

June 9, 2014

Senator Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, DC 20510

Dear Senator Warren,

On behalf of the higher education associations listed below, we write in support of S. 2432, the *Bank on Students Emergency Loan Refinancing Act*.

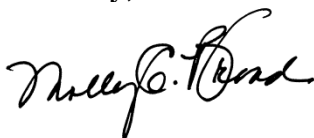
This bill makes several important reforms to the federal student loan programs, primary among them, allowing certain borrowers to refinance their existing student loans. Such a change would allow current and former students with existing loans to benefit from lower rates available to new borrowers in the direct student loan program. In particular, allowing borrowers to move their debt from private student loans to the federal loan programs, which almost always have more favorable terms, will prove particularly helpful to them at the same time as it actually generates savings for the federal government.

While we believe this bill would provide significant assistance to individuals with existing educational debt, we believe it could do more to lower borrowing costs prospectively for future students. A greater commitment to students upfront, in the form of increased grant aid and reduced rates on new loans, would lower their costs and limit debt burden even more efficiently than refinancing existing debt.

Furthermore, in order to better serve borrowers, we believe that the Department of Education should be required to proactively inform borrowers in simple terms of their refinancing options and the financial implications of each available option. This could be accomplished through the distribution of a limited number of personalized data points to ensure that borrowers not only know of their options, but are well-informed to make the best choice for them.

We support the goals of this legislation, and look forward to working with you and other members in the Senate and House to strengthen and improve this bill as it moves forward.

Sincerely,



Molly Corbett Broad
President

Bank on Students Emergency Loan Refinancing Act

June 9, 2014

MCB/ldw

On behalf of:

American Association of Community Colleges

American Association of State Colleges and Universities

American Council on Education

Association of American Universities

Association of Governing Boards of Universities and Colleges

Association of Jesuit Colleges and Universities

Association of Public and Land-grant Universities

Council for Christian Colleges & Universities

Council for Opportunity in Education

National Association of Independent Colleges and Universities

National Association of Student Financial Aid Administrators

UNCF