

June 24, 2014

Honorable Tom Harkin  
Chairman  
Committee on Health, Education, Labor & Pensions  
United States Senate  
Washington, D.C. 20510

Dear Chairman Harkin:

With the release of your discussion draft, the Higher Education Affordability Act (HEA Act), we write to thank you for your longstanding and continued leadership in increasing college access and success for America's students, and in ensuring that institutions are held accountable for serving students and taxpayers well. The HEA Act is a thoughtful and comprehensive proposal to increase college affordability, access and success, addressing the critical roles of students, institutions, states, and the federal government.

We enthusiastically support the HEA Act's proposed changes related to income-driven repayment of student loans, which streamline the multiple existing plans into one improved plan that better targets benefits to borrowers who need them the most. The improved plan caps payments at 10 percent of income, discharges any remaining debt after 20 years of payments, never capitalizes interest, and helps prevent default by automatically enrolling borrowers if they have not made a required payment for six months. We have recommended many of these changes for years and are pleased that they are included.

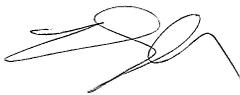
We also strongly support provisions in the bill that create key protections for students and taxpayers, including prohibiting all schools from using federal student aid funds for advertising, marketing, or recruiting; stopping the manipulation of cohort default rates; banning mandatory arbitration agreements; and strengthening the 90/10 rule to ensure for-profit colleges are not overly reliant on federal taxpayer funding. The bill also makes important changes to improve the servicing and collection of federal student loans, including meaningful new protections for borrowers. These changes will help borrowers access more manageable repayment strategies, avoid delinquency and default, and get out of default and back into repayment. For financially distressed borrowers with private education loans, the bill restores fair treatment in bankruptcy.

The HEA Act also includes a groundbreaking proposal to help ensure college is affordable for all Americans by providing significant new financial incentives for states to invest in their public colleges. We strongly support its provisions to provide students and families with early information about financial aid and enable them to apply for federal aid earlier by using the tax information available when they are typically applying to colleges. Additionally, the bill would make it much easier for students and families to identify affordable colleges, compare financial aid offers, figure out how to pay for college, borrow wisely and avoid risky private education loans, and select the loan repayment plan that is best for them.

As you refine this discussion draft, we look forward to working with you further to secure and improve Pell Grants. Research shows they are a critical and effective way to increase college access and success, yet the maximum grant now covers the lowest share of college costs since the start of the program. We also look forward to opportunities to further ensure that all schools are serving students well and to make comprehensive student loan reforms, including revisiting how interest rates are set on Federal loans and how to simplify the loan program and best target interest subsidies.

We thank you for your continued leadership in higher education, and for taking this important step toward comprehensive, student-centered reform of federal higher education policy through reauthorization of the Higher Education Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lauren Asher', with a stylized flourish at the end.

Lauren Asher  
President