

## Capping student loan payments won't solve debt problem

By: Bob Kellogg June 18, 2014

A conservative education critic says President Obama's recent executive order capping student loan repayments is not going to solve the problem.

College graduates facing \$1 trillion in school loan debts will get some relief from the president's executive order to cap repayments at 10% of monthly discretionary income. But Neal McCluskey of the <u>Cato Institute</u> says that's not the answer.

"This actually makes the root problem worse," he tells OneNewsNow. "And the root problem is the hyper inflation of college prices that we've seen for decades that is almost incontrovertibly directly connected to the existence of inexpensive aid."

Because the midterm elections are just a few months away, McCluskey suspects this announcement may have had something to do with them.

"It's also quite possible and the timing is somewhat suspicious that this is at least as much an election year ploy as anything else and that it is designed to try and energize younger people," he says.

McCluskey says the skyrocketing student debt problem will only be solved when the public understands that government-backed student loans are fueling rampant price inflation.