

March 12, 2026

The Honorable Lisa Murkowski  
U.S. Senate  
522 Hart Senate Office Building  
Washington, DC 20510

The Honorable Jack Reed  
U.S. Senate  
728 Hart Senate Office Building  
Washington, DC 20510

The Honorable Bill Cassidy  
U.S. Senate  
455 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Jeanne Shaheen  
U.S. Senate  
506 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Murkowski, Cassidy, Reed, and Shaheen,

On behalf of Education Finance Council (EFC), thank you for introducing the *State Based Education Loan Awareness Act* which enables institutions of higher education (IHE) to inform students and families of the affordable loan products offered by their nonprofit state-based agency, without requiring schools to complete the onerous preferred lender list process. This exemption only applies if the nonprofit/state-based organization offers at least one education loan with interest rates and fees at least as favorable as the interest rate and fees offered by the federal Direct PLUS loan program. This bill will help students make informed borrowing decisions about their postsecondary pursuits.

In 2008, Congress reauthorized the *Higher Education Act* establishing stricter preferred lender list requirements for colleges and universities. Unfortunately, these changes have made it challenging for IHE to make students aware of nonprofit and state-based organizations that provide families with a wide range of free resources and services, scholarships, as well as low-cost and consumer-friendly nonprofit/state-based education loans.

Last year, Congress passed the *One Big Beautiful Bill (OB3)* which made significant changes to federal student aid programs, including elimination of the Grad PLUS program. As a result, students will increasingly need to seek other options to finance their degrees. As such, now is the time to empower IHE to talk with students about nonprofit and state-based organizations that offer more affordable financing options. In the absence of this ability to information share, students and families may turn to credit cards or high-rate, for-profit student loans – or worse, opt out of postsecondary education altogether.

Students and families deserve to have the information they need to make informed decisions about financing their education. For students who've exhausted their federal loan, grant, and scholarship options but still have a gap to fill, their most affordable choice may be a nonprofit and state-based education loan, and the *State-Based Education Loan Awareness Act* will make this information more accessible to them.

We appreciate your work to keep higher education within reach and for empowering students with information to help them achieve their higher education goals and position themselves for financial success.”

Regards,



President  
Education Finance Council