# *The* Torch

**February 1, 2013**

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


## COHEAO News

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  The COHEAO Annual Conference concluded Wednesday afternoon.
- **COHEAO Annual Attendees Set New Silent Auction Record for Scholarship Fund—Applications Now Available**
  The Silent Auction at the 2013 Annual Conference was a resounding success, raising more than $5,000 for the COHEAO Scholarship Fund.

## Congress

- **Durbin, Harkin, Franken, and Others Re-Introduce Bankruptcy Reform, "Know Before You Owe"**
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- **Budget & Appropriations Update: Debt Ceiling Cleared (Temporarily), CR on the Horizon**
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- **Miller Calls for More Free Campus ATMs**
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## White House & Administration

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  In a *Federal Register* notice, The Department of Education is soliciting comments on the administrative burden of administering federal requirements on Perkins Loan cancellations.

- **CFPB Begins Inquiry on "Campus Financial Products"**
  The Consumer Financial Protection Bureau (CFPB) announced that it is launching an inquiry into the impact of financial products marketed to students through colleges and universities.

## Industry News

- **TransUnion Report Shows High Number of Deferments, Delinquencies & Federal/Private Loan Performance Disparity**
  A new report from TransUnion is raising alarms on the makeup and performance of student loans.
- **FICO Labs Examines Growing Student Loan Debt & Credit Risk**
  FICO Labs released a report this week, "Is Growing Student Loan Debt Impacting Credit Risk?"
- **New America Offers Gates Funded Student Aid Reform Proposal**
  The New America Foundation released its report aimed at reforming the student aid and student loan programs, *Rebalancing Resources and Incentives in Federal Student Aid*.

## Attachments

- **COHEAO Commercial Members**
- **Board of Directors**

## COHEAO News

### COHEAO Annual Conference Enjoys Increased Attendance, Hears From Variety of Leaders

The COHEAO Annual Conference concluded Wednesday afternoon with an engaging "Ask the Attorney" session that saw a number of questions posed on compliance with numerous federal regulations and even some discussion of dealing with varying state laws. Questions were fielded by two experienced attorneys, David Stocker of Account Control Technology and Kevin Dreyer of General Revenue Corp. That was the last of a 17 sessions at the conference that covered everything from a detailed update on Washington politics and the effect on student aid and collections to information on the new Department of Education regulations to the Telephone Consumer Protection Act to Big Data and Predictive Analysis.

COHEAO's task forces on financial literacy, accounts receivable management and Perkins also met during the conference, and continued to make progress in those essential areas with more and more participation. The authors of the Financial Literacy White Paper presented, and the White Paper was distributed to all attendees in addition to be given to Rohit Chopra, the Student Loan Ombudsman at the Consumer Financial Protection Bureau.

Staff from the House Education and Workforce Committee majority and minority and from the Senate Deputy Majority Leader gave their thoughts on the new Congress and what might transpire on higher education issues, and they also gave tips on visiting Congressional offices on Tuesday. Tuesday afternoon, dozens of COHEAO members took the Washington Metro to Capitol Hill and fanned out to visit Congressional offices and advocate for funding for Perkins Loan cancellations. The staffers indicated that it will be a few more weeks before requests come for proposals to amend the Higher Education Act, but they also said COHEAO should continue working to put together its proposals. The Perkins Task Force has already started, working with the Board of Directors.

At the end of the Conference the new Board of Directors took office, with Maria Livolsi of the State University of New York taking over as President and Carl Perry of Progressive Financial Services moving up to Vice President. Outgoing President Bob Perrin of Williams and Fudge was honored for his service. He guided COHEAO through some of its more difficult times, making numerous trips to Washington to advocate for the Perkins Loan Program and helping steer the Coalition into leadership positions in new areas that serve COHEAO members.

The COHEAO Mid-Year Conference will take place in Chicago at the Hotel Monaco on July 28-30. More information and registration materials will be posted soon.

### COHEAO Annual Attendees Set New Silent Auction Record for Scholarship Fund—Applications Now Available

The Silent Auction at the 2013 Annual Conference was a resounding success. Thanks to all who participated, both in terms of donating and purchasing items. With silent auction purchases and other donations, including an anonymous one for $1,000, totaling $5,165, we set a new record for the COHEAO Scholarship Fund! The support of COHEAO members and conference attendees for our scholarship fund is greatly appreciated.

With the increased donations, COHEAO will be able to offer five $1,000 scholarships for the 2013-2014 academic year. Applications are due by March 22, 2013, and additional information on the COHEAO

Scholarship, such as the application, FAQs, posters for publicizing on campus, and other info, is available online: http://www.coheao.com/about-2/scholarship/

# Congress

## Durbin, Harkin, Franken, and Others Re-Introduce Bankruptcy Reform, "Know Before You Owe"

Senator Dick Durbin (D-IL) joined Chairman of the Senate Health, Education, Labor and Pensions Committee Chairman Tom Harkin (D-IA) and Sen. Al Franken (D-MN) in reintroducing two pieces of legislation – the Fairness for Struggling Students Act of 2013 and the Know Before You Owe Act of 2013 – which they say is designed to restore transparency, fairness and common sense to the student loan process.

"The first two pieces of legislation I will introduce this Congress deal with what I think is one of the biggest threats to millions of working families – the growing student loan debt crisis," said Durbin. "Too many Americans are carrying around mortgage-sized student loan debt that forces them to put off major life decisions like buying a home or starting a family. It's not only young people facing this crisis, it is parents, siblings and even grandparents who co-signed private loans long ago and are still making payments decades later. It's time for action. We can no longer sit by while this student debt bomb keeps ticking."

According to the Consumer Financial Protection Bureau, the student loan debt among college students surpassed $1 trillion last year. This reflects an average debt load of $24,301 for each of the 37 million student borrowers in the United States, according to the New York Federal Reserve Bank. The CFPB reports that approximately $150 billion of outstanding student loan debt is in private loans.

The Fairness for Struggling Students Act of 2013 – also cosponsored by U.S. Senators Sheldon Whitehouse (D-RI) and Jack Reed (D-IL) – removes bankruptcy protections for private student loans made by non-governmental units. The bill would eliminate a partial exemption from bankruptcy law for some private student loans that was put in place in 2005. The bill would make student loans issued by private entities dischargeable in bankruptcy like nearly all other forms of private debt without a finding of undue hardship to the debtor or their dependents. It would not lift the undue hardship requirement on loans issued by a government, including the federal government, which currently makes about 93 percent of loans.

The language does not address when private loans, such as institutional loans, offer better terms and conditions than the federal loan program. It also does not address the conflict in current law where the same long disclosures for private loans are required to be made to borrowers of federal Health and Human Services loans, including the often misleading assertion that they should borrower other types of federal loans first. The bill would also require school certification of the need for private student loans.

The following is from Sen. Durbin's press release on the introduction of S.113 and S. 114:

*There are several stark differences between private student loans and federal student loans. Federal student loans have fixed interest rates and offer an array of consumer protections and favorable terms, including deferment and forbearance in times of economic hardship, as well as manageable repayment options, such as the Income-Based Repayment and Public Service Loan Forgiveness programs.*

*In contrast, private student loans involve only private profit and often resemble credit cards rather than financial aid with uncapped variable interest rates (which spiked as high as 18% in recent years), hefty origination fees and few, if any, consumer protections. Private student loans are ineligible for federal forgiveness, cancellation or repayment programs.*

*There are very few types of debts that the bankruptcy law subjects to a different standard, allowing for discharge in only the most extreme circumstances. For example, the bankruptcy code makes it especially difficult for people to discharge child support responsibilities, overdue taxes, and criminal fines. Privately issued student loans should not be on that list.*

## Budget & Appropriations Update: Debt Ceiling Cleared (Temporarily), CR on the Horizon

Last week the House passed an extension of the debt ceiling, allowing the federal government to borrow what they need to pay the bills until mid-May. This week the Senate followed suit.

Spokespersons for the Treasury Department indicated they might be able to keep using financial maneuvers to keep paying the governments bills until early July, giving lawmakers a while longer to come up with a longer term agreement. The House also agreed to a final bill to pay for the damage caused by Hurricane Sandy after months of haggling that pitted Democratic and Republican Members of the New York, New Jersey and Connecticut delegations against the GOP Leadership, adding yet another boost to the federal deficit.

With a resolution to the immediate debt ceiling crisis in hand, the next financial hurdle for the Congress will be the spending sequester. In spite of the cuts the sequester will impose—5.1% on non-defense discretionary spending and 7.1% on defense spending, it is beginning to feel like the Congress is resigned to the reductions. Majority Leader Harry Reid (D-NV) continues to encourage his colleagues to work out an alternative but as yet a new plan has not emerged. An across the board cut is always a popular alternative for the Congress to picking winners and losers which is what sequester negotiations would have to produce. If that does occur then the cuts will apply to the unresolved FY 2013 budget. A continuing resolution at the FY 2012 spending level that will expire on March 27th is funding all government agencies at this time. Imposing the sequester means further reductions below that level.

As if this weren't confusing enough, the Office of Management and Budget this week sent preliminary figures for comment to all agencies for the FY 2014 budget. Called the "pass back," the President generally submits his budget to the Congress 4 weeks after the pass back occurs. This makes the likelihood of a yearlong continuing resolution, with or without the sequester deductions in place, the most likely scenario for a budget for FY 2013. This would generally freeze FY2013 discretionary spending at FY2012 levels.

## Miller Calls for More Free Campus ATMs

Representative George Miller (D-CA), the senior Democrat on the House Education and the Workforce Committee, held a conference call in conjunction with the CFPB's announcement of an inquiry into campus financial products.

"Access to fee-free ATMs no matter where you live or what time you need to access your aid remains an important concern," said Miller. "Too many students have been slammed with hidden fees and penalties that cut into their already limited financial aid dollars. And if students don't pay close attention, they can find precious aid dollars wasted on debit-card fees."

Miller has already been active on the issue in the 113th Congress, writing specific companies which operate in this space regarding their practices. He recently hired Rich Williams to handle higher education issues. Williams was an author of a US PIRG report critical of debit card fees on campus.

# Administration

## Court Case Calls Cordray, CFPB Actions into Question

Last week, the landscape surrounding the Consumer Financial Protection Bureau (CFPB) changed dramatically. In a unanimous decision, the U.S. Court of Appeals for the District of Columbia ruled President Obama's recess appointments to the National Labor Relations Board were unconstitutional. CFPB Director Richard Cordray was appointed in the same fashion at the same time.

At this time, the fallout from the decision on the NLRB, much less the CFPB, remains unknown. The Administration is almost certain to appeal the decision to the Supreme Court, and it will likely take months or years to decide. The following is from Ballard Spahr's *CFPB Monitor* on the current state of play. John Culhane, Jr. of Ballard Spahr spoke at the COHEAO Annual Conference.

> *Predictably, political posturing in reaction to the D.C. Circuit's Canning decision has already begun. According to media reports, South Dakota Senator Tim Johnson, a Democrat who heads the Senate Banking Committee, is calling upon the Senate to confirm Richard Cordray as CFPB Director without delay. On the other side of the aisle, Nebraska Senator Mike Johanns, a Republican, on January 25 (the same day the Canning decision was issued) sent a letter to Mr. Cordray asking him to resign. He also sent a letter on January 25 to the Government Accountability Office asking the GAO to examine what CFPB actions would be implicated by the decision and, for all affected actions, provide an estimate of the associated negative economic impacts.*
>
> *Senator Johanns, together with two other Republican Senators (Lamar Alexander and John Cornyn), has also introduced a bill to block funding to the CFPB for use of the authority that, under the Dodd-Frank Act, the CFPB can only exercise if it has a confirmed director.*
>
> *Unless a settlement is reached, the validity of Director Cordray's recess appointment could be tested in a case filed by the CFPB in July 2012 in federal court in California against the Gordon Law Firm and various other defendants. The complaint alleged that the law firm and various individuals and companies duped consumers by falsely promising loan modifications in exchange for advance fees and, in reality, did little or nothing to help consumers. The defendants were charged with violations of the Consumer Financial Protection Act of 2010 (CFPA) (meaning Title X of Dodd-Frank) and Regulation O, the Mortgage Assistance Relief Services Rule.*
>
> *When the complaint was filed, we speculated that because the charges included making false and misleading representations that constituted "deceptive" acts or practices prohibited by Title X of Dodd-Frank, the case might provide a vehicle for a challenge to Director Cordray's appointment. Under Title X, it was necessary for the CFPB to have a director before it could exercise its authority to enforce the prohibition of "unfair, deceptive or abusive" acts or practices (or bring any type of enforcement action against a non-bank). Subsequently, in their answer to the CFPB's complaint, the*

> *defendants did include a challenge to President Obama's recess appointment of Director Cordray as part of their affirmative defenses.*

The full *CFPB Monitor* blog post is available online: http://www.cfpbmonitor.com/2013/02/01/let-the-political-posturing-begin/
COHEAO members interested in samples of various summaries and analyses put together by Washington, DC law firms on the impact of this ruling should email Wes (whuffman@wpllc.net).

## Paperwork Reduction Act Comment Request on Perkins Cancellations

In a *Federal Register* notice, The Department of Education is soliciting comments on the administrative burden of administering federal requirements on Perkins Loan cancellations. The Department of Education is especially interested in public comment addressing the following issues:

(1) Is this collection necessary to the proper functions of the Department;
(2) will this information be processed and used in a timely manner;
(3) is the estimate of burden accurate;
(4) how might the Department enhance the quality, utility, and clarity of the information to be collected; and
(5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology.

COHEAO institutional members are encouraged to submit a comment on this request. In addition to the suggested issues from ED, it presents an opportunity to register your concerns with the Department on dwindling funds as a result of unfunded cancellations. If you do submit such comments, we encourage you to share them with COHEAO.

Additional information on this *Register* notice is available online:
http://ifap.ed.gov/fregisters/FR012913LoanCancellationintheFederalPerkinsLoanProgram.html

## CFPB Begins Inquiry on "Campus Financial Products"

The Consumer Financial Protection Bureau (CFPB) announced that it is launching an inquiry into the impact of financial products marketed to students through colleges and universities. The CFPB intends to use the information gathered to determine whether these arrangements are in the best interest of students.

"We have seen many colleges establish relationships with financial institutions to offer banking services to their students," said CFPB Director Richard Cordray. "The Bureau wants to find out whether students using college-endorsed banking products are getting a good deal."

In announcing the inquiry, the Bureau stated: "The Credit CARD Act of 2009 (CARD Act) restricted financial institutions from using certain types of marketing practices on college campuses. The CARD Act also made agreements between credit card issuers and institutions of higher education subject to public disclosure. However, less is known about arrangements regarding other products marketed to students. To better understand the market, the CFPB is publishing today a Notice and Request for Information on the topic of campus financial products. Campus financial products include student identification cards that double as debit cards, cards used to access scholarships and student loans, and school-affiliated bank accounts."

The CFPB is asking the public, students, families, the higher education community, and financial institutions to provide input on their experiences with these products. The Bureau is seeking input on a variety of related issues including:

- What information schools share with financial institutions when they establish these relationships;
- How campus financial products are marketed to students;
- What fees students are being charged to use these products;
- How schools set up marketing agreements with financial institutions; and
- Student experiences using campus financial products in their day to day lives.

To help students navigate their current options, the CFPB released a guide for college students on how to choose a new card or checking account. In the wake of a public settlement with a financial company alleged to have targeted college students, the CFPB also released a consumer advisory to warn students about potential pitfalls.

CFPB Student Loan Ombudsman Rohit Chopra sent an advisory on the pending notice and appears to be handling the issue for the CFPB.

The *Notice and Request for Information* is available at:
http://www.consumerfinance.gov/students/whats-the-deal/request-for-information-regarding-financial-products-marketed-to-students-enrolled-in-institutions-of-higher-education/
The CFPB also maintains a database of college credit card agreements, which can be accessed at:
https://data.consumerfinance.gov/Government/College-Credit-Card-Agreements/r963-hvsf
The 2012 Annual Report on College Credit Card Agreements is available at:
http://files.consumerfinance.gov/f/201210_cfpb_report_College_Credit_Card_Agreements.pdf

## Industry

### TransUnion Report Shows High Number of Deferments, Delinquencies & Federal/Private Loan Performance Disparity

A new report from TransUnion is raising alarms on the makeup and performance of student loans.

The study has revealed that more than half of student loan accounts are in deferred status, where the repayment of the principal and interest of the loan is temporarily delayed. Deferred loans now represent 43.5% of all student loan balances. The study also found that reported student loan balances increased by 75% between 2007 and 2012, with the average student loan debt per borrower increasing 30% to $23,829.

The study noted that deferments may be an issue, because more than half of college graduates under the age of 25 are either unemployed or underemployed -- the highest rate in 11 years, according to an analysis of government data. This construct is exacerbated by the increases in both student loan balances and deferred balances.

Between 2007 and 2012, balances of reported deferred loans jumped from $228 billion to $388 billion. In that same period, average student loan balances per borrower across all risk spectrums increased from $18,379 to $23,829.

The TransUnion study also highlighted the disparity between federally backed student loans, i.e. those guaranteed by the government, and private student loans -- those issued by private lenders, most often to cover the gap between funds made available by government loans and actual tuition rates. Federal loans made up 92% of all student loan accounts and 86% of overall balances. Between 2007 and 2012, federal loan balances jumped 97% while private loan balances only rose 4%.

As billions of dollars were added to student loan balances between 2007 and 2012, delinquency rates also increased. Yet the distinction in performance between federally backed student loans and private student loans was material. From 2007 to 2012, federal student loan delinquencies rose 27%, while private loan delinquency rates actually dropped 2% in that same timeframe. The 90+ day delinquency rate for federal loans was 12.31% as of March 2012, compared to 5.33% for private loans.

"It's important to highlight that both federal and private student loan delinquency rates are higher than most other credit products such as mortgages, home equity lines of credit, credit cards and auto loans," said Becker. "While the focus in recent years has been on the mortgage market, lenders will need to keep an eye on student loan portfolios -- and on customers who have student loan debt -- as the high delinquency rates among these borrowers can spell trouble across multiple products."

Additional information is available online: http://www.marketwire.com/press-release/transunion-study-finds-more-than-half-student-loans-deferment-high-unemployment-rates-1751073.htm
A *Wall Street Journal* article on the report and noting its potential implications for taxpayers and borrowers through IBR is available online: http://www.marketwire.com/press-release/transunion-study-finds-more-than-half-student-loans-deferment-high-unemployment-rates-1751073.htm

## FICO Labs Examines Growing Student Loan Debt & Credit Risk

FICO Labs released a report this week, "Is Growing Student Loan Debt Impacting Credit Risk?"

Here are a couple of the findings:

> "Between October 2010 and October 2012, one quarter of student loans were 90 days past due or worse. This represents a significant increase of 47% when compared to the benchmark October 2005-2007 period. Looking at newly booked student loans, the increase in default rates was not as dramatic, but it was still a pronounced 21.5% increase over the earlier period.
>
> "Large amounts of student loan debt are riskier than they were previously. For example, having more than $100,000 in student loan debt was riskier in 2010 than it was in 2005. In 2005, consumers with more than $100,000 of student loan debt performed better than the total population. In 2010, this group was riskier than the total population. In general, this increased risk is seen with student loan debt greater than $40,000.

Notably, additional data from TransUnion (see related article) indicates private loan performance is improving, at least compared to the federal loan programs. When combined, the findings of the two reports indicate increased delinquencies and loan balances (via PLUS) are occurring in the federal loan programs.

## New America Offers Gates Funded Student Aid Reform Proposal

The New America Foundation released its report aimed at reforming the student aid and student loan programs, *Rebalancing Resources and Incentives in Federal Student Aid*. The report in is one in from a number of think tanks and trade associations aimed funded by the Bill and Melinda Gates Foundation for a project aimed at reforming higher education. In the paper's executive summary, the think-tank states:

> We offer more than 30 specific policy recommendations that are designed to create such a system. Nothing is off-limits. We recommend specific changes to federal grants, loans, tax benefits, college outreach programs and federal regulations to provide more direct aid to the lowest-income students, while strengthening accountability for institutions of higher education to ensure that more students are able to earn affordable, high-quality credentials.

Noting the importance of budgetary constraints, New America Foundation indicates, "Taken together, the package of proposals in our report is *budget-neutral* over the 10-year period from federal fiscal years 2013-2022." However, as with all federal budgetary matters involving billions and trillions of dollars, achieving neutrality relies on a healthy dose of assumptions and other accounting methods which can be manipulated to achieve budgetary savings

The following is the paper's summary of its Pell Grant and student loan recommendations.

***Pell Grants***

*The Pell Grant program is the cornerstone of federal student aid. In 1972, when the program was created, a Pell Grant covered most if not all college costs for large numbers of low-income students. But as college prices have soared over the years, the system has become less and less effective. Moreover, the program is now facing a major "funding cliff" in the 2014 fiscal year and each year thereafter.*

*To improve both the effectiveness and sustainability of Pell Grants, we would:*

- *Permanently eliminate the Pell Grant funding cliff;*
- *Put the program on a firm financial footing by shifting future Pell appropriations to the mandatory side of the budget, making it a true entitlement;*
- *Significantly increase the maximum Pell Grant to expand its purchasing power. The plan would increase the maximum award over current policy by $500 in fiscal year 2014 to $6,225; by $600 in 2015 to $6,410; by $700 in 2016 to $6,610, and $800 in 2017 and in each year thereafter through fiscal year 2022 to $6,830;*
- *Restore the year-round Pell Grant so that students can complete their degree programs more quickly;*
- *Limit eligibility for Pell Grants to 125 percent of program length to discourage extended and prolonged enrollments;*
- *Enact a Pell Grant matching requirement for four-year public and private non-profit colleges that enroll a relatively small share of low-income students but charge them high net prices. The goal of the proposal is to put an end to colleges' financial aid arms war by pushing schools to reallocate their existing institutional aid from merit to need-based aid.*
- *Create a Pell Grant bonus for four-year public and private non-profit colleges that enroll a substantial share of low-income students and graduate at least half of their students – with the aim of having the schools use this money to reduce the net price they charge their neediest students;*
- *Create a Pell Grant bonus for community colleges that have a combined graduation and transfer rate of at least 50 percent. Eligible schools could either use the additional money to reduce the net price they charge their neediest students or to create support programs to help low income students earn their degrees and transfer to four-year colleges; and*
- *Eliminate the outdated Supplemental Educational Opportunity Grant program that disproportionately benefits wealthy private institutions and use the savings to shore up the Pell Grant program.*

***Student Loans***

*Federal student loans have long been seen as a good investment for students – providing them with the means to obtain an education that will pay substantial dividends throughout their lifetimes. But in recent years, there has been growing concern that many students and their families are taking on unmanageable levels of debt. Meanwhile, the federal student loan program is extremely complex, offering students and their families a variety of choices, with each carrying different interest rates and borrowing limits. Borrowers also face a baffling array of repayment options, but often lack the counseling needed to understand these options.*

*To simplify the federal student loan program and reduce the dangers of default, we recommend consolidating various programs into a single, enhanced Stafford Loan system. Specifically, we would:*

- *Require all federal student loan borrowers to repay their loans based on a percentage of their earnings after they graduate;*
- *End the poorly targeted subsidized interest rate benefit, which is unnecessary with the default Income Based Repayment program;*
- *Create a new fixed formula for setting student loan interest rates that adjusts annually according to market conditions;*
- *Establish a single set of federal loan limits for undergraduate students, regardless of their dependency status. Under our proposal, the annual limits for all undergraduates would be $6,000 for a first year student, $7,000 for a second-year student, and $9,000 for a third-, fourth-, or fifth -year student. The aggregate limit for undergraduates would be $40,000;*
- *End the Graduate PLUS loan program, which allows for unlimited borrowing by graduate students and discourages prudent pricing on the part of institutions;*
- *Raise the annual limit on Unsubsidized Stafford loans for graduate students from the $20,500 to $25,500 to replace some of the borrowing ability graduate students lose with the elimination of the Grad PLUS loan program;*
- *Eliminate the Parent PLUS loan program, which allows parents to borrow up to the cost of attendance. This program can encourage families to over-borrow and provides colleges with a convenient source of funds if they wish to raise their prices;*
- *Give colleges the discretion to lower federal student loan limits at their schools or in certain programs to discourage excessive borrowing;*
- *Limit eligibility for federal student loans to 150 percent of program length to discourage prolonged enrollments; and*
- *Restore the ability of borrowers to discharge private student loans in bankruptcy to make private loan borrowing a safer option for students.*

*In 2010, Congress and the Obama administration reformed the federal loan program, eliminating wasteful subsidies to private lenders for government-backed student loans and shifting all student loans to the U.S. Department of Education's direct lending program. To complete the job of reform we would:*

- *Provide generous incentives to borrowers with older loans to refinance their debt into the Direct Loan program; and*
- *Eliminate the non-profit servicer entitlement by requiring all entities that wish to service Direct Loans to compete for contracts.*

Additional information on the New America report is available online:
http://newamerica.net/publications/policy/rebalancing_resources_and_incentives_in_federal_student_aid

## COHEAO Would Like to Thank Our Commercial Members for Supporting
## More Education for More People

***We Encourage Those Seeking Services to Give***
***These Committed Organizations Priority Consideration***

Account Control Technology, Inc.
ACS Inc.
Automated Collection Systems, Inc.
Bass & Associates
Bonded Collection Corporation, Inc.
Campus Partners
Capital Management Services, LP
Ceannate, Inc.
Cedar Financial
Client Services, Inc.
Coast Professional
ConServe
CR Software, LLC
Credit Adjustments, Inc.
Credit Control, LLC
Credit World Services, Inc.
Delta Management Associates
Educational Computer Systems, Inc.
EOS-CCA
Education Assistance Services, Inc.
Enterprise Recovery Systems, Inc.
Higher One
Immediate Credit Recovery, Inc.
JC Christensen and Associates
National Credit Management
National Enterprise Systems, Inc.
NCC Business Services of America
NCO Financial Systems, Inc.
Premiere Credit
Progressive Financial Services, Inc.
Recovery Management Services, Inc.
Regional Adjustment Bureau, Inc.
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## 2013 COHEAO Board of Directors

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

*Vice President*
Carl Perry
Senior Vice President
Progressive Financial Services
516 N Production Street (Suite 100)
Aberdeen, SD 57401
800-585-4986
cperry@progressivefinancial.com

*Secretary*
Edgar DelosAngeles
Student Financial Support
University of California, Office of the President
Administration Bldg. Room 101
Irvine, CA 92697-3010
949-824-4689
Fax 949-824-4688
edgar.delosangeles@ucop.edu

*Treasurer*
Bob Frick
President
University Accounting Service
2520 S. 170th Street
New Berlin, WI 53151
262-780-7500
Fax: 262-784-9014
bob.frick@ncogroup.com

*Past President*
Robert Perrin
President
Williams & Fudge, Inc.
300 Chatham Avenue, Suite 201
Rock Hill, SC 29731
803-329-9791 x 2104
Fax: 803-329-0797
bperrin@wfcorp.com

*Member at Large*
Larry Rock
Director of Student Loan Repayment
Concordia College
901 S. 8th St. S
Moorhead, MN 56562
218-299-3323
Fax 218-299-4357
larock@cord.edu

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

*Member at Large*
Lee Anne Wigdahl
Manager, Loan Administration
DeVry Inc.
814 Commerce Drive
Oak Brook, IL 60523
630-645-1178
Fax: 630 891-6292
LWigdahl@devry.edu

*Commercial Committee Chair*
Micheal Kahler
Vice President, Business Development
Windham Professionals, Inc.
384 Main Street
Salem, NH 03079
888-747-0919
Fax: 866-728-4613
michael.kahler@windhampros.com

*Legislative Chair*
Pamela Devitt
Legislative Analyst, University Student Financial Services and Cashier Operations
University of Illinois
809 S. Marshfield Ave.
Chicago, IL 60612
312-996-5885
Fax: 312-413-3453
devitt@uillinois.edu

*Legislative Co-Chair, Institutions*
Tom Schmidt
Associate Director of Student Account
Assistance & Third Party Billing
University of Minnesota
211 Science Teaching & Student Services
222 Pleasant St. SE
Minneapolis, MN 55455
612-625-1082
Fax: 612-624-2873
t-schm@umn.edu

*Legislative Co-Chair, Regulations*
Lori Hartung
Vice President
Todd, Bremer & Lawson
560 Herlong Avenue
Post Office Box 36788
Rock Hill, South Carolina 29732-0512
800-849-6669
Fax: 803-323-5211
lori.hartung@tbandl.com

*Legislative Co-Chair, Perkins*
Nancy D. Paris
Sr. Vice President, Financial Services Group
Xerox Education Services, Inc.
900 Commerce Dr Ste 320
Oak Brook IL 60523
630-203-2769
FAX: 630.203.2796
nancy.paris@xerox.com

*Internal Operations Chair*
Jeane Olson
Director
Northern Arizona University
Gammage Building
Flagstaff, AZ 86011
928-523-3122
Jeane.olson@nau.edu

*Internal Operations Co-Chair, Financial Literacy*
Kris Alban
Vice President of Marketing
iGrad
2918 Lone Jack Rd
Encinitas, CA 92024
760-306-1313
kalban@igrad.com

*Internal Operations Co-Chair, Communications*
Michael Mietelski
Regional Director of Business Development
ConServe
200 CrossKeys Office Park
P.O. Box 7
Fairport, NY 14450-0007
800-724-7500 x4450
mmietelski@conserve-arm.com

*Membership Chair*
Karen Reddick
Vice President Business Development
National Credit Management
10845 Olive Blvd
St. Louis, MO 63141
800-627-2300, 229
kreddick@ncmstl.com

*Membership Co-Chair, Institutions*
Jeff "JP" Pfund
University of Wisconsin, Madison
Office of Student Financial Aid
Student Loan Servicing Dept.
333 East Campus Mall #9508
Madison WI 53713-1382
608-263-7100
jeff.pfund@finaid.wisc.edu

*Membership Co-Chair, Commercial*
Julie Mitchell-Barney
Enterprise Recovery Systems, Inc. (ERS)
Director of New Business and Product
Development
2000 York Road, Ste. 114
Oak Brook, IL 60523
877-969-9989
jbarney@ersinc.com

*Membership Co-Chair, Support*
Rick Wiening
Director of Business Development
Regional Adjustment Bureau
1900 Charles Bryan, Suite 110
Memphis, TN 38016
219-937-9760
rwiening@rabinc.com

*Executive Director*
Harrison Wadsworth
1101 Vermont Ave. N.W. Suite 400
Washington, DC 20005-3521
202-289-3910
Fax 202-371-0197
hwadsworth@wpllc.net