



COHEAO ANNUAL REPORT 2017

Table of Contents

Message from the President.....	3
Treasurer’s Report	5
Membership Report.....	6
Legislative Report	7
Internal Operations.....	8
Commercial Membership	9
COHEAO Task Force Reports.....	10
COHEAO Achievement Program (CAP).....	11
Consumer Financial Protection Bureau (CFPB)	11
Financial Wellness.....	15
Perkins Task Force	16
Annual Report on Hill Visits	17
Student Tuition and Accounts Receivable (STAR)	17
Telephone Communication Protection Act (TCPA)	18
COHEAO Board 2017.....	20

Message from the President

As I reflect on 2017, what stands out most is that our Coalition, once again, united and took the lead in the fight to save the Perkins Loan Program. As daunting as this can be at times, we are blessed to be surrounded by so many individuals who have such passion and fight for this program that it constantly encourages us to continue the battle. Working with schools across the country who depend on Perkins to fill the gap for their neediest students is the motivation behind all of our efforts.

Over the course of the past year, we spent countless hours in advocating the benefits of Perkins and sharing the serious consequences that the end of this program would bring. We had hundreds of meetings with our Congressional members, countless calls with schools and Hill staffers, brainstormed with many higher education organizations and constantly promoted what we all consider to be such a “no-brainer.” Why let a program die that does so much good, that is the lifeline to so many students, and that doesn’t cost the federal government or the taxpayer anything? The case has been made that Perkins is exactly the type of loan program that most members of Congress would design today if they started from scratch. It has the key ingredients that they have been promoting in their HEA reauthorization discussions, but, in the end, it wasn’t enough. Why? Basically, because of a very unfair cost that was assessed by the Congressional Budget Office (CBO) to extend the program. If not for that, we believe the extension would have been granted with little or no objection.

However, even with all of the hard work and dedication of our Perkins Nation, and even with an extension bill that had the support of 55% of the House, the program did expire on September 30th. It is very sad and extremely frustrating to see a program that benefits so many sunset due to a misguided budget score. However, the expiration is not necessarily the end. COHEAO has a solid Perkins reauthorization proposal that it has shared with the Congressional education committees. It is a proposal that we believe is very viable and that eliminates the CBO cost issue. We will continue to fight for this critical loan program with the same energy and enthusiasm in 2018 as we have in previous years. We know that, without Perkins, there will be a gap in funding that, if not met, will result in the loss of a critical population of high-need students, and that is just not acceptable.

Over the past year, COHEAO has also focused on many other legislative areas within higher education. Areas such as Financial Wellness, the CFPB (Consumer Financial Protection Bureau), STAR (Student Tuition and Accounts Receivable) and the TCPA (Telephone Consumer Protection Act) have been extremely active in terms of attention, legislation, and litigation. Each of our task force and committee chairs has summarized the actions and accomplishments of their working group, which provides a comprehensive look at the past 12 months. I encourage you to take the time to review the information that follows and become more familiar with the various areas in which COHEAO is involved and where you can be as well.

We made an exciting decision in 2017 to restructure our training and conference format. Instead of having a centrally located mid-year conference each year, we will conduct a one-day training workshop each spring and fall at college and university campuses. Our goal is to have the workshops in areas convenient to our membership and to do so at a cost that allows greater participation by you and your staff. In 2018, we will conduct workshops on the east and west coasts. Our spring workshop will take place at Manhattan College in New York City on May 3rd and has an amazing line-up of compliance and training sessions. We plan to have similar training in September, likely in California. I encourage you to attend. Please reach out if you would like to host such an event on your campus in the future.

COHEAO relies heavily on its membership to identify issues of importance and works together to strategize, train, 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. Please 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 Bose 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

During 2017, the organization's primary focus has been advocacy of the Perkins Loan program and the passage of an extension of the program. At the same time, the Board has also been working on expanding the involvement of the organization into both Tuition/Accounts Receivable Management and Financial Wellness (including the expansion of the 2018 Annual Conference to include a 3rd day focused on Financial Wellness programming).

The two primary sources of revenue for the organization are dues (institutional and commercial memberships) and conference registrations. While membership (both institutional and commercial) has remained steady during the past three years, conference attendance has declined, causing the Board to explore alternative programming during 2018 to address this trend.

Management fees (primarily paid to Washington Partners for their role in supporting the administrative needs of the organization as well as championing our legislative advocacy efforts) continue to be the primary expense.

During 2018, the board will review all revenue and expense items to reverse the declining trend in net income and maintain our positive equity position.

	2015	2016	2017
	(dollars in thousands)		
Dues Revenue	\$126	\$151	\$159
Conference Revenue	61	67	52
Other (*)	16	26	16
Total Revenue	<u>\$203</u>	<u>\$244</u>	<u>\$227</u>
Management Fees	\$185	\$174	\$181
Conference Costs	68	53	55
Other (*)	20	22	13
Total Expenses	<u>\$273</u>	<u>\$249</u>	<u>\$249</u>
Net Income	<u>\$ -70</u>	<u>\$ - 5</u>	<u>\$ -22</u>
Equity	<u>\$ 44</u>	<u>\$ 39</u>	<u>\$ 17</u>

(*) Excludes revenue and offsetting expenses associated with a one-time campaign during 2015 that raised \$52,000 in contributions covering expenses for grassroots efforts directed to the advocacy of the Perkins loan program extension during 2015 and 2016.

Submitted by: Bob Frick, Treasurer

Membership Report

The Membership Team for 2017 consisted of Membership Chair, Karen Reddick; Institutional Membership Co-Chair, Lee Anne Wigdahl; Commercial Membership Co-Chair, Kendra Rivoli; and Development Membership Co-Chair, Claude Payne.

The Membership Committee continues to work with Bose 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 continues to develop our prospective membership list to continue to recruit new members. We continue to vet this list to ensure we have the most up to date information.

The committee and the board continue to work on strategies to recruit nontraditional members outside of the Perkins Community as well as continuing to monitor the climate of institutional and commercial membership to determine evolving interests and future target markets.

COHEAO Board Members continue to present at conferences throughout the year, encouraging schools to join. We provide a 10% discount for anyone that joins as the result of each presentation.

The Membership Team continues to spend numerous hours supporting the advocacy efforts to save the Perkins Loan program. Even though the team spent a large majority of their time on grassroots advocacy, we were successful in increasing our membership in both sectors.

MEMBERSHIP			
	<u>2016</u>	<u>2017</u>	<u>Change</u>
Commercial Membership:	29	31	+2
Institutional Membership:	156	159	+3

Submitted by: Karen Reddick, Membership Chair

Legislative Report

This past year has been a challenging year for the COHEAO legislative committee. We have promoted COHEAO and its advocacy efforts to save and support Perkins at numerous conferences and association meetings. During the sessions, we discussed the current status of Perkins and the value the program brings to colleges. Also, we participated in a COHEAO webinar in June discussing the future of Perkins and COHEAO. The advocacy work and the value that COHEAO brings to our industry are always discussed at sessions.

During the year, COHEAO has visited the hill several times and worked very hard with delivering the message to both the House and Senate members that the program is a perfect fit for students with college affordability challenges. In September 2017, U.S. Representatives Mark Pocan and Elise Stefanik cosponsored H.R. 2482, Perkins Loans Extension Act and they received record numbers supporting the Act.

On January 30th, COHEAO conference delegates visited Capitol Hill and participated in more than 65 meetings to advocate for a Perkins extension. On February 28, COHEAO sponsored a Virtual Hill Day. A similar outreach event was also held on November 15th. The board conducted a two-day advocacy hill day in September. During the event, board members were able to schedule numerous visits with Senate and Congress staffers.

COHEAO continues to receive mixed support with the two year extension of Perkins. During the last several months, board members have participated in state calls with their representatives advocating for the program. The South Dakota State Legislature passed SD Resolution No. 12 which is being shared with members to encourage them to continue the Perkins program. The Minnesota State Legislature is working on a similar bill as well. A grassroots Perkins meeting takes place weekly to discuss updates, etc. on the current status of Perkins. We have an average of 10-12 members participating on the call.

Submitted by: Joe Weglarz, Legislative Chair

Internal Operations

Board of Directors Election

In October 2017, nominations were accepted for the positions of Treasurer, Secretary and the three (3) Member-At-Large positions:

Treasurer:

Nominated: 2

Accepted: 1

Secretary:

Nominated: 3

Accepted: 0

Member-At-Large:

Nominated: 21

Accepted: 6

COHEAO members voted, and the results were:

Treasurer: Bob Frick

Secretary: LeeAnne Wigdahl

Member-At-Large: Christina Cardinale, Manhattan College (Agenda and Webinars Committee)

Anthea Jeffrey, Rutgers University (CAP and Hill Visits)

Jeane Olson, UNT System (STARS)

In addition to the above elected positions, the COHEAO Officers filled the open vacancy of Membership Co-Chair, Commercial (due to Kendra Rivoli's retirement) with Scott Medley, Reliant Capital Solutions. Jocelyn Heywood filled the Membership Co-Chair, Institutional, left vacant when LeeAnne Wigdahl was elected Secretary.

COHEAO 2017-18 AY Scholarship

COHEAO received 23 qualifying applications, out of 36 submitted, from students attending member institutions. The board agreed to award four \$1,000 scholarships for the academic year 2017-2018. The following students were awarded a scholarship:

Gloria Yeong Sil Han	George Washington University	Carolyn Hampton Scholarship
Holden Joseph DeGrave	University of Alabama	COHEAO Scholarship
Navpreet Kaur Gill	University of California, Davis	COHEAO Scholarship
Mia Benavidez	The University of Texas at Austin	COHEAO Scholarship

Operating Procedures

There were no changes to operating procedures.

Board Member Guide

There were no changes to the Board Member Guide.

Submitted by: Nancy Paris, Internal Operations Chair

Commercial Membership

COHEAO's Commercial Membership remained active in 2017 advocating for the Perkins loan program throughout the higher education community and with numerous visits on Capitol Hill. Commercial members often teamed up with institutional members to solicit the Hill and the Congressional Leaders in how the expiration of the Perkins loan program will impact the most financially impaired borrowers from furthering their education.

A strong focus on retaining and expanding commercial membership was also one of the main goals of the commercial membership for COHEAO. Team members stressed how COHEAO covers such areas as compliance, regulation, pending legislation, and advocacy as drivers to the benefits COHEAO provides as an organization.

Continued push by Commercial members during their visits with clients and prospects was welcomed as they provided recaps as to why the Perkins loan program should remain a viable program offered by the institutions. Additionally, Commercial members promoted and advocated COHEAO at other education conferences and venues to promote membership and ensure COHEAO's voice is over-arching. As we move into 2018, the Commercial Membership will continue to promote COHEAO both institutionally and commercially, highlighting the benefits COHEAO provides for its members. Promoting a stronger marketing plan for COHEAO in the areas of compliance, risk management, and account receivable management for 2018 will hopefully increase membership numbers as well.

Submitted by: Lynn Heineman, Commercial Committee Chair

COHEAO Task Force Reports



COHEAO Achievement Program (CAP)

The CAPS (COHEAO Achievement Program) was created in 2011 to recognize the advancements of members in training and education through participation in COHEAO conferences, webinars, and other COHEAO sponsored events.

Year 2017

During 2017 participation in the “CAP” program increased by 174 (or 12%) and the “CAP” certification program awarded a total of 777 points. However, this represents a decrease of 42.90% in points awarded compared to the prior year. An analysis of the points awarded between years indicates that in 2016 that there were two events at which there was a significant number of attendees (total of 554 points). Both of these were free webinars addressing the Perkins loan program. In 2017 there was only one event with large attendance (234 total points), also a Perkins loan webinar.

The cumulative number of credits earned and awarded since the inception of “CAPS” is 4,821. COHEAO has awarded a total of 82 “CAP” certificates, of which 15 are also “CAP” scholars.

Summary

The “CAP” program is now entering the 7th year of recognizing COHEAO members and non-members for their desire to seek continual professional development. Currently, over 87% of participants have accumulated 4 points or less. Encouraging continued participation by conference and webinar attendees should be a goal for the future.

Submitted by: Paola Di Domenico, CAP Chair

Consumer Financial Protection Bureau (CFPB)

The Coalition of Higher Education Assistance Organizations (COHEAO) Consumer Financial Protection Bureau (CFPB) Task Force continues to play a vital role for all members of the organization. The role of the Task Force is focused on three primary areas:

- Advocate on behalf of the COHEAO Members for those issues that are pertinent and impactful to their organizations whether that be colleges, universities, servicers, or collection agencies
- Provide informative CFPB updates to COHEAO’S Board of Directors
- Collaborate with Bose Washington Partners with any formulation of responses to proposed rule-making generated by the CFPB.

2017 could be defined as either a year of transition, upheaval, and restart for the Consumer Financial Protection Bureau because of the Presidential election. A reasonable observation as the year wended down might be “who’s on first, who’s on second.” Below is a recap of some key activities that occurred during the year.

- Twenty-One Democratic members from the House Financial Services Committee wrote then President-elect Trump on January 9, 2017, warning against attempts to oust Director Cordray

before his term ended in July 2018. This was in response to some Republicans who were advocating “firing” the Director.

- CFPB released the findings from their survey on Debt Collection Agencies on January 12th, 2017. Purpose of the survey was to solicit responses from those who had been contacted and obtain their experiences
- President Trump issued an executive order on January 30th, 2017, requiring two regulations to be eliminated for any new rule being issued. (Created unclarity at the CFPB who was focused on issuing new rules about pay day lending, arbitration, as well as Fair Debt Collection Practice Act).
- Bills continued to be introduced during 2017 with the goal of restructuring the CFPB. Examples include:
 - S105-Consumer Financial Protection Board Act of 2017 (Transition the CFPB to a 5-member Board of Directors (In Committee)
 - S370-Eliminate the CFPB by repealing Title X of the Dodd-Frank Street Reform and Consumer Protection Act of 2010 (In Committee)
 - S365-Bill to amend the Consumer Financial Protection Act of 2010 that would subject the CFPB to regular appropriations. (In Committee)
 - H.R 10-Financial Choice Act of 2017. Among other items, this bill also sought to reform the CFPB by:
 - Change the name of the agency to “Consumer Law Enforcement Agency
 - Dual mission of both consumer protection and competitive markets
 - Restructure the agency as an Executive Branch agency with a single director who could be removed at will by the President
 - Eliminate the CFPB’s Supervisory functions and authority over “Unfair, Deceptive, or Abusive Acts and Practices (UDAAP)
 - Require the CFPB to obtain permission before collecting consumer’s personally identifiable information
 - Provide for an independent Inspector General that would be confirmed by the Senate
 - H.R. 10 passed the House on June 8, 2017, with a vote of 233-186. Not expected to successfully move through the Senate

The structure of the CFPB remained in limbo during 2017 as the case of PHH Corp vs. Consumer Financial Protection Bureau moved forward through the appellate court. Originally decided in 2016 when the D.C Circuit Court ruled that having a single director who can only be terminated for a cause was unconstitutional, the CFPB had appealed that ruling. Both the administration and the CFPB impatiently awaited the appellate court’s ruling. Although the original ruling was favorable to the administration, the idea of firing the Director and possibly making him a martyr for those who support more strident consumer protection regulations appeared to be politically distasteful.

In the meantime, rumors continued to abound throughout 2017 as to whether Director Cordray would step down his post and run for governor of Ohio. Resigning would then provide the administration an opportunity to appoint their person for a 5-year term, and if the President had the opportunity, then the question became whether the administration would continue to push for a CFPB structural change. Leaving it as would assure that the Republican appointed director would remain in office even if the President were unsuccessful in receiving a second term.

On January 6th, 2017, the CFPB did announce some changes to its senior leadership. The announcement did not attract much attention at the time, but some of these individuals ended up having a greater role in the direction of the CFPB towards the latter part of 2017. Named in this announcement were:

- Leandra English-Chief of Staff
- Jerry Horton-Chief Information Officer
- Paul Kantwell-Assistant Director for Servicemembers Affairs
- John McNamara-Assistant Director of Consumer Lending
- Elizabeth Reilly-Chief Financial Officer

Despite the legislative and potential court efforts to fundamentally change the CFPB, the business continued as usual for the majority of 2017. COHEAO'S CFPB Task Force monitored press releases, speeches by the Director, agency reports released to the public, as well as new regulations.

A summary that includes some of the described activities are listed below:

- Monthly Complaint Reports
- Monthly Snapshots
 - Mortgage Complaints
 - Student Loan Complaints
 - Complaints From Older Consumers
 - Student Loan Servicers Mishandling Public Service Forgiveness
- Reports/Supervisory Highlights
 - Consumer Experiences With Debt Collection
 - Credit Reporting Complaints
 - Credit Bureau Reporting & Data Accuracy
 - Consumer Insights on Managing Spending
 - Annual Fair Debt Collection Practice Act-Mar 20th
 - Consumer Response Annual Report-March 31st
 - 9 in 10 High Risk Student Borrowers Not Enrolled Income Based Repay-May 16th
 - Semi-Annual Report-Spring 2017-June 23rd
 - CFPB Announces New Advisory Board & council Members-July 7th
 - CFPB Warns Against Tricking Consumers to Pay By Phone Fees-July 31st
 - Percentage Of Borrowers with \$20K in Student Debt Doubles In Last ten years-Aug 16th
 - How Student Debt Impacts Older Adults-Aug 18th
 - Annual Report Of The CFPB Ombudsman 2017
 - 50 State Snapshot of Student Debt-Oct 27th
 - CFPB Ombudsman Office 2017 Annual Report-Dec 6th
- Lawsuits/Enforcement Actions/Regulations
 - Navient Enforcement Action (Student Loan Servicing)-January 18th
 - CFPB Sues Debt Relief Attorneys For Collection Illegal Fees From Struggling Consumers-January 30th
 - Rush Card Enforcement Action-February 1st
 - The suit against Debt Collection Law Firm, Weltman, Weinburg, Reis-April 17th
 - Issues Rule To Ban Arbitration Clauses=July 10th
 - Action Against Aequitas Capital Management For Aiding Corinthian Colleges-Aug 17th
 - Action Against National Collegiate Student Loan Trusts, Transworld, Systems Sept 18th
 - Action Against Citibank For Student Loan Servicing Failures-Nov 21st

As noted in the above summary, the CFPB continued to place a tremendous amount of focus towards both debt collection and student loans (lending & servicing) during 2017. However, the proposed regulatory process that began back in Nov 2013 with the Advanced Notice of Proposed Rules for Debt Collections has yet to be published. Industry experts anticipate that an announcement will come sometime in 2018.

Friction between the CFPB and the Department of Education (ED) became public knowledge when Secretary DeVos terminated the Memoranda of Understanding between the agencies on August 31st. Ed claimed that the CFPB was violating the agreements by not providing federal student loan complaints to them within ten days from receipt. They further argued that the “CFPB Intervention” caused confusion to borrowers and the action of the CFPB enabled them to overreach their jurisdiction.

Richard Cordray, Director of the CFPB formally announced his resignation on November 15th to run for governor of Ohio. The Director indicated that his resignation would take effect at the end of the month. In reaction to this announcement, The Administration quickly started its search process to find a successor. Cordray responded to this activity by officially resigning at midnight on November 24th after appointing Leandra English as the Acting Director. President Trump reacted by appointed his Director of Office of Management and Budget (OMB), Mr. Mick Mulvaney as Acting Director until the Senate confirms whomever the President appoints as a permanent Director

The stage was now set for litigation to determine which party had the authority to select an Acting Director for the CFPB. Leandra English sued the President in District Court to block his appointment of Mulvaney, and the court denied her motion on November 28th. The case then moved to the D.C. Circuit Court of Appeals. The Lower East Side People’s Credit Union joined in and filed their lawsuit against Mick Mulvaney to see relief and have him removed as Acting Director. The core argument was that the President had violated the constitutional separation of powers.

Summary

There is no question that the CFPB will be moving in a different direction under the Trump Administration. In November of 2017, Mulvaney immediately announced a 30-day freeze on hiring and issuing rules. He further froze future enforcements until they were reviewed based on merit. As the end of 2017 approached, Mulvaney remained as Acting Director.

Under normal circumstances, the law permits Acting Directors to serve in their capacity for 210 days to allow the President to initiate the appointment and the Senate to move forward with the confirmation. In the meantime, COHEAO’S Task Force will continue to work closely with Bose Washington Partners to monitor and be prepared to submit responses back to the CFPB when appropriate.

Submitted by: Bob Perrin, CFPB Chair/Past President

Financial Wellness

In 2017, the COHEAO Financial Wellness Task Force continued to focus on offering programs and training that support student financial wellness and not just improving the financial knowledge of students.

Mid-Year Conference

The Task Force hosted a session at the mid-year conference in St. Louis to discuss the Financial Wellness Program at Southern Methodist University located in Dallas, TX. Approximately 25 attendees were present for the session. The session was a success and gave the attendees access to network with other institutions to build their financial wellness program and give insight to creative ideas. The mid-year conference was a small insight into the future of the financial wellness taskforce as we continue to prepare for the annual conference and our financial wellness forum.

The Financial Wellness Newsletter

The monthly newsletter is delivered electronically from COHEAO. The database continues to grow. We currently have 1,208 subscribers. The newsletter includes trending articles, upcoming events, and recommended resources to help institutions grow their financial wellness programs.

Annual Conference

The Financial Wellness Task Force, along with the Higher Education Financial Wellness Association (HEFWA), organized the COHEAO Annual Financial Wellness Forum in Washington, DC. Attendees were able to register for the entire COHEAO conference or just for the one-day Forum. We had several attendees take advantage of the option to register for the one-day forum and expressed their interest in having workshops conducted in the future by COHEAO on financial wellness. We were able to provide participants of the Forum the ability to earn up to 5 CEU (Continuing Education Unit) credits for attending the sessions. The attendees that participated in the CEU credit option were able to receive their certificate the same day of attendance.

The sessions presented included "Current Research on Financial Wellness," "Taking Financial Wellness to Scale," "Current Assessment Efforts on Campus," "What Assessments are Needed to Make a case for Financial Wellness on Campus," and "Identity Theft." The individual contributors were diverse in their areas of expertise and spent the afternoon offering their knowledge and insight to the 35 attendees. HEFWA's partnership to organize the forum was a great success as both Co-Chairs Bryan Ashton and Phil Schuman have expressed interest in continuing to work with COHEAO to share information with members of the HEFWA Listserv.

Submitted by: Lottia Windham, Financial Wellness Chair

Perkins Task Force

2017 was a year of challenges for the Federal Perkins loan program. In late 2015, we secured a two year extension of the program via the Federal Perkins Loan Program Extension Act, and in September 2017, the program officially sunset (again) much to our consternation.

During 2017, the COHEAO Board of Directors actively advocated for another extension with Congressional leaders. In addition to the annual Hill Visits in January 2017, we also visited the Capitol in early April, September, October via the annual Committee on Educational Funding Gala, and again in late November 2017. We have 100's of conversations and office visits.

On 5/17/2017, H.R. 2482, the Federal Perkins Loan Program Extension Act of 2017, was introduced by Rep. Elise Stefanik (R-NY) and quickly co-sponsored by Rep. Mark Pocan (D-WI), John Duncan (R-TN), Louise Slaughter (D-NY), Ileana Ros-Lehtinen (R-FL), and Mark DeSaulnier (D-CA). Soon after, 242 other Representatives signed on as co-sponsors showing strong bi-partisan support.

On 9/14/2017, a companion bill, S.1808, was introduced in the Senate by Sen. Baldwin (D-WI) and quickly co-sponsored by Sen. Rob Portman (R-OH), Robert Casey (D-PA), Susan Collins (R-ME), Ron Johnson (R-WI), Richard Durbin (D-IL), Jack Reed (D-RI), Jeanne Shaheen (D-NH), and Dianne Feinstein (D-CA). Since introduction, 12 other Senators have joined the list of supporters on both sides of the aisle.

Since the introduction of H.R. 2482 and S. 1808, the bills have languished in Committee, unable to secure a floor vote. The reason for this is one of politics and vision. Current Committee leadership envisions a "one grant, one loan" concept or a similar Prosper Act proposal that may reduce the role of campus based programs such as Perkins.

As we roll into 2018, we are adjusting our Perkins message to emphasize the harm students are experiencing with the expiration of the program and touting the benefits of campus based programing. We are working with Congressional leaders to keep Perkins in the spotlight with the goal of securing an eventual extension. If we are not successful in the immediate term, we will continue advocating for a fair and orderly wind down along with alternative models that emulate the advantages of Perkins for future generations.

Somewhat lost in the politics of 2017 was the news that a major loan servicer was exiting the business. In response to this news, on June 8, 2017, COHEAO presented a successful webinar on selecting billing vendor partners via the Request for Proposals (RFP) process.

Submitted by: Jeff Pfund, Perkins Task Force Chair

Annual Report on Hill Visits

In 2017, we accomplished **over 168 visits on** the Hill. The Perkins message was given to at least **106 different state offices** and a handful of committee offices as well.

Submitted by: Cindy Schick, Member at Large

Student Tuition and Accounts Receivable (STAR)

The 1098-T change continues to be a major concern for college and university accounts receivable personnel. Several organizations, including COHEAO, have conducted webinars on the change to Box 1 taking effect in the 2016 tax year, but penalties postponed until the 2018 tax year if an institution doesn't make the switch. 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. 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 2017 tax year under section 6721 or 6722 ([Announcement 2016-42](#)). On November 15, 2017, the IRS published the instructions for 2018 1098-T. The major change regarding Box 1 was the addition of the sentence, "Include in this box the receipt of payment of past-due qualified tuition or related expenses from a previous calendar year, but only if the educational institution previously billed the student for such amount(s)." However, no further guidance has been published since the conclusion of comments on the Notice of Proposed Rulemaking ([NPRM](#)) in August 2016. The STAR Task Force continues to monitor the results of the NPRM.

A small group of STAR Task Force members finished two new member resources in July. The Collection Agency and Third Party Servicer Oversight Checklists were published to the COHEAO website and are available to members under the [Resources](#) section of the COHEAO website. The new resources are a list of items institutions may want to include while reviewing their collection agencies and loan servicer. These checklists are scalable to the institution's needs. It covers items such as compliance, complain and dispute resolution, annual requirements, and licensing.

Starting with the 2016 Mid-Year Conference in Denver, the Agenda Committee added a new session for institutions. An Institutional Members Meeting was added before 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 continues to receive good feedback about this session and will continue to include it as a part of future conferences.

Conference Sessions & Webinars

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

- A Look at Retention Grants and Loans for Small Balances Owed to the Institution
- An Update on Class Action Lawsuits in Higher Education
- Auditors Perspective
- Developing and Maintaining Institutional Loan Programs
- CFPB Updates

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

- Insights from the CFPB
- Budgeting and Counseling of Students and Their Payment Plans
- Financial Responsibility Agreement Implementation
- VA Overview of Chapters 33 and 1601
- Equal Credit Opportunity Act
- Bankruptcy and Ask an Attorney
- Financial Aid 101
- Financial Wellness from the Bursar's Office

Webinars offered with impacts on tuition and accounts receivable included:

- Apr 27: Financial Wellness Centers - The Role They Can Play in Campus Retention Efforts
- May 25: How to Protect Against Identity Theft and Complying with Safeguarding Regulations
- Jun 7: Selecting Vendor Partners: A Checklist for RFPs
- Aug 31: DREAMers: An Overview of DACA, the Impact of the New Administration, and Updates for Administrators
- Oct 26: Bankruptcy and Student Loans
- Nov 16: GLBA and Red Flags Training
- Dec 6: 1098T Reporting Overview

Submitted By: Larry Rock, STAR Chair

Telephone Communication Protection Act (TCPA)

Background

Once the dust settled after the Presidential election of 2016, there was a glimmer of hope within the business and higher education community that the change of leadership in the White House would also shift the direction of the Federal Communication Commission (FCC) as it pertains to the Telephone Communication Protection Act (TCPA) restrictions placed on the use of auto-dialers. The GOP was guaranteed to have a majority with the announcement in December of 2016 that the FCC Chairman,

Tom Wheeler would step down as of January 20th, 2017 (the same day that President-elect Trump would assume office).

Current member of the FCC Commission, Ajit Pai was designated as the new Chairman by President Trump in January of 2017. This designation did not require Senate approval since Pai was already serving on the Commission. Pai was then re-nominated by the President in March of 2017 to serve another 5- year term and the Senate confirmed that appointment in October of 2017. Pai's appointment was followed with the confirmation of Brendan Carr, and the return of Jessica Rosenworcel in August of 2017. The party balance on the Commission is now 3 Republican and 2 Democrats.

The balance of change within the FCC Commission brought new optimism during 2017 that there might be a movement to make substantial changes to the prior Commission TCPA rulings that had created an atmosphere of overwhelming liability and litigation to those entities who are in the business to contact consumers while truly not protecting those who are in receipt of these calls. The first insight into the mood of the Commission was revealed in a speech done by Commission O'Rielly to members of ACA International in May of 2017. O'Rielly address focused on three key points:

- Legitimate businesses should have the ability to make informational calls
- Legitimate businesses should be able to make calls in an efficient manner (auto-dialers)
- The FCC should shift their focus on actual harm and bad actors rather than on technical violations

Submission of Comments to the FCC

The Coalition of Higher Education Assistance Organizations (COHEAO) TCPA Task Force was poised to address any petitions for rulemaking during 2017 as well as collaborate with other organizations who were seeking joint support in the filing of responses to the FCC.

A Petition for Reconsideration of Action was filed on January 17, 2017, on behalf of Navient Corp, Nelnet Servicing, LLC, Great Lakes Higher Education Corporation, Pennsylvania Higher Education assistance Agency, and Student Loan Servicing Alliance. The purpose of this action was to request that the FCC reconsider their ruling of August 11, 2016, that included some of the following exceptions to TCPA for consumer contacts that were "Solely to collect a debt owed to or guaranteed by the United States (Bipartisan Budget Act of 2015):

- Three Call Attempts Per (30) Thirty Day Limit
- One Contact Attempt For Reassigned and Wrong Numbers

COHEAO filed comments to the FCC on behalf of the membership in support of the petition for reconsideration.

A "Second Notice of Inquiry" was published by the FCC on July 13, 2017, seeking comments to address the problem of robocalls made to reassigned numbers. COHEAO submitted a response to the inquiry and emphasized the current liability that members were exposed to when making legitimate calls despite efforts to utilize third party vendors to scrub phone numbers. Essentially, there is no service that can provide 100% accuracy. COHEAO'S comments also stressed that the population served by the membership prefers to be contacted through their mobile phone and other devices, thus requiring a need for modification to the one call safe harbor rule. According to WebRecon, there was encouraging news concerning the volume of TCPA litigation during 2017. This was the first decline since the late

2000s. TCPA litigation was down 9.3% compared to the year 2016. These statistics reference actual court cases filed and do not track demand letters from attorneys that may have been settled before a suit being filed. Regardless, the data does reflect a positive trend.

There was also what many might consider some notable CPA landmark cases during 2017. Below includes the reference to a couple of these cases:

- **Smith v. Stellar Recovery Collection Agency**
 - Case concluded that using a phone system that includes human intervention (clickers) and does not have the capacity to function as a dialer without the clickers was found to be acceptable.
- **Reyes v. Lincoln Automotive Financial Services**
 - The plaintiff had provided his cellphone number in his lease application, and the application included a provision that provided “expressed consent” to contact via automatic telephone dialing systems, and pre-recorded messages, artificial voice messages, and texts.
 - The plaintiff stopped paying and claims a letter was sent to revoke consent to contact.
 - The judge ruled that TCPA does not permit a consumer to revoke his/her consent when the consent is part of a “bargain for exchange.”

Specifics and impact for these and other cases should be discussed with an attorney, and the above should not be considered legal advice. The FCC also witness a continuation of petitions related to TCPA during 2017. A snapshot summary of some of those petitions is noted below:

- **Cunningham and Moskowitz.**
 - Seeking to reverse two previous TCPA interpretations of the “prior expressed consent.”
 - Persons who knowingly release their phone numbers have provided consent unless providing instructions otherwise
 - Providing a cell number to a creditor as part of the application evidence an intent by the consumer to provide express consent to be contacted
- **Credit Union National Association (CUNA)**
 - Seeking to exempt the credit unions from TCPA “prior express consent” for information calls to their membership.

Rumors abound during 2017 that the United States Court of Appeals would hand down a ruling in the case of ACA International al. v. FCC. Most observers felt that the court would render a decision for the consolidated appeal either in August or October. The case was originally filed in 2015 in response to the FCC Declaratory Ruling on TCPA. The case hopes to resolve questions about the definition of “capacity” for automated dialing systems, the one contact safe harbor, and the revocation of consent to opt out. The court did not make a ruling on the case during 2017.

COHEAO’S TCPA Task Force is anticipating revisions of TCPA regulatory rule interpretations during the next year. We also expect that the FCC will continue to solicit additional comments and responses to proposed rule-making. The Task Force will continue to monitor both regulatory and legislative changes during 2018 and respond accordingly to the desire of the organizations’ membership under the guidance of Bose Washington Partners.

Submitted by: Bob Perrin, TCPA Chair/Past President

COHEAO Board 2017

COHEAO 2017 Board of Directors			
ELECTED POSITIONS			
OFFICERS			
PRESIDENT	VICE PRESIDENT	SECRETARY	TREASURER
Maria Livolsi	Lori Hartung	Tom Schmidt	Bob Frick
ELECTED POSITIONS			
MEMBERS AT-LARGE			
(STARS/Agenda)	(CAP)	(Hill/Agenda)	
Larry Rock	Paola Di Domenico	Cindy Schick	
PAST PRESIDENT CFPB/TCPA	COMMERCIAL CHAIR	EXECUTIVE DIRECTOR	
Bob Perrin	Lynn Heineman	Harrison Wadsworth	
INTERNAL OPERATIONS			
CHAIR	CO-CHAIR FINANCIAL LITERACY	CO-CHAIR COMMUNICATION	CO-CHAIR SUPPORT
Nancy Paris	Todd Woodlee	Mike Mietelski	Jocelyn Heywood
LEGISLATIVE			
CHAIR	CO-CHAIR PERKINS TASK FORCE	CO-CHAIR REGULATIONS	
Joe Weglarz	Jeff Pfund	James Seward	
MEMBERSHIP			
CHAIR	CO-CHAIR INSTITUTION	CO-CHAIR COMMERCIAL	CO-CHAIR SUPPORT
Karen Reddick	Lee Anne Wigdahl	Kendra Rivoli	Claude Payne