

October 28, 2019

The Honorable Donna Shalala
U.S. House of Representatives
1320 Longworth House Office Building
Washington, DC 20515

Dear Rep. Shalala:

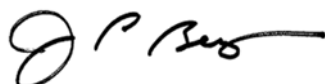
The National Council of Higher Education Resources (NCHER), representing state, nonprofit, and private organizations that assist students, parents, borrowers, and families pay for the costs of postsecondary education, is pleased to support H.R. 4193, the “Student Loan Disclosure Transparency Act of 2019.” This important 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.

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 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. 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 make it clear that the current counseling sessions are failing to fully engage students in understanding their responsibilities as borrowers.

H.R. 4193 would require that federal student loan borrowers receive a separate statement before disbursement showing the principal amount of their loans, the interest rate on the loans, the number of required monthly payments to be made on the loans, the estimated number of months before the start of the repayment period, the aggregate amount that borrowers will pay on their loans, and the cumulative amount that borrowers will pay on all of their loans. The bill would also provide borrowers with a monthly statement containing similar information when they are in repayment and for the life of their loans. These important changes should assist students in better understanding, accessing, planning, and paying for the costs of postsecondary education. If there is an opportunity for further review, NCHER requests that there be modifications to the explanation to borrowers on private education loans as many state, nonprofit lenders offer fixed rate loans to qualified borrowers with interest rates and origination fees that are significantly lower than the current rate for PLUS Loans.

NCHER commends you for your leadership in ensuring that students and families have access to important information so they can make informed decisions about their education. Our organization and membership are pleased to endorse H.R. 4193 and to assist in its passage in the 116th Congress.

Sincerely,



James P. Bergeron
President