

Index Modifications ("Market Based Solutions")

Bill/Proposal & Loan Type	Rate Type	Index	Spread	Current Interest Rate**	Rate Cap	Eliminate Tax on Forgiveness	Notes
President Obama's FY 14 Budget Proposal							
President Subsidized Stafford	Fixed, Variable	10-yr Treasury	0.93	2.83	N	Y	
President Unsubsidized Stafford	Fixed, Variable	10-yr Treasury	2.93	4.83	N	Y	
President PLUS	Fixed, Variable	10-yr Treasury	3.93	5.83	N	Y	
Senate Republican Proposal, S.682, (Alexander-Burr-Coburn)							
Senate GOP Subsidized Stafford	Fixed, Variable	10-yr Treasury	3.00	4.90	N	N	
Senate GOP Unsubsidized Stafford	Fixed, Variable	10-yr Treasury	3.00	4.90	N	N	
Senate GOP PLUS	Fixed, Variable	10-yr Treasury	3.00	4.90	N	N	
House Republican Proposal, H.R. 1911 (Kline-Foxx)							
House GOP Subsidized Stafford	Variable	10-yr Treasury	2.50	4.40	Y-8.5	N	
House GOP Unsubsidized Stafford	Variable	10-yr Treasury	2.50	4.40	Y-8.5	N	
House GOP PLUS	Variable	10-yr Treasury	4.50	6.40	Y-10.5	N	
Senate Democratic Proposal, S.909 (Reed-Durbin)							
House Democrats Subsidized Stafford	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs	N/A	Y-6.8	N	Allows for refinance of current fixed rate fed loans
House Democrats Unsubsidized Stafford	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs		Y-8.25	N	Allows for refinance of current fixed rate fed loans
House Democrats PLUS	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs		Y-8.25	N	Allows for refinance of current fixed rate fed loans
House Democratic Proposal, H.R. 1946 (Tierney-Miller)							
House Democrats Subsidized Stafford	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs	N/A	Y-6.8	N	Allows for refinance of current fixed rate fed loans
House Democrats Unsubsidized Stafford	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs		Y-8.25	N	Allows for refinance of current fixed rate fed loans
House Democrats PLUS	Variable	91-day Treasury	Discretion of Secretary--must be revenue neutral, including borrower benefits and administrative costs		Y-8.25	N	Allows for refinance of current fixed rate fed loans

**Assumes 10-Year Treasury Projection of 1.9%