

April 26, 2024

The Honorable Tammy Baldwin  
Chair  
Senate Appropriations Subcommittee on Labor,  
Health and Human Services, Education  
138 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Shelley Moore Capito  
Ranking Member  
Senate Appropriations Subcommittee on Labor,  
Health and Human Services, Education  
138 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chair Baldwin and Ranking Member Capito:

As the subcommittee begins its work on the Fiscal Year (FY) 2025 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, the National Council of Higher Education Resources (NCHER) urges you to include legislative language promoting the use of state and nonprofit organizations to assist student and parent borrowers repay their federal student loans. Our members appreciate the subcommittee's past support of the important and successful work of state and nonprofit organizations that assist students and families, such as the report language included in past appropriations bill.

College affordability and student loan debt are important issues on the minds of our nation's students and families. According to recent statistics, federal student loan debt totals \$1.6 trillion, an amount that policymakers and economists have cited is negatively impacting the ability of student borrowers to achieve postsecondary success, own a car, buy a house, or start a family. While federal student loan borrowers are now in repayment following a three-year suspension of their monthly payments, many student and parent borrowers are struggling to restart paying back their student loans. Even before the pandemic, student and parent borrowers were in need of more specialized support services throughout their postsecondary education to help them understand their financial decisions. But the support is even more important now as borrowers transition back to repayment status, while balancing other economic pressures resulting from the loss of or decrease in employment.

Many state and nonprofit organizations across the country, with more than 50 years of experience, have been highly successful in providing important services to struggling borrowers for decades because they provide a holistic approach to student success, and the U.S. Department of Education should leverage their expertise to help struggling borrowers with Federal Direct Loans. The agencies:

- Act as advocates to help struggling borrowers understand the student loan repayment process and options that may be available to them to help mitigate delinquencies and defaults.
- Provide early awareness support to students and families on a variety of educational choices such as career and training opportunities available beyond high school, and discuss how to apply for college and navigate the financial aid process, how to avoid overborrowing, the importance of managing student loan debt, and budgeting and personal finance management skills. These services are also proactively provided to student and parent borrowers at risk of default.

Previous data compiled on the specialized delinquency and default prevention services that NCHER members provided to colleges and universities prior to the pandemic showed significant reductions in institutional cohort default rates. This Department should take advantage of this record of success by working with state and nonprofit organizations, in conjunction with its federal student loan servicers, to provide specialized support to student and parent borrowers.

The House and/or Senate versions of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act for 2019, 2020, 2021, 2022, 2023, and 2024 included report language recognizing the important role that state and nonprofit organizations – each with a public mission to help students and families – could play in the federal student loan program and urging the Department of Education to leverage the expertise of these organizations to help struggling borrowers as part of its current federal student loan procurements. Because of this, NCHER supports including bill or report language directing the Department of Education and its federal student loan servicers to work with state and nonprofit organizations to help struggling borrowers in the FY 2025 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act. It is in the national interest for these state and nonprofit agencies to continue to provide critical services to students and families to help them repay their student loans and promote college access and success in postsecondary education.

Once again, NCHER thanks the committee for its past support, and urges you to improve on the existing federal student loan servicing system by leveraging the expertise of smaller state and nonprofit organizations in helping student and parent borrowers. If you have any questions, please feel free to contact me at [jbergeron@ncher.org](mailto:jbergeron@ncher.org) or (202) 822-2106.

Sincerely,

A handwritten signature in black ink, appearing to read "J P Bergeron". The signature is fluid and cursive, with a long horizontal stroke at the end.

James P. Bergeron  
President