



June 4, 2019

The Honorable Lamar Alexander
Chairman
Senate Health, Education, Labor and Pensions Committee
428 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Senate Health, Education, Labor, and Pensions Committee
428 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

AccessLex Institute is pleased to offer its support for S.1696, the *Student Loan Tax Elimination Act*. Introduced on June 3, 2019 by Senators Mike Braun (R-IN), Rick Scott (R-FL), Chris Coons (D-DE), and Kyrsten Sinema (D-AZ), the *Student Loan Tax Elimination Act* would eliminate costly origination fees on new federal student loans disbursed on or after July 1, 2019.

AccessLex Institute, in partnership with its nearly 200 nonprofit and state-affiliated ABA-approved member law schools, has been committed to improving access to legal education and to maximizing the affordability and value of a law degree since 1983. The AccessLex Center for Legal Education Excellence advocates for policies that make legal education work better for students and society alike and conducts research on the most critical issues facing legal education today.

Origination fees reduce the amount of loan dollars disbursed to borrowers by a certain percentage (1 percent for Direct Stafford Loans and 4 percent for Direct PLUS Loans). This structure creates confusion and increases costs for borrowers, who are responsible for repaying the withheld amount, plus the interest that accrues on that amount. This can result in hundreds or thousands of additional dollars owed, depending on loan type, loan amount and program length. It also adds administrative burden for financial aid administrators who have to readjust the fees each October 1 after the academic year has begun.

The Student Loan Tax Elimination Act would enhance access and affordability of higher education for students and help reduce the complexity of the federal student aid system.

Thank you for your time and attention to this matter. If you have any questions, please do not hesitate to contact me at cchapman@accesslex.org or Nancy Conneely, Director of Policy, at nconneely@accesslex.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris S", written over a light blue horizontal line.

Christopher P. Chapman
President and Chief Executive Officer