



July 19, 2016

Honorable Ted Mitchell
Under Secretary of Education
U.S. Department of Education

Dear Secretary Mitchell,

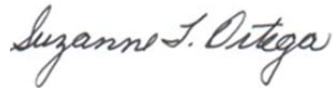
The Council of Graduate Schools (CGS) is very pleased to hear that the Department of Education is looking to create a pilot program under the Experimental Sites authority to allow colleges and universities to require additional loan counseling beyond what is mandated by the current law. When we met over a year ago, we discussed a project that CGS was engaged in around student financial education. One of the resulting findings and recommendations from the project, *Enhancing Student Financial Education*, is that because the circumstances surrounding graduate student borrowing are different from undergraduate borrowers, at a minimum they need additional loan counseling as they transition into graduate school.

Under current law, if graduate students have borrowed as undergraduates, there is no requirement for colleges and universities to provide them with additional loan counseling, even though loan and repayment terms for undergraduates and graduates differ substantially. For example, federal student loans for graduate students have, unlike those for undergraduates, no in-school interest subsidies, higher interest rates, and often include two higher origination fees that are folded into the amount borrowed. In addition, the newly created Revised Pay As You Earn (REPAYE) program imposes a longer repayment period for graduate borrowers. These differences result in sizeable disparities in the cost of borrowing for graduate students compared to their undergraduate counterparts. Yet, additional loan counseling is currently not required for graduate students. As such, graduate students often make borrowing decisions without having complete and full information.

In a letter dated June 21, 2016, to the House Committee on House Education & the Workforce regarding H.R. 3179, the *Empowering Students Through Enhanced Financial Counseling Act*, we suggested that at each transition point in a student's progression through postsecondary education, counseling that reflects the changes in circumstances and the differences in the types of financial assistance they may be eligible for should be provided. At a minimum, we believe that loan counseling should be provided when a student enters graduate school for the first time. The Department's announcement to create a pilot program under the Experimental Sites authority presents an opportunity to incorporate this recommendation.

Therefore, CGS encourages the Department of Education to solicit and consider proposals that include additional counseling efforts that address the unique needs of graduate students. If we can be of assistance in developing the request for proposals (RFP), please do not hesitate to contact me or Beth Buehlmann, vice president for public policy and government affairs, at bbuehlmann@cgs.nche.edu. We will be glad to discuss this further with you.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne T. Ortega".

Suzanne T. Ortega
President