

for them to remain in the United States. We must do this so the children are not lured into dire situations in the future. Even before they cross the border into the United States, they are probably already in circumstances we would consider a dire situation.

#### STUDENT LOAN DEBT

Mr. GRASSLEY. In fiscal year 2014, the U.S. Department of Education will make about \$112 billion in Federal direct loans to students. The Federal Government already holds more than \$1 trillion in student loan debt. So that makes the U.S. Department of Education one of the country's largest lenders. Total student loan debt in the United States is now second only to mortgage debt, and about 90 percent of all student loans happen to be issued by the Federal Government.

When elected officials say we have a student loan crisis because too many students owe more than they can afford to repay, we have to keep in mind who it was and is that made those loans to students in the first place.

It was, in fact, Uncle Sam.

What is one of the first things a Federal regulator looks at when a private bank issues a loan? They look at whether the bank has confirmed the ability of the borrower to repay. Federal student loans are given out without a credit check or any analysis of the student's ability to repay the loans in the first place.

The fastest growing category of student loans is Federal unsubsidized student loans, which are given out regardless of need. That means that students across this country get an award letter from their college saying they are eligible for thousands of dollars in Federal loans, even though in many cases they may not need all of those loans to cover their tuition and other costs. Colleges are required to offer the full amount of Federal student loans for which the student is eligible even if a financial aid counselor at that university knows that a student is borrowing more than the student needs and even if that counselor realizes they will have trouble repaying. If a private bank followed these same tactics and gave out loans on these terms, that bank would be accused of predatory lending. These easy-money policies may even be helping fuel tuition increases, which then obviously makes the problem even worse. A Federal government trying to help a student and at the same time maybe giving incentives to increase tuition actually is not helping that student in the long run.

Between Federal student loan policies that effectively encourage over-borrowing and the lack of good jobs for college graduates in this current economy, it is no wonder that so many college graduates find themselves in over their heads with student loan debt.

Unfortunately, for all the concerns we have heard expressed on the Senate floor about excessive student loan debt,

my colleagues on the other side of the aisle decided to play election-year politics with this issue rather than tackle any of the root causes of the problem. In fact, when it comes to economic growth and job creation, the first rule ought to be do no harm. By including yet another massive tax increase, the bill the Senate declined to take up would have only added to the list of tax and regulatory burdens currently choking our economy.

We should be intensely focused on removing burdens to economic growth and as a result have some job creation. Instead, the policies we see from the other side of the aisle seem to be based on the old European model of accepting anemic economic growth and trying to make up for it with debt-financed government handouts for as long as possible.

I just referred to an old European model because many countries in Europe have already rejected this failed approach and instead have sought to reform entitlements, cut spending, and reduce taxes—measures we ought to be taking right here in the United States. Our goal should be to expand opportunities for young people and the middle class and not add them to the welfare state.

Incidentally, the President's recent so-called Executive action on student loans shows that he shares the same outlook of assuming a stagnant economy for the foreseeable future. He is talking about making people who graduated years ago retroactively eligible for programs enacted in 2010 that allow students to lower their monthly payments if they have a lower income. First of all, that happens to be a very transparent admission that many students who graduated near the beginning of President Obama's first term in office still don't have good-paying jobs halfway through the second term. What he doesn't tell you is that when you lower your student loan payments, you will pay off your loan more slowly and obviously accumulate more interest. In other words, you will eventually end up paying a lot more to Uncle Sam than you otherwise would have. When banks were offering adjustable-rate or interest-only mortgages, they were criticized for taking advantage of borrowers who would be faced with bigger payments down the road.

The pay-as-you-earn program may be useful tools short term for those in distress, but it will cost every one of them in the long term; that is, assuming you ever get a job that pays well. However, the second part of the program says that if you still haven't found a job that pays well enough to pay off your loan after 10 years, your loan will be forgiven if you work for the government or a nonprofit or after 20 years if you work in the private sector, which apparently is considered less worthwhile. And who foots the bill when these people get their loans forgiven? The American taxpayer will pay for those people's college loans.

Creighton University Professor Ernie Goss has analyzed the President's plan and thinks it is a poor use of taxpayer funds. This is what he said:

A lot of these men and women that are out there working don't have kids in college, won't have kids in college, and it's a big transfer of income to those of us who have university educations or particularly those of us who are in university education.

So increasing Federal subsidies for colleges at the expense of the American taxpayers who work hard to pay for their own bills just encourages colleges to keep increasing tuition.

Furthermore, expanding a program designed to help student loan borrowers who still cannot afford their student loan payments 10 or 20 years after graduation looks a lot like planning for further economic stagnation typical of the last 4 or 5 years rather than focusing on improving economic growth and resultant job creation.

The political messaging bill the Senate declined to take up today would also do nothing to address the problems of students borrowing more than they will be able to afford to repay in the first place. I have a bill that will help with that problem.

The Higher Education Act already contains a requirement for colleges to provide counseling to new borrowers of Federal student loans; however, the current disclosures in the law do not do enough to ensure that students understand what kind of debt they will face after graduation. My bill, which I have entitled "Know Before You Owe Federal Student Loan Act," strengthens the current student loan counseling requirements by making the counseling an annual requirement before new loans are disbursed rather than just for first-time borrowers.

My bill adds several key components to the information institutions of higher education are required to share with students as part of loan counseling. Perhaps most significantly, colleges would have to provide an estimate of a student's loan debt-to-income ratio upon graduation. This would be based on the starting wages for that student's program of study and the estimated student loan debt the student will likely take out to complete the program. That way, students will have a very real picture of the student loan payments they will face and whether they will be able to afford those payments with their likely future income.

Students will also be provided with information about the higher risk of default if they have a projected loan debt-to-income ratio greater than 12 percent. They will be told that they should borrow only the minimum amount necessary to cover expenses and that they do not have to accept the full amount of the loans offered.

Students will also be given options for reducing borrowing through scholarships, reduced expenses, work-study or other work opportunities.

Because adding an extra year of study can significantly increase student loan debt, an explanation will be

provided about the importance of graduating on time to avoid additional borrowing and the impact of adding an additional year of study to the total indebtedness.

Finally, the bill requires that a student manually enter either in writing or through electronic means the exact dollar amount of the Federal direct loan funding the student desires to borrow. The current process almost makes borrowing the maximum amount the default option. If you want to borrow less than you need to borrow, you have to ask for less. Students may wrongly assume that the Federal Government has determined this is the appropriate amount for them to borrow when in fact the government doesn't know anything about that student's situation. Surely the Federal Government would not lend them more than they can afford to repay, right? No, that is wrong. This provision will ensure that students make a conscious decision about how much they borrow rather than simply accepting the total amount of Federal student loans for which they are eligible.

I should add that good college financial aid counselors can and do advise students not to borrow more than they need, but the process itself needs to be reformed to give them the proper tools.

In fact, the reforms I have outlined were inspired by efforts already underway in my home State of Iowa. Grand View University in Des Moines, IA, has a financial empowerment plan where students and families construct a comprehensive 4-year financing plan. Under this plan, borrowing is based on the student's future earning potential in the student's field of study. The 4-year plan also helps ensure students graduate on time, and tuition is capped at 2 percent a year over those 4 years.

Iowa Student Loan—our State-based nonprofit lender—also has a program called Student Loan Game Plan, which is an online, interactive resource that calculates a student's likely debt-to-income ratio. It walks students through how their borrowing will affect their lifestyle in the future and what actions they can take now to reduce their borrowing. As a result, in the past year over 15 percent of the students who participated decreased the amount they had planned to borrow by an average of \$2,536, saving Iowa students over \$1 million in additional loan debt.

Finally, my own alma mater, the University of Northern Iowa, has a program called the Live Like a Student Program. This involves a number of resources to help students learn to manage their finances better, including 3-week courses, one-on-one counseling, and workshops.

We often tell prospective college students that they will earn on average \$1 million more during a lifetime. It is true that college generally is a good investment; however, when a student's academic dreams become a nightmare—and usually upon graduation that happens because they borrowed

more from the Federal Government than they can afford to repay on their starting salary—they understandably feel that they have been had. And by whom? Their own government.

The Federal Government, as the lender making these loans, has a responsibility to at least ensure that students know what they are getting themselves into before they get in over their heads. This legislation I described that will be introduced will do that.

I would urge my colleagues to take a look at that piece of legislation. I would ask them to support it and join as a cosponsor so collectively we can help prevent more students from drowning in Federal student loan debt. I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

#### VETERANS HEALTH CARE

Mr. WHITEHOUSE. Mr. President, I very much appreciate the efforts of Senator MCCAIN and Senator SANDERS to get the VA health care bill through the Senate. However, I was somewhat disappointed with how abrupt and abbreviated the amendment process was; to wit, there was none. As a result, I think some very good amendments never had a chance to be considered. One of those amendments was mine, and I would like to discuss it briefly because I think it is something the Senate should pursue.

I will note that everybody I spoke to about it—Republicans and Democrats alike—liked the amendment and thought it made sense. So I will describe it.

A little background: Some time ago, as we entered the computer age, we figured out that there were better ways to maintain health records than in cardboard file folders stuffed away in file drawers. One of the leaders in solving that problem—lost information buried in file folders—was the Veterans' Administration. They developed one of the best electronic health records in the country. For years they were leaders in the technology of electronic health records. To this day, the VA electronic health record system is one of which they can be proud.

It has one flaw, and that flaw is that it is limited to Veterans' Administration medical facilities and Veterans' Administration medical providers. If a veteran in Rhode Island is walking through Providence and trying to cross the plaza in Kennedy Square and gets hit by a vehicle and rushed to the Rhode Island Hospital emergency room, the Rhode Island Hospital emergency room has no access to that veteran's electronic health record.

At the same time a number of States have really stepped up not only to have electronic health records but to have a hub that exchanges the information in an electronic health record. So when you go to get an MRI or go to see a specialist or are taken to an emergency room or have a lab test, the results of

that encounter are loaded automatically into your electronic health record. That can only work if you have the whole system pulling together, and some States are doing that.

Now you have the difficult situation where there are States that are building an information network for health records and the Veterans' Administration, which has one of the best electronic health records in the country, is not participating in that local effort to tie the medical system together for the benefit of local folks. That is an oversight that needs to be corrected, and my amendment would encourage and support the Veterans' Administration in taking its electronic health records and connecting them to the information exchanges that are growing.

In Rhode Island it is called Current Care. It is run by the Rhode Island Quality Institute. It does a phenomenal job. We are reaching out to veterans to do it voluntarily, but it has been a real chore to work with the Veterans' Administration to move this along. It has taken an enormous amount of time despite the goodwill of the people involved. There has not been much in the way of resources available. We have had to go to private and nonprofit and charitable sources to try to fund this. That doesn't make sense.

This bill is particularly important—where we are providing more out-of-network access for veterans and more ability for veterans to go to doctors that will not be in the electronic health network record—because it would allow the very good electronic health record of the Veterans' Administration to connect with these emerging electronic health records information networks. It is simply leaving veterans behind to leave them out under these circumstances.

I hope I will have a chance to move this legislation on some other vehicle, but I have to say, as important as this bill was, it was disappointing that a piece of legislation as simple as mine—an amendment that would have enjoyed extraordinary bipartisan support and probably would have been agreed to on a voice vote—never had a chance to see the light of day because, as I said, of the abbreviation and abruptness, to put it mildly, of the amendment process.

I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from Connecticut.

Mr. BLUMENTHAL. Mr. President, I wish to begin by thanking a number of my colleagues, most especially our good friends who are very active Members of this body, Senators SANDERS and MCCAIN, for acting in a very bipartisan and courageous way to enable us to reach a compromise and vote on a truly historic step forward—as we did recently—to begin to bring an end to this crisis in our health care system and the VA.

I also thank my colleague from Rhode Island for his amendment, and I