

Minnesota Launches Student Loan Refinancing Program

Written by Democratic Party of Wisconsin, Brandon Weathersby

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MADISON - Last week, Minnesota announced the kick-off of a college debt refinancing program that promises to save student loan borrowers hundreds of dollars each month. Despite this promising new program from our neighbor-state, Wisconsin Governor Scott Walker and his allies in the legislature have continued their staunch opposition to loan refinancing for borrowers in Wisconsin.



The "Higher Ed, Lower Debt" bill, written by Sen. **Dave Hansen** (D-Green Bay) and Rep. **Cory Mason**

(D-Racine) remains stalled in the Committee on Universities and Technical Colleges, where Sheila Harsdorf (R-River Falls) has refused to schedule a vote on the refinancing measure.

"Once again, our neighbors west of the Mississippi are showing **Scott Walker** and Wisconsin Republicans how it's done," Democratic Party of Wisconsin Executive Director Kory Kozloski said on Tuesday. "Borrowers in our state deserve real debt relief. It's time for Senator Harsdorf and Governor Walker to take student loan debt seriously and support the Democrats' refinancing proposal."

[According to news reports](#), Minnesota state officials announced a program to allow thousands of residents to refinance student loans and reduce monthly payments. Minnesota Higher Education Commissioner Larry Pogemiller estimated that a borrower owing \$40,000 at an 8 percent interest rate, the new program could lower monthly payments between \$200 and \$300. If the same borrower opted for a quicker repayment plan, they could save \$25,000 in interest charges.

In Wisconsin, Gov. Walker states he opposes Democrats' 'Higher Ed, Lower Debt' bill and allowing Wisconsin borrowers to refinance their student loans the same way they can with their home or car. Walker recently announced a package of proposals that [fails to provide any real help to nearly one million borrowers in the state struggling with their crushing loan burden.](#)

The "Higher Ed, Lower Debt Act" creates a state based authority to help student loan borrowers refinance their debt at lower rates and extends a state tax break to student loan payments. Refinancing for student loans is incredibly popular with Wisconsinites, but Walker

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refused to meet with Democratic legislators to discuss their proposal.

Walker and Harsdorf supported hundreds of millions of dollars in spending cuts for public universities that shifted more of the cost onto families, leading many to take out loans to cover the cost of earning a degree. A report from the Wisconsin Legislative Fiscal Bureau found that 41,000 college students were denied need-based grants during the 2013-2014 academic year due to a lack of funding.

"One million Wisconsin borrowers desperately need real student loan debt relief, its time Republican leaders answered their call." Kozloski concluded.