



LEONARD A. SCHLESINGER
PRESIDENT

May 16, 2013

Via email: Julie_Morgan@warren.senate.gov

Senator Elizabeth Warren
Russell Senate Office Building
2 Russell Courtyard
Washington, DC 20510

Dear Senator Warren:

I appreciate your leadership on behalf of Massachusetts colleges and our students and, as President of Babson College, I am pleased to offer my support for your *Bank On Students Loan Fairness Act*. This legislation comes at a critical time for college students, as the interest rate on subsidized Federal Direct Loans is set to increase from 3.4% to 6.8% on July 1, 2013.

My fellow college presidents and I share your concern about the high level of debt that students are taking on in pursuit of higher education and the risk such debt may pose to their career choices, to their financial future, and to our overall economy. As college presidents, we have a responsibility to do all that we can to maintain affordability and ensure that students graduate as quickly as possible from college. In fact, last year, Babson College provided \$23.8 million in need-based institutional aid to our undergraduate students. However, despite our best efforts and intentions, there will always be students who need additional assistance beyond federal, state, and institutional grant aid.

It is in these situations that the federal government provides a wonderful service to students through subsidized Federal Direct Loans. These loans are crucial for some students in providing the final financial assistance they may need to attend college and obtain their degree. Unfortunately, students graduating today are still faced with a difficult job market. During these economic times, it is critical that interest payments remain as low as possible so that students can repay their loans in a timely manner. If student loan interest rates were to double in July, it would have negative consequences on thousands of students, putting them at greater risk of falling behind or defaulting on their payments. Your legislation offers a creative solution to avoid that problem and we stand ready to work with you to secure its passage.

Please let me know if I can be of any assistance to you as you continue to work to protect our students and graduates.

Sincerely,

Leonard A. Schlesinger