



November 7, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Chairman, Committee on Ways and Means
U.S. House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Dear Speaker Ryan and Chairman Brady:

We, the undersigned members of Education Finance Council (EFC), are writing to respectfully urge you to reinstate the tax exemption for Qualified Student Loan Bonds in your chamber's tax reform bill. EFC is the national trade association representing nonprofit and state-based higher education finance organizations that operate with the mission of increasing postsecondary access, affordability, and success for students and families in their states and nationwide. Nonprofit and state-based student loan providers utilize tax-exempt bond financing in the form of Qualified Student Loan Bonds to fund low-cost education loans and extensive free college access, student success, and financial literacy programs.

By repealing the tax exemption for all private activity bonds, the *Tax Cuts and Jobs Act* repeals the tax exemption for a subset of private activity bonds — Qualified Student Loan Bonds — that serve as an important college financing vehicle for middle-income families. Preserving the tax-exempt status of these bonds will ensure that families across the nation will have continued access to low-cost college financing options.

While we understand that difficult choices must be made in order to advance tax reform, we would like to make you aware of the importance of this provision to our nation's students and families. As college costs continue to rise, many middle-income families require financing options beyond the federal student loan program. Nonprofit and state-based student loan funding providers in 19 states have the ability to utilize the proceeds of tax-exempt Qualified Student Loan Bonds to offer lower borrowing costs to students and families.

In fact, tax-exempt Qualified Student Loan Bonds have resulted in collective savings for student loan borrowers of more than \$815 million, and repealing this tax exemption would burden the average student loan borrower with over \$2,100 of additional debt. That's because the tax-exempt status of these bonds allows state-based and nonprofit programs to offer low interest rates, low or no origination fees, and lower monthly payments and lower total debt than many other education loan options, including the Federal PLUS loan.

Qualified Student Loan Bonds also allow nonprofit and state-based student loan organizations to serve as critical resources for students and families in their states. In the past year, these organizations collectively worked with over 2.5 million families to provide free assistance with every facet of planning, saving, and paying for college. These families rely on our services, which are funded in large part by our non-federal student loan programs that utilize tax-exempt Qualified Student Loan Bonds.

Therefore, as you continue to move through the process of reforming the tax code, we encourage you to reinstate the tax exemption of Qualified Student Loan Bonds. This important college financing tool is critical to middle-income families, who now more than ever need access to low-cost options to pay for college.

Thank you for your consideration and for your leadership on helping our nation's families to get ahead and stay ahead.

Sincerely,



Debra J. Chromy, Ed.D.
President

On behalf of:

Alaska Student Loan Corporation

ALL Student Loan

Arkansas Student Loan Authority

Connecticut Higher Education Supplemental Loan Authority

INvestEd

Iowa Student Loan

Kentucky Higher Education Assistance Authority/Kentucky Higher Education Student Loan Corporation

Louisiana Education Loan Authority

Massachusetts Educational Financing Authority

Midwestern University

Minnesota Office of Higher Education

New Hampshire Higher Education Loan Corporation

New Mexico Educational Assistance Foundation

North Texas Higher Education Authority, Inc.

Oklahoma Student Loan Authority

Rhode Island Student Loan Authority

South Carolina Student Loan Corporation

South Texas Higher Education Authority, Inc.

Utah Higher Education Assistance Authority

Vermont Student Assistance Corporation