

October 24, 2019

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

The Honorable Tim Scott  
U.S. Senate  
104 Hart Senate Office Building  
Washington, DC 20510

Dear Rep. Cleaver and Sen. Scott:

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. 1161 / S. 2015, the “Student Loan Disclosure Modernization Act.” These important bills will ensure that students and families have better access to more accurate and timely information in order to successfully plan and pay for college.

As the federal government, 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 complicated and confusing forms that are not borrower-specific to provide disclosures on federal student loans. H.R. 1161 and S. 2015 would direct the Secretary of Education to develop a plain language disclosure form for federal student loans that is consumer-tested and includes information on understanding the total costs of the loan and the estimated monthly repayment. The legislation requires that borrowers acknowledge in writing or electronic signature that they have read the disclosure form to ensure that they are aware of their loan terms and conditions. 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 all lenders to disclose the true cost of a loan, including the interest rate, origination fees, and other loan costs, in standard and easy-to-understand language. The only agency that enjoys an exception to this universal requirement is the U.S. Department of Education, which is the largest provider of student and parent loans. Student and parent borrowers with federal student loans cannot make fully informed choices on the best loan option available to them – either public or private – because they are not provided with accurate information about the full cost of their loans. H.R. 1161 and S. 2015 would ensure that federal student loan borrowers are provided with the annual percentage rate or APR so they can make accurate and informed decisions when borrowing for college. This change is among NCHER’s top priorities.

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. 1161 / S. 2015 and to assist in their passage in the 116th Congress.

Sincerely,

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

James P. Bergeron  
President