The Torch

November 21, 2014

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

COHEAO

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Congress

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- **Outgoing Senate Committee Chairman Releases Bill Calling for Reauthorization of Perkins Loan Program**
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  Senator Lamar Alexander (R-TN), presumed incoming Chairman of the HELP Committee, recently gave an interview to *NPR* on his education agenda.
- **CBO Offers Options for Reducing the Deficit**
  The Congressional Budget Office on Thursday released its annual report, Options for Reducing the Deficit: 2015 to 2024.

White House & Administration

- **Reports: Treasury Planning Pilot Program for Defaulted Loan Collections & Examining Proposal to Bring Servicing In-House**
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Industry

- **ECMC to Purchase Most of Corinthian's Campuses**
  ECMC Group and Corinthian Colleges Inc. announced an agreement for ECMC Group's newly formed nonprofit education entity, Zenith Education Group, to acquire 56 Everest and WyoTech campuses for transition to nonprofit status.
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  The College Board released its annual "Trends" reports on college pricing and student aid.
- **TICAS Releases Annual Report on Class of 2013 Borrowing**
  The Institute for College Access & Success (TICAS) released its annual report on borrowing levels among the class of 2013.

Attachments

- **Special Attachment: Recent comments from COHEAO to the FCC on TCPA**
- **COHEAO Commercial Members**
- **COHEAO Board of Directors**

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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. We will be posting the draft conference agenda in the coming days.
In addition to "Washington-based" sessions, the draft program currently includes sessions on:

- financial literacy
- cohort default management
- credit bureau reporting
- back office outsourcing
- the use of student workers, and more.

This is an incredibly affordable conference for multiple days of programming. For COHEAO institutional members, the rates are $590 prior to January 7. For our commercial and organizational members, the rates are $690. For non-members, the rates are $690 for schools and $1,540 for commercial organizations prior to January 7. After January 7, 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 $228 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 7 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. A website for hotel reservations is also available. The COHEAO group code is CEOCEOA

We will be providing further details in the coming days and weeks, but we urge you to go ahead and sign up today for the COHEAO Annual Conference. It is an event you will not want to miss.

Special Attachment: COHEAO Submits Comments to FCC in Support of TCPA Petition

Included as a special attachment with today's *Torch* are the comments COHEAO submitted to the Federal Communications Commission in support of a ruling that unknowingly calling a reassigned cell phone number after express consent has been given by the previous owner of the number is not a violation of the Telephone Consumer Protection Act. This petition was brought forward by the Consumer Bankers Association (CBA).

COHEAO continues to participate in multiple coalitions working on TCPA and mobile communications issues, offering insights on how these flawed laws can affect colleges and university related operations. It is a long road ahead in terms of meaningful reforms to TCPA and the issue will remain a priority for COHEAO. If you are interested in becoming more involved in COHEAO's work on these issues, please contact Bob Perrin (bperrin@wfcorp.com).

Congress

As Preparations Are Made for 114th Congress, Executive Order on Immigration Looms over End of 113th

Congress recently returned for the lame duck session. Although much of the attention this week was on the 114th Congress, which will start just after the New Year, issues from the 113th continue to loom.

The prospects of a partial government shutdown are again growing, despite the desire of leaders of both parties to pass appropriations measures to fund the rest of FY2015. President Obama's decision to move ahead with changes to enforcement of immigration laws will undoubtedly have an impact on all of the business before Congress. Education and Workforce Committee Chairman John Kline (R-MN) issued a statement last night that implies a slowdown in education legislation: *"…This decision will make it even harder to address the challenges facing our classrooms and workplaces. Unless the president changes course, we will lose an opportunity to advance reforms that would make a difference in the lives of students and working families. The president is determined to let that opportunity slip away."*

The Republicans and Democrats in the House and Senate picked leaders for 2015, with current teams left in place at the top. Two interesting additions were made to leadership ranks, albeit to lower level positions.

In the House, Rep. Luke Messer (IN) was elected to lead the Republican Study Group. Messer is only in his first term so his election was a bit of an upset (for a position that was vacant). He sits on the Education and Workforce and the Financial Services Committees and has been active on higher education issues. He's a pragmatic conservative who is close to Speaker John Boehner (R-OH) and could be a rising star in the Republican caucus. He spoke last year at the COHEAO Annual Conference.

In the Senate, a new position was created for Sen. Elizabeth Warren (MA) in the Democratic leadership—one described as a liaison to the left. It will provide her with a bit more of a platform for her populist positions and allow Democratic leadership to remain more closely attuned to the concerns of their base.

Following the leadership announcements, several Chairs and Ranking Members were named in the House. Representative John Kline (R-MN) received a waiver from chairmanship term limits and will return to his position leading the Education and the Workforce Committee. Representative Bobby Scott (D-VA) will serve as Ranking Member. Also of note, Rep. Tom Cole (R-OK), another ally of Boehner's, was named as the Chairman of the Labor, Health and Human Services, and Education Appropriations Subcommittee.

The Senate has yet to announce Committee Chairs, but Sen. Lamar Alexander is expected to serve as Chair of the HELP Committee, with Sen. Patty Murray as the top Democrat.

The full list of the House Committee Chairman is included below:

Agriculture – Rep. Mike Conaway (R-TX)
Appropriations – Rep. Hal Rogers (R-KY)
Armed Services – Rep. Mac Thornberry (R-TX)
Budget – Rep. Tom Price (R-GA)
Education & the Workforce – Rep. John Kline (R-MN)
Energy & Commerce – Rep. Fred Upton (R-MI)
Financial Services – Rep. Jeb Hensarling (R-TX)
Foreign Affairs – Rep. Ed Royce (R-CA)
Homeland Security – Rep. Michael McCaul (R-TX)
Judiciary – Rep. Bob Goodlatte (R-VA)
Natural Resources – Rep. Rob Bishop (R-UT)
Oversight & Government Reform – Rep. Jason Chaffetz (R-UT)
Science, Space, and Technology – Rep. Lamar Smith (R-TX)
Small Business – Rep. Steve Chabot (R-OH)
Transportation & Infrastructure – Rep. Bill Shuster (R-PA)
Veterans' Affairs – Rep. Jeff Miller (R-FL)
Ways & Means – Rep. Paul Ryan (R-WI)

Outgoing Senate Committee Chairman Releases Bill Calling for Reauthorization of Perkins Loan Program

***Editor's note: This article was also delivered to COHEAO members as a Spark yesterday.*

Senator Tom Harkin (D-IA), the chairman of the Health, Education, Labor and Pensions Committee, today introduced a massive bill for reauthorization of the Higher Education Act (HEA). The bill includes provisions reauthorizing the traditional Perkins Loan Program through 2021, including pushing back the sunset provision until then. The 875-page bill, which is not yet numbered, is the first comprehensive legislation in the current reauthorization process, covering every part of the HEA.

The bill apparently does not have any cosponsors at this time, but we believe it does reflect the priorities of the Democratic members of the HELP Committee. Harkin is retiring at the end of this Congress, and this bill like all others that have been introduced but not become law will die when the Congress adjourns. The new HELP Committee chairman in January 2015 will be a Republican, probably Sen. Lamar Alexander (R-TN), who has a different point of view on many issues, but almost all of the Democrats currently serving on the HELP Committee are returning and will still have a major say in the

HEA reauthorization process. Current Committee member Sen. Patty Murray (D-WA) is planning to assume Harkins position as the top Democrat on the Committee.

COHEAO has worked hard to support reauthorization of the Perkins Loan Program, so it is good news that Harkin's bill reflects that. It gives us something to point to as the work continues next year. COHEAO representatives have met with Sen. Alexander's staff and will continue to do so.

The bill proposes the following for Part E, the Perkins specific provisions:

- Authorizes "such sums as may be necessary" for the program through 2021. (There is no guaranty that funds will actually be appropriated, however.)
- Raises the required institutional match to the federal capital contribution (FCC) from one-third to 50 percent. This increased match requirement would also apply to the SEOG And Work Study programs.
- Changes the allocation formula and the "self help need" rules used to determine FCC allocations. The current allocation rules are replaced by a much simpler methodology for FCC that says a school's allocation has to be between 90 and 110 percent of its previous year's allocation, ratably reduced if insufficient funds are available. Importantly, in addition it requires the Education Department to come up with new rules that require consideration in the allocation for new institutions the number of low- and moderate income students that an eligible institution serves. The same changes are made to the SEOG and Work Study programs.
- Simplifies military deferment eligibility rules and extends the deferment to 180 days after demobilization.
- Expands military service forgiveness by removing the requirement that service be in a combat zone.
- Changes the sunset of the program – the date when schools would start sending federal funds to the Treasury – from Oct. 1, 2012 to, like the authorization for funding, Oct. 1, 2021. This conforms to what Congress has repeatedly done in the past.

The bill proposes numerous changes to other programs. Here are a few highlights. The bill would:

- Restore year-round Pell Grants.
- Eliminate origination fees for Direct Loans.
- Make private student loans dischargeable in bankruptcy.
- Require school certification of private loans
- Limit private loan lending to what the school certifies is needed.
- Clarify that HHS student loans are not covered by the Truth in Lending Act disclosure requirements for private loans.
- Require private loan lenders (there is no exception for institutional loans) provide for posting on the internet the contracts with all private loan borrowers.
- Imposes a number of new requirements on student loan servicers, including third-party Perkins loan servicers. Schools servicing their own loans and the Department itself are exempted. These extensive proposals are in Chapter 6 of the legislation. They include prescriptive requirements for dealing with borrowers in all respects, many of which reflect Consumer Financial Protection Bureau recommendations on servicing.
- Restrict collection costs on defaulted Direct Loans and FFELs to the "bona fide collection costs associated with such student loan that are actually incurred in collecting the debt against the borrower."

- Requires a study from the Department of Education with a determination that private collection agencies (PCAs) "are an efficient and effective way of recouping defaulted federal student loan debt."
- Requires the Department of Education to report any PCA violations of the FDCPA to the CFPB.
- Three reports from Department of Education studying:
    - The feasibility of specialty servicing contracts;
    - Servicer compensation
    - Increasing transparency and performance for FFELP servicing.

A fact sheet prepared by Chairman Harkin's staff is available online. The full legislative text is available online. (The Perkins language runs from pp. 328-332)

Alexander Highlights ESEA as "First Priority" for HELP Committee in 114th

Senator Lamar Alexander (R-TN), presumed incoming Chairman of the HELP Committee, recently gave an interview to *NPR* on his education agenda.

In the piece, Alexander makes clear he prefers to address the reauthorization of the Elementary and Secondary Education Act prior to HEA, stating the "first priority is to fix No Child Left Behind (NCLB)." NCLB is the name given to the last ESEA reauthorization, which took place in 2001. The presumed-incoming HELP Committee Chairman is extremely concerned with the Administration's waiver regime, which has essentially achieved de facto-ESEA reauthorization via waivers that push states in the direction it sees fit to avoid the penalties of NCLB, particularly since the latest round of extensions goes well beyond the end of President Obama's term.

In terms of the Higher Education Act, Alexander highlighted the FAFSA simplification in the FAST Act proposal he put forward with Sen. Michael Bennet (D-CO). The higher education portions of his interview are included below:

> ***What about higher education? There's a lot of pressure to hold institutions more accountable for the $200 billion they get in federal aid and to bring the cost of college down.***
> *The cost of higher education is more affordable than people think. At a community college, average tuition is $3,600. At a four-year public institution, it's $8[,000] to $9,000. Many students can get a Pell Grant they don't have to pay back, up to $5,000. We lend $100 billion every year in student loans at an interest rate of about 4 percent to people with no credit history. Tennessee is the first state to say two years of community college is free. I expect more states to do that.*
>
> *I'm [also] working with [Colorado Democratic] Sen. Michael Bennet to take the 108-question student-aid application form, known as FAFSA, and reduce it to two questions: 'What's your family income?' and 'What's your family size?' ... The complexity of the form is discouraging students from attending college. So the greatest barrier to more college graduates is this federal application form.*
>
> ***What do you think about President Obama's plan to create a government-sponsored college ratings system based on things like graduation rates, student-loan default rates and the percentage of academically eligible low-income students a school enrolls? Is this an idea that you support and are likely to take up?***
> *I think ratings are fine, but the U.S. Congress and Department of Education don't have any business trying to develop a rating system for 6,000 higher education institutions in the country. All we'll get*

is a lot of controversy, a lot of regulations and a lot of confusion. I mean, how is Washington going to compare Nashville Auto-Diesel College [currently known as Lincoln College of Technology] and Harvard? Leave that to accrediting agencies. Have a lot of transparency so students and families can find out all they can about colleges. We have a marketplace of colleges and universities. It has produced the best system of higher education in the world. We don't need the federal government overregulating it.

When asked where Congressional Republicans and President Obama could work together, Alexander's first response was "student loans." He is not the first politician to point to student loans as an issue where Democrats and Republicans have worked together in the past. President Obama pointed to the 2013 deal on Direct Loan interest rates in his Mid-Term post-mortem press conference and Sen. Angus King (I-ME) has been touting the deal as well as his proposal for repayment simplification with Sen. Richard Burr (R-NC).

The full interview is available **online**.

CBO Offers Options for Reducing the Deficit

The Congressional Budget Office on Thursday released its annual report, Options for Reducing the Deficit: 2015 to 2024. The CBO every year publishes this report. Congress doesn't usually adopt many of the ideas, but the report does provide menu for spending offsets for legislation. CBO is careful to say: "Inclusion or exclusion of any particular option does not imply approval or disapproval by CBO, and the report makes no recommendations."

Here are the options that affect education (with the ten year savings shown):

- Eliminate the Add-On to Pell Grants That Is Funded With Mandatory Spending -- $ 75.8 Billion
- Eliminate the Stafford Loan Subsidy altogether – $38.6 Billion
- Limit subsidized Stafford Loans to those who also receive Pell grants -- $12.5 Billion
- Eliminate Subsidies for Certain Meals in the National School Lunch and School Breakfast Programs -- $10 billion
- Restrict Pell Grants to Students With an expected family contribution of $3,850 or Less -- $5.8 Billion
- Restrict Pell Grants to Students With an expected family contribution of Zero -- $92.7 Billion
- Eliminate ED grants that fund nonacademic programs -- $11.8 billion
- Eliminate Certain Tax Preferences for Education Expenses -- $150 billion (This option would eliminate the American Opportunity Tax Credit and the Lifetime Learning tax credit and cancel the reinstatement of the Hope tax credit. The option would also gradually eliminate the deductibility of interest expenses for student loans by phasing them out in annual increments of $250 over a 10-year period.)

White House & Administration

Reports: Treasury Planning Pilot Program for Defaulted Loan Collections & Examining Proposal to Bring Servicing In-House

The *Huffington Post* recently **reported** that the Treasury Department is planning a pilot project where federal employees will handle collections of defaulted federal student loans. The online publication also indicated that Treasury and Education were closely examining **a paper from two academics** arguing that the government should handle student loan servicing and collection themselves instead of contracting to private companies.

According to the *Huffington Post's* Shahien Nasiripour's reporting, the pilot project with defaulted loans at Treasury is expected to begin early next year. The article also indicates that Education and Treasury could bring billing servicing in-house. An attorney for ED told the *Huffington Post* this authority already exists, but would require additional funding from Congress. This does not seem likely, particularly given Republican control of the House and Senate in the 114th Congress.

Supporters of this proposal seem to believe it will be a more consumer friendly approach, but then also point to a letter from National Taxpayer Advocate Nina Olson recommending IRS collections remain internal as a key piece of supporting evidence. **In her letter**, Olson states, "Unlike private debt collectors, the IRS can use its levy, lien and seizure powers to address the 'won't pay'" aspect of collections. She also points to the utility of refund offsets for efficiently collecting debts.

The remainder of Olson's letter contains additional arguments against the use of private collectors, including allegations of misaligned incentives and questioning collection practices, but the letter prominently discusses Treasury's powers to compel payment and their utility in differentiating between those who "can't pay" and those who "won't pay." Though they claim to be "consumer advocates," supporters of the proposal for in-house collections do not seem to be troubled by the government prioritizing student loans over consumers' other debt obligations or the prospects of the Treasury Department and individual borrowers having vastly different definitions of what constitutes "can't pay" and "won't pay."

The article and the **accompanying chatter on Twitter** did show the level of coordination among progressive media outlets and allied organizations to bring federal loan servicing and collections completely in-house. Matt Yglesies of *Vox* congratulated Nasiripour on "getting results," while David Dayen of *Salon* sought credit and Nasiripour deferred the praise to the National Consumer Law Center and Jobs for Justice.

Industry

ECMC to Purchase Most of Corinthian's Campuses

ECMC Group and Corinthian Colleges Inc. announced an agreement for ECMC Group's newly formed nonprofit education entity, Zenith Education Group, to acquire 56 Everest and WyoTech campuses for transition to nonprofit status. The Department of Education also issued a press release stating it supported the agreement.

"Thousands of students can now rest assured that they will be able to pursue their education and have more stability in the midst of this school year," said Under Secretary Ted Mitchell. "We are glad that Corinthian has reached an agreement with ECMC Group and believe that this transition will allow students to maintain progress toward achieving their educational and career goals and protect taxpayers' investment, while Corinthian moves out of the business. We are pleased to help students transition from a problematic for-profit company to a nonprofit that is committed to giving students a new start and more opportunities for success."

In June, the Department's Office of Federal Student Aid placed Corinthian Colleges Inc. on an increased level of financial oversight. As Corinthian announced in July, the company agreed to gradually wind down activity as part of an operating agreement with the Department. In addition, the enforcement actions against Corinthian, which have been brought by various state and federal agencies, including the Department, will continue.

In announcing the agreement, ECMC Group indicated it will take additional steps to strengthen programs and protections for students, including:

- **Affordability**: ECMC Group will work to improve affordability by reducing tuition by 20 percent for new students in most Everest programs, effective immediately upon closing. Existing students who enroll in additional courses will also benefit from this reduction. The company further plans to award millions of dollars each year in institutional grants to fill gaps in funding so that students will not be forced to take out private loans.
- **Accountability and Transparency**: ECMC Group will ensure that two key measures of student success are met: strong program completion rates and job placement rates. ECMC Group intends to transform the culture of the campus system by bringing on a new senior executive team and through a new strategic focus on educational programming and the overall student value proposition. The company will also expand oversight by consolidating and centralizing all compliance, quality control and internal audit functions under ECMC Group's purview. ECMC Group will also employ a monitor to oversee its regulatory obligations related to the acquired schools. Additionally, ECMC Group plans to provide students easy access to more information about their educational programs, relevant placement rates, and other measures of their likely success.
- **Improved Job Placement**: ECMC Group and campus leadership will coordinate with local and regional employers to ensure that skills being taught in the classroom reflect actual workforce needs and will lead to jobs in their field of study. ECMC Group will also lead a comprehensive review of all programs with a goal of improving and, if warranted, eliminating those that underperform. Students in specific underperforming programs will be given a choice of options, including a refund of loans that would be funded by ECMC Group.
- **Individualized Support**: ECMC Group will maintain smaller class sizes to re-emphasize quality learning over enrollment. Additionally, ECMC Group will improve academic counseling, tutoring, and remedial education services to ensure that more students have the tools and resources required for successful program completion; financial literacy counseling to help students better manage their student loans and reduce student loan debt; and career counseling services to provide clear paths to good jobs related to their fields of study.

The Department and ECMC received some criticism in the coverage of the move. The most vocal of the opposition came from groups and individuals who routinely criticize former FFELP participants, for-profit colleges, and, at times, the Department generally. For instance, a spokesperson for "Higher Ed, Not Debt" described the move as a "bailout" that "treats students like financial assets."

However, top officials at the Department praised the move. Under Secretary Ted Mitchell, who has been in the job less than the year, led the effort at ED. At times, Department officials say, Mitchell and others working on the deal have been incredibly long hours in a "war room" like setting to address the sale of the Corinthian campuses.

The Department is receiving $12 million from the transaction and up to an additional $17.25 million earn-out over the next seven years, all of which will be used to support students. Corinthian will also retire all of its institutional Genesis student loans, which it currently holds.

The Department's press release also states, "While there are additional steps over the coming weeks before the transaction can be finalized, the Department will continue to work closely with the independent monitor, Skadden, Arps, Slate, Meagher & Flom LLP & Affiliates, under the leadership of former U.S. Attorney Patrick Fitzgerald, to ensure Corinthian's students have an orderly transition and can make informed decisions about their futures."

ECMC has set up a website with all sorts of information on the agreement. It is available online: http://www.ecmc.org/Group/acquisition.html

College Board Releases Annual "Trends" Reports

The College Board released its annual "Trends" reports on college pricing and student aid. The reports were scheduled to be released earlier this month, but had to pulled do to an error in calculating student loan volume.

The "Trends" reports are chock full of key data, but are often criticized for presenting a much too rosy picture for higher education. Below are the key findings as identified by the College Board:

Key Tuition and Fee Findings

- *Average published tuition and fees for full-time **in-state students at public four-year colleges and universities** increased 2.9%, rising from $8,885 in 2013-14 to $9,139 in 2014-15.*
- *Average published tuition and fees for full-time **out-of-state students at public four-year colleges and universities** increased 3.3%, rising from $22,223 in 2013-14 to $22,958 in 2014-15.*
- *Average published tuition and fees at **private nonprofit four-year institutions** increased 3.7%, rising from $30,131 in 2013-14 to $31,231 in 2014-15**.***
- *Average published in-district tuition and fees at **public two-year colleges** increased 3.3%, rising from $3,241 in 2013-14 to $3,347 in 2014-15.*
- ***Average net prices** are much lower than published prices because many students benefit from grant aid from federal and state governments, colleges and universities, and other sources, as well as from federal education tax credits and deductions. Over the decade from 2004-05 to 2014-15, **average net tuition and fees at public four-year institutions** rose by 32%, compared to a 42% increase in the published price (after adjusting for inflation). At **private nonprofit four-year institutions**, the net price fell by 13% over the decade, while the published price increased by 24%.*
- *In 2014-15, full-time students receive an average of about $6,110 in grant aid and education tax benefits at public four-year institutions, $5,090 at public two-year colleges, and $18,870 at private nonprofit four-year institutions to help them pay the published prices.*

Key Student Aid Findings

- *Undergraduates received an average of $14,180 in financial aid in 2013-14, including $8,080 in grants from all sources, $4,840 in federal loans, $1,195 in education tax credits and deductions, and $65 in Federal Work-Study.*
- *Total annual education borrowing fell by an estimated 8% in real terms between 2012-13 and 2013-14, following declines of 4% and 2% in the two preceding years, leading to a three-year decline of 13%.*

- *In 2013-14, undergraduate borrowers took federal Direct Subsidized and Unsubsidized Loans averaging $6,670, over $300 less (in 2013 dollars) than the year before and $740 less than in 2010-11.*
- *Total borrowing from the federal Direct Subsidized and Unsubsidized Loan programs fell by an estimated 10% ($8.7 billion in 2013 dollars) in 2013-14, and by 18% between 2010-11 and 2013-14. Total borrowing under the Parent PLUS program fell by 1% ($58 million) in 2013-14 and by 12% over three years; and the Grad PLUS program provided 4% ($276 million) less in 2013-14 than the preceding year and 1% more than in 2010-11.*
- *In 2013, 40% of borrowers with outstanding education debt owed less than $10,000, and another 29% owed between $10,000 and $24,999; 4% of borrowers owed $100,000 or more. This debt includes borrowing for both undergraduate and graduate studies.*
- *Grant aid per full-time equivalent undergraduate student increased by 39% between 2007-08 and 2010-11 and by 8% between 2010-11 and 2013-14.*
- *The number of students receiving Pell Grants — the central federal grant program providing funding for low- and moderate-income students — increased from 3.8 million in 1993-94 to 5.1 million in 2003-04 and to 9.2 million in 2013-14. The percentage of undergraduate students receiving Pell Grants increased from 25% in 2003-04 to 38% in 2013-14.*

Additional information on both “Trends” reports is available **online**.

TICAS Releases Annual Report on Class of 2013 Borrowing

The Institute for College Access & Success (TICAS) released its annual report on borrowing levels among the class of 2013.

According to TICAS, in 2013, seven in 10 (69%) graduating seniors at public and private nonprofit colleges had student loans. Nationally, the average debt for these graduates was $28,400, two percent higher than 2012. In both years, about one-fifth of new graduates’ debt was in private loans.

At the state level, borrowers’ average debt at graduation ranges from $18,656 to $32,795, with six states topping $30,000 and only one under $20,000. Nearly all the highest debt states are in the Northeast and Midwest, with the lowest debt states in the West and South.

In releasing the report, TICAS called for additional reporting requirements for colleges on their graduates’ debt levels.

Additional information on the report is available online: **http://www.ticas.org/pub_view.php?idx=960**

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Petition for Declaratory Ruling	)	
of the Consumer Bankers Association	)	
Rules and Regulations Implementing the	)	CG Docket No. 02-278
Telephone Consumer Protection Act of 1991	)	

COMMENTS OF THE COALITION OF HIGHER EDUCATION ASSISTANCE ORGANIZATIONS IN SUPPORT OF PETITION FOR DECLARATORY RULING OF THE CONSUMER BANKERS ASSOCIATION

The Coalition of Higher Education Assistance Organizations ("COHEAO") urges the Federal Communications Commission ("FCC" or "Commission") to promptly consider the pending Petition for Declaratory Ruling ("CBA Petition") of the Consumer Bankers Association ("CBA"), which asks the Commission to confirm that the "called party" from which a caller must obtain prior express consent under the Telephone Consumer Protection Act ("TCPA") to place certain automated calls to mobile telephone numbers is the intended recipient of such a call.[1] Granting the Petition will benefit consumers, including colleges and universities, by encouraging the sending of beneficial and important communications to their students and staff.

I. INTRODUCTION

COHEAO was founded in 1981 and has served as a partnership of colleges, universities, and organizations dedicated to promoting Federal Campus Based loan programs, student

[1] Petition for Declaratory Ruling of the Consumer Bankers Association, CG Docket No. 02-278 (filed Sep. 19, 2014).

institutional and private loans, campus receivables, financial literacy as well as other student financial services. COHEAO serves as a primary source for informative and timely updates for its members for all aspects that define the relationship between the student and their campus in the areas of student financial aid, student financial services, compliance, and federal legislative and regulatory issues.

Members of our organization interact, assist, and support current and previous students in a variety of ways that frame the student experience. In these capacities, we witness first-hand the difficulties and challenges caused to students who are unable to receive information and assistance due to the unintended consequences of outdated Commission rules promulgated under the TCPA. The populace being served by COHEAO members is dependent on their cellular telephones as their primary means for communication and as depositories to store information in order to conduct college business. TCPA rules that inhibit or discourage communication between institutions of higher education and their students and former students for non-marketing purposes may lead to unnecessary and avoidable student loan defaults, missed notifications for entrance and exit interviews that provide vital information on loan obligations, missed notifications of approaching deadlines for class registrations, and many other campus activities that define the campus life experience for millions of students.

College and university students today, as the Commission is aware, do not normally have land lines. Many have never had anything but a cellular telephone and probably never will. The ability to communicate via cell phone is critical, and the use of predictive dialing technology provides an essential means to communicate rapidly with many students or former students in order to convey important information.

II. CONTINUING LEGAL UNCERTAINTYABOUT THE MEANING OF "CALLED PARTY" HARMS COHEAO MEMBERS, STUDENTS AND FORMER STUDENTS

COHEAO agrees emphatically with CBA's claim that useful communications are inhibited by the present litigation environment, including the threat of lawsuits based upon calls to reassigned numbers. COHEAO Members make every effort to place informational calls in compliance with the TCPA and implementing regulations of this Commission. The threat of class-action lawsuits based upon wholly inadvertent calls to reassigned numbers will force COHEAO Members to curtail sending important, beneficial information to mobile devices. This situation undermines the very purpose of the TCPA, which is to limit intrusive telemarketing calls while encouraging communications that benefit consumers.

III. CONCLUSION

COHEAO urges the Commission to act promptly to confirm that a call inadvertently placed to a person to whom a customer's mobile telephone number has been reassigned is lawful under the TCPA, as long as the intended recipient gave prior express consent to receive the call at that phone number and the caller has no prior knowledge of the number reassignment. As the CBA Petition points out, the most logical means of accomplishing this result is simply to confirm that the call's intended recipient — not any person who happens to answer the call — is the "called party" whose prior express consent must have been obtained.

COHEAO appreciates the opportunity to comment in support of the CBA Petition, and will be pleased to provide any further information that will assist the Commission in reaching a prompt and favorable conclusion that relieves colleges and universities and their service providers from the threat of unjustified, counter-productive litigation.

Respectfully submitted,

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November ____, 2014

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