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June 5, 2014

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein and Senator Boxer:

On behalf of the University of California, thank you for cosponsoring S. 2432, the Bank on Students Emergency Loan Refinancing Act, which will allow eligible borrowers with federal and private student loans to refinance their loans at lower rates. I strongly urge the Senate to pass the Bank on Students Emergency Loan Refinancing Act, which includes important student-consumer protections, strengthens private lender accountability, and outlines a broad outreach and communications plan for informing borrowers about their eligibility to refinance their educational loans.

With student debt rising across the country, congressional action is needed now to help low and middle-income families manage the cost of attending and graduating from college. Fortunately, only about half of the students at the University of California (UC) borrow student loans, and of those students, their debt at graduation is well below the national average. UC is continually striving, however, to support and implement policies that will help borrowers at the University, and across the country, keep student loan debt manageable.

UC supports strong federal investment in higher education, and I appreciate your continual efforts to sustain and improve the federal student financial assistance programs. The Bank on Students Emergency Loan Refinancing Act would enhance current aid by assisting borrowers who are struggling to repay loans that were made when interest rates were high. According to a recent Government

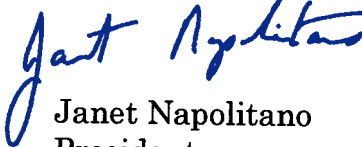
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Accountability Office (GAO) report, the federal government is projected to earn \$66 million from student loans issued between 2007 and 2012. Thus, the federal government is in a position to help student loan borrowers keep current on their payments at today's rates, so they can also save for retirement, purchase homes, start their own businesses, and invest in our economy.

UC supports the development of an information campaign, as outlined in the bill, to alert borrowers about their eligibility for refinancing, and supports the provisions in the bill that would increase the transparency and accountability of private educational lenders. I am very pleased that the legislation directs the Secretary of Education to work with the Consumer Financial Protection Board, the Treasury Department, and other federal agencies to implement this bill to assure full access to borrowers with the greatest need.

Higher education should be a pathway to opportunity not to lifelong debt. I urge Congress to work quickly to enact the Bank on Students Emergency Loan Refinancing Act to help address the student debt crisis that threatens our economy.

Yours very truly,



Janet Napolitano
President