



Phone: 202.783.3870
Fax: 202.942.7649

www.freedomworks.org

400 North Capitol Street, NW
Suite 765
Washington, DC 20001

June 10, 2014

Key Vote NO on the Bank on Students Emergency Loan Refinancing Act, S. 2432

As one of our over 6 million FreedomWorks members nationwide, I urge you to contact your senators and ask that they vote NO on the Bank on Students Emergency Loan Refinancing Act, S. 2432. This bill would continue the total federal takeover of student loans, funded on the back of further tax increases.

The urge to act to protect students is understandable – a huge percentage of American university students graduate with tens of thousands of dollars of student loan debt. Yet the entire reason why students are allowed to depart with such vast sums of debt is because the federal government subsidizes their ability to attain that debt – encouraging universities to charge ever large sums to match the easy money being thrown at their customers.

The student loan bubble that is being created with all of this loose credit is all too eerily similar to the housing bubble that was also created by federally mandated easy lending, and which led to the destructive 2008 banking crisis. Allowing students to artificially refinance their loans into artificially low-interest federal loans will only encourage future generations to continue to accumulate mountains of debt larger than they can afford. Instead, the federal government should get out of student loans altogether and allow markets to send proper signals as to who can actually afford these loans.

In addition, refinancing these loans costs the government money, and this bill attempts to pay for the difference by levying the so-called “Buffett Tax” upon the highest income earners. Raising taxes on any part of the population should not be an option to fund further federal expenditures in a government which has already proved unable to restrain its current spending. In addition the “soak the rich” mentality that underlies the “Buffett Tax” is an inherently redistributionist ideal that seems to consider higher income earners to be merely endless income source for government.

For these reasons, I urge you to call your senators and demand they vote NO on Senator Warren’s student loans proposal, S. 2432. We will count their vote as a KEY VOTE when calculating FreedomWorks’ Freedom Scorecard for 2014. The Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of Congress who consistently vote to support freedom and personal liberty.

Sincerely,

Matt Kibbe
President and CEO, FreedomWorks