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**April 8, 2011**

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

## **COHEAO News**

- [\*\*2011 COHEAO Mid-Year Conference—Draft Agenda Now Available\*\*](#)  
A draft agenda is now available for the 2011 COHEAO Mid-Year Conference. The conference is set for July 31-August 2 in St. Louis, MO at the Westin St. Louis.
- [\*\*COHEAO Visits with Congress to Promote Perkins—Your Assistance Needed for Building and Maintaining Key Supporters\*\*](#)  
The COHEAO Board of Directors gathered in Washington, DC on Monday and Tuesday. Monday was devoted to strategic planning and the Board spent Tuesday visiting numerous Congressional offices to educate and advocate for the Perkins Loan Program with Members and staff.
- [\*\*Financial Literacy Corner: Special Report from the Financial Literacy and Education Summit 2011\*\*](#)  
The Federal Reserve Bank of Chicago and Visa teamed up for their Financial Literacy Summit on April 4 and Alisa Abadinsky of the COHEAO Board of Directors and Financial Literacy Task Force attended the meeting.

## **The Congress**

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Despite multiple meetings with President Obama, a compromise between House and Senate negotiators to put the FY2011 spending debate to rest has yet to be finalized.
- [\*\*House Budget Committee Approves FY 2012 Budget Proposal\*\*](#)  
Tuesday marked the release and passage by the House Budget Committee of Chairman Paul Ryan's (R- WI) FY2012 budget resolution titled, "The Path to Prosperity."
- [\*\*House Financial Services Subcommittee Examines Proposals to Modify CFPB\*\*](#)  
The Financial Institutions and Consumer Credit Subcommittee continued its review of the CFPB this week with a hearing on legislative proposals to alter the structure of the new Bureau.
- [\*\*Bachus, Moore-Capito Accuse Warren of Misleading Subcommittee\*\*](#)  
Following the release of additional information on the CFPB's involvement in the mortgage servicing settlement negotiations, House Financial Services Committee Chairman Spencer Bachus and Subcommittee Chairman Shelley Moore Capito are asking Elizabeth Warren if she wants to clarify or correct her recent testimony before the Subcommittee.
- [\*\*GAO Examines VA Administration of Education Benefits Programs\*\*](#)  
The GAO issued a report last week on the Department of Veterans Affairs administration of education benefits programs.

## **The Administration**

- [\*\*Department Unveils FERPA Changes\*\*](#)

The Department of Education announced a series of initiatives related to the sharing of student information and the FERPA, including a new round of regulations.

- [\*\*Kaufman Latest to Decline White House CFPB Director Offer\*\*](#)

“Who will be the first CFPB Director?” is a very popular question in many Washington circles. While Elizabeth Warren is often the focus of these discussions, the fact that there have been at least three reports of individuals refusing the job would suggest the White House is looking elsewhere.

- [\*\*Duncan: Revised Gainful Employment Regs Will Be “More Thoughtful” Than Original Proposal\*\*](#)

Secretary Duncan recently said the Department was “very, very close” on final regulations that would be “more thoughtful and better for the country” than what was originally proposed last July.

## **Industry News**

- [\*\*ABA to Review Proposal Requiring Additional Consumer Information\*\*](#)

A committee tasked with drafting new standards for the American Bar Association Section of Legal Education and Admissions to the Bar is proposing several new requirements for the consumer information provided by ABA-accredited law schools to prospective students.

## **Employment Opportunities with COHEAO Members**

- [\*\*University of Minnesota, Office of Student Finance—Principal Collections Representative\*\*](#)

The University of Minnesota has an opening for a Principal Collections Representative.

## **Attachments**

- [\*\*Board of Directors\*\*](#)
- [\*\*COHEAO Commercial Members\*\*](#)
- [\*\*2011 Mid-Year Conference Draft Agenda\*\*](#)

## COHEAO News

### **2011 COHEAO Mid-Year Conference—Draft Agenda Now Available**

A draft agenda is now available for the 2011 COHEAO Mid-Year Conference. The conference is set for **July 31-August 2 in St. Louis, MO** at the Westin St. Louis. Register today by visiting [www.coheao.org](http://www.coheao.org) The draft agenda is included with today's agenda as a special attachment.

As you will see from the attached agenda, the conference will focus on providing information and training that will help campus loan and accounts receivable administrators do their jobs. The Department of Education and the Federal Reserve have published volumes of regulatory changes taking effect this year and last. This conference will draw on experts and provide a chance to share experiences that will help you cope with compliance.

Understanding compliance will be key as a big new regulator, the Consumer Financial Protection Bureau, will have just assumed responsibility for enforcing regulations affecting institutional credit programs stemming from legislation of great importance to COHEAO members, such as the Truth in Lending Act, the Fair Debt Collection Practices Act and others.

We are inviting the Department of Education to provide an update, including discussion of Perkins Loan issues. And this conference will take place only weeks after its complex set of new program integrity regulations takes effect. A session will be devoted to understanding how these rules affect schools and their servicers.

The COHEAO Mid-Year Conference will also again feature interactive discussions among COHEAO's topical task forces and committees. At last year's Mid-Year, the Perkins, A/R Management, and Financial Literacy Task Force sessions were considered by many attendees to be the highlight of the conference.

For the third straight year, COHEAO is holding the line on prices. Early registration fees are the same as last year, and remain significantly less than 2009 levels! Be sure to register soon before prices rise. The Westin St. Louis is a fabulous hotel centrally located for many of St. Louis' top attractions, including the famous Gateway Arch and Busch Stadium, home of the St. Louis Cardinals.

COHEAO members are eligible for an incredible rate of \$162 per night for the Mid-Year Conference. Please click here to register for the special rate online: <http://tinyurl.com/6l7q7oh> You may also call 1-800-Westin1 to register. Please note you must register with the hotel by July 9 to receive the COHEAO special rate.

### **COHEAO Visits with Congress to Promote Perkins—Your Assistance Needed for Building and Maintaining Key Supporters**

The COHEAO Board of Directors gathered in Washington, DC on Monday and Tuesday. Monday was devoted to strategic planning and the Board spent Tuesday visiting numerous Congressional offices to educate and advocate for the Perkins Loan Program with Members and staff.

Several of the Hill meetings were particularly encouraging. For instance, several key offices indicated there is currently little appetite for the President's plan to eliminate the current Perkins Loan Program and replace it with "Direct Perkins."

However, there is no doubt that the current Perkins Loan Program faces an incredibly difficult challenge in terms of restoring funding for the program. Although the federal government is required to reimburse

funds by HEA, no cancellation funds have been provided since FY2008 and the federal capital contribution has not been funded since FY2004.

Our visits with Congressional offices indicate that while there is a level of bipartisan support for Perkins, and an increasing number of staff understand the clear distinction between the current programs and the plans for “modernization and expansion,” the prospects for restoring funding are minimal if Members of Congress do not hear from their constituents.

To that end, COHEAO will be organizing calls for COHEAO members and Congressional staff over the next several months and our Perkins Task Force will continue to develop new and effective ways to facilitate communications between Perkins advocates and Congress. If you are interested in joining with your Perkins colleagues from your state or region on a conference call with Congressional staff or becoming a part of the Perkins Task Force, please feel free to contact Wes Huffman ([whuffman@wpllc.net](mailto:whuffman@wpllc.net)) of the COHEAO staff or Perkins Task Force Chair Nancy Paris ([nancy.paris@acs-inc.com](mailto:nancy.paris@acs-inc.com))

### **Financial Literacy Corner: Special Report from the Financial Literacy and Education Summit 2011**

The Federal Reserve Bank of Chicago and Visa teamed up for their Financial Literacy Summit on April 4 and Alisa Abadinsky of the COHEAO Board of Directors and Financial Literacy Task Force attended the meeting.

If you are interested in joining the COHEAO Financial Literacy Task Force, please contact Wes Huffman ([whuffman@wpllc.net](mailto:whuffman@wpllc.net)) or Carl Perry ([cperry@progressivefinancial.com](mailto:cperry@progressivefinancial.com)). We would like to thank Alisa for sharing her summary and analysis, which is included below.

What’s the role of the federal government in financial literacy? That’s just the question I tried to get answered when I attended the Financial Literacy & Education Summit 2011 on April 4th at the Federal Reserve Bank of Chicago, the kickoff event to Money Smart Week Chicago. The summit featured two highly distinguished panels with the first panel moderated by Maria Bartiromo, Host of CNBC’s Closing Bell and the second by Janet Bodnar, Editor, *Kiplinger’s Personal Finance Magazine*.

Did I get my question answered? Well, not exactly. The federal government is still defining its role in financial literacy. There are only four states that require financial literacy in K-12. The question was asked about requiring financial literacy by all states. Ted Beck, President & CEO of the National Endowment for Financial Education responded that we “need to agree on what we want people to know. Then we can build standards and guidelines.” Beck is a member of the President’s Advisory Council on Financial Capability (<http://tinyurl.com/3nfg2ta>) chaired by John Rogers, CEO and CIO, Ariel Capital Investments who also was on a panel.

For background, The Council met for the first time on November 30, 2010 where they were presented with the National Strategy for Financial Literacy (<http://tinyurl.com/3e8z2wl>) by the Financial Literacy Education Commission (FLEC). FLEC is comprised of 22 federal entities, chaired by the Treasury Department, and is responsible for developing a national strategy to promote financial literacy and education.

Beck also pointed out that there are lots of good programs out there but you need a teacher to take the initiative. In many cases the teacher might not feel they have the specialty or the time. NEFE conducted research through the University of Wisconsin-Madison (<http://tinyurl.com/3pxr83x>) and found that 64% of teachers felt unqualified to utilize their state’s financial literacy standard and 89% believe students should take a financial literacy course or pass a test for high school graduation.

The workplace was also discussed as an important place to have a financial literacy programs. Individuals want financial information from trusted sources and the workplace is considered a trusted source for this information. Panelists also encouraged employers to have part-time jobs for high schools students and pointed out that kids that have part-time jobs are better savers.

And while I may not have gotten the specific question answered I did learn about some interesting private, non-profit and government programs that are doing good things.

- Visa, the sponsor of the Summit, has a number of financial literacy games many are already familiar with such as Financial Football. Visa is working with Marvel comics on a Spiderman comic that will address personal finance to be distributed internationally. Visa also released an interesting research paper that concludes online learning works for financial literacy; “Improving Americans’ Financial Literacy: Educational Tools Work”  
[http://www.practicalmoneyskills.com/summit2011/wp\\_imp\\_fl.pdf](http://www.practicalmoneyskills.com/summit2011/wp_imp_fl.pdf)
- Carrie Schwab Pomerantz, President, Charles Schwab Foundation presented the Money Matters Make it Count program, her Foundation supports for the Boys and Girls Clubs of America as their fastest growing program for the clubs.  
<http://www.aboutschwab.com/community/financial-literacy/money-matters.html>

I invite you to view the full summit at <http://www.practicalmoneyskills.com/summit2011/webcast.php>

Alisa Abadinsky  
Past President, COHEAO  
Member of the COHEAO Financial Literacy Task Force

## **The Congress**

### **With No Deal for FY11 Spending Bill, Shutdown Looms at Midnight; Student Aid Not Affected**

Despite multiple meetings with President Obama, a compromise between House and Senate negotiators to put the FY2011 spending debate to rest has yet to be finalized. The clock is ticking and absent some kind of agreement the government will be unable to continue operations effective at midnight tonight.

With time so short, the White House Office of Management and Budget was forced to allow agencies to release their shutdown contingency plans. The Education Department announced that all federal student aid functions will continue because their funding is not dependent on annual appropriations or is deemed essential.

The latest compromise figure is reportedly \$38 billion in cuts. What exactly does a \$38 billion cut in spending mean for programs at the Department of Education? Until the details are released it is hard to know exactly but given the fact that it is one of the larger agency budgets, it is bound to be significant.

Senator Tom Harkin (D-IA) was quoted earlier in the week saying that for the Labor, Health and Human Services and Education appropriations bill that his subcommittee must produce each year, disagreements with House Republicans were at about \$5 billion. He went on to say that he was not sure he would be able to support the compromise that was being written given the depth of cuts to programs for the poor, the sick, the elderly and students.

Of the cuts expected in the Department budget, the Pell Grant has received the most attention, but the final details on Pell spending remain unknown. At the present time, the conventional wisdom on the Hill is that the maximum Pell award will receive a cut, but not quite the \$800 cut in H.R. 1, and some financial aid offices have already begun to prepare students for modified awards.

Some elements of the President's "Pell Grant Protection Act" proposal will likely be incorporated into the final spending FY11 bill to stave off cuts to the maximum Pell award. The expansions of Direct Lending, both creating a new unsubsidized "Perkins" Direct Loan program and offering split-serviced FFEL borrowers incentives for refinancing, are not expected to be included in the bill, but the elimination of year-round Pell and interest subsidies for graduate students may be used as offsets in the final deal, should one occur.

Senate Majority Leader Harry Reid (D-NV) and Speaker of the House Boehner (R-OH) with President Obama are working to resolve their differences. Reid will need the support of Members like Harkin to pass a final bill and Boehner will need the support of Tea Party Republicans who equate compromise with failure to meet their commitments to voters. At this point, beyond agreeing on an overall spending figure, they must decide what programs government wide will be cut or eliminated and also which policy riders that House Members adopted as part of HR 1 will be discarded. It is the size of this task that, as of this writing, makes a government shutdown for some period of time appear likely.

This is obviously a very fluid situation. We will be providing additional relevant updates (i.e. "they have a deal") as they occur.

### **House Budget Committee Approves FY 2012 Budget Proposal**

Tuesday marked the release and passage by the House Budget Committee of Chairman Paul Ryan's (R- WI) FY2012 budget resolution titled, "The Path to Prosperity." The American Enterprise Institute (AEI) hosted an event for Ryan to discuss this much-anticipated proposal. Framing the current President as "disconnected from reality," Ryan asserted any fiscal proposal should not represent "political posturing," but provide real solutions and "dispense with all trivialities."

The Congressional Budget Resolution is not a law but, if passed by both the House and Senate, sets the rules for considering spending bills for the fiscal year and puts spending limits on broad federal functions. Education funding at all levels is included in one function that also includes funding for Labor programs and some Health, (Function 500), for example. Ryan's budget proposes \$67 billion in new labor, health and education spending for FY2012. The House is expected to pass the Resolution as soon as next week, but the Senate, controlled by Democrats, will take a different approach so passage of a final resolution is highly uncertain.

On student aid programs, the Committee-passed resolution calls for a reduction in Pell Grant funding to the level before the economic stimulus legislation passed in 2009 increase the maximum by \$500 per year. It is not clear exactly how this would work however, with Democrats, such as Senate Budget Committee Chairman Kent Conrad (D-ND) speculating that the funding cut would reduce the maximum grant to as little as \$2,100 per year.

Another area is a provision for adjusting the overall federal budget to reflect the repeal or reform of the Health Care and Education Reconciliation Act, the legislation that was part of the health care reform bill and included the repeal of the FFEL Program with increases to Pell Grant funding. The Resolution doesn't actually change anything, but attempts to set the rules so that a repeal or change is possible. In addition, the Resolution would require the Congressional Budget Office to use "fair value" accounting in estimating

the federal cost of legislation in addition to the current scoring methods, which have been criticized as not providing accurate scoring of some federal credit programs.

The House Budget Committee plan proposes four major topics for reform : 1) more efficient, effective and responsible government; 2) strengthening the social safety net; 3) fulfilling the mission of health and retirement security; and 4) promoting economic growth and job creation. This proposal purportedly refocuses priorities and defunds endeavors that are duplicative or wasteful in nature. Additionally, this proposal "ends the taxpayer bailouts of failed financial institutions, privatizes Fannie Mae and Freddie Mac," and enforces a spending cap. Ryan also called for a restructuring of Medicare and Medicaid as well as tax simplification and tax cuts. All of these changes would require passage of additional legislation to occur.

While the resolution does not specifically address education, it does reduce the Function 500 allocation for the Labor, Health and Human Services appropriations bill which includes a host of programs across Departments of Labor, Health and Human Services, and Education. Where the proposal focuses on reforms in this Function is through the would-be consolidation of 190 job training programs.

Budget Committee Democrats took issue with cuts to education, which they argue would be detrimental for the country's education system at a time when it can least afford it. Republican panel members said that the US outspends its international competitors in terms of education investments, and suggested that less federal intervention might produce better results. Pell Grants, literacy programs, and math and science education were all discussed at length.

For more information, visit: <http://budget.house.gov/UploadedFiles/PathToProsperityFY2012.pdf>.

### **House Financial Services Subcommittee Examines Proposals to Modify CFPB**

The Financial Institutions and Consumer Credit Subcommittee continued its review of the CFPB this week with a hearing on legislative proposals to alter the structure of the new Bureau. The hearing featured two panels of witnesses, and nearly all were supportive of Republican proposals to provide for additional oversight and accountability at the Bureau. The Republican majority picked most of the witnesses.

There are several Republican proposals to reign in the power of the CFPB and/or its Director. Below is a list compiled by CNN on the recent House proposals aimed at limiting the Bureau. According to CNN, these proposals would:

- Replace the job of director of the bureau with a five-member committee.
- Make it easier to overturn and veto consumer bureau rules.
- Prevent the bureau from flexing any new powers until the Senate confirms a director.
- Stop consumer bureau financial examiners from going on ride-along banking examinations with other regulatory agencies until the bureau is up and running.

House Financial Services Committee Chairman Spencer Bachus (R-AL) has introduced legislation to replace the Director position with a commission and Professor Elizabeth Warren, currently a special advisor to President Obama, has often been the focal point of this debate. However, Republicans maintain their attempts to improve the administration of the CFPB are not about any one individual.

"This is not about Elizabeth Warren, it's about giving one person total, unbridled authority," said Bachus.

Additional information on the hearing, including witness testimony and an archived webcast, is available online: <http://financialservices.house.gov/Hearings/hearingDetails.aspx?NewsID=1833>

## **Bachus, Moore-Capito Accuse Warren of Misleading Subcommittee**

Following the release of additional information on the Consumer Financial Protection Bureau's involvement in the mortgage servicing settlement negotiations, Financial Services Committee Chairman Spencer Bachus and Financial Institutions and Consumer Credit Subcommittee Chairman Shelley Moore Capito are asking Elizabeth Warren if she wants to clarify or correct her recent testimony before the Subcommittee.

At a recent Financial Institutions and Consumer Credit hearing, Warren indicated she had simply provided "advice" to the attorneys general working on a settlement with the largest mortgage servicers. However, a PowerPoint presentation, marked "Confidential—For AG Miller" in an apparent reference to Iowa Attorney General Tom Miller, includes detailed recommendations, which Bachus and Moore-Capito argue amounts to much more than "advice."

"It is plain that the CFPB has done more than provide 'advice' on the proposed servicing settlement. Accordingly, we respectfully request that you carefully review the attached transcript of your testimony at the March 16 hearing and advise the Subcommittee by April 1 if there are any aspects of that testimony relating to the CFPB's role in the mortgage servicer settlement negotiations that you wish to clarify or correct."

The morning the letter was released, Bachus and Warren appeared at the same event, the U.S. Chamber of Commerce Capital Markets Summit, offering dueling views on the future direction of the CFPB. Warren continued with many of the similar themes in her recent Congressional testimony and media appearances—the Bureau is the "most constrained" federal agency, she is sympathetic to community banks and credit unions, and the CFPB will ultimately provide a "win-win" for businesses and consumers by bringing more transparency to markets. Bachus, meanwhile, referenced an "overreach" by the CFPB on the mortgage settlement, indicated that the passage of Dodd-Frank and its timeframes for implementation were much too hasty, and encouraged attendees to support his legislation to replace the CFPB Director position with a bipartisan commission.

"My objection is not to Elizabeth Warren," Bachus said in an interview following his speech "[If] she was one of five or seven people on a commission, I don't think anybody questions her commitment to consumer protection. It's just you are putting the power to judge and regulate in an almost unprecedented manner into one person, and quite frankly, as much as I respect her people skills and intellect, I have no idea what she would do. I don't know whether she would overreach, whether she would do the right thing in every occasion. But I'd much rather take five people and let their collective judgment substitute that."

A copy of the letter, which includes the presentation and a hearing transcript as attachments, is available online:

<http://financialservices.house.gov/media/pdf/033011warrenltr.pdf>

Additional information on the Chamber's Capital Markets Summit, including a recorded webcast, is available online: <http://www.capitalmarketssummit.com/>

## **GAO Examines VA Administration of Education Benefits Programs**

The GAO issued a report last week on the Department of Veterans Affairs administration of education benefits programs. The report noted that the VA has taken several steps to improve its administration of the program, but "more oversight and outreach is needed."

The report included a series of recommendations for the VA. The recommendations from GAO, all of which are currently "in process" at the VA, are included below:

*Recommendation: To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should develop outcome-oriented performance measures for outreach to servicemembers and veterans who are seeking VA education benefits. This could include measures of VA's success in reaching out to target populations, including servicemembers and veterans with disabilities, and in addressing areas where more information about education benefits may be needed.*

*Recommendation: To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should establish performance measures for the quality of information provided by VA's toll-free hotline and for the timeliness and quality of its Right Now Web service.*

*Recommendation: To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should provide more timely, accessible, and comprehensive education program policy information. This could include developing and maintaining an online policy manual for the Post-9/11 GI Bill and providing e-mail updates to school certifying officials nationwide.*

*Recommendation: To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should increase efforts to make school certifying officials aware of available training opportunities, including VA's online training module, and consider providing information for school certifying officials on working with servicemembers and veterans with disabilities.*

*Recommendation: To improve VA's outreach and support for eligible servicemembers and veterans, communication with school officials, and oversight of its education benefit programs, the Secretary of Veterans Affairs should undertake a systematic review of VA's and SAAs' oversight of schools, focusing on opportunities to improve resource allocation, adopt risk-based approaches, consider cost-effective ways to oversee foreign schools, and evaluate the results of its oversight activities on a routine basis.*

Additional information, including the full report, is available online: <http://www.gao.gov/products/GAO-11-256>

## **The Administration**

### **Department Unveils FERPA Changes**

The U.S. Department of Education announced a series of initiatives related to the sharing of student information and the FERPA, including a new round of regulations. The announcement of the initiative states, "Over time, interpretations of FERPA have complicated valid and necessary disclosures of student information without increasing privacy protections and, in some cases, dramatically decreased the protections afforded students."

Under the Department's proposed regulations:

- Enforcement provisions of FERPA would be strengthened to ensure that every entity working with personally identifiable information from student education records is using it for authorized purposes only.

- Schools will be able to implement directory information policies that limit access to student records, preventing marketers or criminals from accessing the data.
- States can enter into research agreements on behalf of their districts to measure the success of programs, such as early childhood programs that effectively prepare kids for kindergarten.
- High school administrators can share information on student achievement to track how their graduates perform academically in college.

The tension between privacy concerns and the desire for more effective data has long been an issue at the Department of Education. The Department recently let go its Chief Privacy Officer, Paul Gammill, after he suggested some of the state longitudinal data system requirements in the stimulus bill were illegal under FERPA. Considering her hiring as Chief Privacy Officer was announced in conjunction with the proposed regulations, it is safe to assume that Kathleen Styles does not have similar concerns.

However, the higher education community lobbied hard against federal record-unit data system during the last reauthorization of HEA during the Bush Administration, securing an outright ban due to privacy concerns, and the proposed changes to FERPA did not sit well with certain higher education lobbyists.

“It is a privacy free-for-all in which everybody and their uncle gets access to highly private information without the student’s knowledge or consent,” ACCRAO’s Barmak Nassirian told *Inside Higher Ed*.

The NPRM was published today in the *Federal Register* and the Department indicates it hopes to publish a final rule by “the end of this year.” The public is encouraged to comment at [www.regulations.gov](http://www.regulations.gov) by the deadline of May 23, 2011.

In addition to the FERPA changes, the Department announced several other initiatives related to privacy. They are listed below:

- **Chief Privacy Officer**

The U.S. Department of Education has hired its first chief privacy officer. Kathleen Styles joins the Department from the U.S. Census Bureau where she most recently served as chief of the Office of Analysis and Executive Support. In that role she managed a portfolio that included confidentiality, data management, the Freedom of Information Act, data stewardship policy, and coordination for the acquisition and management of data from other agencies.

Styles will serve as a senior advisor to the secretary on all of the Department's policies and programs related to privacy, confidentiality and data security. She will head a new division dedicated to advancing the responsible stewardship, collection, use, maintenance and disclosure of information at the national level within the Education Department. She also will coordinate technical assistance efforts for states, districts, and other education stakeholders, helping them understand important privacy issues such as minimizing unnecessary collection of personal information.

- **Privacy Technical Assistance Center**

The Privacy Technical Assistance Center (PTAC) has been established within the National Center for Education Statistics, which is a section of the Department’s Institute for Education Sciences. PTAC will serve as a one-stop resource for the P-20 education community on privacy, confidentiality, and data security. The center will develop a privacy toolkit, including resources such as frequently asked questions, a library of resources, and checklists for data governance plans.

PTAC will provide technical assistance site visits to states and coordinate regional meetings to share training materials. The center's help desk is now available to take questions on these issues. To access the PTAC Web site or submit a question visit <http://nces.ed.gov/programs/PTAC/>.

- **Technical Briefs Featuring Best Practices**

NCES has also launched a new series of technical briefs that further the national conversation on the best practices of data security and privacy protections. The briefs are intended to serve as resources for practitioners to consider adopting and/or adapting to complement the work they are already doing. Three briefs have already been released and are posted at: <http://nces.ed.gov/programs/ptac/TechnicalBriefs.aspx>.

The full NPRM may be found at: <http://www.ed.gov/fpco>.

### **Kaufman Latest to Decline White House CFPB Director Offer**

"Who will be the first CFPB Director?" is a very popular question in many Washington circles. While Elizabeth Warren is often the focus of these discussions, the fact that there have been at least three reports of individuals refusing the job would suggest the White House is looking elsewhere.

Former Sen. Ted Kaufman (D-DE), who had served as a longtime aide to Vice President Joe Biden, was the latest to (reportedly) turn down the job. He joins former Treasury Assistant Secretary Michael Barr and former Gov. Jennifer Granholm, both Michiganders, in (reportedly) turning down the top post.

### **Duncan: Revised Gainful Employment Regs Will Be "More Thoughtful" Than Original Proposal**

To celebrate the successful conversion of the Stafford and PLUS loan programs to 100% Direct Lending, Secretary of Education Arne Duncan and Federal Student Aid COO William Taggart gathered several FSA employees for recognition. Taggart also sent a letter to colleges on the transition.

"The fact that I spent zero amount of my time dealing with complaints and colleges calling angry is a real testament to you," Duncan said at the meeting.

Duncan also made a little bit of news in discussing the yet-to-be proposed gainful employment regulations. The Secretary said the Department was "very, very close" on final regulations that would be "more thoughtful and better for the country" than what was originally proposed last July.

The Secretary indicated the revised regulations defining "gainful employment" would be released in "the next couple of months" and his remarks suggested the revisions would do a better job of targeting "bad actors."

"We're trying to walk a fine line to make sure the good actors are supported and bad actors can't take advantage of people trying to better their lives," he said.

## **Industry News**

### **ABA to Review Proposal Requiring Additional Consumer Information**

A committee tasked with drafting new standards for the American Bar Association Section of Legal Education and Admissions to the Bar is proposing several new requirements for the consumer information provided by ABA-accredited law schools to prospective students.

The proposal provides a chart to be completed by individual law schools and posted on their websites on an annual basis. The new chart would include job placement rates, including whether alumni are working in the legal field. The recommendations on employment rates are included below:

- Schools appear to disclose employment rates using different methodologies. The Annual Questionnaire instructs schools to calculate the employment rate as a percentage of those whose employment status is known as of Feb. 15. Therefore, a graduate whose status is unknown does not harm the school's employment rate. This can artificially inflate the true employment rate, assuming that most graduates who do not respond to the school's inquiries are not employed. *US News* uses its own methodology for rankings purposes, which includes as employed graduates enrolled in full time degree programs and ¼ of graduates whose status is unknown (although this appears to be changing with the new rankings being issued this month). We believe that the percentages disclosed should be based on the entire graduating class, with only those known to be employed being counted as such.
- A school's overall employment rate may include nonprofessional jobs, part-time jobs, temporary jobs and jobs funded by the school. This can create a misleading impression about the true success of the school's graduates. We believe that the best approach is to require schools to disclose more disaggregated data about these categories of jobs.

Additionally, the report indicates the current salary information provided to prospective law students may be overstated. To combat this, it offers the following recommendation on providing salary data to prospective students:

Schools receive salary information from a fairly small percentage of graduates. Graduates reporting their salaries are skewed towards those earning the most. Therefore, the median known salary of a school's graduates is likely to overstate (often significantly) the median of all graduates who are employed. The same is true when schools disclose a median salary of graduates in private practice, because respondents are skewed towards those in large firms. A school that touts median salary information, without appropriate qualifiers, is misleading prospective students. We propose that all salary information clearly indicate the number of respondents and percentage of all graduates included. The Questionnaire Committee is considering taking a different approach: not gathering school-specific information and instead relying on national statistics. The thought is that the number of graduates responding with salary data at individual schools in individual categories may be too small to be meaningful. We disagree and hope that the Questionnaire Committee will require this information from schools. We would not require schools to disclose any salary information for a given category unless there are at least five respondents.

The standard also addresses how the information should be presented by schools. It would require the information to remain publicly available for three years so the information for three classes of graduates would always be available to prospective students. Several ABA Subgroups, such as the Young Lawyers Division, as well as multiple outside groups, have been calling for the organization to improve the provision of consumer information through its role in the accreditation process.

In addition to the consumer information, many other standards related proposals were reviewed at an ABA meeting last weekend. Also under discussion is a proposal to increase the required bar passage rate from 75%-80%, as well as a standard that would allow law schools to eliminate tenure in an effort to offer schools more flexibility in ensuring academic freedom.

Additional information on the ABA Standards Committee is available online:

<http://apps.americanbar.org/legaled/committees/comstandards.html>

Additional information on the consumer information proposal is available online:

<http://apps.americanbar.org/legaled/committees/Standards%20Review%20documents/April%202011%20Meeting/Report%20of%20Subcommittee%20on%20Consumer%20Information.pdf>

## **Employment Opportunities with COHEAO Members**

### **University of Minnesota, Office of Student Finance—Principal Collections Representative**

The University of Minnesota has an opening for a Principal Collections Representative. A brief description is included below, and additional details and applications instructions are available online:

[https://employment.umn.edu/applicants/jsp/shared/position/JobDetails\\_css.jsp](https://employment.umn.edu/applicants/jsp/shared/position/JobDetails_css.jsp)

**Position:** *Principal Collections Representative*

**Office:** *Student Account Assistance, Office of Student Finance*

*Full time, permanent position handling the collection of student receivables for the University of Minnesota Twin Cities campus.*

## COHEAO Board of Directors

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



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**COHEAO Mid-Year Conference Agenda 2011**  
*All Meetings and Sessions Are Located at the  
Westin St. Louis*



**Sunday, July 31, 2011**

- 8:30am-3:00pm Board of Directors Meeting
- 3:30pm-5:00pm Perkins Task Force Meeting
- 5:00pm-6:00pm Accounts Receivable Management Task Force Meeting

**Monday, August 1, 2011**

- 7:30am-9:00am Registration & Breakfast
- 8:00am-9:00am Commercial Members Meeting
- 9:00am-9:10am The President's Welcome & Opening Remarks
- Speaker: Bob Perrin, COHEAO President
- 9:10am-10:00am Session: A Legislative Update on Perkins Loan and Related Student Aid Issues  
*Although the pending sunset of the program is no longer an issue, Perkins Loans continue to face significant legislative challenges. This session will provide an outlook on what to look for from the 112<sup>th</sup> Congress in terms of higher education and student lending issues.*
- Speaker:
- Introduction:
- 10:00am-11:00am Session: The CFPB—Up and Running  
*The Consumer Financial Protection Bureau (CFPB) is scheduled to be up and running by July 21 and it will impact all aspects of campus financial services. This session will provide you with an update on the initial and future plans of the Bureau.*
- 11:00am-11:15am Break
- 11:15am-12:30pm Session: Department of Education Update  
*The Obama Administration has proposed significant changes to the student aid programs in the name of "protecting" Pell Grants. This session will review the*

*status of those proposals, the program integrity regulations that are to take effect on July 1, 2011, regulations stemming from the most recent reauthorization of the Higher Education Act, and other issues associated with the student aid programs.*

- 12:30pm-1:45pm Lunch and Luncheon Address
- 2:00pm-3:00pm Compliance Training: Preparing for the CFPB  
*As we will review earlier in the day, the Consumer Financial Protection Bureau will have assumed jurisdiction over a number of laws governing your operations on campus, including the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA), and the Truth in Lending Act (TILA). This session will review the pertinent regulations associated with these laws and provide you with tips and tools for remaining compliant.*
- 3:00pm-3:15pm Break
- 3:15pm-4:15 pm Session: Private Student Loans & Gap Financing  
*Perkins Loans and institutional loan programs are critical piece of the gap financing puzzle. However, the program is not equipped to cover the remaining costs for millions of students who need additional financing beyond state and federal aid. This session will review the private student loan market landscape and the interaction between the private and federal loan programs.*
- 4:15pm-5:00pm Student Loan and Student Aid Benefits for Active Duty and Veteran Students  
*There are numerous benefits available to both active duty and veteran students. This session will provide a review of those benefits, focusing on the deferment and cancellation benefits for these students in the federal loan programs, as well as providing a high level overview of the updated GI Bill.*
- 6:00pm-7:00pm Reception  
*A full day of in-depth student loan and student aid discussions most certainly should conclude with drinks. Please join your friends and colleagues for a reception to close the first day of the conference.*

### **Tuesday, August 2, 2011**

- 8:00am-9:00am Financial Literacy Task Force Breakfast Roundtables  
*This breakfast will feature a series of roundtable discussion on a variety of topics related to providing these essential services to students. Regardless of membership with the Financial Literacy Task Force, all conference attendees are encouraged to attend this meeting.*

- 9:00am-10:15am      Session: Understanding the Program Integrity Regulations  
*It is safe to say the program integrity regulations are the most controversial set of regulations ever promulgated by the Department of Education. Many of these regulations take effect on July 1. While most of the attention in the media and in Washington has focused on their impact on the for-profit higher education sector, these regulations will affect all of higher education and this session will provide a timely review.*
- 10:15am-10:30am      Break
- 10:30am-11:30am      Session: Direct Loan Servicing and the Impact on Student Borrowers  
*The SAFRA legislation brought about fundamental changes in the federal student loan programs. This session will examine the details of the Direct Loan servicing model with a particular focus on what it means for student borrowers.*
- 11:30am-12:30pm      Session: Bankruptcy & Litigation  
*It is unfortunate, but inevitable, that some former students will face financial difficulties and, in many cases, they ultimately file for bankruptcy. An expert will provide information on going to court for tuition receivables and student loans as well as a review of relevant bankruptcy laws.*
- 12:30pm                  Conference Concludes