

# Interest Rate Proposal Comparison Chart

	Market-Based Interest Rate	Length of Solution	Interest Rate Type	Loan Type Impacted	Interest Rate Cap
President Obama: <a href="#">Fiscal Year 2014 Budget Proposal</a>	Yes	Long-term	Variable-fixed	Stafford and PLUS	None
Sen. Coburn (R-OK): <a href="#">"Comprehensive Student Loan Protection Act," S 682</a> <sup>(1)</sup>	Yes	Long-term	Variable-fixed	Stafford and PLUS	None
Rep. Kline (R-MN): <a href="#">"Smarter Solutions for Students Act," HR 1911</a> <sup>(2)</sup>	Yes	Long-term	Variable	Stafford and PLUS	Stafford: 8.5% PLUS: 10.5%
Senator Reed (D-RI): <a href="#">"Responsible Student Loan Solutions Act," S 909</a> <sup>(3)</sup>	Yes	Long-term	Variable	Stafford and PLUS	Subsidized Stafford: 6.8% Unsubsidized/PLUS: 8.25%
Senator Warren (D-MA): <a href="#">"Bank on Students Loan Fairness Act," S 897</a>	No*	Short-term	Fixed	Subsidized Stafford Only	N/A
Senator Reed (D-RI): <a href="#">"Student Loan Affordability Act," S 953</a> <sup>(4)</sup>	No	Short-term	Fixed	Subsidized Stafford Only	N/A
Rep. Sinema (D-AZ): <a href="#">"Stability to Ensure the American Dream for Youth," HR 1876</a>	No	Short-term	Fixed	Subsidized Stafford Only	N/A

\* The Federal Reserve Discount Window Rate used in this proposal is set by the Fed with sensitivity to market conditions, but is not a market rate

## Definition of Terms:

*Variable-fixed: there is a new market-based interest rate with each new loan, but that rate is then locked for the life of the loan.*

*Variable: the interest rate would vary each year based on the market-rate.*

*Fixed: the interest rate is set at a pre-determined rate and remains locked for the life of the loan*

**Note:** Some of these bills contain additional proposals regarding borrower benefits and repayment provisions; follow the links to the legislative text to get all of those details.

<sup>1</sup> Co-sponsors: Sen. Alexander (R-TN), Sen. Burr (R-NC)

<sup>2</sup> Co-sponsor: Rep. Foxx (R-NC)

<sup>3</sup> Co-sponsors: Sen. Durbin (D-IL); Rep. Courtney (D-CT) and Rep. Tierney (D-MA) introduced HR 1946 in the House as companion bill.

<sup>4</sup> Co-sponsors: Sen. Harkin (D-IA), Sen. Reid (D-NV), Sen. Murray (D-WA), and 8 others

Published 5/15/2013