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September 5, 2018

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), I urge you to pass H.R. 1635, the “Empowering Students Through Enhanced Financial Counseling Act,” introduced by Representatives Guthrie (R-KY) and Bonamici (D-OR). NAR is proud to support this legislation, which would empower student loan borrowers to make responsible choices through enhanced financial counseling.

NAR’s recent research shows a strong connection between rising student loan debt levels and the inability to purchase a home, which has negatively affected our nation’s economy. In fact, millennial student loan borrowers who are current on their loan payments expect to delay their home purchase by a median of 7 years due to their high monthly payments and overall debt load.

First-time homebuyers have not rebounded since the Great Recession. Only 34 percent of buyers today are first-time homebuyers, which has remained under the historical norm of 40 percent since 2011. This is especially concerning since homeownership is often the only way for hardworking Americans to build wealth and financial security.

Furthermore, the rising cost of education has also put significant pressures on existing student borrowers and has resulted in high default rates, putting American taxpayers at risk. In fact, a staggering 10.9 percent of all student loan borrowers are more than 90 days delinquent. NAR believes that enhanced financial literacy will help student borrowers make better informed decisions, resulting in lower student loan default rates.

Although counseling is required before student borrowers receive their federal loans, often times it is insufficient to help them navigate through a maze of public and private loan options. While NAR understands that greater counseling and awareness of financial obligations alone will not solve the myriad of problems student loan borrowers are currently facing, we do believe that H.R. 1635 will help equip student borrowers to make sound financial choices about their college careers. As a result, more student graduates will be able to manage their student loans, leading to less hardship for borrowers and more protection for taxpayers.

REALTORS® thank you for your diligent work to help deliver the necessary tools and information students need to borrow and repay their loans in a responsible way.

Sincerely,

A handwritten signature in black ink that reads 'Elizabeth G. Mendenhall'.

Elizabeth Mendenhall

2018 President, National Association of REALTORS®



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