

House Bill No. 5610

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Testimony

I support the bill because it helps people in that age not take out so much debt that is not high in interest. Student loan debt is the second highest consumer debt category. With the job market being competitive and people being laid off because of covid reasons these low interest loans can really help young adults wanting to pursue a college education. When people finish their undergrad they will need income to support paying off the student loans. If they cannot find a job that support and tackle the debt it will hurt in the long run, as that high interest keeps accruing. Another thing to mention, is the time it will take to payoff. If a student borrower has a high interest rate in a loan, this can make monthly payments less affordable, and make the amount of money owed back to that lender astronomical. That may also mean less of the payment going to the principal balance of the loan. With a low interest loan, this can help a student tackle the debt faster. Low interest loans also help with other expenses that need to be met. Rent for example, if a student needs to rent after finishing their undergrad, a high interest loan will not help them, rather a small interest loan will be better for them and can help pay that bill towards rent. Though this is a solution that can help, the bigger problem is the cost for higher education. The amount of money taken out for loans to complete a 4 year program is ridiculous and I hope it can be fixed soon.