The Torch

March 27, 2015

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

COHEAO

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  COHEAO's next webinar, "Servicemember Civil Relief Act (SCRA): What You Need to Know" is sure to be informative to all those who provide financial services to members of the military.
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  Registration is now available for the 2015 COHEAO Mid Year Conference, hosted Chicago July 26-28. - sign up today!
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Congress

- **House and Senate Approve FY2016 Budget Resolutions With Ed. Cuts**
  It was Budget Week in the House and Senate with each chamber passing Republican-written Congressional Budget Resolutions along party lines. Not a single Democrat in either chamber voted for the resolution.
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- **Democrats Introduce *Bank on Students Emergency Loan Refinancing Act*, But Budget Amendment Fails**
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- **Budget Amendments Show Senators Interest in Higher Education**
  The Senate approved a Republican budget resolution just after 3:00 a.m. Friday morning in a 52-46 vote.
- **Alexander Releases White Papers on HEA Reauthorization**
  Senate HELP Committee Chairman Lamar Alexander released three policy papers outlining three major issues related to HEA reauthorization: Accreditation; Risk-Sharing on Federal Student Loans; and Consumer Information.

- **Special Attachment: Summary of House Higher Ed Subcommittee Hearing, "Strengthening America's Higher Education System"**
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- **Schumer to Propose Legislation to Forgive Private Student Loan Debt of the Deceased**
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White House & Administration

- **FCC Seeking Comments on Easing TCPA Restrictions for Educational Organizations**
  The Federal Communications Commission (FCC) recently issued a public notice seeking comment on a petition from Blackboard, Inc. on easing some Telephone Consumer Protection Act (TCPA) requirements for educational organizations.
- **CFPB to Accept Complaint Narratives**
  Last Thursday, the Consumer Financial Protection Bureau (CFPB) announced that it will soon begin publishing complaint narratives on line.
- **New Developments in ED's College Ratings Plan**
  Last week, two officials from the Department of Education gave the public more insight on the status of the highly contested college ratings system.
- **IFAP Updates on Receiving Paper In-school Deferment Forms & Loan Record Detail Report (LRDR) Import Tool**
  Recent additions to the Information for Financial Aid Professionals (IFAP) website have been made regarding paper in-school deferment forms and the loan record detail report (LRDR) import tool.

Industry

- **Community Colleges Playing Role In Earning Four-Year Degrees**
  A new report released by the National Student Clearinghouse found that 46 percent of all students who completed a degree at a four-year in 2014 had been enrolled at a two-year institution at some point in the past 10 years.
- **Aspen Institute Announces Winner of the 2015 Community College Excellence**
  On Wednesday, March 18, the Aspen Institute announced that Santa Fe College (SFC) in Gainesville, FL, was the winner of the "2015 Aspen Prize for Community College Excellence" and will receive $800,000 in prize funds.

Attachments

- **COHEAO Commercial Members**
- **COHEAO Board of Directors**
- **Summary of House Higher Ed Subcommittee Hearing, "Strengthening America's Higher Education System"**

- IFAP Electronic Announcement on School Responsibilities Upon Receiving Paper In-School Deferment
- IFAP Electronic Announcement on Loan Record Detail Report (LRDR) Import Tool

COHEAO

Tuesday, March 31, COHEAO Webinar: Servicemember Civil Relief Act (SCRA): What You Need to Know

COHEAO's next webinar, "Servicemember Civil Relief Act (SCRA): What You Need to Know" is sure to be informative to all those who provide financial services to members of the military. The webinar is scheduled for 2:00-3:30 PM EST on Tuesday, March 31, and will feature a presentation from David Head, a partner practicing in Consumer Collections, managing the Education Loan Collection & Litigation Group which assists lenders, services and guarantors of student loans, as well as colleges and universities, with the recovery of their education related debt.

This session will take a deep dive into the SCRA, including who is covered, applications, material effect, and the protections the act sets forth. We will also discuss findings and enforcement activity surrounding violations of the SCRA. Join us next Tuesday for another great session!

This webinar is one you will not want to miss! Register today!

Register Today for the 2015 COHEAO Mid Year Conference in Chicago

Registration is now available for the **2015 COHEAO Mid Year Conference**, hosted Chicago July 26-28. - sign up today!

Join us for informative sessions on regulatory and legislative matters, compliance, and operations in campus-based loans and student financial services. Set to take place at the beautiful **Fairmont Chicago Millennium Park** in downtown Chicago, the 2015 COHEAO Mid-Year features engaging and informative conference programming at affordable prices – which are the same as last year. Sessions planned include: COHEAO's legislative update and perspective, a Department of Education update on the budget and potential HEA reauthorization, Perkins Loan Program expert panel, a discussion on financial responsibility agreements, guidance on developing an institutional loan program, and much more.

Don't wait to sign up - early bird pricing for all members is $460, and the institutional non-member fee is $560 until June 12th. The institutional non-member fee is $560 until June 12th, and the commercial non-member rate is $1,610. Fees increase by $50 to the standard rate after June 12th.

COHEAO has also secured a good rate for a single or double room in central Chicago at **$189 per night** at the Fairmont for all conference delegates that book their rooms by July 2nd. Rooms are available in limited amounts three days before or after the dates of the conference, and the COHEAO rate includes free internet access in guest rooms and free access to the fitness center. Follow the link here to book your room. You may also call the hotel to make reservations - be sure to mention you are attending COHEAO's Mid Year Conference - at 1 (800) 441-1414.

Click here for more details on a program that is sure to be informative and engaging. We hope to see you in the Windy City this July for another fantastic COHEAO Mid Year Conference! Register today!

Please contact Hannah Allen with any questions: hallen@wpllc.net

COHEAO Perkins Grassroots Campaign Gaining Momentum

In our ongoing advocacy efforts to save the Federal Perkins Loan Program, COHEAO's grassroots campaign with state leaders has been picking up momentum this spring. A number of states have been identified as constituents of key influential members of congress that sit on the Senate and House education committees or otherwise have connections to campus based loan programs.

COHEAO is conducting advocacy calls connecting financial aid leaders at colleges and universities in these states with staff of their Representatives and Senators to discuss the importance of the Perkins Loan Program to their campuses and students.

Thus far, COHEAO has held calls with critical offices in Tennessee Minnesota, Washington, Kentucky, North Carolina, and others. Capitol Hill staff have responded well to the personal stories and state-specific information provided by Perkins advocates. Contacts with engaged groups of constituents are having a positive impact.

Our outreach to these critical states will continue. Upcoming calls will also include the following states: Illinois, Virginia, and Pennsylvania. And, at the end of the day, *all* states will be important to preserving the Perkins Loan Program.

Please contact Hannah Allen (hallen@wpllc.net) if you are interested in participating in future advocacy calls.

Applications Due Tuesday for 2015-2016 COHEAO Scholarship

COHEAO is pleased to offer up to four $1,000 scholarships for the 2015-2016 Academic Year. Eligible applicants are students entering their sophomore year through graduate studies who are enrolled at COHEAO-member colleges and universities. Linked to this article please find a list of COHEAO members, the application, FAQs and a poster that you may want to display in the appropriate places on your campus.

Applications must be postmarked by March 31, 2015, and scholarships will be awarded in June 2015. If you have any questions regarding the COHEAO scholarship and how to apply for it, please send an email to Wes Huffman of the COHEAO staff or Jeane Olson of Northern Arizona University, Scholarship Chair for COHEAO.

- Click here for a list of COHEAO members
- Click here for the 2015-2016 COHEAO Scholarship Application
- Click here for the 2015-2016 COHEAO Scholarship FAQs
- Click here for the 2015-2016 COHEAO Scholarship Poster

Additional information on the COHEAO scholarship is available online, http://www.coheao.com/about-2/scholarship/

Congress

House and Senate Approve FY2016 Budget Resolutions With Ed. Cuts

It was Budget Week in the House and Senate with each chamber passing Republican-written Congressional Budget Resolutions along party lines. Not a single Democrat in either chamber voted for the resolution. A few Republicans also voted no, although presumably for different reasons. The week ended about 3 a.m. this morning with final passage in the Senate of its version of the resolution by a vote of 52-46.

In the Senate, the rules allowed unlimited germane amendments, but with a time limit on total debate. That left a "vote-a-rama" where dozens of amendments were addressed one after the other with just two minutes allowed to explain what the amendment was. Controversial amendments to endorse non-binding policies for more education spending – technically creating "deficit neutral reserve funds" (DNRFs) -- offered by Democrats failed to pass, including an amendment from Sen. Elizabeth Warren (D-MA) on student loan refinancing, an amendment from Sen. Al Franken (D-MN) increasing Pell Grants and an amendment from HELP Committee Ranking Member Patty Murray (D-WA) restoring non-defense discretionary funding.

The Senate base resolution includes a deficit neutral reserve fund allowing adjustments to the budget for the Higher Education Act reauthorization legislation, as long as the federal deficit is not raised. Sen. Richard Burr (R-NC) added an amendment, accepted by voice vote without opposition, to create a DNRF for legislation simplifying federal student loan repayment plans, in essence his "REPAY Act" proposal, a bi-partisan bill. The amendment passed without opposition, indicating REPAY is highly likely to be included in the HEA legislation later this year. Interestingly, Burr said in a floor speech that a preliminary Congressional Budget Office score projects his bill saving $4 billion over 10 years.

Sen. Susan Collins (R-ME) offered an amendment, co-sponsored by Murray, for a DNRF for year-round Pell grants that passed without opposition, another indicator that it will be in the reauthorization bill.

The House on Wednesday did as expected and passed a final budget plan that calls for more, non-offset, spending than did the version reported by the Budget Committee last week. This met the demands of defense hawks and wasn't enough of a poison pill for budget hawks to get through, perhaps marking the first time in this Congress that the larger Republican majority has given House leaders enough leeway to get a measure through that didn't satisfy the right of the party.

The version of the resolution that finally passed first squeaked through 219-208, with 26 Republicans and all 182 Democrats who were present voting no. In the end nine more Republicans voted for the amended resolution on final passage.

The next steps are for the House and Senate negotiators to put together a conference report combining the two resolutions.

It should be noted that the budget resolution isn't law, and save for changes in budgeting rules and reconciliation instructions (see article below), it is more of a broad outline of the majority party's policy goals. To accomplish many of their goals, Republicans are going to need Democratic votes, and Democrats were quick to note it was not going to happen at the spending levels put forward in either resolution.

"They're just kicking the can down the road. They're going to have huge trouble with this budget. They had enough trouble dealing just with Republicans. Wait until they need to have a compromise with Democrats," Sen. Charles Schumer (D-NY) said. "They're 30,000 feet. When they say cut $900 billion, then they're going to have to show how they get there."

House and Senate Budget Resolutions Seek Numerous Changes for Student Aid Programs

The budget resolutions passed this week in the House and Senate envision numerous changes to the Title IV student aid programs. The budget provides a broad outline for spending levels for appropriations bills and offers policy recommendations and baseline assumptions on mandatory spending programs. Like most other aid programs, Perkins Loans are not specifically mentioned.

The House budget freezes the maximum Pell Grant at its FY15 level for the next ten years and rolls back some recent expansion of the program. The plan also assumes the elimination of the in-school interest subsidy on Stafford loans, reverts IBR to its original terms of 15% of discretionary income for monthly payments and 25 years for forgiveness, and end, or at least dramatically reduce, Public Service Loan Forgiveness.

The Senate resolution does not explicitly freeze Pell Grants at their current levels. However, it does assume the elimination of the program's mandatory funding stream. Pell has worked as a hybrid of mandatory and discretionary funding for some time, and many higher education advocates are concerned with subjecting the entire program to the appropriations process.

Both the House and Senate budget resolutions allow for the Budget Chairman to call for Fair Value accounting estimates in producing the budget score for federal credit programs. The Congressional Budget Office and many other economists believe Fair Value better depicts the costs of the credit programs to the federal government. Those who fear the loan programs supporting their industries may be impacted by a change in accounting, including some real estate, housing and higher education groups like the American Council on Education, lobbied vociferously against these provisions in the budget.

Also of interest in the House budget is a requirement that the Education and Workforce Committee, along with others, come up with legislative changes that will save $1 billion over the next 10 years. The committee's proposals will be packaged in a reconciliation bill later this year. Given that the main purpose of this bill will likely be the repeal of the Affordable Care Act, it's a sure bet to be vetoed.

The two-thirds majorities won't be there in either the House or Senate to override the veto so in the end the bill won't pass. However, the Budget Resolution isn't a law, only a way for Congress to set its own rules, so if a final resolution is passed, it doesn't go to the President for signature.

Additional information on the House Budget Resolution is available online: http://budget.house.gov/
Additional information on the Senate Budget Resolution is available online:
http://www.budget.senate.gov/democratic/public/index.cfm/fiscal-year-2013-budget
For coverage from *The Chronicle of Higher Education*, see: http://chronicle.com/article/House-Would-Cut-Student-Aid/228609/

Democrats Introduce *Bank on Students Emergency Loan Refinancing Act*, But Budget Amendment Fails

Last Wednesday, Sen. Elizabeth Warren (D-MA) and Representative Joe Courtney (D-CT) introduced the *Bank on Students Emergency Loan Refinancing Act* in the Senate and House. The legislation would allow those with outstanding student loan debt, both federal and private, to refinance at the interest rates that were approved last year for new borrowers. A previous version of the bill was voted on in the 113th Congress, but fell short of breaking a Republican filibuster.

Warren took to the Senate floor to announce the introduction of the legislation. She said since last year the "problem has gotten much, much worse" with one million additional student loan borrowers defaulting. Most experts believe student loan defaults, particularly federal student loans, are minimally correlated with interest rates.

The bill was part of Senate Democrats' "Fair Shot Agenda" last year. The Fair Shot Agenda included a series of bills aimed at targeting federal aid to middle class families and using a tax on the wealthy as a pay-for with little chance of passage. The Bank on Students bill includes not only the "Buffett Rule," but also a directive to score the bill under Federal Credit Reform Accounting methods, which allows the refinancing of private student loans to become revenues for the government.

Sen. Warren offered a version of the legislation as an amendment during "vote-a-rama" on the budget resolution. The amendment failed on party lines.

After Warren took to the floor to speak in support of her amendment, referencing increasing defaults and "obscene profits" to the federal government, Budget Committee Chairman Mike Enzi (R-WY) responded by noting the importance of accounting when making such claims. An excerpt from his statement is below:

> *That's $22 billion more spent to alleviate the repayment burden of borrowers with outstanding debt. You can find that number in the president's budget. C.B.O. did score the bill that Senator Warren introduced last Congress on which this amendment is based and projected the government will make billions in profit -- listen to this -- from buying up tens of billions worth of private loans from banks and refinancing them at lower rates. They're going to buy up loans and then they're going to refinance at lower rates and the way that that scores is positive for the federal government. Wow. That's why we're talking about needing some changes in the way we do scoring around here. Think about that. If the government can make money from buying up private loans while charging the borrower a lower rate, why stop there? We can make trillions for this country. CBO though, as well as leading academic economists and think tanks believe that credit reform accounting is seriously flawed. They favor fair value accounting under which loans are valued what they are worth to the private sector. The student loan portfolio does not make a big profit. It actually has a significant cost.*

For a press release from Sen. Warren, see: http://www.warren.senate.gov/?p=press_release&id=757

Budget Amendments Show Senators Interest in Higher Education

The manager's amendment for the Senate budget resolution included the following education and research related amendments:

- Hirono amendment to establish a deficit-neutral reserve fund relating to increasing college completion, which may include expanding Federal Pell Grant eligibility by allowing college students to use Federal Pell Grants for more than 2 semesters in an academic year. (#877)
- Murray amendment to establish a deficit-neutral reserve fund for legislation that reforms and strengthens elementary and secondary education. (#697)
- Gillibrand amendment to establish a deficit-neutral reserve fund related to sexual assault at institutions of higher education, which may include the implementation of an independent and standardized online survey tool developed and administered by the Department of Education, in consultation with the Department of Justice, to measure the prevalence of sexual assault at institutions of higher education. (#520)
- Wyden amendment to establish a deficit-neutral reserve fund relating to simplifying and expanding tax incentives for higher education to boost student attendance and completion. (#708)
- Reed amendment to establish a deficit-neutral reserve fund relating to reforming student loan programs, which may include risk-sharing by institutions of higher education. (#986)
- Coons amendment to establish a deficit-neutral reserve fund relating to promoting the use of college savings accounts while students are in elementary school and secondary school. (#392)
- Bennet amendment to establish a deficit-neutral reserve fund relating to innovation in higher education. (#792)
- Durbin amendment to establish a deficit-neutral reserve fund to support investments in research and development and to improve the competitiveness of the United States. (#1101)
- Franken amendment to establish a deficit-neutral reserve fund relating to providing students and families with transparent, easily understood information about postsecondary education financial aid. (#1091)

In addition to the amendments receiving votes, there were several additional ones filed that ultimately did not receive consideration. Though the budget resolution is largely a messaging document, the number of higher education related amendments show a keen interest in the topic among senators.

A "budget tracker" from the Senate Republican Policy Committee provides additional information on the amendments and their vote outcomes: http://www.rpc.senate.gov/budgettracker-resolved

Alexander Releases White Papers on HEA Reauthorization

Senate HELP Committee Chairman Lamar Alexander released three policy papers outlining three major issues related to HEA reauthorization: Accreditation; Risk-Sharing on Federal Student Loans; and Consumer Information. The papers offer broad principles on the three subjects, but the HELP Committee is looking for outside input in filling out the details. The Senator has requested public comment by April 24 on the papers.

Inside Higher Ed reports, "The documents offer the most expansive look yet at Alexander's priorities for rewriting the Higher Education Act, which he has said he wants the Senate to vote on by the end of 2015…The outline does not stake out many clear policy positions, and instead reviews a range of proposals that are up for debate. For instance, it says that a student-unit record database, opposed by many Congressional Republicans, is up for consideration. But it also lays out an alternative plan that would maintain the federal ban on such a system while pushing for limited graduate earnings data through a partnership between the Department of Education and Social Security Administration."

In regards to holding colleges more accountable, Alexander's white paper proposes that federal law should provide "market-oriented systems that enable these institutions to lower student borrowing yet still be held accountable for financial risks to students and taxpayers. This new set of policies may be considered risk-sharing or skin-in-the-game." Institutions may be forced to repay some amount of their former students; defaulted debt or otherwise be held responsible for a share of the federal loans they give out.

The paper mentions the idea of making colleges put money into an insurance fund based on risk factors such as the rate at which their students withdraw or drop out. These risk-sharing proposals would "ensure that colleges and universities have a clear financial stake in their students' success, debt and ability to repay their taxpayer-subsidized student loans."

While there are some bipartisan ideas in the paper, Alexander's outline also targets some accountability measures that many Congressional Democrats and the Administration support. For example, the paper criticizes the gainful employment regulations targeting for-profit colleges and the 90/10 rule that limits the amount of federal money that can be distributed to these schools.

Another white paper brings up a number of possible changes to higher education accreditation, with a focus on reducing federal regulation of accreditation while making it easier for nontraditional and innovate models of education to gain approval. The report suggests delinking accreditation from institutional eligibility for federal student aid, repealing accreditation-related regulations that are unrelated to direct institutional quality and improvement, allowing tiered levels of accreditation, and permitting accrediting agencies to focus on "institutions that truly need the most assistance" while expediting the review of institutions with good track records. The paper also toys with the idea of getting rid of the geographic-based structure of regional accrediting agencies, as well as establishing new pathways to accreditation and/or Title IV eligibility for non-college providers of higher education like businesses, trade associations, or unions.

The last of Alexander's white papers calls for a new approach to focus the federal role in postsecondary data and transparency. It states, "Rather than create massive collections of data and unread disclosures, policy should promote purposeful and accurate data for evaluating the efficacy of federal student aid programs and providing transparency to students and families on postsecondary options."

The paper addresses the legislative history of higher education data collection, use of statistics, and federal involvement in consumer information requirements. It states that the reauthorization of the Higher Education Act should create a new level of transparency and competition in the higher education market "based on limited useful data that both empowers policymakers to responsibly oversee the federal dollar and that gives consumers information to choose the right institution for their needs."

Alexander calls for a debate on eliminating federal data collection or disclosures unrelated to the needs of federal program management or consumer decision-making. The report points out that much of the data collected is unrelated to students' financing, success, or safety. It also points out that despite expansive data collections, the federal government still lacks key information regarding student success necessary for legislators to evaluate the effectiveness of federal programs and inform consumer decision-making. Here, the paper mentions the need for debate on allowing a student unit record system at the federal level.

For Sen. Alexander's press release on white papers, see:
http://www.help.senate.gov/newsroom/press/release/?id=4dc6f28c-e8ea-4a94-9c82-91db98e10c0d

Special Attachment: Summary of House Higher Ed Subcommittee Hearing, "Strengthening America's Higher Education System"

On Tuesday, March 17, the House Subcommittee on Higher Education and Workforce held a hearing, "Strengthening America's Higher Education System." It was the Subcommittee's first hearing in the 114th Congress on the reauthorization of the Higher Education Act.

Witnesses included: The Honorable Mitchell Daniels, President, Purdue University; Dr. Christine M. Keller, Vice President, Research and Policy Analysis, Executive Director, Voluntary System of Accountability and Student Achievement Measure, Association on Public & Land-Grant Universities; David A. Bergeron, Vice President, Postsecondary Education, Center for American Progress; Michael J. Bennett, Associate Vice President, Financial Aid Services, St. Petersburg College.

Chairwoman Virginia Foxx (R-NC) opened the hearing by stating excessive federal regulations, a lack of transparency and a "dizzying maze of student aid programs" have led to an inflexible, outdated system that leaves far too many students unable to graduate and/or ill-equipped for the modern economy. Representative Alma Adams (D-NC) served as Ranking Member in place of Rep. Ruben Hinojosa. Adams focused most of her opening remarks on the declining purchasing power of the Pell Grant and issues specifically impacting historically black colleges and universities (HBCUs), such as changes to the Parent PLUS Loan Program.

Attached with this week's edition is a full summary of the hearing.

Additionally, the House Appropriations Subcommittee on Labor, Health and Human Service, Education, and Related Agencies, held a hearing last week, "Closing the Achievement Gap in Higher Education." The hearing featured witnesses who recommended the use of technology, better federal financial aid support, business partnerships, and individualized counseling to help close the achievement gap.

The witnesses included: Ms. Gail Mellow, President of La Guardia Community College; Mr. Aaron Thompson, Executive Vice President and Chief Academic Officer of Kentucky Council on Postsecondary Education; Mr. Benjamin Castleman, Assistant Professor of Education and Public Policy of The University of Virginal Ms. Carol Fisher, Ph.D., Post-Doctoral Fellow of The University of Iowa; Mrs. Brian Fitzgerald, Ed. D., Chief Executive Officer of The Business-Higher Education Forum.

Chairman Tom Cole (R-OK) commenced the hearing by stating that closing the higher education achievement gap in America is an issue with bipartisan support within the subcommittee and that undoubtedly the federal government has a role to play in helping underserved students prepare for, enroll in, and complete some form of higher education. Ranking member Chaka Fattah (D-PA), stressed his concern of the growing achievement gap and how it might affect America as emerging economic powers like China and India catch up.

Mellow testified as a representative of America's community colleges. She pointed out that many community college students face barriers unlike traditional four-year college students that affect their higher education success. For example, she noted that 60 percent of her student body work while attending school and that 25 percent of her female students are also mothers. She claimed that while community colleges serve more than half of all higher education students, they receive just over a quarter of the funding on a national level. She recommended better investment in training faculty, improving school-business partnerships, more applied learning opportunities, and intensive counseling and support for students.

Thompson advocated for increased support of the GEARUP program and highlighted its outstanding success in Kentucky. He spoke of the uniqueness of the program in that it reached students at a young age and provided mentoring and "intrusive advising" and support. He noted that schools with the program have increased their students' college going rate on average by 22 percent and have higher student achievement overall.

Castleman advocated for low cost strategies using technology to increase success among economically disadvantaged students. He stated that targeted financial and college advising are proven to positively affect student outcomes. He pointed to a text messaging campaign that he had worked on to help recent high school graduates stay on track to continue their education and inform them of financial options. Castleman suggested providing students with better loan counseling to navigate the federal aid system and use technology like text messaging, video chat, and screen sharing to do so.

Dr. Fischer shared her compelling life story and how the TRIO program gave her and many others the opportunity to accomplish college success. She advocated for increased funding of the program. The last witness, Dr. Fitzgerald focused on the benefits of business and school partnerships and spoke of the success of the Business-Higher Education Forum's initiative to develop new undergraduate pathways needed to keep regions, states, and the nation economically competitive. He argued that Congress should support FSEOG grants, TRIO and GEARUP and focus on programs that assist degree completion.

Members of the committee on both sides of the aisle agreed that the lack of students graduating with the skills necessary for our nation's job market was alarming. There also seemed to be unanimous agreement that the federal government should foster greater use of technology to improve delivery of counseling assistance and education. Rep. Rosa DeLauro (D-CT) used her time to criticize the Republicans FY2016 Budget for freezing the Pell Award and proposing to eliminate the program's mandatory funding streams.

Additional information on the hearing, including an archived webcast, is available online: http://appropriations.house.gov/calendararchive/eventsingle.aspx?EventID=394059

Sens. Donnelly and Scott Introduce Bipartisan Empowering Student Borrowers Act

Last week, Senators Joe Donnelly (D-IN) and Tim Scott (R-SC) introduced the *Empowering Student Borrowers Act*, a bipartisan legislation that aims to improve the financial literacy of college students and ensure that student borrowers have access to the best tools and information to make responsible borrowing decisions.

The *Empowering Student Borrowers Act* would require the Department of Education to establish and maintain best practices for colleges and universities on useful methods to teach financial literacy skills and provide information to assist students when making financial decisions related to student borrowing.

In announcing the legislation, Donnelly and Scott highlighted the following as best practices in financial education for college students:

- Methods to ensure that students have a clear sense of their total borrowing obligations, including monthly payments and repayment options;
- The most effective ways to engage students in financial literacy education, including how often and when to communicate with students;
- Information on how to target different student populations, including part-time students and first-time students; and
- Ways to clearly communicate the importance of graduating when it comes to the ability of students to repay and fulfill their loan obligation.

The bill was inspired by recent efforts at the University of Indiana to increase financial literacy. The University began sending letters to students summarizing what their monthly student loan re-payment would be after graduation and how much they would owe. The idea behind the letter is to provide information to borrowers before they take on additional debt for the upcoming academic year and to encourage students to utilize academic and financial planning resources while completing their degrees. The number of IU undergraduates who took out federal loans the following year dropped by 11 percent, in comparison to the national average of two percent. The bill would not require colleges to make sure students are aware of how much they are borrowing but would encourage them to do so.

For more information, see: http://www.donnelly.senate.gov/newsroom/press/donnelly-scott-empower-student-borrowers-by-improving-financial-literacy-promoting-best-practices-among-colleges-universities

Schumer to Propose Legislation to Forgive Private Student Loan Debt of the Deceased

Last Monday, Sen. Charles Schumer (D-NY) stated that he would once again pursue legislation to forgive the student loan debt of those who die before they pay off their loans from private companies in full. The Senator made the announcement during a press conference with the parents of a 27-year-old who died two years ago.

In 2010, Schumer introduced a similar bill that did not pass the Senate. The Senator claims that the insurance industry fought the bill, but he has since heard their opposition has waned and he expects support in the Senate and a passage sometime this summer.

Schumer's legislation would not only ensure that parents who had co-signed the loan are no longer held liable for the debt, but would also apply the same treatment to all prospective private student loans. Schumer noted that some private loan providers, in particular Sallie Mae and Wells Fargo, have established programs to forgive debt in the event of the student borrower's death.

For more information, see: http://www.timesunion.com/news/article/Schumer-Forgive-loans-when-students-die-6137110.php

White House and Administration

FCC Seeking Comments on Easing TCPA Restrictions for Educational Organizations

The Federal Communications Commission (FCC) recently issued a public notice seeking comment on a petition from Blackboard, Inc. on easing some Telephone Consumer Protection Act (TCPA) requirements for educational organizations.

According to Ballard Spahr, LLP, "If granted, the petition would allow educational organizations to make autodialed informational calls to parents and students as 'emergency' calls that are exempt from the TCPA's prior express consent requirements. Given the growing threat of TCPA class actions, educational organizations that send text messages or make prerecorded calls to parents and students should consider submitting comments on this latest petition."

In its petition, Blackboard asserts, "All school-initiated informational messages should be considered sent for 'emergency purposes."

Alternatively, Blackboard seeks a clarification stating that "express consent" is granted when a customer provides a mobile phone number and the consent extends even should the customer change their phone number. In their brief on the petition, Ballard Spahr notes "this request echoes a number of petitions already pending before the FCC."
Initial comments are due by April 22, 2015. The COHEAO TCPA Work Group will be discussing a potential response to the FCC notice.

For the FCC notice, see: http://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0323/DA-15-364A1.pdf

For the Blackboard, Inc. petition, see: http://apps.fcc.gov/ecfs/document/view?id=60001033674

For additional information from Ballard Spahr, see:
http://www.ballardspahr.com/alertspublications/legalalerts/2015-03-27-fcc-seeks-comments-on-easing-tcpa-requirements-for-educational-organizations.aspx

CFPB to Accept Complaint Narratives

Last Thursday, the Consumer Financial Protection Bureau (CFPB) announced that it will soon begin publishing complaint narratives on line. The publication could start as soon as late June. The narratives won't include personally identifiable information about consumers but they will name the targeted companies.

Business and other organizations have objected to the CFPB's publication of statistics about complaints, saying that the complaints are not verified before they are counted. The same concern is present regarding publication of complaint narratives.

In order for the Bureau to publish a complaint narrative, the complaint will have to be submitted through the CFPB website, not be a duplicate submission, and the consumer must consent to publication and have a confirmed relationship with the financial institution. The CFPB will disclose a consumer narrative when the company provides its public-facing response, or after the company has had the complaint for 60 calendar days, whichever comes first. Companies will have 180 days to submit a public facing response.

The affected financial services industry has strenuously opposed the publication of complaint narratives. However, the CFPB believes these narratives contribute to greater market transparency and is proceeding with its proposal, albeit with a few modest tweaks to accommodate some of the concerns put forth by industry.

Starting immediately, when consumers submit a complaint to the CFPB they can decide whether they want to publicly share their narrative. To give companies proper time to learn about the new system, the Bureau will not publish any narratives for at least 90 days. The regulators also put out a Request for Information seeking public input on ways to highlight positive consumer experiences.

The Bureau maintains the process is full of safeguards for consumers and companies. These safeguards include consumers must opt in to share their story, personal information will be removed from narratives by CFPB staff, complaints must meet certain criteria to qualify for narrative publication, and companies can choose a response to publish. Companies will be able to select from a set list of structured response options to address the consumer complaints if they choose to do so. Originally, the CFPB indicated that companies would be able to respond in a manner similar to that of consumers by using a text box to write a response. However, trade groups and companies complained that an unstructured open field might expose companies to liability.

For the CFPB press release, see: http://www.consumerfinance.gov/newsroom/cfpb-finalizes-policy-to-give-consumers-the-opportunity-to-voice-publicly-complaints-about-financial-companies/

New Developments in ED's College Ratings Plan

Last week, two officials from the Department of Education gave the public more insight on the status of the highly contested college ratings system. Melanie Muenzer, deputy assistant secretary for planning and policy development, told the audience at a policy briefing that the Department is considering creating two systems.

The Chronicle of Higher Education reports, "The first ratings system would be geared toward consumers and be based on raw outcomes metrics. The second would be geared toward policy makers and researchers, and would rely on metrics adjusted for student and institutional characteristics, the official told attendees at the Congressional Hispanic Caucus Institute's annual policy briefing. Only the second system would be used to measure accountability."

The two-system suggestion seems to be the Department's response to criticism that it was trying to cover too much within one rating system. Muenzer noted the "inherent tensions" in developing a system that both guides consumer behavior and holds colleges accountable for student outcomes. One of the disadvantages of having two systems could be that colleges could be rated poorly on the consumer system but use the "adjusted" outcomes data to better promote themselves to prospective students.

More information regarding the release date of the ratings system was also provided by Deputy Under Secretary of Education Jamie Studley on Wednesday. Studley told the audience at the National Lieutenant Governors Association's 2015 federal-state relating meeting, where she served as a panelist, that the first full version of the system will be out by August. During the event, the other panelist shared colleges' concern about the system, but Studley argued that it has already initiated positive discussions and changes at individual campuses and systems in areas involving access, affordability and student outcomes.

Concern with the ratings system remains high in Congress. Senate HELP Committee Chairman Lamar Alexander (R-TN) filed an amendment to the budget resolution prohibiting the use of funds for PIRS, but it did not receive a vote.

For coverage from *The Chronicle of Higher Education*, see: http://chronicle.com/article/Education-Dept-Considers/228531/

IFAP Updates on Receiving Paper In-school Deferment Forms & Loan Record Detail Report (LRDR) Import Tool

Recent additions to the Information for Financial Aid Professionals (IFAP) website have been made regarding paper in-school deferment forms and the loan record detail report (LRDR) import tool.

On March 12, the Department issued a posting indicating it had received numerous questions from schools indicating that they had been seeing an increased number of requests for completion of paper in-school loan deferment forms. The announcement reads:

> *It has been suggested that this increase is the result of the termination of the contract between Federal Student Aid (FSA) and the National Student Clearinghouse (NSC).*
> *The enrollment reporting contract with NSC was created and continued for several years because schools were not reporting enrollment information to NSLDS frequently enough for loan servicers to properly service Direct Loans. However, under the regulations that became effective on July 1, 2014, schools are now required to report enrollment to NSLDS at least every 60 days, instead of at least twice a year. Now that schools are reporting at least every two months, servicers have much timelier enrollment information to rely on.*
>
> *Under the regulations, all Title IV loan servicers are authorized to use a borrower's enrollment information in NSLDS to grant an in-school deferment or in-school status. Therefore, to reduce the number of paper in-school deferment form requests, we have directed our Federal Loan Servicers to send paper in-school deferment forms to schools* ***only*** *when the borrower's enrollment cannot be verified using information in NSLDS. In addition, the Department's loan servicers have the capability of adding a new school to a student's NSLDS record when the servicer receives information (usually from the student) of enrollment. This will result in the student being included on the next enrollment roster provided to the school or to its third-party servicer. Thus, in most instances there would be no need for the servicer to request a school to complete a deferment form. As long as a school is fully compliant with enrollment reporting requirements, borrower enrollment information should generally be accurate and up to date in NSLDS. For all of these reasons, we expect that the only time a servicer may need to request completion of an in-school deferment form by a school will be for a Title IV borrower who indicated to the servicer that he or she has transferred to that school, the borrower's enrollment has not yet been reported to NSLDS by the school, and there is some urgency to confirm that enrollment (e.g., borrower is past due and/or close to defaulting on a Title IV loan).*

The full announcement can be found here.

Additionally, on March 11, IFAP announced the availability of the National Student Loan Data System (NSLDS) Loan Record Detail Report (LRDR) Import Tool. The announcement reads:

> *The LRDR Import Tool can be used to easily load data generated from the LRDR into the Microsoft Excel spreadsheet application, and is designed to assist schools with reviewing and analyzing their LRDR extract files.*
>
> *An LRDR contains information on the loans that were used to calculate a school's draft or official cohort default rate (CDR) and is distributed as part of the eCDR notification package. Each eCDR package contains an extract-type LRDR (message class SHCDREOP). When the LRDR extract is loaded into the LRDR Import Tool, the file is converted into a spreadsheet with assigned column headings, creating a view of the data that is manageable and easy to review.*
>
> ***Note:*** *As a reminder, schools can request an LRDR on an ad-hoc basis on the NSLDS Professional Access Web site. An LRDR that has been requested online may also be loaded into the LRDR Import Tool.*
> *To download the LRDR Import Tool, go to the Default Management Web site and choose "CDR Guide" from the left-hand navigation bar. The LRDR Import Tool can be found in the"Templates/Spreadsheets" section. Instructions for using the tool are provided on the first tab of the workbook.*

A full version of the announcement is attached to this edition or can be found here.

Industry

Community Colleges Playing Role In Earning Four-Year Degrees

A new report released by the National Student Clearinghouse found that 46 percent of all students who completed a degree at a four-year in 2014 had been enrolled at a two-year institution at some point in the past 10 years. Of these students, 17 percent had been at a two-year institution within the last year before earning their degree and an additional 38 percent had been at a two-year institution in the last two to three years. While one fifth of these students spent only one term at a two-year institution before completing their degree, almost half spent five or more terms at a two-year institution. Jason DeWitt, research manager of the National Student Clearinghouse, acknowledged that students are increasingly attending more than one institution during their academic careers. "We need to really understand the role that community colleges play to better define success in community colleges," DeWitt stated.

For more information, see http://nscresearchcenter.org/snapshotreport-twoyearcontributionfouryearcompletions17/

Aspen Institute Announces Winner of the 2015 Community College Excellence

On Wednesday, March 18, the Aspen Institute announced that Santa Fe College (SFC) in Gainesville, FL, was the winner of the "2015 Aspen Prize for Community College Excellence" and will receive $800,000 in prize funds. The Aspen community college award began in 2011 and is awarded every two years to recognize community colleges with outstanding outcomes in four areas: student learning; certificate and degree completion; employment and earnings; and access for minority and low-income students. SFC's overall graduation/transfer rates are at 62 percent—22 percent above the national average—coupled with successful transfer pathways to four-year universities, which includes a 70 percent acceptance rate for Santa Fe graduates applying to the University of Florida.

SFC has also achieved strong employment and earning outcomes for their students through implementing new degree programs to meet regional workforce needs, such as information technology specialists and software developers. Dr. Jill Biden, Second Lady of the United States, asserted that the institutions honored at the event were leading by example, by "delivering more high-quality degrees to an increasingly diverse group of students."

The Aspen Institute also acknowledged the Lake Area Technical Institute in Watertown, SD, and the West Kentucky Community and Technical College in Paducah, KY, as finalists-with-distinction. In addition, the "Rising Star" award—a new award—was given to Kennedy-King College in Chicago, IL, to honor their rapid improvement in student completion.

For more information on the award, see: http://www.aspeninstitute.org/news/2015/03/17/2015-aspen-prize-community-college-excellence-awarded

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HEARING BRIEF

HOUSE SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE TRAINING: STRENGTHENING AMERICA'S HIGHER EDUCATION SYSTEM

Prepared by:
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March 20, 2015

On Tuesday, March 17, the House Subcommittee on Higher Education and Workforce held a hearing, "Strengthening America's Higher Education System." It was the Subcommittee's first hearing in the 114th Congress on the reauthorization of the Higher Education Act.

MEMBERS PRESENT

Chairwoman Virginia Foxx (R-NC); Acting Ranking Member Alma Adams (R-NC); Reps. Luke Messer (R-IN); Todd Rokita (R-IN); Phil Roe (R-TN); Bobby Scott (D-VA); Dennis Guthrie (D- KY); Elise Stefanik (R-NY); Joe Courtney (D-CT); Mark DeSaulnier (D-MA); Rick Allen (R-GA); Jared Polis (D-CO); Carlos Curbelo (R-FL); Susan Davis (D-CA).

WITNESSES

- **The Honorable Mitchell Daniels**, President, Purdue University
- **Dr. Christine M. Keller,** Vice President, Research and Policy Analysis, Executive Director, Voluntary System of Accountability and Student Achievement Measure, Association on Public & Land-Grant Universities
- **David A. Bergeron,** Vice President, Postsecondary Education, Center for American Progress
- **Michael J. Bennett,** Associate Vice President, Financial Aid Services, St. Petersburg College

OPENING STATEMENTS

Chairwoman Virginia Foxx opened the hearing by stating excessive federal regulations, a lack of transparency and a "dizzying maze of student aid programs" have led to an inflexible, outdated system that leaves far too many students unable to graduate and/or ill-equipped for the modern economy. The chairwoman listed the key principles set forth by the Education and Workforce committee that will guide efforts to reauthorize the Higher Education Act. First, she mentioned the importance of empowering students and families to make informed decisions when selecting institutions and the necessity to develop a more streamlined and transparent system, as well as improving financial literacy services to help students and families make choices. Second, she stated that the financial aid must be simplified and improved by consolidating the "patchwork of aid programs" to simplify the application and eligibility process and encourage more students to apply for financial aid, and better understand, manage, and repay their debt. Next, the chairwoman advocated for innovation, access and completion, such as competency-based curriculums and online classes. Finally, Foxx stressed limiting the federal role while simultaneously ensuring strong accountability. She spoke of the excessive burdens that current federal regulations place on institutions, which have proved to be costly, hampered innovation, and jeopardized academic freedom.

Representative Alma Adams (D-NC) began by explaining that in Ranking Member Rubén Hinojosa's (D-TX) absence, she would preside over the day's hearing as acting Ranking Member. She then acknowledged and thanked Bobby Scott, Ranking Member of the Education and Workforce Committee for attending the hearing. Adams stressed increasing affordability and accessibility as key priorities in reauthorizing the Higher Education Act. She stated that reauthorization must address affordability and strengthen the purchasing power of federal aid programs, pointing out that maximum current Pell Grant award covers less than a third of a student's tuition. Adams pushed for the restoration of year-round Pell Grants and called for the federal government to assist in lowering student loan defaults via improved loan servicing and helping defaulted borrowers with rehabilitating their loans. Adams stated that states and institutions must also play their part to slow college costs and that the federal government should strengthen federal-state partnerships in higher education by incentivizing states to bolster state investments and state financial-aid programs. Lastly, she made a passionate plea for historically black colleges and universities (HBCUs) and argued that reauthorization must ensure that minority serving institutions have the resources they need to survive. Specifically, Adams said that the federal government must ensure that parents have access to Parent PLUS loans.

WITNESS STATEMENTS

Mitch Daniels, the former governor of Indiana, and current president of Purdue University began with a claim that our higher education system is calling out for modernization and change. He asserted that the federal government can help in accommodating new modes of learning and assisting with costs. Daniels mentioned that the first area that Congress could be of help is in lowering the barriers to innovation. He stated that many universities, including his own, are eager to adopt to new technology and innovate the learning process but that current regulations often hamper such change, highlighting year-round Pell as a way to encourage summer learning and regulatory barriers related to competency-based education. He argued that federal regulation of higher education is so expansive that an estimated $200 million is spent in annual compliance costs. Daniels agreed that states and institutions must also play their part in lowering the costs of attendance, and explained that Purdue's efforts included a tuition freeze, a 10 percent cut in room and board costs, and a new partnership with Amazon that reduced book costs by nearly 30 percent for students.

Christine Keller began her testimony by vocalizing consumers need for meaningful post-secondary data to aid in decision making. She spoke about the Association on Public & Land-Grant Universities (APLU) current methods of collecting data through the Voluntary System of Accountability (VSA) and the Student Achievement Measure (SAM). She explained VSA as an initiative from public 4-year institutions to provide basic data on undergraduate student experience through a common web report called the College Portrait. Keller explained that each institution's College Portrait includes information on financial aid, degree programs offered, and educational opportunities. She then moved on to the Student Achievement Measure, designed to provide further depth than federal graduation rates. She argued that the current federal graduation rate has grown to be increasingly out of date as it only covers full time students. Keller explained that SAM is currently used by 559 institutions, offering outcomes data for 500,000 more students than the graduation rate captured by IPEDS. Overall, she stated that the organization's experience with VSA and SAM has provided three lessons that are relevant for HSA reauthorization; build a trustworthy relationship with reliable data, leverage the data already collected and reported, and report key limited information at the federal level.

David Bergeron began his testimony by asserting that without investments in Pell Grants and student loans, increases in enrollment and college going rates from low and middle-income families would not have been possible. He argued that college continues to be the best investment for those who graduate but also that investments in higher education pay dividends for the broader society. Bergeron focused his testimony on outlining key proposals that have been made by the Center for American Progress. First, he spoke of CAP's call for the creation of a Public Quality Compact to "combat the erosion of state support." He stated that President Obama's free community college proposal was a good step but that we need to go further. Thus, he introduced CAP's College for All program in which education beyond high school would be universally available without students or families having to pay for tuition and fees prior to enrolling. He explained that in this plan, students would be allowed to borrow loans for living expenses, which would be repaid via employer withholding. Finally, Bergeron mentioned the need for a new and improved accountability system for federal investment in higher education.

Michael Bennett argued that it was impossible to enact simple financial aid policy because our nation's higher education system is the most diverse in the world. He claimed that current discussion on simplification has focused too heavily on the application process, but that instead a multi-faceted approach to simplification was necessary. Bennett stated that in terms of the application process, it was necessary to cut questions and to move to a "prior prior year" (PPY) income system. He then moved to simplification of the loan repayment process, and recommended that the federal government implement two programs—the standard repayment plan and an income-driven plan. Bennett highlighted the restrictions placed on financial aid offices in contacting students via the Telephone Consumer Protection Act (TCPA) and urged the Subcommittee to allow financial aid administrators further discretion in denying access to loans. He closed his remarks by stating, "I believe that access, simplification, and accountability can co-exist in our student aid programs."

QUESTIONS AND ANSWERS

Representative Phil Roe (R-TN) began the Q&A aspect of the hearing by noting he was able to attend medical school from his humble roots and now, students are graduating with debts well in excess of $200,000. Roe continued on, signaling his concern for growing debts in graduate and professional education, before asking some general questions about limiting regulation and the role of institutions and states. Bennett took the opportunity to call for a more flexible Pell Grant and the panel of witnesses agreed with Roe's general sentiment.

Representative Bobby Scott (D-VA), the Ranking Member of the full Committee, asked several questions about Pell Grants, the Trio programs, and declining state support for higher education. Bergeron responded that Pell Grants are the bedrock of student aid, but their purchasing power continues to decline. He also indicated the Trio and Upward Bound programs had proven successful in producing more low-income graduates from colleges. Daniels was asked about declining state support, which Scott claimed was the real driver of rising college costs. The former governor said declining state support is often a factor, but he had been fortunate with funding for higher education in Indiana.

Representative Brett Guthrie (R-KY) commended Daniels on the work he has done at Purdue and asked why it could not be replicated throughout the country. Daniels again pointed to good fortune in state funding, but also said a variety of factors, including competitive pressures to attract students and increasing administrative costs, contribute to the rising cost of college. Guthrie closed by noting that public institutions in Kentucky have begun fundraising from outside resources much more significantly than in the past.

Representative Alma Adams (D-NC), focused most of her questions on HBCUs. She first began by highlighting HBCU graduation rates compared to the graduation rates for African American students at other institutions. Bergeron agreed HBCUs play an incredibly important role in educating minority students. He also indicated accessible, under-resourced institutions should be compared to one another, as opposed to a national average. Adams then asked Bennett about issues with the Parent PLUS Loan Program, particularly the Department of Education's changes in eligibility requirements in 2011. Bennett indicated that his school did not interact much with PLUS and deferred the question to Bergeron who was at ED at the time of the changes. The former Assistant Secretary acknowledged he was "well aware of the disruption that occurred" and said PLUS Loans should have an ability to repay test and "treat it much more like a traditional credit program."

Representative Elise Stefanik (R-NY) opened her questions by noting that by her age alone (30 years old), she was much closer to higher education issues than many of her colleagues. She asked Daniels about specific tactics Purdue has employed to cut costs and if they could be applied to other institutions. The Purdue president said there was still much work to be done, but pointed to the centralization of campus IT infrastructure as an area of major savings. Stefanik then moved on to "flipped classrooms" and asked about Purdue's experience in this area. Daniels said Purdue continues to move in this direction, but warned it was not likely to produce the cost savings that some might expect.

Representative Joe Courtney (D-CT) used his time to ask a few questions about counseling students on higher education and student debt. Bergeron said that Congress needed to create data systems to provide students and families with better information. He also, sort of, called for the application of gainful employment metrics across all sectors of higher education. Courtney closed his remarks by rattling off student debt statistics and indicating he and several colleagues intended to introduce the "Bank on Students Emergency Loan Refinance Act" later this week.
Representative Luke Messer (R-IN) opened his questions by asking about the Gallup-Purdue Index. Daniels indicated the project began as a partnership with Gallup to measure the quality of life among Purdue graduates and expanded into the largest benchmark survey ever taken of

college graduates. He noted that in every measure of quality of life, specifying more than just finances, Purdue alumni fared better than the average college graduates. However, Daniels also said colleges must pay attention to the fate of those who don't graduate, as they are more likely to face financial hardships and default on their federal student loans. Messer used his final moments to push for more transparency and better consumer information in higher education.

Representative Mark Desaulnier (D-CA), focused his remarks on student loans. In an apparent reference to the "Bank on Students Emergency Loan Refinance Act," he asked Bergeron to comment on a bill to "tie the prime rate to student loans" after listing "staggering statistics" on student debt. Bergeron responded it is important to create access for incoming students, but Congress should also focus on outstanding student debt and former students. He mentioned the low interest rate environment and said Congress should reduce interest rates on federal loans. Desaulnier also discussed students, both current and former, who "did everything right," but still faced a bad outcome.

Representative Rick Allen (R-GA) started his questions by reflecting on his personal experience of working while in school. He also mentioned the importance of work experience in landing a new job, his support for co-op programs, and wondered "are we doing this in the wrong order?" Daniels responded by noting Purdue's focus on co-operative education programs and their efforts to bring companies near campus. Allen asked the other panelists about aligning the needs of the business community with higher education and all were in agreement this is generally a good thin.

Representative Jared Polis (D-CO) started with some questions on Western Governors University. WGU expanded dramatically in Indiana during Daniels' tenure as governor and he remains a big fan of the university, indicating it served an unmet need in the market for adult students. Polis also asked about competency based education, which Bergeron described as a "real game changer" in higher education. The Congressman then closed with some comments on rising textbook costs, stating the writers of such textbooks are unlikely to receive much of the proceeds and would likely be amenable to open sourced materials. Bergeron said changing the way textbooks are paid for, by further embedding them with institutional costs, is one option for reducing costs to consumers.

Chairwoman Foxx (R-NC) held her questions until the end. She began by asking Keller about APLUs Student Achievement Measure (SAM). Keller responded the metric is able to track outcomes for all types of students, not just first-time, full-time students. She indicated, "If we want to provide good and clear information for students to make informed decisions, we need to be using the right measures in order to do so." Foxx then turned to Bennett, asking what questions should remain on the FAFSA. Bennett replied he was not sure of the exact information, but the form could be simplified, though not to only two questions. He also called for better use of state and federal data systems to populate the FAFSA.

CONCLUSION

Chairwoman Foxx and Rep. Adams provided some closing remarks to end the hearing which reinforced many of the broader themes from the Members of their respective parties throughout the proceedings. Adams expressed concern with rising student debt and argued the federal government could do more to help. She also made one final push for supporting HBCUs. Foxx again argued the current model for higher education was outdated and institutions of higher education must address many of these issues themselves. She also pointed to the responsibilities of borrowers with rising default rates. Chairwoman Foxx indicated that state and federal governments should be partners for institutions of higher education, but warned against "looking to the federal government for all the solutions."

For more information about the hearing, including written testimony and an archived webcast, go to: **http://www.help.senate.gov/hearings/hearing/?id=f5bf107c-5056-a032-52a2-c5f9dbdf4459&autoplay=true**

START HERE GO FURTHER FEDERAL STUDENT AID

Posted Date: March 12, 2015

Author: Pamela Eliadis, Service Director, System Operations & Aid Delivery Management, Federal Student Aid

Subject: School Responsibilities Upon Receiving Paper In-School Deferment Forms

In recent weeks, we have received questions from schools indicating that they are seeing an increased number of requests for completion of paper in-school loan deferment forms. It has been suggested that this increase is the result of the termination of the contract between Federal Student Aid (FSA) and the National Student Clearinghouse (NSC).

The enrollment reporting contract with NSC was created and continued for several years because schools were not reporting enrollment information to NSLDS frequently enough for loan servicers to properly service Direct Loans. However, under the regulations that became effective on July 1, 2014, schools are now required to report enrollment to NSLDS at least every 60 days, instead of at least twice a year. Now that schools are reporting at least every two months, servicers have much timelier enrollment information to rely on.

Under the regulations, all Title IV loan servicers are authorized to use a borrower's enrollment information in NSLDS to grant an in-school deferment or in-school status. Therefore, to reduce the number of paper in-school deferment form requests, we have directed our Federal Loan Servicers to send paper in-school deferment forms to schools ***only*** when the borrower's enrollment cannot be verified using information in NSLDS. In addition, the Department's loan servicers have the capability of adding a new school to a student's NSLDS record when the servicer receives information (usually from the student) of enrollment. This will result in the student being included on the next enrollment roster provided to the school or to its third-party servicer. Thus, in most instances there would be no need for the servicer to request a school to complete a deferment form. As long as a school is fully compliant with enrollment reporting requirements, borrower enrollment information should generally be accurate and up to date in NSLDS. For all of these reasons, we expect that the only time a servicer may need to request completion of an in-school deferment form by a school will be for a Title IV borrower who indicated to the servicer that he or she has transferred to that school, the borrower's enrollment has not yet been reported to NSLDS by the school, and there is some urgency to confirm that enrollment (e.g., borrower is past due and/or close to defaulting on a Title IV loan).

Updating Enrollment Information Online

In instances where a servicer does send a school a paper in-school deferment form, we recommend that instead of the labor-intensive process of completing the paper form, school staff simply log on to the NSLDS Professional Access Web site, and use the Enrollment Maintenance function to add the student or update the student's enrollment information. A school may also use the Enrollment Spreadsheet Submittal process to submit enrollment information for multiple students online. Instructions and a sample spreadsheet can be found on the Federal Student Aid Download (FSAdownload) Web site. NSLDS sends weekly updates to loan servicers (and to FFEL guaranty agencies for use by FFEL lenders and lender/servicers) so that online updates will be received by the servicers within days of a school's submission. Updates can be viewed immediately on the NSLDS Professional Access Web site.

Note: If the office at the school responsible for NSLDS enrollment reporting (often the Registrar's Office) does not have access to NSLDS online enrollment updating functions, that office should be provided with access by working with the school's Primary Destination Point Administrator.

Enrollment Reporting File Requirements

It is important to note that enrollment reporting is required for all students included on the NSLDS Enrollment Reporting File (the "roster") provided by NSLDS to a school or to the school's third-party servicer. That file will only include students for whom NSLDS has information indicating that the student is enrolled at the school (e.g., current or prior Title IV aid received or a loan deferment granted). Therefore, NSLDS may not initially include on the roster a Title IV recipient who transferred into a school and who is not receiving Title IV aid at the new school or has not yet been granted an in-school deferment. We urge schools to add a student to an enrollment roster or to update NSLDS using the online enrollment reporting methods discussed above if the school has identified an incoming student as one who had previously received Title IV assistance.

As noted, schools can, and are urged to, add to their NSLDS Enrollment Reporting File any of their enrolled students who have previously received Title IV aid either at that school or at a prior school. However, under the law, neither schools nor third-party servicers may add a student to NSLDS unless it has been determined that the student is or was a recipient of Title IV aid. We note that a school's third-party servicer, including NSC, may use information it has from its other school clients to determine if a student was a Title IV aid recipient. We suggest that schools contact their third-party servicer to confirm the servicer is performing this function on behalf of the school.

As a reminder, NSLDS assists schools in building more complete enrollment rosters by adding to a school's roster any student with Title IV aid that appears on the school's Transfer Student Monitoring file or on a Financial Aid History Report request. More information on these processes is available in the **NSLDS Transfer Student Monitoring/ Financial Aid History User Guide and Batch File Layouts**.

Contact Information

If you have questions about NSLDS enrollment reporting or using the NSLDS Professional Access Web site, contact the NSLDS Customer Support Center at 800/999-8219. You can also contact Customer Support by e-mail at **nslds@ed.gov**.

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Posted Date: March 11, 2015

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Subject: Loan Record Detail Report (LRDR) Import Tool

We are pleased to announce the availability of the National Student Loan Data System (NSLDS) **Loan Record Detail Report (LRDR) Import Tool**. The LRDR Import Tool can be used to easily load data generated from the LRDR into the Microsoft Excel spreadsheet application, and is designed to assist schools with reviewing and analyzing their LRDR extract files.

An LRDR contains information on the loans that were used to calculate a school's draft or
official cohort default rate (CDR) and is distributed as part of the eCDR notification package. Each eCDR package contains an extract-type LRDR (message class SHCDREOP). When the LRDR extract is loaded into the LRDR Import Tool, the file is converted into a spreadsheet with assigned column headings, creating a view of the data that is manageable and easy to review.

Note: As a reminder, schools can request an LRDR on an ad-hoc basis on the **NSLDS Professional Access Web site**. An LRDR that has been requested online may also be loaded into the LRDR Import Tool.

To download the LRDR Import Tool, go to the **Default Management Web site** and choose "CDR Guide" from the left-hand navigation bar. The LRDR Import Tool can be found in the **"Templates/Spreadsheets" section**. Instructions for using the tool are provided on the first tab of the workbook.

Contact Information

If you have questions about using the LRDR Import Tool or NSLDS, contact the NSLDS Customer Support Center at 800/999-8219. You can also contact Customer Support by e-mail at **nslds@ed.gov**.