



June 3, 2016

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

RE: CGS Response to Request for Information Regarding Student Loan Borrower Communications (Docket No. CFPB-2016-0018)

Dear Ms. Jackson:

On behalf of the Council of Graduate Schools (CGS), I appreciate this opportunity to provide comments and feedback to the Consumer Financial Protection Bureau (CFPB) regarding potential student loan borrower communications, *Student Loan Payback Playbooks* (Docket No. CFPB-2016-0018). CGS membership includes roughly 500 universities in the United States that annually award the vast majority of U.S. master's degrees and research doctorates.

Timely access to information regarding student loan terms and repayment options is a part of CGS advocacy priorities, and we appreciate that CFPB is taking steps to ensure that all student borrowers receive accurate and up-to-date information about their loan repayment options. CGS concurs and welcomes CFPB's initial observations that place emphasis on personalized and frequent communications with actionable information. As CFPB further develops potential borrower communications, CGS urges the Bureau to be mindful of the information needs of graduate borrowers, which may be different from those of undergraduate borrowers.

For instance, it is not clear in the ROI and proposed Student Loan Payback Playbook how borrowers with both undergraduate and graduate loans will be provided with information about their repayment options. The repayment term for graduate borrowers under the Revised Pay As You Earn (REPAYE), for example, differs from that of undergraduate borrowers. Potential communication to borrowers with undergraduate and graduate loans must differentiate between the repayment options and payment periods for undergraduate debt and graduate debt.

Also, the proposed Student Loan Payback Playbook does not include information regarding the potential impact different repayment options have on the total cost of a loan, particularly those on which the interest is accruing. In order for borrowers to make informed decisions on which repayment option to choose, CGS believes that understanding the potential impact of interest accrual is essential information that needs

to be included, particularly for graduate borrowers whose interest rates are higher than undergraduate borrowers. Alternative repayment options may reduce monthly payment amounts; however, they also will prolong the life of student loans and will cost more to student borrowers in the long run.

Furthermore, CGS also encourages the CFPB to reach out to student borrowers early, even while they are in school. Unlike federal student loans for undergraduate education, graduate student loans accrue interest while students pursue their education, and it is important for graduate student borrowers to be aware of that. In addition, CGS encourages the CFPB to inform borrowers about their option to make payments above the minimum monthly payment amount, and how additional principal payments may shorten the payment periods, thus reducing the amount of interest paid over the life of the loan.

CGS appreciates the CFPB's efforts to make student loan repayment information more accessible and transparent for borrowers. Although in general graduate student borrowers repay their student loans in full, CGS and our member institutions are committed to facilitate informed decision-making through financial education for their students. CGS is completing a multi-year project, *Enhancing Student Financial Education* project, in which we partnered with thirty-four U.S. universities and TIAA. The project monograph, "*Financial education: Developing high impact programs for graduate and undergraduate students* (Denecke et al., forthcoming)" discusses financial information needs, including loan repayment and debt management information, that are unique to master's and doctoral students and identifies promising practices and strategies for U.S. graduate schools to serve as an avenue for financial literacy and education. As the only national organization that represents master's and doctoral education in the United States, CGS encourages the CFPB to consider us as a resource when exploring ways and specific actions that better communicate student borrowers about repayment options and rights as consumers.

Sincerely,



Beth B. Buehlmann
Vice President, Public Policy and Government Affairs