

Congress of the United States
Washington, DC 20515

July 17, 2014

The Honorable Arne Duncan
Secretary
U. S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Duncan:

We support efforts to curb deceptive business practices among bad actors on college campuses, and write to express our views regarding the ongoing rulemaking at the Department of Education (Department) addressing disbursement of student loan funds under Title IV of the Higher Education Act (HEA). We appreciate your attention to this matter, and support action which would protect our nation's students.

We agree with the Department's objective to ensure students have safe and convenient access to financial services and to the credit balance of their Title IV HEA funds. The versions of the draft rule distributed by the Department to regulate products designed to disburse Title IV loan funds, could also affect any "arrangement...under which a student opens, or is referred to open, a financial account... into which Title IV, HEA program funds may be deposited." In other words, this proposal could cover any account held by a student or parent if the financial institution had any arrangement, however informal, with a school and regardless of when or why the student or parent opened the account with that financial institution.

Access to safe and secure financial services is essential to long-term financial health for America's students. Accordingly, many schools have agreements with financial institutions to provide on-campus financial solutions including secure on-campus branches, ATMs, and financial education programs. The products and accounts stemming from these partnerships often have lower costs than those offered to non-students, giving students convenient access to safe, low-cost financial services while helping schools minimize expenses.

For students, a traditionally underbanked consumer demographic, these services are especially important. We are concerned that an overly broad rule could inadvertently harm the availability and price of financial services to students. Such a rule has the potential to place increased financial burdens on colleges and universities, creating pressure on operating and tuition costs.

Again, we support the Department in taking action to protect students from abuses made in disbursing student aid, and ask that you continue work to create strong protections for students in accessing their Title IV HEA funds. We would also ask for consideration of the scope of the rule, and that the Department avoid a definition that would limit students' access to traditional financial services. Thank you in advance for your consideration.

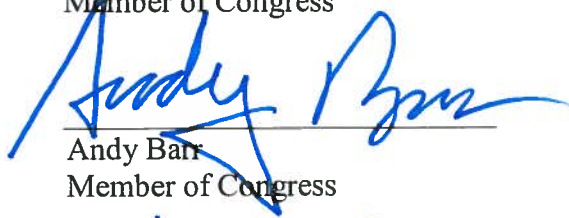
Sincerely,


Blaine Luetkenmeyer
Member of Congress

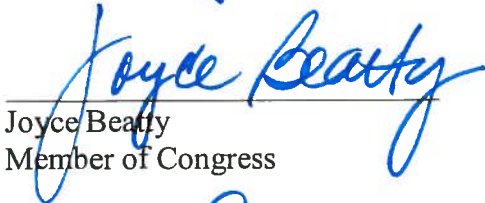

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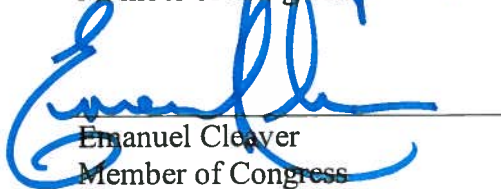


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M.C.



Wm. Lacy Clay
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Emanuel Cleaver
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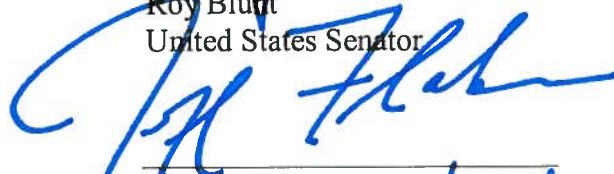
Tom Cotton
Member of Congress



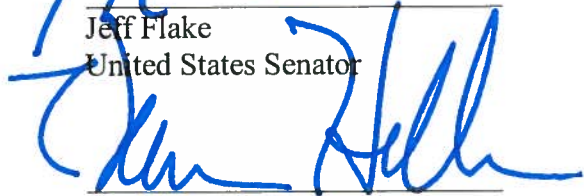
Sean Duffy
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Roy Blunt
United States Senator



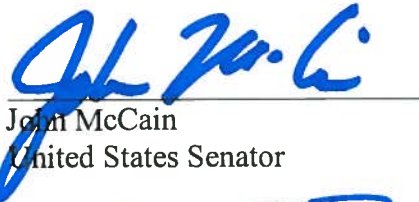
Jeff Flake
United States Senator



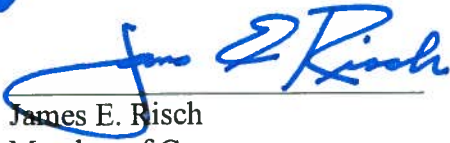
Dean Heller
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James M. Inhofe
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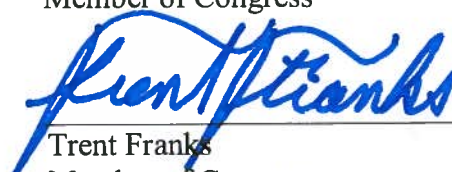
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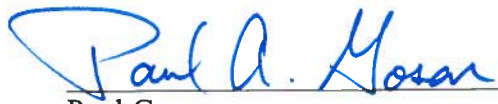
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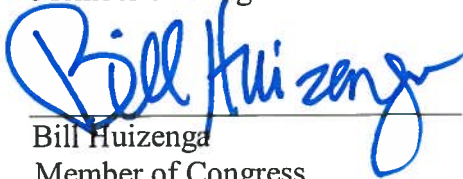
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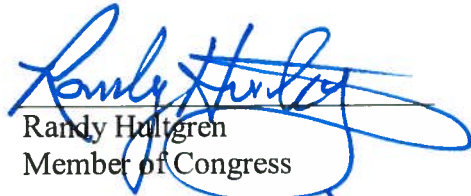
Vicky Hartzler
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Alcee Hastings
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Bill Huizenga
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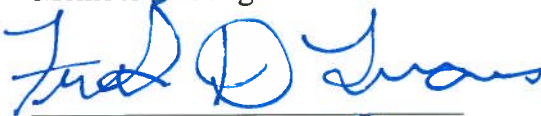
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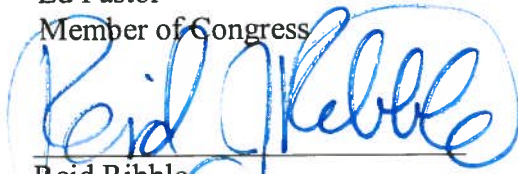
Jim Matheson
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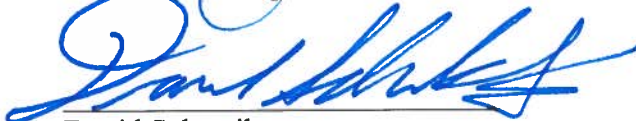
Erik Paulsen
Member of Congress



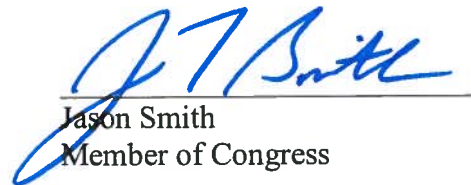
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