



Congress of the United States
House of Representatives

June 20, 2013

The President
The White House
1600 Pennsylvania Avenue, Northwest
Washington, DC 20500

Dear Mr. President:

Without your intervention, Senate Democrats are going to double interest rates for millions of college students.

In the administration's recent budget proposal, you called for converting to a market-based interest rate for federal student loans. Republicans embraced the idea, and the House recently passed the *Smarter Solutions for Students Act*, a plan echoing your own. The Associated Press called this a "win" for your administration. This solution is even a part of the *House GOP Plan For Economic Growth & Jobs*. Unfortunately, Senate Democrats have thus far rejected your idea, and – with just 10 days until the deadline – the House is the only chamber of Congress that has passed legislation to prevent interest rates from doubling.

That is unacceptable.

I must assume that you are as frustrated as I am by the actions of Senate Democrats. Last week, Republicans offered to bring up and pass your proposal on the Senate floor, but it was blocked by Senator Elizabeth Warren (D-MA). The Democratic Chairman of the Senate Committee on Health, Education, Labor, and Pensions, which has jurisdiction over this issue, publicly and sharply criticized your policy approach, telling the press he's "very upset" with you.

On an issue you have made a top priority, it is astonishing that your fellow Democrats have been so openly hostile to your proposal. I, of course, respect that you are dealing with a variety of important issues, at home and abroad. But, still, I must ask: what are you and the members of your administration doing to get Senate Democrats to pass a market-based interest rate before the upcoming deadline?

Frankly, there is no evidence that Democrats are making a sincere effort to get a bill passed in the Senate. With Republicans and you in general agreement on the policy, it is difficult to

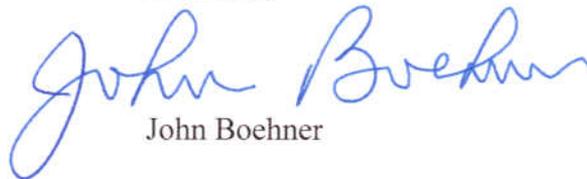
The President
June 20, 2013
Page 2

identify any motivation other than politics to explain why a solution has not already been signed into law.

This situation is exactly why we must take politics out of federal student loans and put in place a long-term solution tied to market rates, as you proposed. Republicans have worked in good faith every step of the way to enact a responsible, bipartisan solution. The House passed a plan that mirrors your own. The differences between the House plan and yours are minor. Unfortunately, they cannot be resolved if Senate Democrats refuse to even accept our shared approach and the need for a long-term solution.

Let me be clear: Senate Democrats' unwillingness to follow your lead is the only thing standing in the way of a long-term solution for students. I urge you, as president and the leader of your party, to compel your Democratic colleagues to pass a market-based student loan bill before you leave the country next week.

Sincerely,



John Boehner