Congress of the United States
Washington, DC 20515

March 6, 2018

The Honorable Paul Ryan
Speaker of the House
1233 Longworth House Office Building
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
233 Cannon House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Chairman
Education and the Workforce Committee
2262 Rayburn House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Education and the Workforce Committee
1201 Longworth House Office Building
Washington, DC 20515

The Honorable Tom Cole
Chairman
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
Committee on Appropriations
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
Committee on Appropriations
Washington, DC 20515

Dear Speaker Ryan, Leader Pelosi, Chairman Foxx, Ranking Member Scott, Chairman Cole and Ranking Member DeLauro,

We are writing to urge you to take action and extend the Perkins Loan Program for two years through the anticipated Fiscal Year 2018 omnibus appropriations spending bill. According to the latest CBO score, a two year extension of the loan program would cost significantly less than the amount set aside for "student-centered programs that aid college completion and affordability" in the recent budget deal.

There is no program out there that is better at supporting college completion and affordability than the Perkins loan program. In the last academic year alone, more than 420,000 students received a Perkins Loan to help pay for college. Unfortunately, this program was allowed to expire on September 30, 2017, leaving hundreds of thousands of students and their families wondering how they'll make up the gap next year. This extension would allow Perkins Loans to continue while the House and Senate finish their work on a full reauthorization of the *Higher Education Act*.

Perkins Loans are an invaluable component of an institution's and student's financial aid resources. The low fixed interest rate and cancellation benefits for designated professions in areas of national need are both unique and critical, particularly for low and moderate-income students. According to the most recent data available:

- 67 percent of Perkins borrowers are dependent students, 34 percent of whom are from families with household incomes of less than $30,000.
- 20 percent of Perkins borrowers are independent students, 70 percent of whom have personal incomes of less than $20,000.

The success of this loan program is a result of the central role played by higher education institutions that originate the loans, counsel their students, and work closely with the students throughout their entire repayment process. The Perkins Loan Program is also a risk-sharing program in which institutions contribute at least one-third of the funds that go toward their students' loans. This "ownership interest" greatly contributes to the successful management of this vital program.

While Perkins Loan amounts are relatively small compared to other loan programs, in many instances it's the difference between continuing enrollment and having to drop out. Perkins Loans fill a critical gap that exists for many students after federal grants and Stafford loans are applied. Without Perkins Loans, many of these students are forced to seek private loans that have much higher interest rates, and given the low income status of many of these students, it is a challenge for some of them to even qualify for a private loan. Perkins Loans also act as a lifeline when unforeseen disruptions, such as a parent's job loss or student's inability to work enough hours, jeopardize a student's ability to pay for college. These loans help keep low income students enrolled in school and ensure that they will be able to complete their degree.

Throughout the 59-year history of the Perkins Loan Program, $7.9 billion in federal contributions have been leveraged with institutional contributions into over $37 billion in low-cost loans to more than 30 million students of need. In practice, the Perkins loan program has been self-sustaining, with little to no government funding for more than a decade. Perkins Loans are clearly one of the most effective and efficient public-private partnerships in the federal government. Now, more than ever before, American leadership demands having a world-class education system, focusing on 21st century skills and preparing the best workforce in the world. To meet the ever growing demand of talent, it is essential to ensure that all qualified students are able to pursue higher education despite their financial status.

Thank you for considering our request and please call Nikki Meadows (nikki.meadows@mail.house.gov) in Rep. Slaughter's office at 5-3615, or Caroline DeBerry (caroline.deberry@mail.house.gov) in Rep. Duncan's office at 5-5435 for any questions.

Sincerely,

Louise M. Slaughter
Member of Congress

John J. Duncan, Jr.
Member of Congress