



August 4, 2022

The Honorable Richard Burr
United States Senate
217 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Bob Casey
United States Senate
393 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Burr and Casey:

I am writing on behalf of Education Finance Council (EFC) to endorse S. 4400, the *College Savings Recovery Act*.¹ EFC appreciates your efforts to encourage families to save for college, and we value your proposal to allow families to keep more of their hard-earned money.

EFC is the national trade association representing nonprofit and state-based higher education finance organizations. EFC member organizations work to increase higher education access, success, and affordability by providing a wide range of resources and services to students and families. Many of our members offer scholarships and grants to college students. They also operate college savings, early college awareness, college access and completion, and financial literacy programs in their communities. EFC members are driven by a public purpose mission to expand individuals' financial knowledge, prevent over-borrowing, and promote positive repayment behavior. Every year our members support millions of families as they seek to grow their skillset and improve their lives.

College tuition and fees are over two-and-a-half times more expensive for students today than in 1990,² and outstanding federal student loan debt now exceeds \$1.6 trillion dollars.³ It has never been more important to encourage families to save for postsecondary education. Regrettably, current federal policy discourages families from investing more money in their 529 college savings accounts because the tax code penalizes people for withdrawing their unused funds for non-qualifying education expenses.

Fortunately, your legislation eliminates these penalties for families who transfer surplus 529 account funds into a Roth IRA. Family circumstances often change, but rigid federal policy does not accommodate their new circumstances. The *College Savings Recovery Act* will help millions of individuals not only save and pay for college but for retirement too. We are proud to endorse your bill, which will give people the peace of mind that their long-term finances are secure from excessive federal taxes.

EFC and our members thank you for your leadership and support on this critically important issue, and we look forward to working with you and your colleagues to provide millions of Americans a pathway to college and a brighter financial future.

Sincerely,

Gail daMota
President

¹ <https://www.congress.gov/bill/117th-congress/senate-bill/4400/text?r=3&s=1>

² <https://research.collegeboard.org/media/pdf/trends-college-pricing-student-aid-2020.pdf>

³ <https://studentaid.gov/data-center/student/portfolio>