

H.R. 1911
HOUSE PASSED VS. SENATE AMENDED

	House Passed	Senate Amended
Bill Title	"Smarter Solutions for Students Act"	"Bipartisan Student Loan Certainty Act"
Market-Based Mechanism	Student loan interest rates reset once a year as the market fluctuates, for the life of the loan.	Student loan interest rates reset once a year as the market fluctuates, but lock into a fixed rate once the loan is disbursed to the student, much like a fixed rate mortgage.
Undergrad Stafford Loans (Subsidized and Unsubsidized)	10-year Treasury Note plus 2.5 percent, capped at 8.5 percent.	10-year Treasury Note plus 2.05 percent, capped at 8.25 percent.
Graduate Stafford Loans (Unsubsidized)	10-year Treasury Note plus 2.5 percent, capped at 8.5 percent.	10-year Treasury Note plus 3.6 percent, capped at 9.5 percent.
PLUS Loans (Parent and Graduate)	10-year Treasury Note plus 4.5 percent, capped at 10.5 percent.	10-year Treasury Note plus 4.6 percent, capped at 10.5 percent.
Consolidation Loans	Borrowers have the ability to consolidate their loans into one loan after graduation, which will allow them to lock in their interest rate as a fixed rate. The interest rate will be based off of the weighted average of the current interest rates on all of the federal student loans being consolidated. The interest rate will remain fixed for the life of the consolidation loan.	Borrowers have the ability to take out a consolidation loan after graduation, which will allow them to have one loan, with one fixed interest rate. The interest rate will be based off of the weighted average of the fixed rates on all of the federal student loans being consolidated. The interest rate will remain fixed for the life of the consolidation loan.
Savings over 10 years	\$3.7 billion	\$715 million

Subsidized Stafford loans are available to undergraduate students with financial need. Interest does not accrue on these loans while the borrower is in school or in deferment.

Unsubsidized Stafford loans are available to both undergraduate and graduate students, regardless of need. Interest accrues on these loans while the borrower is in school, in deferment or in repayment.

PLUS loans are credit-checked and available to graduate students and parents of undergraduate students. Interest accrues on these loans while the student is in-school or in deferment.

Both the House passed and Senate amended versions of H.R. 1911:

- ✓ Provide a long term solution for students.
- ✓ Tie student loan interest rates to the free market.
- ✓ Protect students with reasonable interest rate caps.
- ✓ Ensure all undergraduate student loans have the same interest rate, regardless of whether the loans are subsidized or unsubsidized.
- ✓ Protect taxpayers by coming as close to budget neutral as possible over the next 10 years.