

November 20, 2015

Honorable Paul Ryan
Speaker of the House
United States House of Representatives
H-232 The Capitol
Washington, DC 20515

Senator Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Honorable Harold Rogers
Chairman
Committee on Appropriations
United States House of Representatives
H-305, The Capitol
Washington, DC 20515

Senator Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Room S128, The Capitol
Washington, DC 20510

Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
H-204, US Capitol
Washington, DC 20515

Senator Harry Reid
Minority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Honorable Nita Lowey
Ranking Member
Committee on Appropriations
United States House of Representatives
H-305, The Capitol
Washington, DC 20515

Senator Barbara Mikulski
Ranking Member
Committee on Appropriations
United States Senate
Room S128, The Capitol
Washington, DC 20510

Dear Speaker Ryan, Leader Pelosi, Leader McConnell and Leader Reid, Chairmen Rogers and Cochran and Ranking Members Lowey and Mikulski,

We write on behalf of the undersigned higher education associations, coalitions and institutions to request your support for a one-year extension of the Perkins Loan program. This valuable program makes low-cost loans available to college students with demonstrated financial need, and is strongly supported across the full spectrum of American higher education. The recent expiration of the program has caused significant concern for the hundreds of thousands of students who rely on Perkins loans to finance their education, and it is critical that an extension is passed as soon as possible to prevent further harm to students.

The Perkins Loan program, founded in 1958, is the original federal student aid program. Millions of students with financial need have used Perkins Loans to complete their

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undergraduate or graduate education. These loans, which are comparable to Stafford loans for undergraduates and at a lower interest rate for graduate students, include forgiveness provisions for many public service positions after ten years. Approximately 1,500 institutions participate in the Perkins loan program, and last year over 500,000 students borrowed an average of \$2,000 through the program. Without an extension, 100,000 students who would be eligible will be denied access to the program and forced to find alternative (and more expensive) financing or forego their educations altogether.

The campus-based aid programs, including Perkins loans, require institutions to provide “skin in the game,” balancing any risk the federal government might incur. In order to participate in the Perkins Loan program, institutions have to contribute one-third of the total aid provided to students out of institutional funds. As borrowers repay their loans, the funding is added to a revolving fund on campuses that provides new loans to students, guaranteeing a steady source of new aid without any new federal investment. In fact, the federal government has not appropriated new funding to Perkins loans since 2004, yet the program has continued to grow because of the financial commitment of colleges and universities.

Legislation to provide this extension, the Higher Education Extension Act of 2015 (H.R. 3594) has received strong bipartisan support in both chambers. The bill was passed by the House under suspension, but did not receive unanimous consent in the Senate before the expiration date. Recently, a bipartisan group of senators, representing a majority of the chamber, expressed their support for this extension. H.R. 3594 would push back the authorization of the program for one year to allow for consideration of the Perkins Loan program within the framework of the ongoing reauthorization of the Higher Education Act. This thoughtful approach ensures that the interests of both students and taxpayers are protected until Congress has had the opportunity to examine the full range of policy options for the federal financial aid programs. In addition, this legislation fully offsets the cost of the extension from changes within the program, meaning that students benefit without any new cost to taxpayers. The organizations and institutions signing this letter strongly endorse the use of this offset for the extension.

Without additional time, campuses will be forced to wind down the program, imposing unnecessary costs on students working to pursue their postsecondary goals. Due to the urgent nature of the extension, we ask that you either advance a stand-alone extension soon, or attach such legislation to a legislative vehicle (such as pending appropriations bills) likely to move to the floor before the end of the year.

We thank you for your attention to this matter, and your continued support of American students and institutions.

Sincerely,

Molly Corbett Broad
President

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On behalf of: