

September 28, 2007

WASHINGTON

President Signs Overhaul of Student Aid

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President Bush signed legislation overhauling federal student-aid programs, raising grants to low-income college students and cutting subsidies to companies that make federally guaranteed [student loans](#). The law also offers forgiveness on student loans to graduates who work for 10 years or more in public service professions like teaching and limits monthly payments on federally backed loans. Democrats hailed the law as the biggest investment in higher education since the G.I. Bill. It will cut interest rates on federal loans in half over the next four years and increase the maximum federal Pell grant for middle- and low-income students to \$5,400, from \$4,310, over the next five years.

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