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**Private Collection Agencies Provide A Critical Service In Maintaining A Strong
Federal Student Loan Program**

Private collection agencies have played a critical role in sustaining the Federal Student Loan programs for the past 40 years. Whether in support of the over 2,000 colleges and universities managing Federal Campus programs for their students, or the U.S. Department of Education and its guaranty agency partners, private collection agencies (PCAs) provide valuable assistance to delinquent and defaulted student borrowers. The expertise and resources that can be leveraged to help borrowers understand the available benefits including successful rehabilitation of loan balance has been invaluable and is not easily replicated. The benefit is to both borrowers and taxpayers alike.

The unique skill set and flexibility to adapt to changing program initiatives are the hallmark of the current public/private partnership that currently exists. The use of, and partnership with, highly-specialized collection agencies that locate, communicate, and work with millions of students and families plays an invaluable role in reducing the impact of the debt burden associated with default. This vital contribution is important to borrowers and provides a focus on results to the benefit of both borrowers and sustainability of these key Federal programs.

We would like to specifically acknowledge the value added, and encourage the continued use of private collection agencies to assist in this important task by protecting the taxpayer's investment in the federal student loan programs. Because of the efforts of PCAs, the federal government and its guaranty agency partners assisted over 400,000 borrowers in rehabilitating their defaulted student loans and recovered \$20.3 billion in defaulted debt in FY 2014. At the same time, borrower complaints – as a percentage of overall borrower contacts – are minimal, and this record of success should serve as a model for other customer service-oriented businesses.

COHEAO urges the US Department of Education to help defaulted borrowers get back on track and protect the taxpayer's investment in higher education through the use of Private Agencies to collect on Federal debt.

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