



LOUISE M. SLAUGHTER
CONGRESS OF THE UNITED STATES
25TH DISTRICT, NEW YORK

Support Reauthorization of the Perkins Loan Program

Dear Colleague,

Please join me in signing a letter to the House Committee on Education and the Workforce supporting the reauthorization of the Federal Perkins Loan Program before it expires on September 30, 2015. Perkins is our nation's longest running student loan program and essential to many students' pursuit of higher education. Last school year, over 1,500 colleges and universities disbursed \$1.2 billion in new Perkins loans to approximately 539,000 students.

The Perkins Loan Program is a campus-based student aid program through which colleges and universities across the country provide subsidized, low-interest loans to undergraduate and graduate students demonstrating financial need. Perkins loans do not accrue interest while students are in school and maintain a fixed five percent interest rate, often making them a much more affordable option than private student loans. Perkins loans are disbursed through campus-based revolving funds established from a combination of federal and institutional contributions. Because Perkins uses revolving funds, the program is self-sustaining, with student loan repayments paying for new loans.

Unfortunately, without congressional action no new Perkins loans will be permitted to be disbursed starting October 1, 2015. Moreover, any new students who receive a disbursement prior to that date will only be able to receive Perkins loans for the 2015-16 academic year, putting their ability to afford their full education in uncertainty.

Without Perkins, schools would lose the necessary flexibility to help students cover gaps left after federal grants and Stafford loans are applied or unforeseen circumstances jeopardize a student's ability to pay for college. Ultimately, if Perkins is allowed to expire billions of dollars in student aid would be eliminated from schools' revolving funds.

I invite you to join me in supporting the Federal Perkins Loan Program. If you would like to sign this letter or have additional questions please contact Benjamin Schultz at benjamin.schultz@mail.house.gov or 5-3615. Please find the full text of the letter below.

Sincerely,
Louise M. Slaughter
Member of Congress

June XX, 2015

The Honorable John Kline
Chairman
Education and the Workforce Committee
2181 Rayburn House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Education and the Workforce Committee
2101 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Kline and Ranking Member Scott,

Originally known as the National Defense Student Loan program, the Federal Perkins Loan Program began 57 years ago and has been included in the Higher Education Act since its inception in 1965. Perkins is the nation's longest running student loan program. Over the decades, this program has enabled millions of students from low-income families across the country to pursue higher education. We respectfully urge the Committee on Education and the Workforce to work to reauthorize the Federal Perkins Loan Program before it expires at the end of the fiscal year on September 30, 2015.

Through Perkins, campuses provide subsidized, low-interest loans to assist deserving undergraduate and graduate students. These loans are made available through campus-based revolving funds established from a combination of federal and institutional contributions. Perkins Loans fill a critical gap that exists for many students after federal grants and Stafford loans are applied.

Due to the impending expiration of the program, the U.S. Department of Education has advised the over 1,500 participating public and private colleges and universities that they cannot issue new Perkins loans starting October 1, 2015 in the absence of congressional action. While students across the country are receiving acceptance letters, at the same time they being told there is no guarantee a Perkins loan will be available for them throughout their education.

As one of three campus-based student aid programs, Perkins loans provide necessary flexibility to colleges and universities, which can use Perkins loans in conjunction with other forms of financial assistance to help students afford the cost of higher education. Perkins loans also act as a lifeline when unforeseen disruptions, such as a parent's job loss or student's inability to work enough hours, jeopardize a student's ability to pay for college. Because they do not accrue interest while a student is in school and maintain a fixed five percent interest rate when repayment begins, Perkins loans often offer a much more affordable alternative to private student loans. Furthermore, the Perkins loan program encourages graduates to serve their country and communities by offering partial or full loan forgiveness to borrowers engaged in various types of public service.

In addition to harming thousands of students who may not have the means to afford college or would be forced to take out expensive private student loans, the expiration of this crucial program would eliminate billions of dollars in student aid from the revolving funds that institutions use to disburse Perkins loans. These revolving funds are what make the Federal Perkins Loan Program self-sustaining, with student loan repayments paying for new loans. The continuation of the program would not cost the government any additional money but its elimination would cost participating colleges and universities millions.

We strongly encourage the Committee to reauthorize the longstanding Federal Perkins Loan Program, which is a great benefit to students, higher education, and our country as a whole.

Sincerely,