



April 29, 2021

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 members operate in all 50 states, serve more than 150 million Americans, and collectively hold two-thirds of the country's total depository assets. CBA members are also the private sector lenders that make the majority of private education loans to help families finance a postsecondary education. At this time of extreme uncertainty, our banks remain in strong financial condition and are stepping up to serve the needs of their customers and employees.

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 that adequate, individualized disclosures of federal loan costs and terms will promote informed decision-making and discourage the excessive federal lending that is fueling the exorbitant rise in higher education costs.

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,

A handwritten signature in black ink that reads 'Richard Hunt'.

Richard Hunt
President and CEO