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January 11, 2007

The Honorable George Miller, Chairman
Committee on Education and Labor
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Miller:

On behalf of the more than 430 public colleges and universities, which enroll more than 3 million students, we write to support Congressional efforts to make paying for college more affordable for students and families. Thank you for making student financial aid a priority during the first 100 hours of the 110th Congress by introducing H.R. 5. We support the concern for needy students exemplified in the *College Student Relief Act of 2007* to lower interest rates for subsidized student loans.

As you know, state colleges and universities have faced nearly a decade of state budget cuts resulting in increased tuition. Meanwhile, the maximum federal Pell grant has been level funded for five years. Combined with cost of living increases, these factors have forced more students, including an alarmingly large percentage of low and middle-income students, to take on greater loan debts to help pay for their college education. In fact, on average, 58 percent of a student's financial aid package is composed of student loans and students are graduating on average with more than \$17,000 in student loan debt. This was not the case for previous generations of college goers, and it is irresponsible for us to ask this generation of students to shoulder such a large debt burden in order to pursue a college education.

Our public four-year college students, who represent 40 percent of subsidized student loan borrowers, would on average save approximately \$4,000 when this proposal is fully implemented. We are pleased that many of our lower income students who take out new loans would benefit from this proposal.

Ensuring adequate financial aid and minimizing college debt levels for all students is a priority our member institutions share with you. Moreover, we support policies that focus federal financial aid towards the students with the most financial need. We strongly support continued efforts during the 110th Congress to make college even more accessible by increasing the maximum Pell grant to at least \$5,100, and providing comparable loan benefits to additional non-traditional, independent borrowers that would be provided by this bill to dependent borrowers.

Letter to Chairman George Miller

January 11, 2007

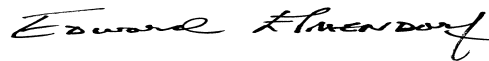
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We are encouraged by Congressional efforts to make college loans more affordable, and we will continue to support policies that make college loans more affordable for all students, especially those with high need demonstrated by independent students. In fact, recent data from the National Center for Education Statistics National Postsecondary Student Aid Study of borrowers indicate that over one-half of Stafford loans taken out by independent students at public four-year institutions are a combination of subsidized and unsubsidized loans. Furthermore, fewer than 10 percent of the independent borrowers took out only an unsubsidized loan. This is an indication that among independent student loan borrowers, the subsidized loan is primarily used in combination with an unsubsidized loan to pay for college costs. Independent students can borrow an additional \$4,000 in unsubsidized Stafford loans after they have borrowed the maximum limit in subsidized loans. Congress has thereby acknowledged that independent students experience higher need. Unfortunately, the funding has not been provided to allow independent borrowers to take out a wholly subsidized student loan.

We are pleased that many student borrowers taking out new loans will benefit from this proposal without cuts to other financial aid programs that benefit our students and institutions. We look forward to the opportunity to support continued efforts by the House and the Senate to make college more affordable and accessible for the lowest income students and families.

Once again, thank you for placing college students and college affordability high on your agenda.

Sincerely,



Edward Elmendorf
Senior Vice President
Government Relations and Policy Analysis