

United States Senate

WASHINGTON, DC 20510

June 6, 2014

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Mr. President:

Next week the Senate will consider legislation to allow borrowers who took out student loans prior to July 1, 2013 to refinance their loans to the current rates that apply to new borrowers. As Congress begins this important debate, I also encourage you to implement administrative measures to address the student debt crisis. A college education is an important step toward achieving goals like starting a family, opening a business, or purchasing a home. However, the increase in the cost of college tuition has outpaced inflation for the past 32 years. Now, 40 million Americans hold more than \$1.2 trillion dollars in student loan debt. The burden of this debt is staggering and is preventing Americans from pursuing their dreams and goals.

The student debt crisis is especially profound in New Hampshire, which ranks second highest in the nation for the proportion of students graduating school with debt and for the average amount of debt per graduate. Seventy-four percent of the state's graduates carry an average balance of nearly \$33,000.

We must act to address this problem, and part of the solution is enacting the Bank on Students Emergency Loan Refinancing Act, a commonsense effort I have cosponsored that could help borrowers save thousands of dollars over the life of their student loan by refinancing. Just as borrowers can refinance mortgages or car loans, they should be able to refinance student loans to receive a lower interest rate and as a result, save money by lowering their payments.

But as I noted earlier, there are also significant steps the Administration can take to complement our efforts in Congress to address the student debt crisis. One such measure that could be executed administratively is similar to provisions included in my legislation, the Simplifying Access to Student Loan Information Act. This bill would establish a pilot program to encourage innovative and nontraditional methods of borrower outreach and communication.

Improving outreach programs will help lenders and borrowers find creative solutions to problems and ensure that lenders serve as accessible sources of information and assistance. Ultimately, better communication and outreach will benefit borrowers, and the economy, because timely repayments reduce costs and alleviate the burden of student debt in a more timely fashion.

I look forward to working with you and am hopeful that you consider this recommendation as you examine ways to help Americans currently living with student debt.

Sincerely,



Jeanne Shaheen
United States Senator