

March 13, 2017

The Honorable Randy Hultgren
U.S. House of Representatives
2455 Rayburn House Office Building
Washington, DC 20515

The Honorable David Scott
U.S. House of Representatives
225 Cannon House Office Building
Washington, DC 20515

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

Dear Representatives Hultgren, Scott, and Messer:

The National Council of Higher Education Resources (NCHER), representing state, nonprofit, and for-profit organizations that assist students, parents, borrowers, and families pay for the costs of postsecondary education, is pleased to support H.R. 1283, the “Transparency in Student Lending Act.” This important bill will improve the information provided to students and families with federal student loans by requiring the disclosure of the annual percentage rate (APR), which will help student and parent borrowers understand the true cost of a loan so they can make better financial decisions.

In order to protect consumers and allow them to make accurate and informed decisions when borrowing for college, 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.

Federal PLUS Loans made to parents of undergraduates and graduate and professional students carry an interest rate of 6.31 percent, and an origination fee of almost 4.3 percent. In contrast, many state, nonprofit, and for-profit lenders offer fixed rate loans to qualified borrowers with interest rates and origination fees that are significantly lower than the current rate for PLUS Loans. These lower-cost loans are a better choice for parents and graduate students who might be looking at PLUS Loans and are trying to reduce the costs of their postsecondary education. But these borrowers need - and should have - the necessary information so they can make informed decisions about their education.

NCHER commends you for your bipartisan leadership in ensuring that students and families have access to more accurate information in order to successfully plan and pay for college. Our organization and

membership are pleased to endorse H.R. 1283 and to assist in its passage in the 115th 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