay)**

Earlier this week, Department of Financial Institutions Secretary Lon Roberts attempted to mount a defense of Gov. Scott Walker's paltry plan that fails to provide real relief for student loan borrowers. Secretary Roberts' column, however, merely highlights the many inadequacies of Walker's proposal, which is geared toward his own re-election plans rather than helping working Wisconsinites.

First, let's be clear: Adding links to a website is not a plan. Telling the more than 1 million borrowers to apply for a private loan is not a solution when the private sector has shown no ability or interest in helping solve this crisis.

Telling over one million student loan borrowers in Wisconsin to visit a website, or perhaps to call the one single student loan specialist he has hired for the entire state is not a plan. And it won't solve the student loan crisis. While some institutions might be willing to help high-earning applicants with significant assets refinance their student loans, they are doing nothing to help those who need it most: university and tech college graduates of more modest means who desperately need relief from high interest payments. We have both met with borrowers who said the refinancing rates offered by their banks provide no relief from their current payments. Financial institutions have also conceded that any recent increase in the number of loans they offer may not actually be to student loan borrowers.

Banks and credit unions play an important role in our society, but if they were capable of solving the student loan debt crisis, they would have done so already. And this problem *is* a crisis, not merely the "hot topic" so blithely dismissed by Secretary Roberts. Secretary Roberts himself notes the average Wisconsin student loan borrower owes more now than ever, for an average debt load of \$29,460.

You don't need to believe the "sky is falling" to understand that working Wisconsinites are buried under a mountain of student loan debt, which prevents them from buying their first car, their first home, or starting a family. The Governor and Republicans are more than willing to give hundreds of millions of our tax dollars to corporations with no apparent return for taxpayers. However, when it comes to helping average families the most concern they can muster is to add a few links to a website and essentially tell struggling Wisconsin residents "you are on your own."

Our *Higher Ed, Lower Debt* bill is a common sense plan that offers student loan borrowers the ability to refinance those loans just as they would a mortgage. Our bill also provides tax relief to student loan borrowers, and strong financial literacy programs guided by universities, not one analyst for the entire state.

The *Higher Ed, Lower Debt* bill is modeled on the Wisconsin Housing and Economic Development Agency (WHEDA), which has a decades-long record of proven success and broad bipartisan support. Like WHEDA, the *Higher Ed, Lower Debt* bill is self-sustaining and does *not* require a large infusion of cash from tax payers.

It is revealing that Secretary Roberts attacks Minnesota legislation which is quite different from our own, rather than the legislation we have authored and Gov. Walker has rejected. Governor Walker and his administration also tout the tuition freeze, which we have both supported in the past, but

which does absolutely nothing to help over one million Wisconsinites already deeply in student loan debt. Student loan debt is a \$19 billion problem that requires solutions that will work in the real world. Governor Walker offers links on a website that lead to the same dead end for the vast majority of borrowers.