



June 27, 2023

The Honorable Bernie Sanders
Chairman
Senate Health, Education, Labor, and Pensions Committee
428 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bill Cassidy
Ranking Member
Senate Health, Education, Labor, and Pensions Committee
455 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Sanders and Ranking Member Cassidy:

AccessLex Institute® is deeply concerned with several provisions contained in the *Lowering Education Costs and Debt Act*, a higher education reform package comprised of five smaller bills. Introduced on June 14, 2023, the *Lowering Education Costs and Debt Act* would: (1) reduce the amount of federal student loans available to graduate and professional students; (2) block the Biden-Harris Administration's forthcoming income-driven repayment (IDR) plan; (3) require, rather than allow, institutions to provide annual loan counseling; (4) require schools to use a uniform financial aid offer letter; and (5) call for the creation of a more comprehensive federal higher education data system.

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.

Graduate Borrowing

Federal graduate lending provides a critical financing option for students who are interested in obtaining an advanced degree, regardless of background or station. Despite the proposed increase to Stafford loan borrowing limits, eliminating the Grad PLUS loan program will effectively decrease the current cap on the amount of federal loans that graduate and professional students may borrow, forcing students to seek supplemental financing from private sector lenders to pay for their degree. Relying on private lenders, which have differing incentives, underwriting limitations, and profit goals than the federal government, would mean returning to an environment where many low- and middle-income individuals will be unable to obtain a student loan under reasonable terms, or even obtain a loan at all. At a time when the need for advanced education and training is becoming even more essential to our country's

future, reducing the federal investment in graduate and professional students is not the right move for the economy or the long-term health of our nation.

Income-Driven Repayment

We agree that the availability of five different IDR plans is not an optimal situation for borrowers and can lead to confusion with unintended financial consequences. However, while this bill would streamline the available repayment options, it would also block the Biden-Harris Administration's new IDR plan. This plan is designed to meaningfully reduce the monthly cost of student loans for struggling borrowers. With inflation consistently increasing over the past year, the economic hardship caused by a global pandemic, and the cost of living steadily rising, many families have less money to put towards their student loan obligations. Blocking the newest IDR plan would prevent these borrowers from benefiting from lowered monthly payments that they desperately need.

Annual Loan Counseling

Under current law, entrance counseling is required for all first-time Direct Loan borrowers, and exit counseling is required for Direct Loan borrowers who are graduating, leaving school, or dropping below half-time enrollment. However, although the information provided to students regarding their loan terms often falls short, current law prohibits schools from requiring students to complete additional loan counseling to supplement the minimum requirements. While AccessLex has been a longtime advocate for removing this prohibition and allowing financial aid administrators the option to require additional loan counseling for its student borrowers, requiring enhanced counseling across the board could lead to unintended negative consequences for less resourced institutions, which do not have the money or staff needed to provide annual loan counseling.

Financial Aid Offer Letters

Understanding how much college costs and how to pay can be a complex and confusing process for students and families. The federal student loan system is hard to navigate and a lack of uniformity in financial aid offer letters across schools can lead students to make ill-informed decisions about financing their degree. While we agree there should be more standardization among offer letters, we believe schools should have flexibility in how they organize and communicate content to students. To strike this balance, Congress should require schools to standardize the content of financial aid offer letters, such as cost of attendance; estimated net price; a distinction between gift aid, loans, and work study; and standardized terminology and definitions. Offer letters should also include a Quick Reference box on the first page which includes cost of attendance, total gift aid, and estimated net price. Changes such as these would better clarify what aid is being offered and would allow students to compare aid packages from different schools more effectively.

Student-Level Data

AccessLex is pleased to see the inclusion of the *College Transparency Act* in the *Lowering Education Costs and Debt Act* package, which would repeal the federal ban on a student unit record system. As you know,

Congress banned the creation of a student-level data system in 2008. Currently, universities only report institution-level data, which fails to adequately capture and evaluate outcomes for students in any targeted way. This results in fragmented data for large subsets of students, including graduate and professional students. The *College Transparency Act* would provide disaggregated data that would help students and families make better informed decisions about higher education. For this reason, AccessLex has been a strong supporter of this effort for many years and most recently sent a [letter](#) to the Senate on May 4, 2023 expressing our support.

We stand ready to work with Congress to craft a bill that will truly support access to higher education and increase its affordability, particularly for underrepresented students and struggling borrowers. If you have any questions, please do not hesitate to contact me at cchapman@accesslex.org or Nancy Conneely, Managing Director of Policy, at nconneely@accesslex.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris S", written in a cursive style.

Christopher P. Chapman
President and Chief Executive Officer