



October 23, 2018

The Honorable Jeff Merkley
United States Senate
313 Hart Senate Office Building
Washington, DC 20510

Dear Senator Merkley,

On behalf of the Council of Graduate Schools (CGS), I am writing regarding S.3584, the *Affordable Loans for Any Student Act of 2018*, which you introduced on October 11, 2018. For more than five decades, CGS has served as the national organization dedicated solely to advancing graduate education and research—our membership includes over 500 institutions of higher education in the United States, Canada, and abroad. Our members award the majority of U.S. doctoral and master’s degrees.

CGS is encouraged that S.3584 acknowledges that the current student loan repayment options available to borrowers are complex and can be discouraging for students looking to make better decisions about to their postsecondary education. We appreciate that the bill includes several provisions that would be beneficial for graduate students, many of whom rely heavily on federal student loans to finance their education.

- **Simplification and consolidation of income-based repayment (IBR) options.** CGS applauds the efforts to streamline income-based repayment options so that they are truly centered on income, rather than degree obtained. For example, the current Revised Pay As You Earn (REPAYE) program places undergraduate and graduate students into separate repayment plans, with undergraduate degree loan balances being forgiven after 20 years of eligible payments, while payments for graduate students are extended for an additional 5 years before the balance is forgiven. We believe this is a degree-centric approach rather than an income-based one, and a master’s or doctoral degree does not necessarily guarantee a higher earned income. This is particularly true with professions that are public service-based, and income can vary greatly by geographic region. Capping payments at 20 years for all borrowers is a more equitable approach, which does not penalize individuals for pursuing a graduate degree. Additionally, we appreciate that this proposal keeps the standard 10-year repayment, without making IBR the default, allowing borrowers to chose which option best works for them.
- **More robust, transparent loan counseling options.** CGS believes that providing more transparent information to students will allow them to make better informed financial decisions when it comes to borrowing. The types of loans and student aid options available to graduate students are quite different from those available to undergraduates. Loans for graduate students carry higher interest rates and

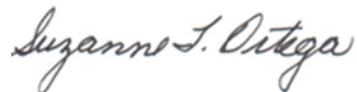
currently have higher origination fees than subsidized loans, for which they are not eligible. Graduate students also do not currently have access to Pell grants. Therefore, at a minimum, it is necessary to provide entrance loan counseling for all first-time graduate students as they transition from undergraduate to graduate school. The *Affordable Loans for Any Student Act's* effort to improve disclosures, as well as customize and increase the frequency of loan counseling could be a way of accomplishing this.

- **Elimination of origination fees.** Graduate students currently pay two origination fees—one for the Stafford Unsubsidized loan and one for the Grad PLUS loan—which increases their cost of borrowing. Consolidating or eliminating these fees, as S.3584 proposes, would help reduce borrowing by removing duplicative costs. In addition, ending interest capitalization as well as making changes to deferment and forbearance, could benefit graduate students, many of whom use these options, particularly when moving from undergraduate to graduate school.

As graduate degrees are becoming an entry-level requirement for many of the fastest growing occupations, providing access to quality postsecondary education, at both undergraduate and graduate levels, is critical in meeting workforce need and remaining competitive in the global economy. Federal student loan policies should thus make it more affordable for talented individuals, from diverse economic and demographic backgrounds, to pursue graduate education.

We thank you for your efforts to identify solutions aimed at providing students and families with more affordable options in financing their education. If CGS can be a resource to you or your staff as the bill moves through the legislative process or in any other areas impacting graduate education, please contact CGS's Vice President of Public Policy and Government Affairs, Lauren Inouye, at Linouye@cgs.nche.edu or (202)-461-3864.

Sincerely,



Suzanne T. Ortega
President

CC: The Honorable Tammy Baldwin
The Honorable Richard Blumenthal
The Honorable Ben Cardin
The Honorable Catherine Cortez Masto
The Honorable Kirsten Gillibrand
The Honorable Brian Schatz
The Honorable Debbie Stabenow
The Honorable Patty Murray, Ranking Member, HELP Committee