



March 19, 2021

The Honorable Richard Burr  
Ranking Member  
Committee on Health, Education,  
Labor, and Pensions  
United States Senate  
217 Russell Senate Office Building  
Washington, DC 20510

The Honorable Angus King  
United States Senate  
133 Hart Building  
Washington, DC 20510

Dear Ranking Member Burr and Senator King:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, I write to express support for the Repay Act of 2021. NASFAA represents more than 28,000 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. and the financial aid community is deeply invested in ensuring that student loan repayment is simple and understandable. We applaud the improvements the Repay Act makes for borrowers in repayment.

There is growing and warranted concern about rising levels of student debt in this country, and the commensurate impact it has on the economic growth and development of an entire generation of Americans. We commend you for addressing this issue by streamlining the federal student loan repayment process through the Repay Act. Consolidating the various income-driven repayment plans into a single plan will help borrowers understand the benefits and protections inherent in our federal student loan system, while at the same time protecting the federal investment in higher education.

Despite the many borrower protections present in the existing income-driven repayment plans, a concerning number of borrowers continue to struggle to meet their monthly student loan debt obligations, become delinquent on payments, or go into default. This is partly because enrolling in these plans is cumbersome and confusing. Borrowers must first be aware of existing plans; then, assess which plan, if any, they are eligible to join and will most benefit them; complete an application and income verification; and, finally, provide annual documentation of income for at least 20 years until their debt is forgiven.

The Repay Act's proposal to collapse the different income-driven repayment plans into a single income-driven repayment plan should help to ease the enrollment process for borrowers by removing the need for them to understand and distinguish between many programs with miniscule differences. Those benefits will be amplified upon implementation of the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act, which became law in late 2019 and will automate the income verification process for documenting and recertifying borrower income.

We look forward to working with you on some of the bill's specific provisions, particularly the stipulation that the new repayment plans are available to new borrowers only. These provisions often work against students by creating additional qualification criteria. We also encourage you to allow the new fixed repayment plan to qualify for time-based and service-based forgiveness, as is currently the case under the existing income-driven plans.

We thank you for introducing this important legislation, and for your commitment to our nation's students through simplifying the federal student loan program that they rely on to achieve higher education access and success.

Regards,

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

Justin Draeger, President & CEO

cc: The Honorable Patty Murray, Chairwoman, Senate Committee on Health, Education, Labor and Pensions