COHEAO ANNUAL REPORT 2016

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Message from the President

2016 was the year of “the election” and our entire country was consumed by it. When it came to advocating for Perkins, there were so many unknowns, and so little happening in Congress, that it was difficult, if not impossible, to move our agenda forward. However, we still continued to meet with our Congressional Members and Perkins Champions on the Hill and we met with many Higher Education Associations in DC. Our goal was to ensure that we all were on the same page so that once the new Administration and Congress were in place, we were ready to start our next grassroots campaign!

We kicked off our 2017 grassroots campaign at the COHEAO Annual Conference in January, where our conference delegates had 75 very successful meetings on the Hill. Our message to Congress was to ask for their support of the full restoration and reauthorization of the Perkins Program through and our Campus Flex Proposal. With the sunset of the program slated for September 30, 2017, I want to remind everyone that this fight is far from over! We may have much to do, but the support and infrastructure that we have created through our past efforts will benefit us tremendously as we move forward. I encourage each of you to stay engaged and active in this effort. We were successful in 2015 because of the united participation of so many, and can be again, with your involvement.

In addition to the Perkins advocacy work that the COHEAO board was immersed in during 2016, we were also very active in many other legislative areas within higher education. COHEAO has become a leader in the areas of Financial Wellness, the CFPB (Consumer Financial Protection Bureau), STAR (Student Tuition and Accounts Receivable) and the TCPA (Telephone Consumer Protection Act). Each of our task force and committee chairs has summarized the actions and accomplishments of their working group, which will provide you with a comprehensive look at the past 12 months. I encourage you to take the time to review this information and become more familiar with the various areas that COHEAO is involved and where you can be as well.

With two very successful conferences and many webinars on pressing topics, COHEAO provided its membership with multiple opportunities for networking and professional development. This past year marked record-high participation in our training and education webinars on a broad spectrum of topics. This is indicative of both the quality of the events and the training COHEAO provides.

COHEAO relies heavily on its membership to identify issues of importance and work together to strategize and advocate for viable solutions. We welcome and encourage your participation on the board of directors and within our many task forces and committees. The greater the participation - the better the flow of ideas and solutions and the greater impact we can have. Each of us has individual strengths that can benefit the Coalition. I encourage each of you to get involved in COHEAO today in whatever capacity you can. We need you to help us expand the voice of COHEAO and encourage your colleagues to join the conversation, because together, we really can make a difference!

In closing, I want to thank the COHEAO Board of Directors, the staff at Washington Partners, and the entire COHEAO membership for the many contributions that each has made to further our mission. Our Coalition has grown and strengthened this past year because of your dedication and commitment.

Submitted by: Maria Livolsi, COHEAO President

Treasurer's Report

The Board has placed significant emphasis on managing the Organization's financial resources and ensuring COHEAO's long term viability. The 2016 financial statements reflect a decrease in total revenue due to a decrease in commercial membership and the last payment to a Washington Lobbying Firm*.

The following is a financial summary for the past four years:

	2016	2015	2014	2013
Revenue:				
Institutional Dues	63,791	49,350	53,291	42,527
Commercial Dues	87,000	104,500	107,000	112,500
Other Dues	1,500		7,562	4,765
Supplemental		57,000		
Annual Conference	43,190	37,610	45,310	53,320
Mid-Year Conference	23,550	28,030	32,150	27,250
Webinars	20,695	14,628	34,186	12,673
Other		4,248	4,875	5,324
Total	**239726**	**295,366**	**284,374**	**258,359**
Expenses:				
Management	174,128	171,698	165,526	167,808
Consulting Fees	15,000	37,000		
Board	16,539	12,732	19,935	17,819
Annual Conference	32,654	35,526	32,654	43,861
Mid-Year Conference	20,226	32,144	15,732	22,554
Workshop	1,283	1,381	1,187	554
Other	1,006			
Total	**260,836**	**290,481**	**235,034**	**252,596**
Net Income	-21,110	4,885	49,340	5,763
Equity	81,485	102,595	103,738	54,398

***Note:** In 2015, the Board hired Alston & Bird, a Washington Lobbying Firm, to expand Washington Partners' manpower in a grassroots push for the Perkins Loan Program. COHEAO raised an additional $57,000 in a voluntary supplemental appeal to Commercial membership. This helped offset the $52,000 in cost for Alston & Bird and $15,000 for additional Washington Partners support through the end of calendar year 2015. The last payment to Alston & Bird was made in 2016, although the funds were raised in 2015 and reflected in the 2015 financials.

Submitted by: Lori Hartung, Treasurer

Membership Report

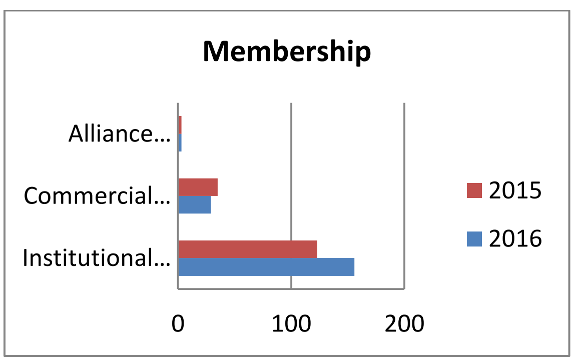
The Membership Team for 2016 consisted of: Membership Chair, Karen Reddick; Institutional Membership Co-Chair, Carolyn James; Commercial Membership Co-Chair, Bob Frick; and Membership Development Co-Chair, Claude Payne.

The Membership Committee continues to work with Washington Partners staff to establish a strong database of its members. We continue to monitor the data and information to ensure we have accurate membership numbers. The team has developed a prospective membership list to continue to recruit new members.

In 2016, the team launched several initiatives to drive membership:

- Marketed individuals who participated in COHEAO events to become a member. An email was sent from one of our institutional board members encouraging these prospective institutions to join COHEAO. Each email illustrated a personal story on how COHEAO has benefited them and gave the prospect instructions on how to become a member. This campaign recruited 5 new members.
- Developed a new membership benefit to provide three (3) free webinars for each annual membership.
- Revised our membership brochure to highlight the benefits of COHEAO membership. We encourage commercial members to distribute these on COHEAO's behalf.
- Designed strategies to recruit non-traditional members outside of the Perkins community. We are also continuing to monitor the climate of institutional and commercial membership to determine evolving interests and future target markets.
- Participated in the advocacy efforts to save the Perkins Loan Program.
- Presented COHEAO updates at regional and national conferences throughout the year, encouraged institutions to become a member and offered a 10% membership discount for those signing-up as a result of the presentation.

We experienced a loss of six (6) commercial members from 2015 to 2016, which was due in part to corporate mergers and changes in market focus. However, we had a 23% increase in our institutional membership between 2015 and 2016, making this the largest institutional membership on record.



Submitted by: Karen Reddick, Membership Chair

Legislative Report

The Legislative team was very active in our grassroots efforts for 2016. The grassroots committee continued to hold conference calls twice a month to collaborate, engage and ignite new ideas for the Support of Perkins. Some of the highlights of 2016 were:

- COHEAO Board of Directors Hill visits - April 2016. Board members had Hill visits along with delivering certificates to Congressional Representatives who were our champions in getting the Perkins Loan Program extended in 2015.

- The grassroots committee distributed several communication pieces in the months of August, September and November urging schools to award Perkins and providing updates on the current status of the program.

- The Legislative team hosted a free webinar at the end of November that summarized the election and COHEAO's grassroots efforts.

- As part of our on-going efforts to continue the program, the Board created a new slogan and pin.

- The grassroots committee created a financial aid database to reach regional financial aid groups.

- Washington Partners continued to work with our Perkins champions in Congress to advocate for reauthorization or legislation to extend the Perkins program.

2016 was a good year, despite the challenges of the new Perkins disclosures, as institutions continued to award and collect on their Perkins portfolios.

Submitted by: Jan Hnilica, Legislative Chair

Regulatory Report

COHEAO worked on the following regulatory issues in 2016:

December 18, 2015 - The House and Senate passed the Perkins Loan Extension Act, H.R. 3594 extending the Perkins Loan program for 2years. The Act included some significant changes to the loan program.

January 29, 2016 - Department of Education issues DCL GEN-16-02 “Approval of Deferment and Mandatory Forbearance Forms for Direct Loan, FFEL and Perkins Loan Programs.” Required Use of forms effective 6/1/16. The forms have an OMB Expiration date of 9/30/2018.

February 17, 2016 - Department of Education releases guidance on the extension of the Perkins Loan Program. Refer to DCL Gen-16-05 for details.

August 15, 2016 - FCC Releases Final Regulations for Federal Debt Collection TCPA Exemption. Refer to www.fcc.gov and search for the Rules and Regulations implementing the TCPA Act of 1991.

October 31, 2016 - TPD Discharge Information - Perkins Assignment Procedures due to Total and Permanent Disability Discharge. Documents reformatted and outdated references and requirements were removed.

November 1, 2016 Federal Register - Final Regulations published expanding the definition of “Defense to Repayment” (DTR). Direct loan borrowers can avoid federal loan repayment if they can demonstrate a school misrepresented its offerings. Go to www.2.ed.gov for the specifics of this regulation.

November 18, 2016 - The IRS Offers Reprieve for College and University 1098-T Reporting- the IRS announced they would delay the enforcement of changes on how Higher Ed institutions report tuition and fees on the 1098-T forms provided to students and to the IRS.

Submitted By: Lee Anne Wigdahl, Regulatory Chair

Internal Operations

Board of Director's Election

In October 2016, nominations were accepted for the positions of President, Vice President and the appointed positions.

President:
- Nominated: 6
- Accepted: 1

Vice President:
- Nominated: 3
- Accepted: 1

Appointed Positions:
- Nominated: 26
- Accepted: 18

Commercial Chair:
- Nominated: 6
- Accepted: 2

COHEAO members voted and the results were:

President:	Maria Livolsi
Vice-President:	Lori Hartung
Treasurer:	Bob Frick (assuming remaining year of Lori Hartung's term)
Commercial Chair:	Lynn Heineman
Appointed Positions:	Nancy Paris – Chair, Internal Operations
	Jocelyn Heywood – Co-Chair, Internal Operations – Communications Support
	Joe Weglarz – Legislative Chair
	James Seward – Co-Chair Legislative, Regulations
	Lee Anne Wigdahl – Co-Chair Membership, Institutional
	Kendra Rivoli – Co-Chair Membership, Commercial

COHEAO 2016-17 AY Scholarship

COHEAO received 21 qualifying applications from students attending member colleges. This year the board agreed to award three $1,000 scholarships for academic year 2016-2017. The following students were awarded a scholarship:

Norman Dela Fuente	University of California- Los Angeles	Edgar Delos Angeles Scholarship
Neeraj Jaisinghani	Cornell University	COHEAO Scholarship
Steven Chao	George Washington University	COHEAO Scholarship

This year, the Board awarded a scholarship in remembrance of our friend and COHEAO Board member, Edgar Delos Angeles.

By-Laws

Notice to the COHEAO membership of the Board's consideration of an amendment in the COHEAO Bylaws was sent on August 26, 2016, which meets the requirement in section 11.1 of the Bylaws that the membership be provided 30 days' notice of an amendment. The notice solicited comments on the proposed amendments.

Two comments from members on the change were received, one in favor and one opposed.

Current Bylaws:

5.4 Term. The President shall serve for one (1) or two (2) two-year terms, and then assume the position of Immediate Past President until the term or terms of the succeeding President are over. The Vice President, Treasurer, Secretary, and three Members at Large shall be elected to two-year terms. The Chairpersons and Co-Chairpersons shall be appointed to two-year terms.

5.5 Limitation of Terms. An individual may be elected or appointed to any one position on the Board of Directors for no more than two (2) consecutive full terms.

Amending to:

5.4 Term. The President shall serve for up to ***three (3) two-year terms***, and then assume the position of Immediate Past President until the term or terms of the succeeding President are over. The Vice President, Treasurer, Secretary, and three Members at Large shall be elected to two-year terms. The Chairpersons and Co-Chairpersons shall be appointed to two-year terms.

5.5 Limitation of Terms. An individual may be elected or appointed to any one position on the Board of Directors for no more than ***three (3) consecutive full terms***.

Amendment was passed with 15 Board members in favor of, 3 members not in favor and 1 member not voting.

Operating Procedures

There were no changes to operating procedures.

Board Member Guide

Board Member Guide was updated to reflect the change in the Bylaws.

Submitted by: Jeane Olson, Internal Operations Chair

Commercial Membership

During 2016, COHEAO's Commercial Membership played an active role both within the organization as well as advocating for the extension of the Perkins loan program within the higher education community and on Capitol Hill.

We recognize the importance of the Perkins program for students as well as the higher education industry which we support. The efforts of the commercial group throughout the year were significant in ensuring that COHEAO's voice was heard. Through the commitment of time and outreach efforts, both within the community and to Congressional leaders, we have made an impact. The time spent advocating for the extension of the program was well timed and productive.

We have also benefited internally, as an organization, from the participation of the roughly 30 commercial members during the year. As commercial members, we also appreciate the support from the school membership. The continued interaction between school and commercial members is what makes the organization vibrant and mutually beneficial.

I would also like to congratulate Lynn Heineman on her election as Commercial Chair for the 2017/2018 term. Commercial members and COHEAO as a whole will benefit from Lynn's years of experience and dedication to our mission.

We look forward to the extension of the Perkins Loan program in 2017 and the continuation of this valuable program that has helped so many students meet their higher education needs for over 50 years.

Submitted by: Bob Frick, Commercial Committee Chair

COHEAO Task Force Reports

COHEAO Achievement Program (CAP)

History:

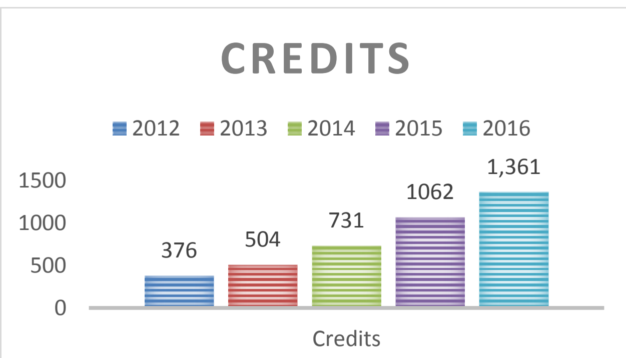
During COHEAO's 2011 Mid-Year Board of Director's Meeting, it was decided that there was a need to create an educational certification program for the COHEAO membership. The intent was to recognize those in the higher education community who sought additional training and professional development through participation in COHEAO conferences, webinars and Hill visits.

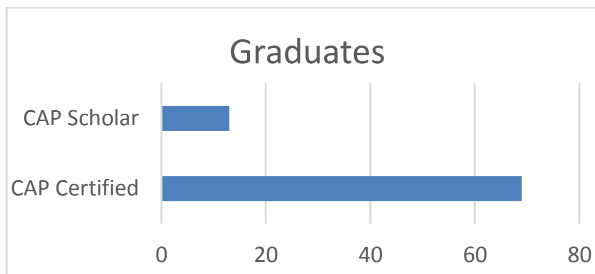
COHEAO's Achievement Program, CAP, was finalized and adopted by the Board of Directors during the fall 2011 meeting with a kick-off date scheduled for January 2012. The first tier for CAP-Certified completion required 10 participatory credits. Recognizing the need to expand and grow the certification program, a 2nd tier of recognition was introduced during the 2012 year. Participants are required to earn a total of 44 credits in order to obtain the level of CAP Scholar.

2016 Highlights:

In 2016, the CAP certification program awarded a total of 1,361 points. This is an increase of 27.32% over the prior year. It is important to note that many points were awarded to participants of the Perkins program webinars as those were the best attended. Participants in the CAP program increased by 466 (or 48%) in 2016.

The cumulative number of credits earned and awarded since the inception of CAP is 4,198. COHEAO has awarded a total of 69 CAP certificates, of which 13 are also CAP scholars.





	CAP Certified	CAP Scholar
Series1	69	13

The CAP program is now entering the 6th year of recognizing members and associate members of COHEAO for their professional development. One of the goals for 2017 will be to encourage additional participation in the program by promoting involvement with COHEAO task groups and committees and through webinar and conference attendance.

Submitted by: Paola Di Domenico, CAP Chair

Consumer Financial Protection Bureau (CFPB)

Originally proposed by President Obama in June of 2009, the Consumer Financial Protection Bureau (CFPB) became a federal agency upon passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act in July of 2010. Charged with the responsibility to protect consumers within the financial marketplace, and enforce federal financial laws, the CFPB employee base has grown from 58 in Fiscal Year 2010 to 1,648 as of Fiscal Year ending on September 30, 2016.

Since the inception of the CFPB, The Coalition of Higher Education Assistance Organizations (COHEAO) has maintained a CFPB Task Force whose primary responsibilities includes assisting Washington Partners in advocating the interests and concerns of COHEAO's membership as they relate to directives from the CFPB, and providing educational information in regards to the activities of the CFPB. Additional areas of focus for the Task Force include working alongside Washington Partners to help coordinate solicited responses to any proposed or final rule-making that will be submitted by COHEAO or jointly with other associations and/or organizations.

The CFPB remained very active during 2016 as the agency focused on:

- addressing expectations for compliance in regards to accurate furnishing of financial data to consumer reporting agencies;
- releasing an outline for Proposed Rules on The Fair Debt Collection Practice Act; and
- addressing issues surrounding the servicing of both federal and private student loans.

This was a paradigm shift from past history as the Department of Education was previously the primary receiver of complaints for federal loans while the CFPB through their portal was the recipient for private student loans. All segments of COHEAO's membership remain directly impacted by the agency's oversight of credit reporting, student lending, and servicing of student loans.

The CFPB also has the authority to file law suits, as well as levy fines and penalties through their supervisory authority. In March, the CFPB announced a settlement of their law suit against Student Loan Processing, aka Irvine Web Works, Inc. The lawsuit alleged that the company had violated the Telemarketing Sales Rule, Consumer Financial Protection Act, as well as the Unfair, Deceptive, or Abusive Acts, or Practices (UDAAP). The terms of the judgment included an order for the company to cease operations, and pay $8,249,548.00. All but $326,000 of the penalty was waived due to the company's inability to pay.

A "Request for Information" was circulated by the CFPB in April with a deadline for comments due by June 12, 2016. Referenced as "The Student Loan Payback Playbook", the CFPB broke down the option into three payment playbooks (A, B & C).

- Playback Playbook A provided personalized information about alternative repayment options.
- Playback Playbook B provided alternative approaches to personalized information about alternative repayment options.
- Playbook Playbook C provided information about income-driven repayment options for borrowers likely at risk of default.

The CFPB was soliciting responses over their concern of the estimated $200 billion of outstanding student loan debt that was either delinquent or in default. They noted that the General Accounting Office (GAO) found that 70% of borrowers in default had income levels that would entitle them to a reduced monthly payment under one of the Income Based Repayment options.

On July 28, 2016, the CFPB released the "Proposed Rules" for the Fair Debt Collection Practice Act (FDCPA). The process to overhaul and update the regulations that govern the debt collection industry began on November 6, 2013 when the CFPB issued its Advance Notice of Proposed Rulemaking. COHEAO responded to the initial notice and provide comments to the CFPB. The debt collection industry has experienced tremendous modernization due to technological gains and guidance is quagmire due to reaction from court decisions over the years that often contradict themselves. The FDCPA has not been updated since 1977.

The proposed rules covered four primary areas of the debt collection industry:

- Information Integrity and Related Concerns
- Consumer Understanding Initiatives
- Collector Communication Practices
- Debt Transfer Prohibitions and Recordkeeping

Following release of the proposed rules on FDCPA, the CFPB held required meetings with a Small Business Review Panel to receive feedback and study the impact of the proposed rules for small businesses. The debt collection industry continues to wait for the CFPB report and proposed rules. Some observers believe that release of the rules will be delayed until the CFPB formalizes new rules for first party collectors.

A "Mid-Year Update on Student Loan Complaints" was released by the CFPB in August and covered complaints received from October 1, 2015-May 31, 2016. Noted in this report and recapped below are some of the highlights of the report.

- Estimated total of 5,000 complaints were received in regards to student loans:
  - 3,500 Private Student Loan Complaints
  - 1,500 Federal Student Loan Complaints
- Complaints included such issues as:
  - Delays in Income Driven Repayment applications
  - Delays in recertification of Income Driven Repayment
  - Payment processing
  - Payment handling
  - Servicer communication

The report primarily centered on the issues relating to the Income Driven Repayment problems and the negative impact of these concerns for borrowers.

September was a busy month for the CFPB as they entered into a consent order with Bridgepoint Education Inc. The consent ordered the for profit college to provide $23.5 million in consumer relief to include loan forgiveness, and refunds. An additional $8 million civil penalty was levied.

The CFPB also blogged in September that federal data indicated that there was a disproportionate impact of student debt on borrowers of color. The research stated that 90% of African-American and 72% of Latino students leave college with student loan debt. In comparison, the study also determined that 66% of white students and 51% of Asian American students left school with debt. The blog indicated that student loan debt can negatively impact social and economic mobility of borrowers.

A blog by the Student Loan Ombudsman expressed concerns that loan servicers are creating roadblocks for students who have made additional payments on their loans. Rather than advanced payments assuring early repayment, the accusation was that the servicers would lower future repayment amounts due in order to extend the term of the debt without the authorization or knowledge of the borrower.

The "CFPB Student Loan Ombudsman Report" was released in October. This was the fifth report of this type and focused on findings as a result of complaints received in regards to the servicing of federal and private student loans and offered recommendations for improvements. The problems listed included:

- problems experienced by borrowers when paying on rehabilitation agreements to both debt collectors and the servicer;
- moving from a successful rehabilitation schedule into an Income Driven Repayment; and
- proper application of retro payments.

An updated and expanded "Student Loan Examination Procedures" was released by the CFPB in early November. The guide provided more detailed guidance for examining student loan servicing practices for both federal and private loans. The document consisted of 48 pages and the CFPB stated that they expect every regulated entity under its supervision and enforcement authority to have an effective compliance management system adapted to its business strategy and operations.

In summary, COHEAO's CFPB Task Force continues to monitor the activity of the CFPB and will alert the membership and board members of any regulations, judicial activity, and any legislation that may be introduced by Congress as it pertains to the CFPB and their core function.

Those in Washington DC expect 2017 to provide a sea of change for the CFPB as Congress will continue to try and limit the power and authority of the CFPB through efforts to develop a governing commission. The current Director's term expires in 2018; however some are anticipating that he will tender a resignation prior to that date.

It is expected that the CFPB will continue to appeal the DC U.S Court of Appeals' opinion that was handed down in October 2016. The court addressed the concentration of enormous executive power that is held by the Director and ruled that is was unconstitutional. The ruling provided the President of the United States with the authority to terminate the Director without cause.

The Task Force will continue to assist Washington Partners in gathering comments and recommendations for any proposed rules and is committed to make sure that COHEAO membership remains informed of the Bureau's activities. It is expected that the CFBP will continue to focus on higher education activities beginning with financial activities/policies once students enroll at the campus to the point of when the education process is completed and all debts have been repaid.

Submitted by: Bob Perrin, CFPB Chair/Past President

Financial Wellness

In 2016, The COHEAO Financial Literacy Task force was renamed, Financial Wellness Task Force. This was in direct response to better align the task force name with its mission. The focus continues to be on offering programs and training that support student financial wellness and not simply focusing on improving the financial knowledge of students.

The Financial Wellness Task force meeting was held at the annual conference and focused on possible topics for the next COHEAO Financial Wellness white paper. In addition, a financial wellness session was offered at the January 2016 Annual Conference titled, "The Role of Technology in Delivering Financial Education and Debt Management Strategy." Heidy Santizo, DeVry University Financial Awareness Programs Manager was a co-presenter. The purpose of this session was to demonstrate the impressive online tools that schools are creating, which offer ongoing financial and debt education/intervention.

The Financial Wellness Task Force organized the COHEAO Mid-Year Financial Wellness Forum in Denver, Colorado. Sessions included, "The Financial Transition from Student to Employee: Implications for Higher Education and Employers" by Dr. Katie Sauer, Behavioral Economist; "Student Financial Wellness from Multiple Angles - A Panel Discussion" by Sarah Angilello - Federal Student Aid, Bryan Ashton – TG, Dr. Katie Sauer, Behavioral Economist and Ben Wurzel - University of Colorado; "Financial Wellness & Student Financial Aid Policy: An Explanation of Where Things Are and Where They Could Go" by Wes Huffman - Associate Director, COHEAO and Bryan Ashton - TG. Approximately 30 attendees were present for this successful Summit. After feedback from attendees and much thought, COHEAO will move the Financial Wellness Forum to the Annual Conference for future years. In addition, discussions are underway to collaborate for promotion and programming of the Summit with the Higher Education Financial Wellness Association which consists of several hundred members.

The COHEAO Financial Wellness White Paper titled, "The Financial Transition from Student to Employee: Implications for Higher Education and Employers" will launch at the 2017 COHEAO Annual Conference. This paper was written with the support of Dr. Katie Sauer, Elizabeth Coogan, FSA; Niki Pechinski, University of Minnesota Duluth; Bryan Ashton, TG; Jodi Klaus, Kansas State University and Paul Goebel, University of North Texas.

Submitted by: Todd Woodlee, Financial Wellness Chair

Perkins Task Force

In 2015, the Perkins community achieved a wonderful success – an extension of the Perkins Loan program for another two years via the Federal Perkins Loan Program Extension Act of 2015. Part of the political process is always a give and take relationship and we knew some compromises and changes would occur. The official notice was published on February 17, 2016 in Dear Colleague Letter Gen-16-05 (https://ifap.ed.gov/dpcletters/GEN1605.html).

An immediate challenge moving into 2016 was expanding the Perkins disclosures with no firm direction. Guidance was minimal and opinions varied on the scope and depth of the new requirements. Schools and servicers were concerned about approving disbursements as no one wanted to be out of compliance. The Task Force, along with several partner schools, servicers, and business partners collaborated in creating a COHEAO Model Perkins Disclosure Form. While we were not able to get final approval from the Department of Education, we were able to gather feedback and make changes in hopes of creating an industry standard. Once the form was released, schools and servicers felt more comfortable advancing funds. The form was released to COHEAO members first and then released to non-members a few weeks later. The form can be found at http://www.coheao.com/wp-content/uploads/2016/04/Revised-Annual-Disclosure-2016-8-4-16.pdf. Changes will be made to update the form when/if interest rates change.

As to Washington D.C. activities and Perkins advocacy, we were heavily involved with Hill visits in January and April, and again in the fall for the Committee for Education Funding (CEF) Gala, a group of roughly 118 organizations with a common theme of nonpartisan support for our nation's education system. During these visits, we actively engaged leaders in regards to the continuation of the Perkins program. Moving forward, we will continue to talk and collaborate and work with Perkins champions in Congress along with other Higher Education groups.

Along the way, we became aware of a change in the Excess Liquid Cash (ELC) rules. More information can be found at http://www.coheao.com/wp-content/uploads/2016/04/Revised-Annual-Disclosure-2016-8-4-16.pdf. Excess cash is the Department of Education's process for recapturing Perkins monies if schools are not disbursing loans. Historically, schools have had some latitude in this process based upon their funding philosophies and lending timelines. Unfortunately with the wind-down conversation, the Department has been a bit more proactive on this subject. We are a bit afraid that some schools are being unfairly hit with the requirement to return funds when their intent was to loan. We have shared our concerns with legislative leaders and will continue to do so.

Heading into 2017, our goal is for long term continuation of the Perkins Loan Program. I don't write this lightly, as this goal will take many people, many hours, and lots of dedication from COHEAO members along with strong support from Congress. Personally I feel it is an achievable and laudable goal.

Submitted by: Jeff Pfund, Perkins Task Force Chair

Annual Report on Hill Visits

Hill visits are a key component to COHEAO's advocacy efforts. At each Annual Meeting, participants are encouraged to visit Capitol Hill to meet with congressional members and staffers to educate and enlighten them on issues which impact students and higher education such as the continuation of the Federal Perkins Loan Program.

In 2014, it was determined that the Hill Visit process needed more organization and coordination. I volunteered to organize these visits after appointments were made so attendees would have a designated leader and materials to be distributed during the visits. I also created a mentorship program designed to partner those attendees who needed guidance with an experienced Hill participant. By having all visits organized on a spreadsheet, participants know where and when all meetings are scheduled so they have the opportunity to support others if time permits or a last minute meeting is scheduled.

The following chart illustrates the increased number of visits from 2014 through 2016.

	2016	**2015**	**2014**
Total offices visited	208	73	62
Offices visited during the Annual Conference	83	55	37
Number of conference participants on Hill visits	44	37	36
Number of states covered	44 plus DC	21	22
Additional visits by Board members	19	13	14

After completion of the Hill visits, the group leader submits a report summarizing the meeting including all attendees, what points were discussed, needed follow-up and responsibility for follow-up. This has allowed us to create a great database of contacts for our continuing advocacy efforts.

With the extension of the Federal Perkins Loan Program in 2015, we had the opportunity to garner support from many Congressional offices during our advocacy efforts. In 2016, we hand-delivered Certificates of Appreciation to those offices who supported our Perkins efforts which gave us increased exposure to the loan program.

The tracking of these visits has allowed us to ensure that all participants receive the appropriate CAP (COHEAO Achievement Program) credit.

Submitted by: Cindy Schick, Member at Large

Student Tuition and Accounts Receivable (STAR)

One of the biggest events to affect student tuition in 2016 was the changes to 1098-T reporting. In December 2015, Congress passed an omnibus appropriations bill, which included a tax extenders package. This package made the American Opportunity Tax Credit a permanent credit, along with changing a major reporting requirement. The reporting change states that beginning with the 2016 tax year, institutions will be required to report payments for qualified tuition and related expenses (QTRE) in Box 1 and there will no longer be an option to report amounts billed for qualified expenses in Box 2.

Fortunately, on April 27, 2016, the IRS announced a limited penalty relief that would not impose penalties on institutions for reporting amounts billed (Box 2) instead of amounts paid (Box 1) for the 2016 tax year under section 6721 or 6722 (Announcement 2016–17). The IRS then published a Notice of Proposed Rulemaking (NPRM) on August 2nd soliciting comments on the statutory changes and comments on items that were beyond the statutory changes, such as a requirement to report for populations that were not previously required (Nonresident aliens (NRAs), individuals whose qualified tuition and related expenses are paid entirely with scholarships, individuals whose qualified tuition and related expenses are paid under a formal billing arrangement).

In addition, the IRS was seeking comments on a requirement to report the number of months that a student was enrolled full time during the calendar year and a requirement to state that payments received during the year are first treated as QTRE up to the amount billed, then as other, nonqualified expenses. COHEAO signed on to NACUBO's NPRM comment letter, which can be found by clicking NACUBO Letter. Following the end of the comment period, the IRS announced on November 17, 2016 it would extend the limited penalty relief to include the 2017 tax year (Announcement 2016-42). The STAR Task Force continues to monitor the results of the NPRM.

A small group of STAR Task Force members finished a new member resource, which was announced at our Annual Conference along with a session Q&A dedicated to this topic at the conference. The Vendor Request for Proposal (RFP) Checklist was published to the COHEAO website and is available to members under the Resources section of the COHEAO website. The new resource is a list of items institutions may want to include in their RFP and is scalable to the institution's needs. It covers items such as compliance, complaint and dispute resolution, annual requirements, and disaster recovery.

Starting with the Mid-Year Conference in 2016, the Agenda Committee added a new session for institutions. An Institutional Members Meeting was added prior to the beginning of the main conference, allowing institutions to have a roundtable style discussion of important topics or issues they are concerned about on their campus. COHEAO has received good feedback on this session and will continue to include it as a part of future conferences.

Conference Sessions & Webinars

Sessions offered at the 2016 Annual meeting with a focus on tuition and accounts receivable included:

- The Pros and Cons of Income Share Agreements
- Managing Partnerships on Campus: Insights on the RFP Process
- Making an Impact via Financial Wellness
- Detecting and Preventing Financial Aid Fraud

Sessions offered at the 2016 Mid-Year meeting with a focus on tuition and accounts receivable included:

- Training Your Successor to Be Successful
- A Common Purpose: Serving All Generations
- Eight Big Ideas in Student Retention
- Innovations in Collections
- Ask an Attorney

Webinars offered in 2016 with a focus on tuition and accounts receivable included:

- Feb 18th: Compliance Training & Protecting PI: A Review of the Gramm-Leach-Bliley Act and FTC Red Flags Rule
- Apr 21st: Financial Literacy Updates from Federal Student Aid and the Power of Peers
- July 21st: How to Develop a Vendor and Service Provider Oversight Program
- Sept 27th: How to Tailor Student Account Services to Meet the Needs of Students and Boost Retention
- Oct 13th: Bankruptcy Issues in Student Lending and Higher Education Receivables

Submitted by Larry Rock, STAR Committee Chair

Telephone Consumer Protection Act (TCPA)

The Telephone Consumer Protection Act of 1991 (TCPA) introduced by Senator Fritz Hollings (D-SC) in July of 1991 became law on December 20, 1991 to amend the Communications Act of 1934. At that time, the primary purpose of TCPA was to protect consumers against unwanted marketing calls that were being generated by sequential dialing systems at all hours. The advances in technology, combined with the shift from landlines to cellular, have changed the landscape since 1991. Yet the majority of the law remains intact as it was originally written.

Efforts to modernize the TCPA, while still protecting consumers, have experienced minimal success to date. A bill that would have permitted information calls when using an auto-dialer "Mobile Informational Call Act of 2011" (H.R 3035) was introduced in the House of Representatives on September 22, 2011. Additional goals of the bill included clarification of the "prior express consent" requirement, and continue the prohibition against using this technology for telemarketing purposes. The bill was met with opposition from consumer groups along with many State Attorney Generals and ended up being pulled by the congressional sponsors.

The Federal Communication Commission responded to the filing of twenty-one separate petitions that had been filed by various business and organizations with the release of a "Declaratory Ruling and Order" on July 10, 2015. Restrictive in nature and contrary to the desires of the business community, the order included the following:

- It defined "called party" as the current subscriber or customary user
- It established liability for calling a reassigned wireless number when the receiver of the call has not consented
    - Provided for a one-call exception in cases in which the caller does not have actual or constructive knowledge of the reassignment
- If the dialing equipment has the capacity to store or produce, and dial random or sequential numbers, regardless if it is being used for that purpose, that equipment is considered an auto dialer
- It established that predictive dialers fall under the definition of "auto dialer"
- Stated that you must have expressed consent established prior to initiating any call to a mobile number from an auto dialer
- Stated that text messages (SMS) are subject to the same regulations as voice calls via an auto dialer
- Consumers were granted the authority to revoke consent at any time and deliver the revocation in any format for any reason

COHEAO continued to seize opportunities along with other organizations to address the imbalance caused by the final ruling. Although COHEAO did not join other parties to file a lawsuit opposing the final ruling, the organization remained vigilant for opportunities to promote positive change that would modernize TCPA to meet the communication needs of its members.

President Obama recognized that the most efficient way to reach individuals who owed the federal government money was through the utilization of modern auto dialer systems. Congress created important TCPA exemptions by passing "The Bipartisan Budget Act of 2015" which was signed by the President on November 2, 2015. The "Act" permitted the use of auto dialer systems to call both land

and cellular numbers provided that these calls were made solely pursuant to the collection of a debt owed to or guaranteed by the United States. Congress also instructed the Federal Communications Commission (FCC) to provide regulations implementing the amendments to TCPA no later than nine (9) months after passage of the act.

In 2016, the FCC published a "Notice of Proposed Rulemaking" on May 6, 2016 as the first step to establish regulatory guidelines for the provisions outlined in the Bipartisan Budget Act of 2015. Comments were to be returned back to the FCC by June 6, 2016. The FCC was seeking comments on their proposal including:

- Define which calls are covered by the phrase "solely to collect". The FCC was seeking assurances that debtors do not receive non-consent calls before failing to make a timely payment.
- Are debt servicing calls covered?
- Comment on the phrase "Owed to or guaranteed by the United States."
- Who can be called?
- Who may call?
- Are calls made to a person that is not the intended individual covered by the exemption?
- What is required in order to provide the consumer with the ability to stop covered calls?
- The proposed restriction on the frequency of contact attempts by limiting the number to three (3) attempts per month.

COHEAO filed a response to the FCC'S solicitation for comments. A brief summary is provided below:

- COHEAO agreed to the Commission's proposal to include calls related to servicing that would include:
  - Pre-delinquency servicing
  - Self-servicers would include
    - Colleges and Universities
    - Companies contracted by the college and universities to provide services
    - FFELP Lenders
- COHEAO disagreed with the proposal to restrict calls to "defaulted borrowers only" and explained the importance of contacting borrowers in all phases to avoid default.
- COHEAO exercised the opportunity to explain more in detail the fundamentals of Perkins and HRSA loans to emphasize that these types of student aid programs are in fact federal debts.
- In response to the question posed by the FCC on "who can be called", COHEAO explained that limitations to restrict the ability to utilize auto dialer equipment for any number other than those included in the application would negatively impact the ability to contact other's numbers and individuals in an effort to locate the borrower. Both third parties and the borrowers are protected by other federal laws and regulations.
- COHEAO commented that consumers have protection against unwanted calls after requesting that communication cease. Establishing a different set of contact frequency for auto dialer calls compared to those manually dialed would create confusion and unwarranted law suits.
- COHEAO supported the FCC'S proposal that consumers should have a right to stop calls at any time and provides assurances that recipients of automated dialed calls for Federal debts are made aware of that right.

The FCC issued its final rule under the Telephone Consumer Protection Act (TCPA) in response to the Bipartisan Budget Act of 2015 on November 16, 2016. The FCC's final rule implementing the exemption for debt-collection calls made by the federal government specifies:

- Calls made pursuant to the exception are only permitted when the consumer is delinquent or at risk of delinquency at the time the call is made, due to a specific, time-sensitive event that affects the amount or timing of payment (within 30 days of such event).
- The consumer or another person or entity legally responsible for paying the debt may be called (including co-signors, guardians, administrators, and trustees).
- Wrong number calls are not covered by the exemption.
- Covered calls may only be made by the federal government or its contractor (not including subcontractors).
- The call must be exclusively about the debt.
- No more than three autodialed calls for which consent has not been obtained can be made to the consumer within a 30-day period (except with a waiver).
- The artificial voice or prerecorded calls may not exceed 60 seconds in length (excluding required disclosures).
- Text messages may not exceed 160 characters (excluding required disclosures).
- Consumers have a right to stop the autodialed calls and the request applies immediately once the consumer requests the calls to stop.

In summary, the TCPA Task Force remains committed to continue educating the organization’s membership on the impact of changes that were instituted in 2016 and encourage appropriate language be included in any type of agreements to establish express consent.

COHEAO will continue to work towards and collaborate with other organizations in an effort to introduce and support legislative initiatives that will make beneficial changes to the Telephone Consumer Protection Act. The election in 2016 along with the addition of new FCC Commissioners is expected to create opportunities to effect change that will provide a balance between efficient use of auto dialing technology and protection of consumer rights.

Submitted by: Bob Perrin, TCPA Chair/Past President

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