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CBA

June 27, 2019

HELPING FINANCE THE AMERICAN DREAM SINCE 1919.

The Honorable Tim Scott
U.S. Senate
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Joe Manchin
U.S. Senate
306 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Scott and Manchin:

On behalf of the Consumer Bankers Association (CBA), I write to express our strong support for The Student Loan Disclosure Modernization Act. CBA is the voice of the retail banking industry whose products and services provide access to credit to millions of consumers and small businesses. Our members operate in all 50 states, serve more than 150 million Americans and collectively hold two-thirds of the country's total depository assets. In addition, CBA membership includes private sector lenders who make the majority of private student loans to help families finance a college education.

For many students and families, a college education will be one of the most important investments they ever make. The bipartisan Student Loan Disclosure Modernization Act will help ensure borrowers have the information necessary to make informed decisions about financing higher education. Today, the ironically named Plain Language Disclosure provides users of federal student loan products six pages of legal jargon in fine print to show only generic loan costs and repayment terms. Your important legislation would streamline the disclosure and clearly explain the costs and terms of the federal student loan specific to the individual borrower. Private student lenders already offer their customers a clear, know-before-you-owe disclosure form that is welcomed by the borrower. CBA strongly believes better disclosure of federal loan costs and terms will promote informed decision-making and discourage the over borrowing that is fueling the high cost of college.

Thank you for your leadership on this issue. CBA welcomes the opportunity to work with you in passing this important legislation to provide students and families with the information necessary to make sound financial decisions in their pursuit of their higher education goals.

Sincerely,



Richard Hunt
President and CEO
Consumer Bankers Association