

December 5, 2017

The Honorable Paul Ryan, Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi, Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable Kevin Brady, Chairman  
House Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Richard Neal, Ranking Member  
House Committee on Ways and Means  
1139E Longworth House Office Building  
Washington, DC 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Brady, and Ranking Member Neal:

The National Council of Higher Education Resources (NCHER) urges the conferees on H.R. 1, the “Tax Cut and Jobs Act,” to preserve tax-exempt private activity bonds and, specifically, qualified student loan bonds as envisioned under the Senate version of the bill. We also urge the conferees to repeal the Alternative Minimum Tax (AMT) as envisioned under the House package. NCHER is a national trade association representing state and nonprofit agencies whose members issue tax-exempt private activity bonds to finance low-cost loans that help students and parents pay the costs of higher education.

While NCHER commends Congress for its examination of issues involved in reforming our nation’s tax code, it must maintain aspects of the current tax system that fosters investment and opportunity in our nation’s future. Private educational loans issued through tax-exempt financing by state and nonprofit lenders supplement federal student loans so students can pay their tuition bills, purchase required textbooks, and cover their living expenses. In many cases, borrowers receive lower interest rates than are generally available under the federal program. These lenders also offer college access and success, financial literacy, and debt management programs within their respective states to help students and families manage their student loan obligations. At the same time, the income to investors on tax-exempt student loan bonds is subject to the AMT, which adds approximately one-quarter of one percent to a full percentage point to the interest rate of these bonds. This added cost must be passed through to student loan borrowers, and is a significant barrier to the ability of our organizations to assist students and families.

Once again, NCHER urges the House and Senate to preserve private activity bonds and repeal the AMT in the final version of H.R. 1, the “Tax Cut and Jobs Act.” Failure to do so will undermine economic growth and opportunity and discourage investment in the nation’s postsecondary education students.

Sincerely,



James P. Bergeron  
President