

November 2, 2017

The Honorable Luke Messer
U.S. House of Representatives
1230 Longworth Office Building
Washington, DC 20515

The Honorable Emanuel Cleaver
U.S. House of Representatives
2335 Rayburn Office Building
Washington, DC 20515

Dear Rep. Messer and Rep. Cleaver:

The National Council of Higher Education Resources (NCHER), representing state, nonprofit, and private organizations that assist students and families pay for the costs of postsecondary education, is pleased to support H.R. 4119, the “Student Loan Disclosure Modernization Act.” This important bill will improve the information provided to students and families when they apply for federal student loans.

College affordability and student loan debt burden are important issues on the minds of our nation’s students and families. As states and institutions of higher education work to control college costs and improve quality, students and families need access to better information to assist them in making good educational choices on which college to attend and the amount of loans that may be needed to finance their postsecondary education. But today’s higher education system fails to provide easy-to-understand information to many students, relying on a six page form that is confusing and not borrower specific to provide disclosures on federal student loans. H.R. 4119 would direct the Secretary of Education to develop a plain language disclosure form for federal student loans that is consumer-tested and contains personalized borrower information. These enhanced disclosures will help student and parent borrowers understand the terms of their loans and what they will need to repay, thereby reducing over-borrowing.

In order to protect consumers, the Truth-in-Lending Act requires private lenders to disclose the true cost of their loans, including the applicable annual percentage rate (APR). With this information, applicants can compare loan offerings before deciding what loan is best for them. Unfortunately, the largest provider of student and parent loans – the U.S. Department of Education – does not provide similar information to potential student and parent borrowers, which means these borrowers cannot determine whether cheaper private education loans may be available. H.R. 4119 would ensure that federal student loan borrowers are provided with the APR so they can make accurate and informed decisions when borrowing for college. This change is among NCHER’s top priorities.

NCHER commends both of you for your leadership in ensuring that students and families have access to better information in order to successfully plan and pay for college. Our organization and membership are pleased to endorse H.R. 4119 and to assist in its passage in the 115th Congress.

Sincerely,



James P. Bergeron
President