



June 21, 2016

The Honorable John Kline
Chairman
U.S. House Committee on Education and
the Workforce
2176 Rayburn House Office Building
Washington, D.C. 20515

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

Dear Chairman Kline and Ranking Member Scott:

The National Council of Higher Education Resources (NCHER), representing state and nonprofit organizations that assist students, parents, borrowers, and families pay for the costs of postsecondary education, is pleased to support H.R. 3178, the "Strengthening Transparency in Higher Education Act," H.R. 3179, the "Empowering Students Through Enhanced Financial Counseling Act," and H.R. 5528, the "Simplifying the Application for Student Aid Act."

As states and institutions of higher education work to control college costs and improve quality, students and their families need access to more robust career information and financial education services to assist them in making good educational choices and understanding, managing, and paying for the costs of postsecondary education. While it is more important than ever for students to select a college that will provide them with a high-quality education, today's higher education system fails to provide accurate or easy-to-understand information to all students, focusing instead on first-time, full-time attendees who make up a decreasing proportion of the student population. H.R. 3178, introduced by Subcommittee on Higher Education and Workforce Training Chairwoman Virginia Foxx (R-NC) and Rep. Gregorio Sablan (D-MP), will help students and families make informed decisions about their postsecondary education options. This bill will establish a new College Dashboard website that provides information to all students - traditional and non-traditional students - so that they can choose the best college that meets their unique needs. It also requires colleges to report on the average loan debt incurred by their students and retains the requirement that colleges and universities report on their respective cohort default rates, two important elements that should provide a more accurate snapshot of institutional quality.

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 pre-college, in-school, and post-college financial education services to students, borrowers, and families, so that they understand the higher education finance options available to them. As part of their public service missions, our members have developed personalized, localized programs that help families learn more about financing postsecondary education and help student borrowers successfully repay their loans, avoid default, and protect their credit. This includes financial aid awareness, consumer education, FAFSA (Free Application for Federal Student Aid) completion services and events, debt management tools, and default prevention activities. An educated consumer makes smarter borrowing choices. However, today's entrance and exit

counseling provides limited help to students struggling to manage their student loan debt. Numerous reports, including studies by Texas Guaranteed, the National Association of Student Financial Aid Administrators, and Young Invincibles, make it clear that the current counseling sessions are failing to fully engage students in understanding their responsibilities and full range of options.

H.R. 3179, introduced by Reps. Brett Guthrie (R-KY) and Suzanne Bonamici (D-OR), will work to mitigate these challenges and promote financial literacy through enhanced counseling for recipients of federal financial aid. This 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.

The federal student aid system is too complicated and confusing for students, borrowers, and their families, especially those low- and moderate-income individuals who may be the first in their family to go to college. The Free Application for Federal Student Aid has more than 108 questions on topics such as income, expenses, family size, and assets, and totals more than 10 pages. The FAFSA also relies on income tax data from the previous year to calculate family contribution and student need, which may not be readily available at the time that students start filling out their college applications. H.R. 5528, introduced by Reps. Joe Heck (R-NV) and Jared Polis (D-CO), would require the Secretary of Education to use prior-year tax information when determining a student's eligibility for federal financial aid, simplify the FAFSA by making it available on a mobile device and allowing students to automatically populate financial information from the Internal Revenue Service, and provide more time for financial aid administrators to verify and package student aid. This bill will allow students and families to receive early notification of federal financial aid available to them for the upcoming semester, which will help students apply for financial aid earlier and better prepare for college. It will also end the significant delays in FAFSA completion, which leaves financial aid administrators with little time to put together grant and loan packages for incoming students.

NCHER appreciates the bipartisan leadership that the committee has shown in advancing these important reforms to the Higher Education Act. These bills take significant steps to help ensure that students and families have better access to more accurate and timely information in order to successfully plan and pay for college, and streamline and improve the federal student aid process. Our organization and membership are pleased to support H.R. 3178, the "Strengthening Transparency in Higher Education Act;" H.R. 3179, the "Empowering Students through Enhanced Financial Counseling Act;" and H.R. 5528, the "Simplifying the Application for Student Aid Act," and assist in their passage in the 114th Congress.

Sincerely,



James P. Bergeron
President

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