



**America's
Credit Unions**

DAKOTA
CREDIT UNION
ASSOCIATION

July 30, 2024

The Honorable Mike Rounds
716 Hart Senate Office Building
United States Senate
Washington, DC 20510

Re: Introduction of the Affordable Future Loan Program Act

Dear Senator Rounds:

On behalf of America's Credit Unions and the Dakota Credit Union Association, we are writing in support of your bill, the Affordable Future Loan Program Act. Together, we advocate for policies that allow the industry to effectively meet the needs of their over 140 million credit union members nationwide.

Choosing a college or trade school is a life-altering decision that most students look forward to making. However, rising costs and a decrease in available financing has made this decision burdensome for middle class families. Your bill, the Affordable Future Loan Program (AFLP) Act, makes this decision more manageable as it gives families greater options to afford higher education for their children. This bill has the potential to help many of those families struggling to save for college, reducing the gap in affordable loan options, especially for historically marginalized communities.

Credit unions are not-for-profit, member-owned cooperatives that exist to benefit their membership. Credit unions serve many low- and moderate-income consumers, providing them with access to safe and affordable financial products and services. Your bill would give credit unions another tool to help their members succeed and achieve a bright future by helping to ensure financial well-being through higher education, whether it is an undergraduate degree or a trade education.

The AFLP Act would amend the Higher Education Act of 1965 to establish a new guaranteed student loan program where student loans are issued by private financial institutions and 98 percent of the loan would be guaranteed by the federal government when a student attends an accredited institution. Students would not accrue interest while they are in school, and borrowers would have two repayment options, including an income-driven repayment. This level of guarantee on the loan is important to ensure strong lender participation in the program by limiting the risk of loss associated with delinquency or default.

Having the ability to access more student lending options directly through a credit union they trust will give consumers peace of mind and help them secure their financial futures. America's Credit Unions and the Dakota Credit Union Association appreciate your focus on helping

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younger Americans and their families afford school because the cost of education continues to skyrocket, and federal student loan debt continues to mount, now totaling over \$1.6 trillion as of the first quarter of 2024. The AFLP Act establishes a public-private partnership that gives students and their families another option to afford education through a trusted partner like their local credit union.

On behalf of America's Credit Unions and the Dakota Credit Union Association, thank you for introducing this very important legislation. We look forward to continuing to work with you to create an environment where credit unions and their members can thrive.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the end.

Jim Nussle, CUDE
President and CEO
America's Credit Unions

A handwritten signature in black ink, appearing to read "Jeff Olson". The signature is fluid and cursive, with a large loop at the end.

Jeff Olson
President and CEO
Dakota Credit Union Association