

# Congress of the United States

Washington, DC 20510

September 28, 2015

The Honorable Lamar Alexander  
Chairman, Committee on Health, Education,  
Labor & Pensions  
428 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Patty Murray  
Ranking Member, Committee on Health,  
Education, Labor & Pensions  
428 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Alexander and Ranking Member Murray:

We write today regarding reauthorization of the Federal Perkins Loan Program. As you know, the program will lose its authorization on September 30, 2015, unless Congress acts. We have heard from our constituents about the impact this would have on students across the Commonwealth of Virginia.

In the 2013-2014 school year, Virginia institutions disbursed more than \$19.6 million through the Federal Perkins Loan Program. More than 7,800 Virginia students received a Perkins loan that year, with an average award amount of roughly \$2,500. Nationwide, families with dependent students comprise the largest percentage of Perkins borrowers (66 percent). During the 2012-2013 school year, 30 percent of these families had a total income of less than \$30,000. Perkins loans have generous terms, including a five percent fixed interest rate, no origination fees, and a nine-month grace period. These reasonable, relatively low-dollar loans make college a reality for the lowest-income students who would otherwise turn to higher interest private loans or conclude that a college education is out of their reach.

Perkins loans are awarded on an annual basis and disbursed on a semester basis. On January 30, 2015, the Department of Education issued guidance clarifying that, "If prior to October 1, 2015, a school makes the first disbursement of a Federal Perkins Loan to a student for the 2015-2016 award year, the school may make any remaining disbursements of that 2015-2016 loan after September 30, 2015." While this guidance provides some certainty to students, it does not do enough to ensure that they are not adversely affected by Congress' inability to conclude the debate about student aid reform before the program's sunset date. Students who, through no fault of their own, receive their first semester disbursement after October 1, 2015, will not be eligible to receive their second semester disbursement—funds they were already factoring into their financial planning for the year.

We support efforts to improve our student aid system as part of a comprehensive reauthorization of the Higher Education Act. However, we do not believe we should pass along negative consequences to students without having a better sense of what their next steps will be. As evidenced by the Higher Education Extension Act of 2015 (H.R. 3594), Senate Resolution 267, and House Resolution 294, Members of Congress on both sides of the aisle share this opinion. Accordingly, we urge you to support a one-year reauthorization of the Federal Perkins

Loan Program in any measure that may come to the floor this week, and in particular H.R. 3594, which has bipartisan support and ensures the reauthorization is fully paid for at no additional cost to taxpayers.

Thank you for your consideration of this request.

Sincerely,



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Mark R. Warner  
United States Senator



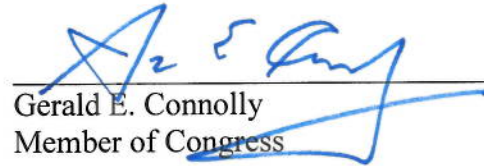
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Tim Kaine  
United States Senator



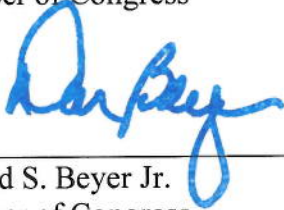
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Robert C. "Bobby" Scott  
Member of Congress



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Gerald E. Connolly  
Member of Congress



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Donald S. Beyer Jr.  
Member of Congress