

September 10, 2024

The Honorable Mark Warner  
U.S. Senate  
703 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable John Thune  
U.S. Senate  
511 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Nicole Malliotakis  
U.S. House of Representatives  
351 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Scott Peters  
U.S. House of Representatives  
1201 Longworth House Office Building  
Washington, D.C. 20515

Dear Senators Warner and Thune and Representatives Malliotakis and Peters:

I am writing on behalf of Education Finance Council (EFC) to endorse S. 4778/H.R. 9164, the *Employer Participation in Repayment Act*. EFC supports your proposal to allow college students and graduates to receive up to \$5,250 in annual tax-free higher education reimbursements from their employers in 2026 and beyond. This crucial legislation will provide much-needed relief to millions of Americans struggling with student loan debt while also benefiting employers and the broader economy.

Education Finance Council (EFC) is the national trade association representing nonprofit and state-based higher education finance organizations. EFC members increase postsecondary education access, success, and affordability by providing a wide range of free resources and services to millions of students and families every year. EFC members are driven by a public purpose mission to support students as they seek to grow their skills and improve their lives.

Student loan debt is an enormous burden for many individuals nationwide. The Federal Reserve Board estimates that over 43 million individuals carry more than \$1.74 trillion in outstanding student loans.<sup>1</sup> Recent analyses show that consumers are struggling to repay their education debt, with the Government Accountability Office finding that only half of federal student loan borrowers were current on their loans after monthly payments resumed following the pandemic-related pause.<sup>2</sup> Student loan debt presents such a financial problem that seven in ten student loan borrowers say they have delayed at least one major life event because of their education loans.<sup>3</sup>

During the height of the COVID-19 pandemic, Congress passed legislation that allowed millions of families to receive up to \$5,250 per year in tax-free student loan or tuition reimbursements through their employer. This innovative policy helped employers attract and retain talented workers, and it was a lifeline to Americans struggling with inflation and tighter budgets.

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<sup>1</sup> <https://www.federalreserve.gov/releases/g19/current/>

<sup>2</sup> <https://www.gao.gov/products/gao-24-107150>

<sup>3</sup> <https://news.gallup.com/poll/643328/student-loan-borrowers-delayed-major-life-events.aspx>

By passing the *Employer Participation in Repayment Act*, Congress can:

- Help college graduates achieve financial stability;
- Continue to fuel economic growth;
- Encourage more employer-provided education assistance by giving businesses long-term certainty about the availability of the tax incentive; and
- Boost the number of borrowers who are actively repaying their student loan debt, most of which is backed by taxpayers.

The bipartisan and bicameral *Employer Participation in Repayment Act* will reduce borrowers' student loan burdens and encourage successful repayment. EFC proudly endorses your commonsense legislation, and we look forward to collaborating with you to advance win-win public policies that appropriately balance the interests of student loan borrowers, employers, and taxpayers.

Sincerely,

A handwritten signature in black ink, appearing to read "Gail daMota", written in a cursive style.

Gail daMota  
President