

Congress of the United States
Washington, DC 20515

July 28, 2015

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

Dear Secretary Duncan:

We would like to share our views about the Department's recently proposed rule that would govern the use of debit and prepaid cards for the disbursement of federal student loan funds.

Last month, the Education Department issued a proposed rule that includes some significant and important changes from drafts considered during the negotiated rulemaking process last year. While we appreciate efforts made by the Department to consider input provided by the public, schools, and their partners, we remain concerned about the unintended consequences of the Department's rulemaking and the impact to schools and students if certain financial services become more difficult to provide.

The proposal includes changes that raise new questions as to the practicality of implementation of such a rule. The proposal adds a new compliance regime for schools and their partners, and enforcement standards that rely on broad and ambiguous terms such as "best interest of students" without recognizing that all students have different circumstances and needs.

We are also concerned that the proposal will result in higher costs for colleges and universities and students, and could potentially eliminate valuable financial products and services. Additionally, student privacy and unworkable data reporting requirements are major concerns. Furthermore, we remain concerned that the proposed rule, if adopted, will result in limited consumer choice with fewer campus bank accounts available to students. Students will lose in the process. The Department has acknowledged these accounts are usually less expensive and offer attractive benefits to students. It remains unclear what issues the Department is seeking to address and why the current regulatory framework is insufficient.

Thoughtfully designed consumer protections are in the best interest of students, schools, and the financial institutions that serve them. To that end, we request that the Department of Education provide us with specific information on how this rulemaking will benefit schools and their students, as well as with a cost-benefit analysis that takes into consideration the potential unintended consequences we highlight here. We would also like any information regarding

coordination between the Department and the Consumer Financial Protection Bureau (CFPB), and the potential for duplicative or conflicting standards for certain financial products contained in the Department's proposal and the recent proposed rule issued by the CFPB. A response within thirty days of receipt and before issuance of a final rule would be most appreciated.

We share your goal of protecting students and believe this can and must be done in a way that does not unnecessarily restrict consumer choice. Thank you for taking our comments into consideration and we look forward to your timely response.

Sincerely,



Blaine Luetkemeyer
Member of Congress



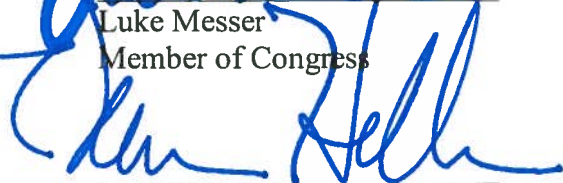
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Luke Messer
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Dean Heller
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Mike Crapo
United States Senator



Tom Cotton
United States Senator



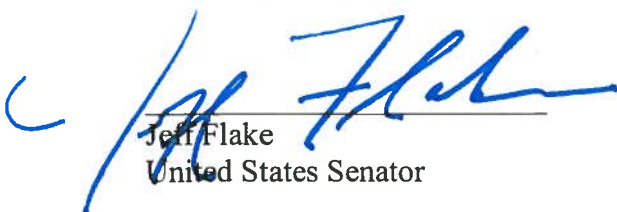
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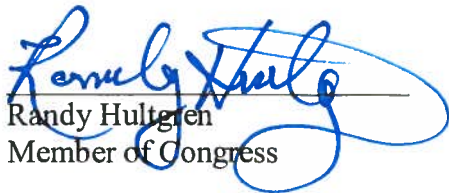
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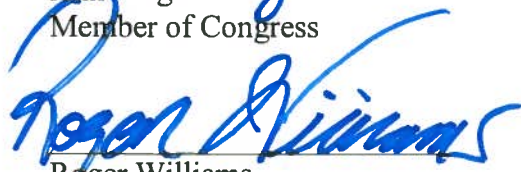
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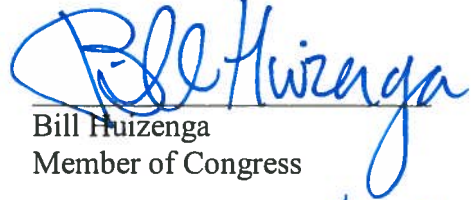
Kevin Cramer
Member of Congress



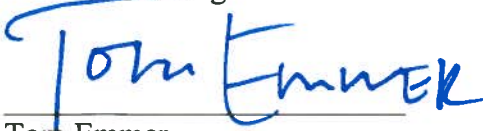
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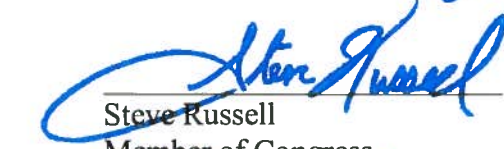
Lynn Westmoreland
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Bill Huizenga
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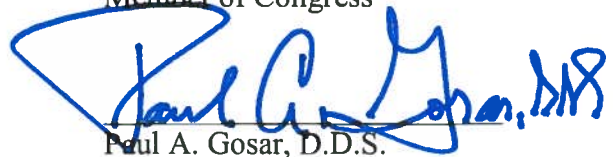
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