

September 4, 2018

The Honorable Virginia Foxx  
Chairwoman  
U.S. House Committee on Education and  
the Workforce  
2176 Rayburn House Office Building  
Washington, DC 20515

The Honorable Bobby Scott  
Ranking Member  
U.S. House Committee on Education and  
the Workforce  
2101 Rayburn House Office Building  
Washington, DC 20515

Dear Chairwoman Foxx and Ranking Member Scott:

The National Council of Higher Education Resources (NCHER), representing state, nonprofit, and private organizations that assist students and families in accessing and completing postsecondary education, is pleased to support H.R. 1635, the “Empowering Students Through Enhanced Financial Counseling Act.”

College affordability is one of the most important issues on the minds of our nation’s students and families. For more than 50 years, NCHER members have offered face-to-face, personalized, and individualized financial education and counseling services to assist students and their families in making smart education decisions and understanding, managing, and paying for the costs of a postsecondary education. As part of their public service missions, our members counsel students and families on early awareness of the variety of educational choices available beyond high school, the appropriate courses to take in high school to facilitate entering the college major or career program of their choosing, how to apply for college and navigate the financial aid process, how to avoid overborrowing, the importance of managing student loan debt, and budgeting and personal finance management skills. Today’s entrance and exit counseling conducted by colleges and universities provides limited help to students struggling to manage their student loan debt. Numerous reports, including studies by the Trellis Company, make it clear that the current counseling sessions are failing to fully engage students in understanding their responsibilities as borrowers. Student and parent borrowers should also be provided with additional information on the full range of options available to help them finance their postsecondary education, including grants, scholarships, federal student loans, and private education loans.

H.R. 1635, introduced by Reps. Brett Guthrie (R-KY) and Suzanne Bonamici (D-OR), will promote financial literacy through enhanced counseling for recipients of federal financial aid. The bill will require institutions of higher education to provide annual, in-person, or online counseling so that students better understand their financial obligations, including their outstanding loan balance, anticipated monthly payment under the various federal repayment options, and information on how interest accrues and is capitalized if a borrower does not pay more than the minimum payment. It will also require borrowers to affirmatively accept their loans. These important changes, as well as the revised exit and new Pell Grant counseling requirements, should assist students in better understanding, accessing, planning, and paying for the costs of postsecondary education.

NCHER appreciates the bipartisan leadership that the committee has shown in advancing this important legislation. This bill will take a significant step to ensuring that students and families have better access

to more accurate and timely information in order to successfully plan and pay for college. Our organization and membership are pleased to support H.R. 1635, the "Empowering Students through Enhanced Financial Counseling Act."

Sincerely,

A handwritten signature in black ink, appearing to read "J P Bergeron". The signature is fluid and cursive, with a long horizontal stroke at the end.

James P. Bergeron  
President

cc: Members, U.S. House Education and the Workforce Committee