By Nancy Remsen

Nearly 20,000 Vermont students have a financial stake in yet another of the partisan squabbles that have plagued the current Congress.

This one is over how to pay to maintain the current 3.4 percent interest rate on subsidized Stafford Student Loans rather than allowing it to double on July 1. The price tag is $5.9 billion.

Once a week throughout the spring, U.S. Rep. Peter Welch, D-Vt., has gone to the House floor to remind his colleagues of the looming deadline and the repercussions of failing to act.

"One of the few things we agree on in this Congress is the low interest rate should be extended, yet we have been unable to get across the goal line," Welch said in his most recent exhortation last Thursday. "Congress needs to find the moral imagination and the will to get this done. Every day we wait we are imposing an immense about of anxiety on students, parents and the economy."

Welch's one-minute messages usually include the story of a Vermonter who will be impacted by the rate increase.

"I'm trying to humanize this," Welch explained. He invited Vermonters to send him their stories and has nearly 100 posted at his website.

Welch also has reminded his Republican colleagues that the man the loan program is named for — Sen. Robert Stafford — was not only a Vermonter, but also a Republican.

Welch spoke on the floor about Stafford's granddaughter, Lana Kunkel, who had a Stafford loan to help finance her college education. She wrote Welch saying that her grandfather certainly would have favored maintaining the lower rate.

"I know my grandfather's intention for these loans was accessibility and not profit," Kunkel wrote to Welch. "I understand that times are tough and people are looking everywhere, but this is just not right. He was known as a gentle giant but if he was alive today I think he would oppose this with force."

Welch acknowledged he's nervous as the deadline on the lower rate looms. "I'm lobbying furiously on the floor."

"The clock is ticking, but both parties now say they want to keep the rate at 3.4 percent," Welch said. Now it's a matter of figuring out how to do it.

The student loan showdown involves both chambers of Congress.

Sen. Patrick Leahy, D-Vt., is co-sponsor of a bill that would cover the cost of keeping the 3.4 percent rate "by closing a tax loophole that allows certain wealthy professionals to dodge paying their fair share of taxes," David Carle, Leahy's spokesman, said.

Republicans had another idea, but Carle said, "A new and hopeful sign this week is that Republican leaders have begun to signal that they may be ready to drop their insistence on gutting part of the health insurance reform law (ACA) — funding for preventive health care. That offset from which, until now, they haven't budged is a nonstarter. It would be vetoed by the President, and they know it."

Leahy said communications from students and families who will be affected are helping.

"They are making sure that this stays on Congress's front burner that that Republican leaders cannot forever hide behind sham solutions, he said. "Over time, the majority in the Senate who support a real solution has been growing, and opposition has begun to fade. Time is running out but there's still time, and we need to keep the heat on until this is fixed."

Sen. Bernie Sanders, I-Vt., has also spoken out on the issue. After a filibuster in early May prevented consideration of a measure to address the loan rates, Sanders reminded his colleagues of the challenges students face.

"This country's young people are facing extraordinary challenges. They are paying three to four times as much as their parents did for a college education, regardless of whether they attend a private or public school. And when they receive their diplomas, they have no guarantee that they will be able to get a good job to pay off their student loans," Sanders said. "The least we can do is keep student loan interest rates at a low rate for another year."

The 3.4 percent loan rate only goes to income eligible students. Higher income students with Stafford loans now pay 6.8 percent interest. Students with subsidized loans also don't accrue interest on their loans while they are in school, while those whose loans aren't subsidized are accruing interest costs while in school.

Congress agreed to phase in a reduction in the 6.8 percent rate for subsidized loans beginning in 2008, but that reduced rate provision expires on July 1.

"People should be outraged if Congress allows this rate to double," Welch said.