

HELP Chairman Tom Harkin Unveils the *Higher Education Affordability Act*

“For generations, a college education has been the pathway to the middle class, but new challenges like rising college costs are threatening that promise for many families in Iowa and across the country. College affordability, skyrocketing student debt, accountability, and transparency – these are all very high-stakes issues for students and families. The Higher Education Affordability Act seeks bold changes to our system of higher education in order to make a college education more affordable and accessible.” – HELP Chairman Tom Harkin

With students and families struggling to keep up with rising college costs, an affordable college education and access to the middle class is increasingly out of reach. As Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee, Senator Harkin has heard from countless students, parents, and educators to better understand the challenges they face and to develop innovative solutions on how to move forward.

The upcoming reauthorization of the *Higher Education Act* presents a unique opportunity to make our higher education system work better for students and families. Chairman Harkin’s proposal, the *Higher Education Affordability Act*, takes a comprehensive approach to rein in rising costs and ensure that students get the value they deserve. The proposal focuses on four main goals: increasing college affordability, helping struggling borrowers, strengthening accountability, and improving transparency.

Increasing Affordability and Reducing College Costs for Students Now By:

- Creating a State-Federal College Affordability Partnership to increase state investment in public higher education and lower the costs of tuition for students.
- Reinstating year-round Pell Grants to enable students to get their degrees faster.
- Eliminating origination fees on federal Direct Loans in order to save students money.
- Supporting community college and industry partnerships that promote innovation in higher education.
- Expanding access to dual enrollment and early college high school programs to help students earn college credit while they are in high school.

Tackling the Student Loan Crisis by Helping Borrowers Better Manage Debt by:

- Strengthening student loan servicing standards through the creation of common-sense consumer protections.
- Reforming the Title IV disbursement process to protect students from unnecessary and high fees that cut into their federal financial aid.
- Streamlining repayment plans to create a single income-based repayment option with affordable monthly payments for struggling borrowers.

- Helping severely delinquent borrowers avoid default by automatically enrolling them into income-based repayment.
- Allowing private student loans to be discharged in bankruptcy.
- Reforming abuses in the collections process and reducing unfair fees that hurt the most vulnerable borrowers.

Holding Schools Accountable to Students and Taxpayers By:

- Providing students and policy makers with more meaningful disclosures and accountability metrics from schools, including loan repayment rates.
- Establishing a risk-sharing commission to explore holding low-performing institutions financially responsible for poor student outcomes.
- Protecting taxpayers by changing the 90-10 rule for for-profit schools to 85-15.
- Guaranteeing that federal education dollars are not used on advertising and marketing.
- Creating a student complaint system to better track harmful practices and help students get relief.
- Authorizing several programs to reform and improve teacher and school leader preparation.

Helping Students and Families Make Informed Choices By:

- Providing notification to middle and high school students of their potential eligibility for federal aid.
- Providing better up-front information and disclosures to prospective students.
- Standardizing the financial aid award letter to help students and their families better understand financial aid packages when deciding where to go to college.
- Strengthening entrance and exit loan counseling by ensuring more comprehensive and easy to understand information is given to borrowers.

As Chairman of the HELP Committee, Senator Harkin has been a strong voice for college affordability and access. In 2012, Chairman Harkin led the Senate's passage of the *Bipartisan Student Loan Certainty Act* to reduce interest rates on all federal student loans. In 2010, Chairman Harkin fought to pass the *Health and Education Affordability Reconciliation Act of 2010*, which eliminated billions of dollars in wasteful subsidies to banks and redirected that money to students and families in the form of increased Pell Grants to low-income college students and a more generous repayment plan, putting the priorities of students and families ahead of subsidies to lenders.

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For more information, please visit <http://www.harkin.senate.gov> or contact any of Senator Harkin's offices in Washington, D.C. or Iowa.