

January 10, 2019

The Honorable John Curtis
United States House of Representatives
125 Cannon House Office Building
Washington, DC 20515

Dear Representative Curtis:

On behalf of Education Finance Council (EFC), I am writing to endorse the *Transparency in Student Lending Act*. EFC supports this legislation and your efforts to require the disclosure of an annual percentage rate (APR) on federal student loans. EFC agrees that the federal government, as the originator of more than 90 percent of all education loans, should be required to provide a more complete accounting of the costs of these loans to enable families to make fully informed higher education financing decisions.

EFC is the national trade association representing nonprofit and state-based higher education finance organizations. These mission-driven, public-purpose entities are dedicated to improving college access, success, and affordability in their states and nationwide. In the past year alone, EFC members provided over 2.5 million families the resources needed to successfully plan, save, and pay for college. A number of EFC members, including the Utah Higher Education Assistance Authority, offer fixed-rate education loans with low interest rates and low to no origination fees; these loans often have lower annual percentage rates than the Federal Parent PLUS loan.

EFC is strongly in favor of requiring the disclosure of APR for federal student loans. The federal government is currently not subject to the same disclosure requirements as private lenders. As a result, consumers are often unaware of all the fees associated with a federal education loan, including origination fees and the potential effects of deferment, forbearance, and interest capitalization on the total cost of the loan.

Your bill will greatly improve transparency by prominently disclosing, when the loan is disbursed, the amount of the loan; the stated interest rate on the loan; the standard term of the loan; any fees or additional costs associated with the loan; and any capitalization of interest on the loan.

EFC looks forward to working with you and your colleagues to move this important legislation forward.

Please do not hesitate to contact me if EFC can be of assistance to you or your staff in any way.

Sincerely,



Debra J. Chromy, Ed.D.
President