

The



Torch

November 4, 2011

A bi-weekly report from the Coalition of Higher Education Assistance Organizations

COHEAO News

- [**Registration Now Available for 2012 COHEAO Annual Conference**](#)
COHEAO is pleased to announce registration is now open for its upcoming 2012 Annual Conference. [Click here](#) to register!
- [**COHEAO to Host November 16 Webinar, "Effective Collections and the FDCPA"**](#)
COHEAO will be hosting a webinar, "Effective Collections and the FDCPA," on November 16 at 2:00 PM ET.

The Congress

- [**In Advance of Subcommittee Hearing, COHEAO Calls for Passage of TCPA Reform Legislation**](#)
The House Energy and Commerce Subcommittee on Communications and Technology convened a hearing today to review H.R. 3035, the "Mobile Information Call Act of 2011."
- [**COHEAO Urges Senate to Pass 3% Withholding Relief**](#)
The Senate will begin consideration of H.R. 674, legislation to repeal the 3% federal tax withholding rule.
- [**Progress on FY 12 Appropriations, But Ominous Signs for Super Committee Deal by Nov 23**](#)
As the deadline approaches for the Joint Select Committee on Deficit Reduction looms, the Super Committee has started to leak a little bit, with contradictory reports about whether it is accomplishing anything.
- [**Date Appears Before HFSC on "First 100 Days" of CFPB**](#)
Raj Date testified before the House Financial Services Committee providing an update on the initial efforts of the CFPB since it officially opened in July.
- [**Kline Seeking More Information on Student Loan Proposals**](#)
House Education and the Workforce Committee Chairman John Kline (R-MN) has led Republican criticism of President Obama's plans to expand income based repayment and offer a consolidation benefit for borrowers with both Direct Loans and FFELP loans borrowed in 2008-10.
- [**Special Attachment: House Subcommittee Hearing on Direct Lending**](#)
The House Subcommittee on Higher Education and Workforce Training convened a hearing on the transition to the Direct Loan Program on October 26.
- [**New Christopher Bryski Bill Introduced**](#)
An updated version of student loan legislation regarding disclosures to private loan co-signers was recently introduced.

The Administration

- [ED Announces Negotiated Rulemaking Committees](#)

The Department of Education formally published an announcement in the Federal Register on Oct. 28 that it will conduct a negotiated rulemaking to change the regulations governing the major federal student loan programs, including the Perkins Loan Program.

- [President Obama Proposes Acceleration of IBR and Consolidation Benefit for Split-Serviced Borrowers](#)

The Administration recently unveiled two student loan initiatives: a) the acceleration of SAFRA's increased IBR benefits; and b) a benefit to incent "split-serviced" borrowers to consolidate through Direct Lending.

- [CFPB Issues "Thought Starter" Financial Aid Shopping Sheet](#)

As part of the "Know Before You Owe" project, the Consumer Financial Protection Bureau, in collaboration with the Department of Education, released a Financial Aid Shopping Sheet—a draft model financial aid disclosure form.

- [Department IG Issues Annual Report](#)

The Department of Education Office of Inspector General released its FY2012 annual report.

Industry News

- [Student Loans in the Headlines Again](#)

With their inclusion in President Obama's "We Can't Wait Initiative" and with student debt concerns seeming to be the one issue the "Occupy" protesters can agree on, student loans are again front page news.

- [College Board Releases Trends Reports](#)

Though it was largely overshadowed, or at least encompassed in, the story on President Obama's student loan proposals, last week the College Board released its annual "Trends" reports on college pricing and student aid.

- [Project on Student Debt Releases Annual Student Debt Level Report](#)

College seniors who graduated with student loans in 2010 owed an average of \$25,250, up 5 percent from the previous year, according to a new report from the Project on Student Debt.

Attachments

- [Board of Directors](#)

- [COHEAO Commercial Members](#)

- [2012 COHEAO Annual Conference Agenda](#)

- [COHEAO letter to House Subcommittee in support of H.R. 3035](#)

- [COHEAO letter to Senate in support of H.R. 674](#)

- [October 26 House Direct Loan hearing summary](#)

COHEAO News

Registration Now Available for 2012 COHEAO Annual Conference

COHEAO is pleased to announce registration is now open for its upcoming 2012 Annual Conference. [Click here](#) to register! (If the link does not work, please paste the following into your browser: <http://bit.ly/tv0gkq>)

Set for January 29-February 1 at the Ritz Carlton-Pentagon City just across the river from Washington, DC, the COHEAO Annual Conference begins 2012 with an outlook on policy issues affecting campus-based student loans and financial services, including Perkins Loans and the other Federal Student Aid programs, institutional loans and tuition accounts, the new Consumer Financial Protection Bureau, campus-based financial literacy programs, regulatory compliance, e-commerce and data protection. In addition to updates and perspectives from Washington, this event will also offer insights from best practices for campus-based loan and student financial services professionals.

An agenda is attached with today's *Torch* and is also available at www.coheao.org.

Also, COHEAO has again negotiated a special rate of \$219 per night at our conference hotel, the Ritz-Carlton Pentagon City. **Be sure to contact the Ritz-Carlton Pentagon City at (703) 415-5000 or 1-800-241-3333 by January 6.** You must contact the hotel directly and mention you are with the COHEAO meeting to receive this excellent deal.

Please check back with www.coheao.org for additional information as we will be posting updates on the conference often. If you have any questions on the 2012 COHEAO Annual Conference, please feel free to contact Wes Huffman (whuffman@wpllc.net, 202.289.3910)

COHEAO to Host November 16 Webinar, "Effective Collections and the FDCPA"

COHEAO will be hosting a webinar, "Effective Collections and the FDCPA." Scheduled for Wednesday, November 16 at 2:00 PM EASTERN, this is a webinar you will not want to miss as it will address enforcement and regulation of one of the central federal laws related to the collection of student loans and campus receivables, the Fair Debt Collection Practices Act.

[Click here](#) to register (If this link does not work, please paste the following into your browser: https://netforum.avectra.com/eweb/DynamicPage.aspx?Site=COHEAO&WebCode=EventDetail&evt_key=df7512fc-297a-4c19-b413-86403b936bd5).

With a new regulator on the scene, compliance with the Fair Debt Collection Practices Act (FDCPA) will be more important than ever for colleges and universities. An attorney with ACA International will provide an update on what is happening with regulation and enforcement between the FTC and CFPB. It will also offer attendees tips for remaining compliant and maintaining effective collection efforts.

[Sign up](#) today. This is a webinar you don't want to miss!

What: COHEAO "Effective Collections and the FDCPA"

When: Wednesday, November 16 2:00 PM EASTERN

Who Should Attend: Campus Loan Administrators, Agencies, Business Officers, Lenders, Campus Reps

Rebroadcast Available?: Free to attendees, costs the same for live and playback (\$49 members/\$99 non members)

The Congress

In Advance of Subcommittee Hearing, COHEAO Calls for Passage of TCPA Reform Legislation

The House Energy and Commerce Subcommittee on Communications and Technology convened a hearing today to review H.R. 3035, the “Mobile Information Call Act of 2011,” legislation sponsored by Reps. Lee Terry (R-NE) and Edolphus Towns (D-NY) to allow the use of automated dialers for informational calls to mobile phones. In advance of the hearing, COHEAO and many member colleges, universities and collection agencies wrote the Subcommittee urging support for the legislation, which would allow for more efficient communication with cell phones.

During the hearing, Terry, the Vice Chair of the Subcommittee, indicated TCPA modifications would be beneficial for students because they would allow for more efficient communication of timely information. However, Rep. Anna Eshoo, the Ranking Member on the Subcommittee, said her constituents had been clear that “they don’t like this bill.” In spite of her constituent concerns, Eshoo did acknowledge that “changes in consumer behavior” did warrant a review of laws governing contact with cell phones.

The bill clarifies the statutory meaning of “prior express consent” for contact on a wireless device. Under H.R. 3035, providing a cell phone number as contact information would constitute prior consent.

During the hearing, a representative of the wireless industry association provided information on consumer use of cell phones, while representatives of HOPE Now (the mortgage modification organization) and airlines spoke strongly in favor of the changes. However, Greg Zoeller, the Attorney General of Indiana, and a consumer organization witness spoke out against the modifications, arguing they will open consumers to an avalanche of unwanted calls.

In response to the concerns of witnesses and Subcommittee Members, Terry indicated the bill suffered from a misunderstanding of its intent. He argued that no one in Congress wanted to leave consumers vulnerable to the hated “robo-calls” from telemarketers, but emphasized H.R. 3035 was meant to address informational calls only.

Terry said he would review the language of the legislation with concerned offices to ensure it continues to protect consumers from telemarketing calls. Rep. Greg Walden (R-OR), the Chairman of the Subcommittee, indicated the hearing was the first step of a “vigorous debate” on how to modify and update federal laws to accommodate changes in the wireless marketplace.

The COHEAO letter is included as a special attachment with today’s edition and is also available at www.coheao.org

COHEAO Urges Senate to Pass 3% Withholding Relief

The Senate will begin consideration of H.R. 674, legislation to repeal the 3% federal tax withholding rule. Majority Leader Harry Reid (D-NV) filed cloture on the bill today and a cloture vote is expected on the bill on Monday evening to set an end to debate on it so the Senate can vote on passage later in the week.

Should H.R. 674 receive the requisite 60 votes to close debate, it is expected to pass the full Senate. However, there is some disagreement among the House and Senate on the pay-fors for the alleged costs of the legislation, and Reid may amend the bill, which would delay final passage as it would have to be sent back to the House for passage again there.

In a decidedly bi-partisan fashion, the House passed H.R. 674 on October 27 in a vote of 405-15. The Obama Administration has indicated it supports the bill.

COHEAO wrote all Senators this week urging passage of the bill without amendment, noting the impact of shifting a tax enforcement burden to public colleges and universities. COHEAO's letter is included with today's edition as a special attachment and is also available at www.coheao.org

Progress on FY 12 Appropriations, But Ominous Signs for Super Committee Deal by Nov 23

As the deadline approaches for the Joint Select Committee on Deficit Reduction looms, the Super Committee has started to leak a little bit, with contradictory reports about whether it is accomplishing anything. An ominous sign was that there were no secret meetings this week even though both the House and Senate have been in session.

One trial balloon being floated was that they might seek more time to come up with a recommendation. That actually would be a very complex task involving Congress passing legislation and the President signing it – and there is no guaranty Congress would do so. There continues to be no word on student loan related changes being contemplated, but that doesn't mean they aren't on the table.

It does look like the Congress is taking steps to complete the regular appropriations process and avoid a government shutdown, although the Labor-HHS-Education bill will be part of the last piece of appropriations legislation passed. The budget is by no means decided, but the Senate did succeed in passing a so-called "minibus"—a bill that would fund several government agencies.

The bill passed on a vote of 69-30, vindicating Majority Leader Harry Reid's (D-NV) strategy to move forward. House Republicans had questioned the minibus strategy, but Reid's success may convert them to believers. For the first time in several years, the House and Senate Appropriations Committees will meet in conference to resolve differences on these bills—an exercise of normal procedure that has been abandoned for years. The conference bill that is developed will likely become the vehicle for a continuing resolution that will last until December 23rd.

Following the Tuesday vote, Reid announced plans to move several other minibuses forward for debate and praised his colleagues for this "spirit of bipartisanship." It is rumored that the Labor, Health and Human Services and Education "minibus" vehicle will include defense spending, and will be the last bill considered

On the Labor-HHS-Education front, serious disputes have apparently arisen over how to fund the shortfall in funding for Pell Grants, which is about \$1 billion for the current fiscal year. The House and Senate have taken very different approaches to offsetting cuts (reducing eligibility for the grants versus eliminating the grace period interest rate subsidy for Stafford Loans). Complex budget scoring issues make it difficult to find a solution that is politically acceptable, and Republicans in the House and Democrats in the Senate are working hard to ensure their preferred offsets are in the final bill.

Date Appears Before HFSC on "First 100 Days" of CFPB

Raj Date, who took over Elizabeth Warren's role as Special Advisor to President Obama and Treasury Secretary Tim Geithner on the Consumer Financial Protection Bureau (CFPB), testified before the House Financial Services Committee providing an update on the initial efforts of the Bureau since it officially opened in July. Below are excerpts from Date's testimony on student loan issues:

And just last week we announced another exciting [Know Before You Owe initiative with student loans](#). In partnership with the Department of Education, we are working to improve the way schools communicate loan and repayment information to students. At the CFPB, we are deeply committed to working cooperatively with other agencies in order to efficiently use resources and to further common goals.

In that vein, along with the Department of Education, we released a draft one-page "[financial aid shopping sheet](#)" that would provide students and their families with important information such as estimated monthly payment levels after leaving school, and school-related information like graduation rates. It gives information on how students from that school have fared in repaying their loans. Just like with our Know Before You Owe mortgage initiative, we are soliciting feedback from the public, industry, and other stakeholders on how to provide the best possible information for students.

The financial aid shopping sheet is intended to be a thought starter to advance both the Bureau's mission in the student loan area and the Department of Education's interests in promoting more informed decisions about higher education. We, and the Department of Education, hope that it is a first step toward greater transparency in this area, and that the process will result in useful tools for colleges, student loan providers, and others who are interested in providing better information to students and their families.

The Bureau is also working to bring greater transparency to the private student loan market – one of the least understood consumer credit markets. We are asking the public, the higher education community, students, families, and the student loan industry – both lenders and servicers – to provide us with information about this market voluntarily. What terms do these student loan products offer? Are students able to repay them? What rules apply to who is approved and who is denied a private loan? With this information, and as required by the Dodd-Frank Act, the CFPB and the Department of Education will draw up a detailed report to give to Congress next summer.

...

With students, we are also making strong progress. In addition to our Know Before You Owe initiative, we now have a "Private Education Loan Ombudsman." The Secretary of the Treasury recently designated Rohit Chopra to this position, which was created by the Dodd-Frank Act. The ombudsman will work with the Department of Education to receive, review, and attempt to resolve complaints from borrowers of private student loans. In this capacity, he will also work with institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in private education loan programs. In the Dodd-Frank Act, Congress directs the ombudsman to enter into a memorandum of understanding with the Department of Education's student loan ombudsman; this will enable both agencies to coordinate closely and share information. This memorandum of understanding is complete, allowing us to begin planning how to intake these complaints. Last week, we began helping student loan borrowers by launching the [Student Debt Repayment Assistant](#). Already, consumers have viewed the repayment tool over 28,000 times.

In July, the ombudsman will provide a report to Congress on the CFPB's efforts to assist borrowers of private education loans.

Additional information on the hearing, including Date's testimony, is available online: <http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=266367>

Kline Seeking More Information on Student Loan Proposals

House Education and the Workforce Committee Chairman John Kline (R-MN), with strong statements from Speaker John Boehner (R-OH) and Budget Committee Chairman Paul Ryan, has led Republican criticism of President Obama's plans to expand income based repayment and offer a consolidation benefit for borrowers with both Direct Loans and FFELP loans borrowed in 2008-10.

In addition to several installments in the regular series of "Left Turn" dispatches via email and the Committee website, Kline sent a letter to Secretary Duncan with eight specific questions on "Help Americans Manage Their Student Debt" and "Pay as You Earn" programs. The letter requests a response by November 18.

Kline's letter is available online: [http://edworkforce.house.gov/UploadedFiles/10-27-11 - Letter to Sec. Arne Duncan.pdf](http://edworkforce.house.gov/UploadedFiles/10-27-11_-_Letter_to_Sec._Arne_Duncan.pdf)

Special Attachment: House Subcommittee Hearing on Direct Lending

The House Subcommittee on Higher Education and Workforce Training convened a hearing on the transition to the Direct Loan Program on October 26. To those who have observed this debate for a number of years, there were very few surprises, but the hearing was well-attended by Members and did offer insights on the views of the Committee on student loans. A full summary is included with today's edition as a special attachment.

New Christopher Bryski Bill Introduced

An updated version of student loan legislation regarding disclosures to private loan co-signers was recently introduced.

This version of the bill, named in honor of Christopher Bryski, a young man who died in an accident, requires additional disclosures to co-signers of private student loans of their responsibilities in the event of the death or permanent disability of the borrower. It also adds a disclosure on federal student loans on the total and permanent disability process which mentions co-signers may be responsible for remaining private student loans.

The original bill was introduced by Rep. John Adler (D-NJ) in the last Congress and passed the House of Representatives on a voice vote. The new version of the bill (H.R. 3240/S. 1740) was introduced by Sen. Frank Lautenberg (D-NJ) in the Senate and Reps. Ed Pascrell (D-NJ) and Jon Runyan (R-NJ) in the House. The updated version is less complex than the original legislation in that it does not address power of attorney.

S. 1740 is available online: <http://www.gpo.gov/fdsys/pkg/BILLS-112s1748is/pdf/BILLS-112s1748is.pdf>

The Administration

ED Announces Negotiated Rulemaking Committees

The Department of Education formally published an announcement in the Federal Register on Oct. 28 that it will conduct a negotiated rulemaking to change the regulations government the major federal student loan programs, including the Perkins Loan Program.

COHEAO will be nominating one or more people to serve as negotiators on the negotiating committee, which will first meet on January 9th and is supposed to wrap up by late March. Final regulations would be published by Nov. 1, 2012, to be effective July 1, 2013, although the Department is planning to have some of the new regulations, especially changes to Income Based Repayment, effective in 2012.

In addition to Perkins, the Committee will be tasked with considering revisions to the Direct Loan Program and the FFEL Program regulations, to implement the recently announced changes to the Income Based Repayment program, Total and Permanent Disability (TPD), rehabilitated loans, delinquencies, forbearances and other topics. Additional topics can be added to the agenda by the Department before negotiations begin or at the start of negotiations, if all negotiators permit it. The Perkins-specific topics are listed below:

- Economic hardship deferment debt-to-income provision.
- Graduate fellowship deferment eligibility.
- Social security number requirement for loan assignment.
- Cancellation rate progression across cancellation categories.
- School enrollment status reporting requirements.
- Minimum loan period for transfer students in non-term programs and certain non-standard term programs

Other topics for discussion include the IBR and ICR programs (the means for implementing the acceleration announced by the President earlier this week, dubbed the "Pay as You Earn" proposal), and creating more readable Direct Loan regulations. The schedule for negotiations is as follows:

- Session 1: January 9-13, 2012
- Session 2: February 13-17, 2012
- Session 3: March 26-30, 2012

The student loan *Register* notice is available online:

<http://mail.wpplc.net/exchweb/bin/redir.asp?URL=http://www.gpo.gov/fdsys/pkg/FR-2011-10-28/pdf/2011-27982.pdf>

President Obama Proposes Acceleration of IBR and Consolidation Benefit for Split-Serviced Borrowers

The Administration recently unveiled two student loan initiatives: a) the acceleration of SAFRA's increased IBR benefits; and b) a benefit to incent "split-serviced" borrowers to consolidate through Direct Lending. Though one of the programs was proposed in legislation and the other had a date defined by statute, the White House indicates both can be implemented with executive authority.

The split-serviced borrower incentive, dubbed the "Help Americans Manage Student Loan Debt" plan, will provide .25 interest rate reduction on the FFEL component of the new consolidated loan and provide for the standard .25 rate reduction for automatic-debit provided on Direct Loans. Some details still remain to be worked out, but the Department and White House have so far said that borrowers will be able to take advantage of this new loan consolidation opportunity by re-financing FFELs made in 2008 through June 2010 with Direct Loans made in 2012. The re-financing opportunity will end on June 30, 2012, although normal Direct Consolidation Loans will remain available, as they are now. The window of opportunity for the incentives is limited because the authority given to the Secretary to provide additional repayment incentives under the Budget Control Act of 2006 expires in June 30.

The IBR acceleration moves forward from 2014 to 2012 limiting student loan repayment in the program to 15% of discretionary income (defined as AGI above 150% of the federal poverty line) and forgiving the balance after 20 years instead of 25. The Administration is now referring to the change as the "Pay as You Earn" proposal.

The IBR changes are to be addressed through negotiated rulemaking that will reportedly modify regulations pertaining to the little-used income contingent repayment (ICR) program. Though there are issues associated with the Master Calendar and negotiated rulemaking, it is believed those requirements can be waived with consensus of the negotiators or through the Secretary's Authority.

Additional information on the proposal, including a White House fact sheet and the President's remarks in Denver, is available online: <http://www.ed.gov/news/press-releases/we-cant-wait-obama-administration-lower-student-loan-payments-millions-borrowers>

CFPB Issues "Thought Starter" Financial Aid Shopping Sheet

As part of the "Know Before You Owe" project, the Consumer Financial Protection Bureau, in collaboration with the Department of Education, released a Financial Aid Shopping Sheet—a draft model financial aid disclosure form. The new effort was highlighted with a speech from Raj Date of the CFPB at the University of Minnesota as well as in his testimony this week before the House Financial Services Committee.

Rohit Chopra, recently named the Student Loan Ombudsman at CFPB, published a blog post describing the model form as a "thought starter" and clarifying it would not take the place of the Department's model financial aid offer letter which has yet to be published. The CFPB is taking feedback on how to further improve the form, especially looking for input from college students and their families.

The announcement also notes, "Building on the model of the "Financial Aid Shopping Sheet", the President has also tasked the Chief Technology Officer with further leveraging data and technology to help provide college-bound students and parents with more comparative information about college costs and college aid so they can make more informed decisions about where to enroll.

The Bureau also unveiled a "Student Debt Repayment Assistant," an online repayment tool for borrowers. It is available online at <http://www.consumerfinance.gov/students/repay/>

Chopra's post, which includes two model forms, is available online: <http://www.consumerfinance.gov/know-before-you-owe-lets-tackle-student-loans/>

Department IG Issues Annual Report

The Department of Education Office of Inspector General released its FY2012 annual report. The report is organized with five goals for the IG, as well as four management challenges.

The goals are as follows:

- Improve the Department's ability to effectively and efficiently implement its programs to promote educational excellence and opportunity for all students.
- Strengthen the Department's efforts to improve the delivery of student financial assistance.
- Protect the integrity of the Department's programs and operations by detecting and preventing vulnerabilities to fraud, waste, and abuse.
- Contribute to improvements in Department business operations.
- Strive for a diverse and skilled workforce that is provided with the means and assistance necessary to achieve the OIG's mission with excellence, accountability, and integrity.

The report lists the following as management challenges:

- Improper Payments
- Information Technology Security
- Oversight and Monitoring

- Data Quality and Reporting

The annual report, which details efforts on each of the five goals, is available online:

<http://www2.ed.gov/about/offices/list/oig/misc/wp2012.pdf>

A separate report on management challenges is available online:

<http://www2.ed.gov/about/offices/list/oig/misc/mgmtchall2012.pdf>

Industry News

Student Loans in the Headlines Again

With their inclusion in President Obama's "We Can't Wait Initiative" and with student debt concerns seeming to be the one issue the "Occupy" protesters can agree on, student loans are again front page news.

First, there was the debate over the true benefit of the President's program. President Obama touted the new initiatives at a speech in Denver, and the Administration estimated 1.6 million borrowers would benefit from the IBR expansion and 6 million borrowers could benefit from the consolidation incentive which would save "hundreds of dollars in interest." The higher education community and consumer advocates praised the President for the moves, but they were also quick to emphasize the Administration's options were limited and agree with the President's statement they were no substitute for "bold action" in partnership with Congress.

However, many articles, beginning with a piece in *The Atlantic*, began to note the modest impact of the proposals.

A collection of articles on the announcement is below:

- An article from *The Atlantic*: <http://www.theatlantic.com/business/archive/2011/10/obamas-student-loan-action-wont-have-much-impact/247411/>
- An article from *Politico*: <http://dyn.politico.com/printstory.cfm?uuid=98EED09A-FB3E-4819-BC55-3CB08873B648>
- An article from *Inside Higher Education*: <http://www.insidehighered.com/news/2011/10/26/obama-proposes-changes-student-loan-programs>
- An article from *NBC News*: <http://firstread.msnbc.msn.com/news/2011/10/28/8526290-gop-candidates-against-funding-for-student-loans>

College Board Releases Trends Reports

Though it was largely overshadowed, or at least encompassed in, the story on President Obama's student loan proposals, last week the College Board released its annual "Trends" reports on college pricing and student aid.

Below are the key findings in student aid according to the College Board:

- As a result of the introduction of the American Opportunity Tax Credit in 2009, education tax credits and tuition deductions per student increased by more than 80 percent in inflation-adjusted dollars between 2007-08 and 2010-2011.

- The distribution of subsidies from federal education tax benefits changed considerably with the introduction of the American Opportunity Tax Credit in 2009. The percentage of savings from credits and deductions going to taxpayers with incomes below \$25,000 increased from 5 percent in 2008 to 17 percent in 2009. The percentage of savings going to those with incomes above \$100,000 increased from 18 percent in 2008 to 26 percent in 2009.
- In 2010-11, undergraduate students received an average of \$12,455 per full-time equivalent(FTE) student in financial aid, including \$6,539 in grant aid, \$4,907 in federal loans, and \$1,009 in a combination of tax credits and deductions and Federal Work-Study (FWS).
- Graduate students received an average of \$23,955 per FTE in aid, including \$6,750 in grant aid, \$16,423 in federal loans, and \$782 in a combination of tax credits and deductions and Federal Work-Study (FWS).
- From 2009-10 to 2010-11, grant aid per FTE undergraduate student increased by an estimated 7 percent, while federal loans declined by 2 percent.
- These changes followed increases of 20 percent in average grant aid per FTE undergraduate student and 10 percent in average federal loans between 2008-09 and 2009-10. Over the three years from 2007-08 to 2010-11, both grant aid and federal loans per student increased by about 30 percent in inflation-adjusted dollars.

Below are the key findings on tuition according to the College Board:

- Published **in-state tuition and fees at public four-year institutions** average \$8,244 in 2011-12, \$631 (8.3 percent) higher than in 2010-11. Average total charges, including tuition and fees and room and board, are \$17,131, up 6.0 percent.
- Published **out-of-state tuition and fees at public four-year colleges and universities** average \$20,770, \$1,122 (5.7 percent) higher than in 2010-11. Average total charges are \$29,657, up 5.2 percent.
- Published **in-state tuition and fees at public two-year colleges** average \$2,963, \$236 (8.7 percent) higher than in 2010-11.
- Published **tuition and fees at private nonprofit four-year colleges and universities** average \$28,500 in 2011-12, \$1,235 (4.5 percent) higher than in 2010-11. Average total charges, including tuition and fees and room and board, are \$38,589, up 4.4 percent.
- Published **tuition and fees at for-profit institutions** average an estimated \$14,487 in 2011-12, 3.2 percent higher than in 2010-11.

Additional information, including the full reports, is available online: <http://trends.collegeboard.org/>

Project on Student Debt Releases Annual Student Debt Level Report

College seniors who graduated with student loans in 2010 owed an average of \$25,250, up 5 percent from the previous year, according to a new report from the Project on Student Debt at the Institute for College Access & Success (TICAS). The class of 2010 also faced unemployment levels for new college graduates of 9.1 percent, the highest in recent history, but still less than half the unemployment rate for young adults with only a high school diploma.

Student Debt and the Class of 2010 focuses on graduates of public and private nonprofit four-year colleges who had federal and/or private (non-federal) student loans. It includes lists of high- and low-debt colleges and states, but does not include data on parental loans, such as the Parent PLUS Program.

At the college level, the report found that average loan debt for the Class of 2010 ranged from \$950 to \$55,250, and the proportion of students who graduated with loans ranged from 2 to 100 percent. A total of

98 colleges reported that their 2010 graduates owed an average of more than \$35,000, and 73 colleges reported that more than 90 percent of their Class of 2010 graduated with debt. The data for this report came from more than 1,000 colleges, representing half of all public and private nonprofit four-year schools and three-quarters of the class of 2010.

The report also found that the states with the highest average debt for 2010 graduates are all in the Northeast and Midwest, while states with the lowest debt are concentrated in the West. New Hampshire had the highest average debt at \$31,048, followed by Maine at \$29,983. Utah and Hawaii had the lowest average debt at \$15,509 and \$15,550, respectively. The report notes that actual state averages are likely higher than these estimates, which are based on data reported voluntarily by public and private nonprofit four-year colleges.

The report and a companion interactive map, which includes average debt levels for the 50 states and District of Columbia and for more than 1,000 individual U.S. colleges and universities, are available online free of charge at http://projectonstudentdebt.org/state_by_state-data.php.

COHEAO Board of Directors

President:

Robert Perrin

President

Williams & Fudge, Inc.
775 Addison Avenue, Suite 201
Rock Hill, SC 29731
803-329-9791 x 2104
Fax: 803-329-0797
bperrin@wfcorp.com

Past President:

Alisa Abadinsky

Director of Receivables, Loans, and
Collections
University of Illinois at Chicago
809 S. Marshfield Ave. M/C 557
Chicago, IL 60612
312-413-1971
Fax: 312-413-1992
aabadins@uillinois.edu

Secretary

Edgar DelosAngeles

Manager, UCI Loan Services
University of California—Irvine
Administration Bldg. Room 101
Irvine, CA 92697-3010
949-824-4689
Fax 949-824-4688
edelosan@uci.edu

Legislative Co-Chair, Institutional

Jackie Ito-Woo

Associate Director, Student Affairs
University of California Office of the President
Student Financial Support
1111 Franklin St., 9th Floor
Oakland, CA 94607-5200
510-987-9544
Fax: 510-987-9546
jackie.ito-woo@ucop.edu

Commercial Member Chair

Karen Reddick

Vice President Business Development
National Credit Management
10845 Olive Blvd
St. Louis, MO 63141
800-627-2300
kreddick@ncmstl.com

Vice President

Maria Livolsi

Director, Student Loan Service Center
State University of New York
5 University Place, A310
Rensselaer, NY 12144
518-525-2628
MLivolsi@uamail.albany.edu

Treasurer:

Bob Frick

President

University Accounting Service
200 S. Executive Drive, 3rd Fl
Brookfield, WI 53005
800-340-1526
Fax: 262-784-9014
bob.frick@ncogroup.com

Legislative Chair

Lori Hartung

Vice President

Todd, Bremer & Lawson
560 Herlong Avenue
Post Office Box 36788
Rock Hill, South Carolina 29732-0512
800-849-6669
Fax: 803-323-5211
lori.hartung@tbandl.com

Legislative Co-Chair, Regulatory

Pamela Devitt

Legislative Analyst, University Student
Financial Services and Cashier Operations
University of Illinois at Springfield
312-996-5885
Fax: 312-413-3453
devitt@uillinois.edu

Financial Literacy Chair

Carl Perry

Senior Vice President

Progressive Financial Services
516 N Production Street (Suite 100)
Aberdeen, SD 57401
800-585-4978
Fax: 800-585-4981
cperry@progressivefinancial.com

Internal Operations

Tom Schmidt

Associate Director of Student Financial
Collections & Third Party Billing
University of Minnesota
Student Account Assistance
211 Science Teaching & Student Services
222 Pleasant St. SE
Minneapolis, MN 55455
612-625-1082
t-schm@umn.edu

Communications Chair

Micheal Kahler

Regional Vice President, Sales
Windham Professionals
60 Normandy Drive
Lake St. Louis, MO 63367
800-969-0059, ext. 2909
Fax: 636-625-0231
mkahler@windhampros.com

Perkins Task Force Chair

Nancy D. Paris

Vice President, Financial Services Group
ACS, A Xerox Company
900 Commerce Dr Ste 320
Oak Brook IL 60523
630.203.2769
FAX: 630.203.2796
nancy.paris@acs-inc.com

Membership Co-Chair, Institutional

Jeane Olson

Bursar
Northern Arizona University
Gammage Building
Flagstaff, AZ 86011
928-523-3122
Jeane.olson@nau.edu

Membership Co-Chair, Development

Michael Mietelski

Regional Director of Business Development
ConServe
200 Cross Keys Office Park
Fairport, NY 14450-0007
800-724-7500 x4450
mmietelski@conserve-arm.com

Membership Co-Chair, Commercial

Rick Wiening

Director of Business Development
Regional Adjustment Bureau
7000 Goodlett Farms Parkway
Memphis, TN 38016
219-937-9760
rwiening@rabinc.com

Member at Large

Larry Rock

Director of Student Loan Repayment
Concordia College
901 S. 8th St.
Moorhead, MN 56562
218-299-3323
larock@cord.edu

Member at Large

Laurie Beets

Bursar/Director of Student Loans & Debt
Mgmt
Oklahoma State University
113 Student Union
Stillwater, OK 74078
405-744-7776
Fax: 405-744-8098
laurie.beets@okstate.edu

Member at Large

David Stocker

General Counsel
Account Control Technology, Inc.
6918 Owensmouth Avenue,
Canoga Park, CA 91303
(800) 394-4228
Fax: (818) 936-0389
DStocker@accountcontrol.com

Executive Director

Harrison Wadsworth

Principal
Washington Partners, LLC
1101 Vermont Ave. N.W. Suite 400
Washington, DC 20005-3521
202-289-3903
Fax 202-371-0197
hwadsworth@wpllc.net

**COHEAO Would Like To Thank Its Commercial Members
For Supporting More Education for More People**



Account Control Technology, Inc.	Financial Asset Management Systems, Inc.
ACS Inc.	General Revenue Corporation
AMO Recoveries, Inc	Immediate Credit Recovery, Inc.
BlackBoard, Inc.	JC Christenson and Associates
Campus Partners	National Credit Management
Coast Professional	NCO Financial Systems, Inc.
Collecto, Inc. d/b/a Collection Company of America	Northland Credit Control, Inc.
ConServe	Progressive Financial Services, Inc.
Collectcorp	Recovery Management Services, Inc.
Credit Control, LLC	Regional Adjustment Bureau, Inc.
Credit World Services, Inc.	Reliant Capital Solutions, LLC
Delta Management Associates	Todd, Bremer & Lawson, Inc.
Education Assistance Services, Inc	Williams & Fudge, Inc.
Educational Computer Systems, Inc.	Windham Professionals
Enterprise Recovery Systems, Inc.	

DRAFT



COHEAO Annual Conference Agenda 2012
*All Meetings and Sessions Are Located at the
Ritz Carlton Pentagon City Hotel in Arlington, Virginia*

Sunday, January 29th, 2012

- 8:30am – 3:00pm **Board of Directors Meeting**
- 4:00pm – 5:00pm **Commercial Members Meeting**
- 4:00pm – 7:00pm **Registration**
- 6:00pm – 7:00pm **Welcoming Reception**

Monday, January 30th, 2012

- 7:30am – 8:30am **Breakfast: Perkins Task Force Meeting**
Discussion of Perkins proposals
COHEAO's Perkins Task Force will again meet over breakfast. This breakfast meeting will feature discussions on topics ranging from legislative strategies for improving Perkins to the day-to-day operations of the Program. A summary discussion will be led by Task Force Chair Nancy Paris, COHEAO Executive Director Harrison Wadsworth and members of the Perkins Task Force. You do not need to be a member of the Task Force to attend this meeting, and all conference attendees are encouraged to participate.
- Leader: Nancy Paris, ACS, Perkins Task Force Chair
- 8:30am – 8:45am **The President's Welcome**
- Speaker: Bob Perrin, COHEAO President
- 8:45am – 9:30am **Session: Washington Activity/Inactivity: What It Means For Us**
With a Presidential and Congressional Election Year underway, Harrison Wadsworth, COHEAO's Executive Director, will provide an outlook on what to look for from Washington in terms of higher education, student lending, and student financial services issues and how what happens in Washington may affect you and your colleagues.
- Speaker: Harrison Wadsworth, COHEAO Executive Director

- 9:30am – 10:30am **Session: Effective Campus-Based Financial Literacy Programs**
Improving the financial literacy skills of students remains a pressing concern on campus, particularly in the face of increasing student debt loads and a tough economy. In this session, Roxie Johnson of Meharry Medical College and their partners at BC Holdings will review their campus program, including a demonstration of the student program.
- Panelists: Roxie Johnson, Meharry Medical College
Sidney Curry, BC Holding, LLC
Saundra Curry, BC Holding, LLC
- 10:30am – 10:45am **Break**
- 10:45am – 11:45am **Session: Bankruptcy & Litigation**
Unfortunately, bankruptcy remains a fact of life for many Americans struggling in this economy, including numerous former college students. An experienced higher education attorney will review the latest on bankruptcy and litigating student accounts and provide legal tips for ensuring the collection of lost funds in these unfortunate circumstances
- Speaker: Chad Echols, Hamilton Martens & Ballou, LLC
- 11:45am – 12:30pm **Session: Private Student Loans & The Gap Financing Puzzle**
Perkins and institutional loans are just one piece of the puzzle that helps many students with their remaining cost of attendance beyond grants and Stafford Loans. A panel will discuss other forms of gap financing, particularly private loans, offering the latest trends on this important source of funding for many students.
- Speakers: To Be Announced Soon
- 12:30pm – 1:45pm **Luncheon Address**
- 1:45pm – 3:15pm **Session: Department of Education Update: Regulations Old and New**
Gail McLarnon will provide an update on regulations affecting Perkins Loans and other pertinent issues in the Federal Student Aid programs. With the negotiated rulemaking on Total and Permanent Disability, Income Based Repayment, Perkins, FFELP and Direct lending underway and the release of the President's FY 2013 budget just around the corner, this is a session conference attendees will not want to miss.
- Speaker: Gail McLarnon, US Department of Education
- 3:15pm – 3:30pm **Dessert Break**

DRAFT

3:30pm – 4:30pm **Session: Budget Cuts and Its Effect on Financial Aid**
In recent years, it seems that federal student aid policy has been driven by the budget process, as opposed to reauthorization of the Higher Education Act. As Congress works toward more austerity in the name of deficit reduction, this session will provide a review and outlook on federal spending cuts and their impact on the student aid programs.

Speakers:

4:30pm – 5:15pm **Session: Negotiated Rulemaking: Non-Federal Perspectives**
The first of three rounds of the 2012 negotiated rulemaking at the Department of Education will have just taken place in Washington. COHEAO representatives will be there and will report on the issues, including Perkins Loan specific issues such as deferments, cancellations, assignments, and reporting requirements and other key issues like Total and Permanent Disability, IBR and ICR, and a rewrite of the Direct Lending regulations.

Speakers: To Be Announced Soon

6:00pm – 7:30pm **Silent Auction and Reception to Benefit the COHEAO Scholarship Fund**

Tuesday, January 31st, 2012

7:45am – 8:45am **Breakfast: Financial Literacy Task Force Meeting**
COHEAO's incredibly active Financial Literacy Task Force will meet over breakfast. The breakfast will feature roundtable discussions on a variety of topics related to providing these essential services to students. Regardless of membership with the Financial Literacy Task Force, all conference attendees are encouraged to attend this meeting.

Leader: Carl Perry, Progressive Financial Services, Task Force Chair

8:45am – 9:00am **Annual Business Meeting**

9:00am – 9:30am **Congressional Address**

9:30am – 10:30am **Session: Consumer Financial Protection Bureau Update**
By the time of the COHEAO Annual Conference, the Consumer Financial Protection Bureau will have been up and running for roughly six months. The Bureau has identified student loans as a high priority. This session will take a look at current initiatives related to higher education, such as "Know Before You Owe," the private loan study mandated by the Dodd-Frank Wall Street Reform Act, the private student loan ombudsman's office, and ongoing efforts to coordinate activities with the Department of Education.

Speaker(s): CFPB Officials have been invited.

10:30am – 10:45am **Break**

DRAFT

10:45am – 11:30am **Session: Congressional Communications & Becoming a Better Advocate for Perkins**

Visiting Congressional offices can feel like a daunting prospect, but it should not be. As a constituent, those who visit with their Senators and Representatives are providing a service to these offices by sharing their views on pending legislation and issues affecting their campus or organization. Scheduled immediately before an afternoon of visits with legislators, this session will provide tools for beginner and experienced advocates alike in communicating your message to Capitol Hill.

Speaker: Carl Perry, Progressive Financial Services

11:30am – 12:30pm **Networking Lunch**

12:30pm Gather with mentors for Congressional office visits and depart for Capitol Hill via Metro

1:00pm – 5:30pm **Visits to Congressional Offices**

Location: House and Senate Office Buildings, Washington, DC

Please visit your legislators' offices to inform them on issues affecting your campus or organization, such as the importance of the Perkins Loan Program for you and your students. Don't forget to make appointments in advance.

Wednesday, February 1st, 2012

8:00am – 9:00am **Breakfast: S.T.A.R.S. Meeting**

Student Tuition and Accounts Receivable Sources (formerly the Accounts Receivable Task Force) will begin Wednesday with discussions on the latest in tuition account management. This meeting provides an opportunity for you to gather with your colleagues and discuss a multitude of issues, both in terms of policy and best practices. All conference attendees are encouraged to attend this meeting.

Leader: Laurie Beets, Oklahoma State University, S.T.A.R.S. Chair

9:00am – 10:00am **Session: E-Commerce**

Issues associated with E-Commerce are increasingly coming to the forefront for many campus offices, and they are constantly evolving. This session will cover much of the latest in E-Commerce, including debit cards/refund cards, global consent, and the E-Sign Act.

Speaker:

10:00am – 10:30am **Break**

10:30am – 11:30am **Session: Compliance**

Speaker: David Stocker, Account Control Technology, Inc.



Coalition of Higher Education Assistance Organizations
1101 Vermont Avenue N.W., Suite 400
Washington, D.C. 20005-3586
(202) 289-3910 Fax (202) 371-0197

November 4, 2011

The Honorable Greg Walden
Chairman
House Subcommittee on Communications
and Technology
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Minority Member
House Subcommittee on Communications
and Technology
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Walden and Ranking Member Eshoo:

The Coalition of Higher Education Assistance Organizations expresses its strong support for H.R. 3035, the Mobile Informational Call Act of 2011. We applaud the Subcommittee on Communications and Technology for examining this legislation with today's hearing, as it will modernize the Telephone Consumer Protection Act (TCPA) by facilitating the delivery of time-sensitive consumer information to mobile phones.

In order to handle an ever-growing volume of students and their preferences for communication, COHEAO member colleges and their servicer partners increasingly rely on advanced communications technologies to convey timely and important information to students and recent graduates. In particular, these calls protect against the adverse consequences of failing to meet certain deadlines, such as registration for classes or completing necessary administrative paperwork, as well as providing options for remaining in good standing with their tuition or student loan accounts.

Unfortunately, the TCPA restricts informational calls that utilize assistive technologies to mobile devices even though the law permits such calls to be made to wireline phones. Approximately 65-75% of young adults exclusively use wireless devices for telephonic communications and the number of "no landline" students and recent graduates is growing by the day.

With the recent economic downturn leading to an increase in student loan defaults, it is more important than ever for colleges and universities to have every tool available to them to assist students in completing their degrees and keeping their student loan and tuition balances in good standing. The forgiveness, deferment, and forbearance options available to students on Federal and institutional student loans can often be confusing and H.R. 3035 would allow for more efficient communication from colleges and universities and student loan service providers in their efforts to effectively convey these options to student borrowers.

COHEAO looks forward to working with you on efforts to modernize the TCPA's treatment of informational calls to consumers while continuing to protect wireless consumers from unwanted telemarketing calls.

Sincerely,

Harrison Wadsworth
Executive Director

Cc: Representative Lee Terry
Representative Edolphus Towns



Coalition of Higher Education Assistance Organizations
1101 Vermont Avenue N.W., Suite 400
Washington, D.C. 20005-3586
(202) 289-3910 Fax (202) 371-0197
www.coheao.org

November 2, 2011

Dear Senators:

The Coalition of Higher Education Assistance Organizations strongly urges you to vote to end debate and pass H.R. 674, bipartisan legislation to fully repeal the burdensome 3% Withholding Tax mandate enacted in Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222). The bill passed by a vote of 405 to 16 and is supported by the White House. The bill's offset also enjoys bipartisan support and is endorsed by the White House.

Given the massive bipartisan support and the endorsement of the White House, we ask you to act expeditiously to approve H.R. 674 to give certainty to those impacted—businesses, doctors, farmers, state and local governments and colleges and universities. We also strongly encourage you pass this bipartisan legislation without amendment or modification and expeditiously send it to the President for his signature.

Unless repealed before it takes effect on January 1, 2013, the 3% Withholding Tax will have a dramatic, negative impact on millions of colleges and universities and the businesses that provide services to them. For many of these businesses, their profit margin is less than 3%, meaning that the withholding tax will create significant cash flow problems for day-to-day operations as well as draining capital that could be used for job creation and business expansion. This mandate is also anti-stimulus in the sense that it removes money from local economies and sends it to the IRS.

The mandate is already proving costly and will increase exponentially as the implementation deadline moves closer. If this mandate is not repealed, it will cost our member institutions and companies substantial amounts of money just to prepare to comply with this unnecessary and unfortunate tax provision. These expenditures will come at a time when public institutions of higher education are experiencing unprecedented reductions in state support and will result in increased costs to students.

The Coalition (COHEAO) believes it is imperative that the 3% Withholding Tax be fully repealed as soon as possible to limit the damaging impacts to our members and the economy as a whole. We appreciate bipartisan efforts to repeal it and strongly encourage you to support a clean vote on H.R.674 to fully repeal the 3% Withholding Tax once and for all.

Sincerely,

Harrison M. Wadsworth III
Executive Director

COHEAO



Sparks

*Updates on relevant events, hearings, and policy developments from the
Coalition of Higher Education Assistance Organizations*

October 25, 2011

House Subcommittee on Higher Education and Workforce Training Hearing on Direct Loans

Prepared by:

Wes Huffman (whuffman@wpllc.net)

The House Subcommittee on Higher Education and Workforce Training convened a hearing on the transition to the Direct Loan Program today, and to those who have observed this debate for a number of years, there were very few surprises.

Hearing Summary

Democrats, led by the Subcommittee's Ranking Democrat Ruben Hinojosa (D-TX), Rep. Tim Bishop, and others, offered nothing but praise for the Direct Loan Program and the SAFRA legislation that made it the sole source of federal student loans, while Republicans, led by Subcommittee Chair Virginia Foxx (R-NC) and full Committee Chair John Kline (R-MN), applauded the Department's efforts in converting schools but continued to express reservations with the underlying policies.

Witnesses included Jim Runcie, the COO of the Office of Federal Student Aid (FSA), as well as financial aid and enrollment services administrators. Aside from Runcie and Nancy Hoover of the National Direct Student Loan Coalition, witness did share a few concerns with the transition, but all were complimentary of the Department's efforts to date and, when asked by Rep. Tim Bishop, they did say their concerns are the equivalent of "growing pains." The full list of witnesses with links for their opening statements is below:

- [Mr. James W. Runcie](#)
- [Mr. Ron H. Day](#)
- [Ms. Nancy Hoover](#)
- [Mr. Mark A. Bandre](#)

The questions on all attendees' minds was asked by Foxx at the end of the hearing, what about the press reports of a new student loan repayment program from the Administration and what authority is ED using to enact such a program, but Runcie said he could not provide an answer, instead referring her to the Office of General Counsel. However, he did say that "whatever they come up with" in the policy shop, FSA will be able to implement it.

On multiple occasions Foxx and Kline referenced the recent Direct Loan website outage, asking Runcie and others on the panel if there were concerns with information security. A public data breach where individuals could access the information of other students was the cause of the outage. However, it did only last 6-7 minutes, according to Runcie. The COO indicated that FSA was constantly working to improve its information security measures, but in large transfers, “glitches will happen.”

Default rates were a central theme of the hearing. Concerns with the default aversion, delinquency prevention, and financial literacy activities of former FFEL participants, particularly the guarantors, were expressed by Republicans on multiple occasions, but Democrats suggested defaults were lower in the Direct Loan Program than in FFEL. As the Subcommittee went back and forth on the relative default rates of the two programs and whether they are actually comparable, one witness, Mark Bandre, noted he was most concerned with a possible uptick in defaults 3-5 years from now, once the conversion is finally implemented.

Once the Committee finally agreed that defaults did increase over the last year, Chairwoman Foxx asked Runcie with the advent of IBR, why would anyone default on their federal student loan. Runcie did not have an answer for the question, aside from noting there are many factors that lead to a default.

Most of the default aversion and financial literacy exchanges were general in nature, with Runcie pointing to the incentives in servicing contracts to limit delinquencies and defaults, but Rep. Judy Biggert (R-IL) did specifically address the recently announced plans to bring back Voluntary Flexible Agreements (VFAs). Biggert asked about the program, receiving a general description from Runcie then followed up with the matter at hand when it comes to VFAs, what about the costs. Runcie responded that VFAs are required by statute to remain cost-neutral and mentioned guarantors receiving payment on remaining portfolios, but did not go beyond that except to say the VFAs would not exceed current projected costs.

Republicans and Democrats did appear to coalesce around the idea of lowering interest rates at various points throughout the hearing, though it was clear that most of the Members did not understand the CBO budget cost associated with such a move. Rep. Phil Roe (R-TN) started these discussions by noting that the 6.8% interest rate “seemed awfully high” and asked, “Did we do that?” Kline added that the spread between the government’s cost of funds and the borrower interest rate on student loans amounted to a “slush fund” for spending initiatives. Rep. Rob Andrews (D-NJ) and John Tierney (D-MA) seized on these comments, offering to work with “their friends across the aisle” to lower interest rates, while Hinojosa and Rep. Todd Platts (R-PA) did point to historical rates that have been higher.

Odds and Ends

Rep. John Tierney (D-MA) was the only Member to mention private student loans throughout the hearing. He asked the panelists what they would do to further limit private loan borrowing. Only Hoover responded, stating that for her small private college, the increased Stafford Loan Limits of ECASLA and the deferments recently allowed in the PLUS program helped limit private loans.

Rep. Jason Altmire (D-PA) asked about the exemption for the Department of Education from the Fair Debt Collection Practices Act (FDCPA). Altmire noted individual contractors to the

Department are not exempt from the Act, but the Department itself is. He indicated he had heard reports of delinquent borrowers requesting no contact on the account, a right afforded to them under FDCPA, but the Department would then assign the account to another agency. Runcie said he would look into the matter and follow up with Altmire's office after the hearing.

Rep. Rob Andrews (D-NJ) mentioned an ongoing issue with consolidation loans he has raised with the Secretary. Andrews did not provide any details, but did say he would be following up offline with Runcie on this matter.

Additional Information:

Additional information on the hearing, including opening statements from Foxx and Hinojosa, witness testimony, and an archived webcast, is (or will soon be) available online at:

<http://edworkforce.house.gov/Calendar/EventSingle.aspx?EventID=264844>