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October 27, 2011

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

Dear Secretary Duncan:

On October 26, the president announced his intention to unilaterally alter federal policies governing federal student loans. I share the administration's concern with the high cost of higher education and the burden of debt it places on students and their families. However, numerous questions surround the president's latest proposal, including its impact on taxpayers.

In the interest of protecting taxpayers and improving transparency for students, parents, financial aid administrators, institutions of higher education, and the general public, I respectfully request you submit the following information to the committee:

1. A detailed list of taxpayer costs and /or savings, as well as administrative costs, associated with each of the programs or initiatives included in the "Help Americans Manage Student Loan Debt" plan.
2. An analysis of protections that will be included in the income-contingent repayment plan to prevent a loss of taxpayer dollars in the event the actual loan forgiveness amounts exceed repayment revenues.
3. The legal analysis for the department's statutory authority to implement the proposed programs or initiatives.
4. The number of borrowers the department expects to be eligible for each of these programs and the analysis explaining exactly how the agency developed those numbers.
5. An analysis demonstrating that the department's loan conversion/consolidation proposal will result in lower defaults.
6. A copy of the materials that will be distributed or utilized to explain the loan conversion/consolidation plan to borrowers and financial aid officers.
7. A timeline of the implementation of the new programs or initiatives, from the planning to when students can start to realize some of the benefits alleged in the proposal.

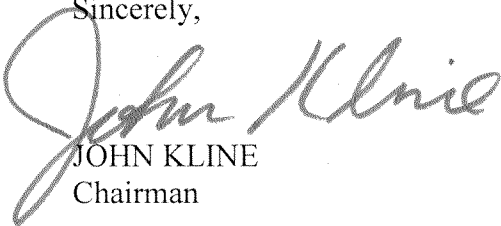
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8. An explanation of how the new programs or initiatives will be implemented so as not to harm institutions under other policies implemented by this administration, including but not limited to the regulations defining gainful employment.

While I recognize that the "Pay as You Earn" proposal is subject to the negotiated rulemaking process, I ask you to answer these questions in terms of the department's proposal entering those negotiations.

I respectfully request you submit these answers, in writing, to the committee by Friday, November 18, 2011. While awaiting your response, I also request your staff conduct weekly briefings for my staff on the implementation of these proposals. If you have any questions about this request, please contact Amy Jones (amy.jones@mail.house.gov) or Mandy Schaumburg (mandy.schaumburg@mail.house.gov) with the committee staff at (202) 225-6558.

Sincerely,



JOHN KLINE
Chairman