



October 24, 2025

Senate Committee on Health, Education, Labor, and Pensions
428 Senate Dirksen Office Building
Washington, DC, 20510

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit our responses to Senator Cassidy on behalf of the Senate Committee on Health, Education, Labor, and Pensions' request for information on improving transparency in higher education and lowering student costs.

NASFAA represents nearly 29,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

The landscape of college pricing and student financial aid is varied and complex. While tuition gets the most attention, students and families need to understand that the cost of a college education extends beyond tuition and direct institutional charges to encompass living, transportation, and other expenses tied to factors external to postsecondary institutions. To cover those costs, a typical financial aid package includes funding from federal, state, local, institutional, and private sources, and can be made up of multiple scholarships, grants, work-study, and loans from any or all of the above sources. Loans can be made in the parent's or student's name, and terms vary widely — from fees, interest rates, repayment length, potential for forgiveness, and more.

Given this complexity, NASFAA's member institutions are committed to providing clear and transparent communication about college costs and financial aid, and have taken several steps toward that goal. NASFAA's code of conduct¹ contains strict guidelines for what must be included on financial aid offers. NASFAA has partnered with 10 postsecondary education associations to create the College Cost Transparency Initiative (CCTI)², a set of financial aid offer principles and standards that 732 institutions have already voluntarily adopted, and has supported the bipartisan Financial Aid and Communication Transparency (FACT) Act,³ legislation that standardizes terms used on financial aid offers and provides clear explanations of each type of aid offered. NASFAA will also release a report shortly detailing recently completed work related to how institutions construct their Cost of Attendance (COA) estimates.

We appreciate the opportunity to respond to the committee's questions about college price and value transparency, financial aid offers, and borrower education.

¹ https://www.nasfaa.org/code_of_conduct

² <https://www.collegeprice.org/home>

³ https://www.nasfaa.org/nasfaa_supports_bipartisan_fact_act

Price Transparency

1. What are the pros and cons of the federal government developing a universal net price calculator vs. students relying on individual colleges' calculators?

The concept of a universal net price calculator (NPC) is laudable. Offering prospective postsecondary students and their families a single site to compare the net prices of the institutions they are interested in would save them significant time by presenting information in a standardized format that lends to simple comparison. Ideally, such a tool would be embedded within the College Scorecard to create a true single stop for prospective students to research their postsecondary education options.

In practice, ED could face significant challenges in creating a one-size-fits-all tool. Current schools' NPCs vary widely in the inputs required to calculate an estimated net price. That variance correlates highly with the types and amount of aid the institution offers. Institutions with little or no institutional aid dollars collect a small amount of information on the NPC, limited to information required to determine dependency status, family size, state residency information, housing status, income, and assets. Those with more institutional aid dollars available ask for all that plus a detailed breakdown of income sources, information about siblings in college, home values, balances of retirement accounts, and more. Institutions that offer merit-based financial aid also ask for GPA and standardized test score information. The more aid an institution has to award, the more complex its formulas are for distributing that aid, and the more information is necessary to estimate eligibility.

In fact, some institutions already offer the standard, mandatory NPC and a supplemental calculator that more accurately accounts for the nuances of their institutional awarding formulas. In developing a universal NPC, ED would need to strike the correct balance of user data inputs that do not overburden the user but ask for enough information to accurately estimate the net prices of institutions with significant institutional aid to offer.

An ideal solution would be to offer a basic NPC that collects minimal user data and an optional, enhanced NPC that provides a more nuanced estimate of net costs for institutions with more complex aid formulas who wish for that information to be available on the universal NPC. Users could input the minimum amount of data and receive an estimated net price for institutions with simpler awarding methodologies and an estimated net price range for institutions that need more information to provide a better estimated net price. Users could then be given the option to provide additional data to get a more precise net price estimate for institutions that have chosen to provide the additional data necessary for this calculation. We urge the committee to work with NASFAA to capture a meaningful array of options that provide the most accurate and transparent results.

A final consideration is the challenge of balancing accuracy against the inevitable data lags that would arise from shifting NPCs from individual schools to a universal NPC. This, among other concerns already mentioned, makes it essential that institutions retain the ability, at their option, to maintain their own, more precise NPCs. Those should be linked from the site where the universal tool resides.

2. What data elements would the federal government need to collect in order to build a truly useful universal net price calculator?

To generate an estimated net price, a universal net price calculator should be designed to collect only the minimum amount of data necessary from institutions and a minimum amount of inputs by users. This approach streamlines the process, reduces the burden on applicants, and focuses on the core financial elements required for an accurate preliminary assessment. Some of those elements may include:

User inputs:

- Dependency status determinants (student's age, marital status, dependent information, active duty/veteran status, etc.)
- Family income
- Family size
- Residency (in-state vs. out-of-state)
- Planned living arrangement (on-campus, off-campus, with family)

Institutional data:

- Cost of attendance, for multiple living arrangements and residency status, if applicable (on-campus, off-campus, with family, in-state, out-of-state, etc.)
- Median and distribution of institutional, state, and federal grants and scholarships by family size and income bands (Note: reporting grant aid by family size and income band would be a new institutional reporting requirement, as they currently only report grant aid by income band to ED)

If the committee were to consider an optional, enhanced NPC, it would require collecting the following information in addition to the above:

User inputs:

- Number of family members enrolled in college
- Home equity
- Balance of retirement accounts
- GPA
- Standardized test scores

Institutional data:

- Median and distribution of institutional, state, and federal grants and scholarships by family size, number in college, income and asset bands, GPA, and standardized test scores

It is important to stress that this enhanced NPC would require significantly more institutional data reporting and should, as such, be offered only at the institution's discretion.

3. What actions should the federal government consider to ensure students and families can compare non-tuition costs across colleges, such as housing and food?

To help students and families compare non-tuition costs such as housing and food, the federal government should focus on improving how existing data are used and presented rather than introducing new reporting requirements for institutions. The Department can make existing IPEDS data on COA more useful by publishing it in a consistent, easy-to-compare format through federal consumer tools such as the College Scorecard. The College Scorecard could display itemized non-tuition costs (housing, meals, transportation, personal expenses) across institutions, helping students better understand the total COA at multiple schools.

Value Transparency

4. What are the strengths and weaknesses of the College Scorecard?

NASFAA appreciates the College Scorecard's intent to provide transparent, comparable information about college costs and outcomes. We value the tool as a centralized, publicly accessible resource that promotes accountability and helps students make more informed choices. However, researchers have raised concerns about the Scorecard's data accuracy, timeliness, and contextual limitations.^{4 5} Because the tool draws on lagged federal data and presents aggregate outcomes without accounting for differences in student demographics or institutional mission, it can inadvertently disadvantage open-access institutions and those serving higher shares of Pell-eligible students.⁶ NASFAA also notes that inconsistent presentation of cost information across federal tools, such as the College Scorecard, Net Price Calculator, and FAFSA Submission Summary (formerly the Student Aid Report, or SAR), creates confusion rather than clarity.⁷ Linking to individual schools' Net Price Calculators on the College Scorecard helps to alleviate this by allowing a user to search or compare a school's data to easily access the Net Price Calculator. Institutions are expected to update their Net Price Calculator annually, which also helps address the current concern surrounding the lag in federal data. NASFAA supports efforts to streamline these resources, improve data relevance and update frequency, strengthen institutional opportunities to review and correct underlying data, and ensure that all tools undergo rigorous consumer testing.^{8 9}

5. What policy changes would improve the quality of data on college value that are available to prospective students and their families?

NASFAA urges Congress and the Department of Education to adopt policy reforms that enhance both the recency and the consistency of data presented in the College Scorecard. In particular, we recommend that Congress:

⁴Bloem, D., Hu, A., & Hurwitz, M. (2024). [Understanding Variation in Post-College Earnings: Evidence from the U.S. Department of Education's College Scorecard](#). Annenberg Institute Working Paper 24-1112.

⁵Institute for Higher Education Policy (IHEP) (2023). [Updated College Scorecard Data Shed New Light on Student Outcomes](#).

⁶Kelchen, R. (2020). [Using Earnings Metrics for Accountability: Today's Students Initiative](#).

⁷The Institute for College Access & Success (TICAS) (2023). [Takeaways from New Program-Level Data on the College Scorecard](#).

⁸[Compiled Higher Education Act Reauthorization Recommendations](#) (NASFAA) (2025).

⁹NASFAA (2019). [Consumer Testing in Federal Student Aid Communications](#).

- Establish a standardized consumer-testing framework for all federally mandated disclosures and data tools — ensuring that new or revised information requirements are developed with clear attention to audience and usability.¹⁰
- Mandate coordination across federal disclosure platforms, including the College Scorecard, Net Price Calculators, and the FAFSA Submission Summary (formerly the Student Aid Report, or SAR), to ensure consistent cost/earnings presentation.
- Reduce underlying data lags and improve data system integration. Support legislation or regulatory action that directs ED and its partners (Federal Student Aid, Internal Revenue Service, IPEDS/NCES) to:
 - Streamline federal data sharing and matching¹¹ (e.g., earnings from IRS, loan data from NSLDS) to shorten the time between when students complete a program and when those outcomes appear in the Scorecard — without requiring new or additional reporting from institutions.
 - Increase transparency by clearly labeling the cohort year associated with each Scorecard metric so that students and families understand which group of students is being represented. Different Scorecard metrics (earnings, completion, and debt) are drawn from various years and student populations but are displayed side-by-side as if they all represent the same time period, which has been raised as a concern by federal oversight and higher education policy organizations.^{12 13 14}
 - Explicitly preclude additional reporting burden on institutions by prioritizing improvements in federal data infrastructure and interagency processing rather than creating new or expanded campus-level reporting requirements.
- Authorize institutional review prior to publication to allow institutions to validate accuracy, submit context for outliers, and request corrections before data become public.¹⁵

By enacting these policy reforms and investing in data infrastructure modernization, Congress can help ensure that postsecondary education data more fully delivers its promise: empowering students and families with clear, up-to-date, and equitable information without penalizing institutions serving higher-needs populations.

6. How can the federal government partner with private and non-profit entities to ensure that information on college value reaches prospective students and their families?

To strengthen the impact of federal data tools such as the College Scorecard, the federal government should leverage partnerships with NASFAA, other higher education associations and organizations, and

¹⁰ NASFAA (2023). [Higher Education Act \(HEA\) Reauthorization Recommendations](#).

¹¹ U.S. Government Accountability Office, *Higher Education Data: Department of Education Should Further Assess College Information on Its Website and Share Data More Consistently*, GAO-21-5 (2021).

¹² U.S. Government Accountability Office, *Higher Education Data: Department of Education Should Further Assess College Information on Its Website and Share Data More Consistently*, GAO-21-5 (2021).

¹³ Postsecondary Data Collaborative, Letter to Secretary Miguel Cardona Regarding the College Scorecard (2021).

¹⁴ Center for American Progress, *Scoring the College Scorecard* (2016).

¹⁵ U.S. Government Accountability Office (GAO), *Higher Education Data: Department of Education Should Further Assess College Information on Its Website and Share Data More Consistently*, GAO-21-5 (2021), <https://www.gao.gov/assets/gao-21-5.pdf>

community-based organizations with trusted relationships with students — particularly those from underrepresented backgrounds.

Specifically, NASFAA recommends that the Department of Education:

- Collaborate with financial aid administrators and college access counselors to ensure that updates to federal consumer tools are informed by student experiences and practitioner feedback and communicated effectively through professional training networks.¹⁶
- Invest in coordinated outreach through community-based organizations, college access non-profits, and secondary school networks that serve first-generation and low-income students, ensuring that College Scorecard and Net Price Calculator information is integrated into existing advising and counseling systems.¹⁷
 - Partner with research and policy organizations (such as IHEP, TICAS, and the College Promise Campaign) to evaluate how students use cost and value data, test usability across diverse audiences, and develop evidence-based communication strategies.¹⁸
 - Provide grants or cooperative agreements that allow intermediaries — including associations, non-profits, and local networks — to translate complex federal data into clear, student-friendly messaging without duplicating reporting or administrative burden on institutions.¹⁹

By strengthening partnerships with practitioner associations and community-based organizations, the federal government can ensure that high-quality college value data are available, accessible, trusted, and used by the students and families who need them most.

Financial Aid Offers

7. Over the last few years, many colleges have adopted best practices in their financial aid offer letters. What lessons have they learned from this change in practice?

Over the past few years, colleges have made efforts to improve their financial aid offers by adopting best practices, driven by a commitment to transparency and student understanding. A key lesson learned is the importance of clarity and simplicity in presenting complex financial information. Institutions recognize that aid offers are often a student's first detailed look at college costs and available assistance, making clear communication incredibly important.

A significant influence on these changes comes from professional standards. All NASFAA members, for instance, are required to follow its Code of Conduct, which includes specific standards for aid offers. This code emphasizes providing students and families with accurate, timely, and understandable information about financial aid. In addition, many institutions have also committed to providing clear, transparent aid

¹⁶NASFAA (2019). [Consumer Testing in Federal Student Aid Communications](#). NASFAA Public Policy Submission.

¹⁷NASFAA (2024). Financial Aid Offices as Student Support Hubs: Findings from the NASFAA Administrative Burden Survey.

¹⁸Institute for Higher Education Policy (IHEP) (2023). [Updated College Scorecard Data Shed New Light on Student Outcomes](#).

¹⁹The Institute for College Access & Success (TICAS) (2023). [Takeaways from New Program-Level Data on the College Scorecard](#).

offers as part of broader initiatives, such as the College Cost Transparency Initiative (CCTI). This voluntary effort, led by NASFAA and the American Council on Education (ACE), seeks to improve financial aid offers by including standardized elements to ensure students and families receive consistent and understandable information. These agreements highlight best practices like using standardized terminology, distinguishing between grants/scholarships, loans, and employment opportunities, and clearly outlining the cost of attendance and net price.

We have learned that different aid offer formats resonate with different students and different institutions, as demonstrated by the “No Clear Winner”²⁰ report from NASFAA, in which multiple aid offer formats were tested. Participants found aspects of each aid offer useful, but no document could replace a knowledgeable financial aid advisor to provide further explanation and assistance. This is further supported by recent research²¹ conducted on behalf of the CCTI that found that while consistency in key information is beneficial, rigid, standardized templates are not always the most effective. We stand firm in the belief that institutions are best positioned to determine the specific design of their aid offers, provided they adhere to commonly agreed-upon standards for transparency and clarity.

8. What barriers exist to more colleges adopting best practices with their offer letters?

One obstacle is the use of legacy IT systems, which are often not equipped to handle the dynamic display requirements or data integration needed for modernized aid offers, without potentially requiring substantial, timely, and costly upgrades. When needed, overhauling financial aid offers can be a significant undertaking involving more than just the financial aid office. Financial aid office staffing shortages, paired with substantial administrative burden and recent challenges, such as the troubled FAFSA rollout and now, implementing the student aid provisions from the One Big Beautiful Bill Act in a very tight time frame, leave financial aid administrators at under-resourced institutions unable to take on such initiatives even where there is a desire to do so.²²

9. How should colleges communicate information about parent PLUS loans, which have less favorable terms than regular student loans and are not available to all families?

The best approach is to use deliberate and transparent language to ensure families considering borrowing from the parent PLUS program understand the benefits and drawbacks. Mirroring the [Department of Education’s guidance](#), the [College Cost Transparency Initiative](#) advises that Parent PLUS loans should not appear as a standard or default option on aid offers. If included, they should be listed separately from the student loans, presented as one of the many options to cover the parents’ share of costs, and clearly note that approval depends on a creditworthiness check. Communication should highlight the program’s terms, such as the higher interest rates and origination fees than student loans, and emphasize that the loan cannot be transferred to the student, making the parent solely responsible for repayment.

²⁰ NASFAA (2013) [No Clear Winner: Consumer Testing of Financial Aid Award Letters - Summary & Report](#)

²¹ College Cost Transparency Initiative (2025) [Financial Aid Offer Research](#).

²² NASFAA (2025) [Continued Impact of Workforce Reductions and Potential Closure of the Department of Education on Financial Aid Offices](#). NASFAA Survey.

Informed Borrowers

10. What information on student loan repayment is most important for students to have when they are taking out the loans?

The most important information for students when taking out loans centers fundamentally on the realities of repayment and long-term financial impact. This includes a clear understanding of the total principal amount borrowed, student loan fees, the specific interest rate for each loan type (distinguishing between subsidized and unsubsidized federal loans and any private loans), and how interest accrues, particularly while they are still in school. Students need to know when repayment obligations typically begin, and receive realistic estimates of their monthly payment amounts under various repayment plans, along with the total estimated cost of the loan over its full repayment term. Other vital information includes the potential consequences of loan default and the available options for deferment or forbearance during periods of financial hardship.

Given the upcoming elimination of Graduate PLUS loans and loan limits for Parent PLUS loans, more students and their families may turn to the private loan market, which adds another layer of complexity. This complexity highlights students' need to understand the significant differences between federal and private loans, including varying interest rates, repayment terms, and borrower protections.

11. What is the best way to communicate information about loans to students so that they actively process it and do not just sign disclosures without reading them?

ED must create consumer-tested tools, developed in collaboration with financial aid professionals, that are practical and engaging to ensure students actively process crucial loan information rather than merely signing disclosures without true comprehension. Related to this, we recommend that Congress give schools the authority to mandate additional loan counseling at their discretion if they feel they can supplement ED's counseling materials with more relevant information to their student population. Granting this authority would empower schools to tailor counseling requirements to their unique student populations, moving beyond a one-size-fits-all federal mandate and allowing financial aid staff to focus on complex individual cases, ultimately fostering more informed borrowers.

12. Are there special considerations that colleges should take when communicating information to students attending the short-term, workforce-oriented programs that will become eligible for Workforce Pell Grants in the coming years?

Communicating financial aid information to students in programs eligible for Workforce Pell Grants will require a uniquely tailored approach. Especially given the current uncertainties, as final rules are not expected until late spring, colleges will face significant challenges in providing definitive guidance. Any communication should be exceptionally concise and delivered quickly upon notice of interest in the program, reflecting the accelerated nature of these programs. We can assume that some of the participants in these programs will be non-traditional students, potentially balancing work and family commitments, so communication should be clear, accessible, and straightforward.

Additionally, the Department of Education and institutions should collaborate to develop a clear explanation of Lifetime Eligibility Used (LEU) for these specific programs, emphasizing how short-term enrollment and Pell use will impact a student's remaining eligibility for future Pell Grants and postsecondary opportunity.

ED must tailor its FAFSA Submission Summary (FSS) comments for Workforce Pell Grant-eligible students. The current FSS communicates a full academic year's Pell Grant eligibility, which will be misleading for students in programs lasting less than a year. ED should adjust its messaging to state that Pell eligibility for programs under one year will result in a proportionally smaller Pell Grant award. For example, the FSS could include language such as, "If your program is less than one year, you will be eligible for a reduced Pell Grant award reflecting your shorter enrollment period." This direct and transparent communication will help manage student expectations and ensure a better understanding of their financial aid package.

Finally, should ED determine through negotiated rulemaking that it requires a separate application for programs wishing to offer Workforce Pell Grants, ED should commit to a reasonable application processing time so institutions can advise students planning to enroll in these programs appropriately.

We appreciate the opportunity to respond to the Committee's request for information. If you have any questions regarding these comments, please [contact us](#) or NASFAA's Assistant Director of Government Relations, [Nalia Medina](#).

Regards,

A handwritten signature in black ink that reads "Melanie E Storey". The signature is written in a cursive, flowing style.

Melanie Storey
President and CEO, NASFAA