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CONTACT:
Margaret Rodriguez, 734-763-4119
Chuck Knepfle, 864-656-3431

National Direct Student Loan Coalition Supports the Smarter Borrowing Act

WASHINGTON, D.C. – “We believe that loan counseling that provides the right information at the right time is essential to enable borrowers to understand the terms of their loans, make good borrowing decisions and be successful in repayment,” states Margaret Rodriguez, Chair of the National Direct Student Loan Coalition, in a letter sent to the United States Senate Committee on Health, Education, Labor and Pensions endorsing the *Smarter Borrowing Act*.

At a time when college participation rates continue to rise, more and more students are taking out loans to pay for their higher education costs. It is imperative that borrowers understand the terms and conditions of these loans and this legislation would make changes to loan counseling that will help to improve student borrower’s financial literacy and knowledge about the federal loans they borrow to pay college costs.

“While the Department of Education already provides borrowers with much needed information through the Financial Awareness Counseling Tool (FACT) and www.studentloans.gov, improvements to entrance and exit counseling are essential in helping borrowers make financially smart decisions,” stated Chuck Knepfle, Chair Elect of the National Direct Student Loan Coalition.

Introduced today, the *Smarter Borrowing Act* seeks to make key changes to student loan counseling to improve its effectiveness and empower borrowers to make smart choices. By amending the entrance and exit counseling provisions for borrowers under the Higher Education Act of 1965, the bill, if passed, would provide borrowers with much needed information to make financially sound decisions. The goal of this legislation is to help borrowers understand student loan terms and conditions, as well as their balances and repayment options.

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The National Direct Student Loan Coalition is an alliance of schools dedicated to the continuous improvement and strengthening of the federal Direct Loan program. Coalition members are practicing financial aid professionals. For more information regarding the National Direct Student Loan Coalition, please see www.directstudentloancoalition.org.