

Bipartisan Student Loan Certainty Act of 2013

- Fixed interest rate for the life of the loan based on the 10-year Treasury bill plus a percentage add-on.
 - Undergrad students: Plus 2.05 percent capped at 8.25 percent
 - Grad students: Plus 3.6 percent capped at 9.5 percent
 - PLUS: Plus 4.6 percent capped at 10.5 percent.
 - Eliminate consolidation “cap”
- Requires the Government Accountability Office to conduct a study of the actual cost to the government of running the federal student loan program to determine the appropriate index and mark-up rate on all federal student loans. The study is to be conducted within four months of the bill’s enactment and reported to the House Committee on Education and the Workforce and the Senate Committee on Health, Education, Labor and Pensions.

Estimated Interest Rates:

| Year | 10 yr Treasury | Undergrad + 2.05 | Grad + 3.6 | PLUS + 4.6 |
|-------------|-----------------------|-------------------------|-------------------|-------------------|
| 2013 | 1.81 | 3.86 | 5.41 | 6.41 |
| 2014 | 2.57 | 4.62 | 6.17 | 7.17 |
| 2015 | 3.35 | 5.4 | <u>6.95</u> | <u>7.95</u> |
| 2016 | 4.24 | 6.29 | <u>7.84</u> | <u>8.84</u> |
| 2017 | 4.95 | <u>7.0</u> | <u>8.55</u> | <u>9.55</u> |
| 2018-23 | 5.2 | <u>7.25</u> | <u>8.8</u> | <u>9.8</u> |

- Undergrad loans capped at 8.25%
 - Graduate and professional loans capped at 9.5%
 - PLUS loans capped at 10.5%
 - Saves \$715 million over ten years
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