September 28, 2015

Representative Mike Bishop
U.S. House of Representatives
428 Cannon House Office Building
Washington, DC 20515

Representative Mark Pocan
U.S. House of Representatives
313 Cannon House Office Building
Washington, DC 20515

Dear Representatives Bishop and Pocan:

The National Association of Student Financial Aid Administrators (NASFAA) supports the Higher Education Extension Act of 2015 (H.R. 3594) to extend the Perkins Loan Program for one additional year.

Extending the Perkins Loan Program allows Congress and higher education advocates more time to discuss the future of this program within the context of the comprehensive Higher Education Act reauthorization. Failure to renew the Federal Perkins Loan Program until these vital conversations can happen undercuts efforts to improve college affordability, leaving thousands of future students with an average $2,000 gap in their student aid packages.

We are pleased that this extension includes no budgetary offsets that would enact real cuts to any other student aid programs or program eligibility outside of the Perkins Loan program. However, we continue to be discouraged by budget scoring anomalies that show that an extension of the Perkins Loan Program creates a phantom cost to taxpayers, even though the program has received no new federal investment in nearly a decade.

We are also concerned about the way in which the U.S. Department of Education (ED) has interpreted who can continue to receive Perkins loan funds after the program expires. Recent guidance to schools from ED states that only students who remain in their academic major can continue to receive Perkins loans during the wind-down period after the program expires. Since an academic program has traditionally meant the student’s credential (e.g., associate degree, bachelor of arts degree, etc.), this narrow interpretation largely blunts the positive effects of an orderly wind-down of the program because students often change majors throughout their academic career. In fact, changing majors is a normal and oft-expected part of the academic process, not something for which students should be penalized. The only result of this added layer of tracking and complexity is to penalize the student. Whether through this bill or a subsequent bill, we ask that this provision be clarified so that Perkins loan borrowers continue to qualify for subsequent Perkins Loans as long as they are enrolled in any eligible program during the wind-down.
Thank you again for providing an extension of this program. We look forward to having continued conversations about this program in the larger context of the next Higher Education Act Reauthorization.

Sincerely,

[Signature]

Justin Draeger
NASFAA President & CEO

Cc: Chairman John Kline
    Ranking Member Bobby Scott