

NACAC

National Association for College Admission Counseling

...guiding the way to higher education

June 12, 2006

The Honorable Margaret Spellings
Secretary of Education
US Department of Education
400 Maryland Ave, SW
Washington, DC 20202

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Dear Secretary Spellings:

The National Association for College Admission Counseling (NACAC) represents more than 9,000 college counseling and admission professionals nationwide. As educators dedicated to improving college access for all students, we urge you to amend student loan repayment regulations to make them more consistent, easier to understand and apply for, and more effective.

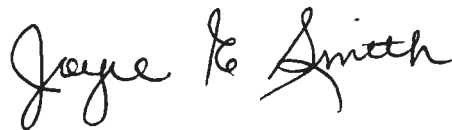
The federal loan system has several protections in place to make repayment more manageable for the neediest borrowers. However, these provisions are in some places inconsistent and contradictory, and in others overly complex and needlessly limited.

NACAC recommends that the Department of Education consider the proposal by the Institute for College Access and Success (TICAS) to reform these regulations, which includes:

- establishing a uniform definition of "economic hardship" that phases out benefits as borrower income rises
- including family size in the calculation of hardship benefits
- simplifying the economic hardship application
- reducing the maximum repayment period by five years.

Given the increased dependency on loans for students pursuing higher education, correcting the inconsistencies in loan repayment regulations will ease the burden of the neediest borrowers and reduce defaults and bankruptcies that make loans more expensive for individuals and the Department. We urge you to follow the TICAS recommendations to make the regulations more consistent and effective.

Sincerely,



Joyce E. Smith
Executive Director