

The



Torch

January 3, 2014

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

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Happy New Year from COHEAO!

Happy New Year from the COHEAO Board of Directors and staff. We look forward to working with and serving COHEAO members in 2014. This year will be an exciting year for our organization. We have a great, supportive membership, and we will work hard to increase the value and influence of this fine organization.

If one of your resolutions this year was to become more active and engaged in your professional organizations, please contact any member of the COHEAO Board of Directors (the list is attached to the Torch) as well as Wes Huffman of our DC staff (whuffman@wpllc.net, 202.289.3910, or Executive Director Harrison Wadsworth, hwadsworth@wpllc.net .)

COHEAO Annual Conference Discount Deadline Is January 8; Members of Congress Speaking

The discount deadline for the 2014 COHEAO Annual Conference is **January 8**, [register today!](#)

COHEAO was able to hold the line on conference prices, maintaining the same registration rates from the 2012 Annual Conference. For COHEAO members (both commercial and institutional), the rates are \$590 prior to January 8. For non-members, the rates are \$690 for schools and \$1,540 for commercial organizations prior to January 8. After January 8, all rates increase by \$50.

The conference will be held at the Ritz-Carlton Pentagon City, a fabulous hotel in Arlington, VA, which is a very short metro or cab ride to Washington, DC. COHEAO has negotiated a special rate of \$224 per conference delegate, which is an outstanding rate in the DC area for any conference hotel. Space is limited, and conference attendees must register by January 8 to receive this rate, so reserve your room today. To reserve your room at this special price, you may call 703-415-5000 and indicate you will be attending the COHEAO Annual Conference. You can also make your [hotel reservations online](#). The COHEAO group code is HAOHAA.

Several exciting new speakers will highlight the conference program. Representative Tim Bishop (D-NY), a long-time supporter of the Perkins Loan Program, will provide a luncheon address on Monday, January 28. Representative Luke Messer (R-IN), an up and coming member of the House Republican Caucus serving on the Education and the Workforce Committee, will provide remarks on the afternoon of January 28. In addition to insights from these leaders on the Education and the Workforce Committee, the COHEAO Annual Conference will also feature Gail McLarnon and Brian Smith, two senior Department of Education officials charged with overseeing the Perkins Loan Program and other programs at the Office of Postsecondary Education.

In addition to professional development and networking opportunities throughout the week, the COHEAO Annual Conference focuses on how Washington impacts those working on student financial services. Multiple sessions will cover regulatory and legislative developments, and the conference provides attendees with the opportunity to visit Capitol Hill and advocate directly on issues affecting their office. New to visiting with your legislators? The COHEAO Annual Conference offers advocacy training and mentors to help guide you around the halls of Congress.

Though legislation and regulation are featured aspects of the conference, they are most definitely not the only focus. In addition to “Washington-based” sessions, the draft program currently includes sessions on financial literacy and cohort default management, credit reporting, backroom outsourcing,

the use of student workers, and more. We will be posting the draft conference agenda in the coming days.

If you have any questions on the COHEAO Annual Conference, please contact Wes Huffman (whuffman@wpllc.net).

COHEAO Members Elect Some New Leaders

The COHEAO Membership elected five members of the Board of Directors in elections held by electronic ballot last month. Elected to take office after this month's Annual Conference were: Lori Hartung of Todd, Bremer and Lawson as Treasurer; Tom Schmidt of the University of Minnesota as Secretary; Pam Devitt of the University of Illinois as Member at Large; Larry Rock of Concordia College of Minnesota as Member at Large; and David Stocker of Automated Collection Services Inc. as Member at Large. COHEAO congratulates them and sincerely thanks all who ran for election for their interest and support of our organization.

COHEAO holds elections for the three member at large posts, Treasurer and Secretary to take office after the Annual Conference in even numbered years and elects the President and Vice President of the Board to take office after the Annual Conference in odd numbered years. Appointed members of the Board also take office after the Conference in odd numbered years. Vacancies may be filled as they occur.

Coming to the Annual Conference? Don't Forget the Silent Auction

The silent auction to benefit the COHEAO Scholarship Fund is always a highlight of the Annual Conference and 2014 will be no different. We are extremely proud of the efforts of conference attendees to provide for the COHEAO scholarship fund. Through their generosity, COHEAO has been able to offer multiple \$1,000 scholarships to students at COHEAO member institutions.

The auction is particularly unique in that Items for the auction are provided by conference delegates, so you might just find a better use for that great holiday gift you already had and have been meaning to return. Local items for a particular region or college or university are always popular and the hotel is attached to a wonderful mall providing many options without the hassle of traveling with your items.

Many attendees provide items and others show their generosity in bidding on items, while many choose to do both. Between the auction, a 50/50 raffle, and individual donations the Silent Auction at the Annual Conference at the COHEAO Scholarship Fund are a testament to the generosity of COHEAO members and conference attendees.

If you have any questions on the COHEAO Annual Conference, please feel free to contact Wes Huffman (whuffman@wpllc.net).

Congress

Appropriations Work, Unemployment Fight Await Congress' Return

Though the past two weeks have been extremely quiet in Washington, appropriations staffers have been (and will be) working diligently to put together a spending package by January 16. Just before a holiday break, Congress passed the Bipartisan Budget Act of 2013 and the President has signed the measure into law.

Though the agreement could not be described as a harbinger of bipartisan camaraderie for the upcoming year, the tenor was a vast improvement over the government shutdown days of October. Congress must pass spending measures by January 16 or face another government shutdown, but all signs indicate a shutdown will be avoided.

Congress returns next week and a contentious debate may be awaiting. Unemployment benefits for many Americans expired on December 28. Thus far, Republicans in the House have indicated they may be amenable to extending the benefits, but doing so would require a pay for. In the Senate, Sen. Jack Reed (D-RI) and Sen. Dean Heller (R-NV) have put forward a plan for a 3-month extension.

The unemployment extension debate and the regular appropriations process have remained on separate legislative tracks to date. Should the issues become intertwined, a fight over unemployment benefits could easily complicate the appropriations work with the January 16 deadline, but all parties are seeking to avoid a shutdown.

White House and Administration

NCES Releases New Data on Enrollment, Graduation, College Finances

The National Center for Education Statistics (NCES) recently released a new series of data from the Integrated Postsecondary Education Data System's (IPEDS) spring 2013 data collection. The report, "Enrollment in Postsecondary Institutions, Fall 2012; Financial Statistics, Fiscal Year 2012; Graduation Rates, Selected Cohorts, 2004-2009; and Employees in Postsecondary Institutions, Fall 2012," provides a great deal of information on enrollment, graduation, and financial statistics for colleges and universities nationally.

NCES highlighted improved graduation rates when considering allowing for additional time for completion, particularly at programs lasting two-years or less. By extending the time students were tracked for program completion from within 100 percent of normal time to within 200 percent of normal time, graduation rates for undergraduates who were full-time, first-time students in 2008 increased from 21 percent to 38 percent at 2-year institutions and from 46 percent to 69 percent at less-than-2-year institutions. Other findings include:

- In fall 2012, Title IV institutions enrolled 18.2 million undergraduate and 2.9 million graduate students. Of the 18.2 million undergraduates, 58 percent were enrolled in 4-year institutions, 40 percent in 2-year institutions, and 2 percent in less-than-2-year institutions.
- In fiscal year 2012, public 4-year institutions and administrative offices received 21 percent of their revenues from tuition and fees, compared with 39 percent at private nonprofit entities and 89 percent at private for-profit entities. Additionally, 29 percent of expenses at public 4-year entities were for instruction, compared with 42 percent at public 2-year entities and 50 percent at public less-than-2-year entities.
- Approximately 59 percent of full-time, first-time students at 4-year institutions in 2006 who were seeking a bachelor's or equivalent degree completed a bachelor's or equivalent degree within 6 years at the institution where they began their studies.

The full report is available online: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2013183>

CFPB Provides Spending Info for Appropriations Committees

Last week, the Consumer Financial Protection Bureau issued a report to the congressional appropriations committees on its spending. The Bureau receives its funding via transfers from the Federal Reserve Board, but is also authorized to request additional appropriations. To date, the CFPB has requested no such funds. An excerpt from Ballard Spahr's *CFPB Monitor* on the new report is included below:

The report covers the period August 1, 2012 through September 30, 2013. Dodd-Frank Section 1017(e) entitles the CFPB to receive annual funding through transfers from the Fed that are capped at a fixed percentage of the Fed's total 2009 operating expenses. If such transfers (which totaled \$518.4 million in fiscal year 2013) are not sufficient in FY 2010-2014 to meet the CFPB's needs, Dodd-Frank authorized the CFPB to request additional funds subject to the appropriations process (which are capped for each such year at \$200 million). The report states that the CFPB did not request an appropriation in FY 2011, FY 2012 or FY 2013 and does not plan to request one in FY 2014.

The CFPB report is available online: http://www.consumerfinance.gov/f/201312_cfpb_report_section-1017e4-appropriations.pdf

The *CFPB Monitor* post is available online: <http://www.cfpbmonitor.com/2014/01/03/cfpb-issues-report-to-congressional-appropriations-committee/>

Industry

***NY Times* Criticizes ED, Guarantor Legal Tactics on Bankruptcy Discharges**

In a front page story this week, the *New York Times* published an article critical of the US Department of Education's legal defenses employed in bankruptcy cases involving defaulted federal student loans. Focusing on the federal contractor tasked with providing this service on behalf of the Department, the story chronicled the struggles of some borrowers seeking to discharge their student loans. It ran under the headline, "Loan Monitor Is Accused of Ruthless Tactics on Student Debt."

The story focused on Education Credit Management Corporation (ECMC), a federal loan guarantor contracted by the Department to administer bankruptcy cases. As is often the case with student loans in the media, the article took very complex and nuanced aspects of the federal loan programs, such as bankruptcy, total and permanent disability, and others, and put them in their most simplest form—a victim and a villain.

The article also looked at ECMC's role in shaping the definition of "undue hardship," which is generally required to discharge student loans in bankruptcy proceedings. The company indicated it adhered to federal laws, regulations, and guidelines—a sentiment that was shared by Chris Greene, a Department of Education spokesman.

The full *New York Times* article is available online: http://www.nytimes.com/2014/01/02/us/loan-monitor-is-accused-of-ruthless-tactics-on-student-debt.html?pagewanted=1&_r=1&

**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.	Higher One
ACSI, Inc.	iGrad
AMO Recoveries, Inc	Immediate Credit Recovery, Inc.
Automated Collection Systems, Inc.	JC Christensen and Associates
Bass & Associates	National Credit Management
Blackboard, Inc.	National Enterprise Systems, Inc.
Campus Partners	National Recoveries
Capital Management Services, LP	NCC Business Services of America
Ceannate, Inc.	NCO Financial Systems, Inc.
Client Services, Inc.	Premiere Credit
Coast Professional	Progressive Financial Services, Inc.
ConServe	Recovery Management Services, Inc.
Credit Adjustments, Inc.	Regional Adjustment Bureau, Inc.
Credit World Services, Inc.	Reliant Capital Solutions, LLC
Delta Management Associates	Security Credit Systems, Inc.
Educational Computer Systems, Inc.	Todd, Bremer & Lawson, Inc.
EOS-CCA	Xerox, Inc.
Education Assistance Services, Inc.	Williams & Fudge, Inc.
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General Revenue Corporation	

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