



## 2,328,000 Student Loan Borrowers In California Would Benefit From Refinancing

### THE ISSUE

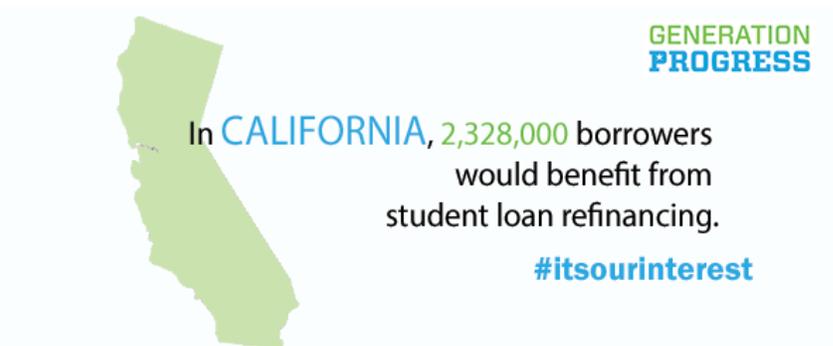
**Students, families, and communities have all been affected by the growing problem of student loan debt.**

- Nearly 1 in 5 U.S. households is affected by student debt.<sup>1</sup>
- There are 43 million borrowers in the U.S. carrying \$1.3 trillion<sup>2</sup> in student loan debt.
- The average debt load for a 2013 bachelor's degree recipient is approximately \$28,400.<sup>3</sup>
- 4,156,000 Californians have student loan debt.
- The total student loan debt for the state of California is \$112,268,605,000.<sup>4</sup>

**Many student loan borrowers have high and unmanageable interest rates. This not only impacts their ability to repay loans, but other life decisions as well.**

- According to a report by the New York Fed, thirty-year-olds with student loan debt were **less likely to own a home** than those without student debt—the opposite of what happened pre-recession.<sup>3</sup>
- For older borrowers, student loan debt may prevent parents from contributing to their children's college education or even **delay their own retirement**.
- While consumers with car and home loans have the option of lowering their monthly payments by refinancing their loans, those with student loans do not.

The ability to refinance student loans will help young people, families, and seniors achieve a fair shot in this economy.



### THE SOLUTION

Earlier this year, Senator Elizabeth Warren (D-MA) and Congressman Joe Courtney (D-CT-2) introduced the Bank on Students Emergency Loan Refinancing Act (S. 793/H.R. 1434). This bill would allow student loan borrowers—including those with graduate and parent loans—to refinance their loans to a lower interest rate. For those with private loans, refinancing student loans into the federal loan system would allow borrowers access to programs like income-based repayment plans and public service loan forgiveness.

### RELATED RESOURCES

What if you could refinance your undergraduate student loan debt?

GENERATION PROGRESS

Current Loan Amount:

Current Interest (%):

Repayment (years):

Calculate Your Payments

[Calculate Your Refinancing Savings](#)

[Refinancing Student Loans 101](#)

[It's Our Interest: The Need to Reduce Student Loan Interest Rates](#)

### FOR MORE INFORMATION

For more information and to get involved, check out [itsourinterest.org](http://itsourinterest.org)

## Allowing hardworking students and families to refinance their loans would not only help borrowers, but also the entire economy.

- A report by Generation Progress and the Center for American Progress found that lowering student loan interest rates to 5 percent in 2013 would have saved borrowers \$14 billion and added \$21 billion to the economy in the first year alone.<sup>6</sup>

When the Congressional Budget Office analyzed similar legislation in 2014, it determined that passing that bill would reduce the deficit by about \$14 billion during the 2015-2024 period. Estimates of the 2014 legislation also found that refinancing student loans would have helped 25 million borrowers and saved an average of \$2,000 over the life of each loan.<sup>7</sup>

## END NOTES

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2. Meta Brown, Andrew Haughwout, Donghoon Lee, Joelle Scally, and Wilbert van der Klaauw, “The Student Loan Landscape,” Liberty Street Economics, February 18, 2015, available at [http://libertystreeteconomics.newyorkfed.org/2015/02/the\\_student\\_loan-landscape.html#.VT6SXiTD--p](http://libertystreeteconomics.newyorkfed.org/2015/02/the_student_loan-landscape.html#.VT6SXiTD--p)

3. The Institute for College Access & Success, “Student Debt and the Class of 2013,” available at <http://ticas.org/sites/default/files/legacy/fckfiles/pub/classof2013.pdf> (2014)

4. The White House, “Estimated Outstanding Balance and Number of Borrowers with Outstanding Direct Loan or FFEL Loan as of Jan. 2015, by State,” available at [https://www.whitehouse.gov/sites/default/files/docs/state\\_by\\_state\\_number\\_of\\_borrowers\\_and\\_outstanding\\_balance\\_final.pdf](https://www.whitehouse.gov/sites/default/files/docs/state_by_state_number_of_borrowers_and_outstanding_balance_final.pdf)

5. Natalie Kitroeff, “Student Debt May Be Sabotaging Your Shot at Buying a Home,” Bloomberg Business, February 18, 2015, available at <http://www.bloomberg.com/news/articles/2015-02-18/student-debt-may-be-sabotaging-your-shot-at-buying-a-home>

6. Ben Schwartz and Sarah Ayres Steinberg, “Why Millennials Aren’t Saving for Retirement—and What We Can Do to Change That,” (Washington: Center for American Progress, 2014), available at <https://www.americanprogress.org/issues/economy/news/2014/07/31/94933/why-millennials-arent-saving-for-retirement-and-what-we-can-do-to-change-that/>

7. Anne Johnson and Tobin Van Ostern, “It’s Our Interest: The Need to Reduce Student Loan Interest Rates,” (Washington: Center for American Progress, 2013) available at <https://www.americanprogress.org/issues/higher-education/report/2013/02/13/53061/its-our-interest-the-need-to-reduce-student-loan-interest-rates/>