



AccessLex Institute Supports *LOAN Act* Aimed At Helping Lower the Cost of Higher Education

WEST CHESTER, PA, September 19, 2022 — AccessLex Institute is pleased to offer its support for the *Lowering Obstacles to Achievement Now (LOAN) Act*, which would improve the Public Service Loan Forgiveness (PSLF) program, increase the value of higher education for graduate and professional students and make federal student loans less expensive.

PSLF is a vital recruitment tool encouraging the best and brightest to serve millions of Americans through public service careers that benefit communities across this country. However, despite its benefits, complex program rules and implementation challenges have caused serious issues for borrowers seeking forgiveness. The *LOAN Act* would simplify PSLF and improve applicant success rates by reducing the number of years required in a public service job. It would also count payments made on loans prior to consolidation and certain forbearances and deferments as qualifying payments and eliminate the requirement that borrowers be employed in a public service job at the time of forgiveness. Simplifying PSLF in this way would incentivize more Americans to pursue careers as public servants.

For graduate and professional students, borrowing for higher education has never been more expensive. Under current law, students are prohibited from using Pell Grants to finance their graduate education. In addition, the *Budget Control Act of 2011* eliminated Direct Subsidized Loans for graduate students, which means that graduate loans accrue interest while borrowers are in school. AccessLex applauds the *LOAN Act* provisions that would allow graduate and professional students to exhaust their remaining Pell Grant funds to finance their graduate education and once again provide them with access to subsidized loans. These provisions will help to decrease loan balances by thousands of dollars, while increasing both the access to and the value of advanced education.

In addition to the growing cost of higher education, loan balances can balloon due to high interest rates, origination fees and interest capitalization. By eliminating interest capitalization and origination fees and ensuring that new loans will not have an interest rate higher than five percent, the *LOAN Act* will help reduce costs for students and decrease debt over time.

Many of the provisions included in the *LOAN Act* are ones that AccessLex has been championing for many years. We stand ready to work with Congress in their efforts to support access to higher education and increase affordability, particularly for underrepresented students.

See our full set of Higher Education Act policy recommendations [here](#).

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About AccessLex Institute:

AccessLex Institute is a nonprofit organization committed to helping talented, purpose-driven students find their path from aspiring lawyer to fulfilled professional. In partnership with its nearly 200 ABA-approved Member law schools, improving access and positively influencing legal education have been at the heart of the Company's mission 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. The AccessLex Center for Education and Financial Capability® offers on-campus and online financial education programming and resources to help students confidently manage their finances on their way to achieving personal and professional success. AccessLex Institute is located in West Chester, PA, with a team of accredited financial education counselors based throughout the United States. Learn more at [AccessLex.org](https://www.accesslex.org).