



SPRING 2014

# NATIONAL DIRECT STUDENT LOAN COALITION

## Dear Member,

With the beginning of spring, we start to look forward to warmer, longer days as well as looking forward to a new class of students and their financial aid awards.

Thanks to your input, the Coalition released our Higher Education Act reauthorization proposals last fall and during our recent February meeting in Washington, DC, we consistently discussed these proposals with Department of Education staff, members of Congress and Administration officials. Although reauthorization is moving slowly, the Coalition and our Executive Council members continue to be called upon as the voice of financial aid administrators in student loan policy and as operational experts during Congressional hearings. We look forward to continuing to participate in this dialogue around reauthorization and hope that our proposals serve as a guide in how we must simplify the federally held loan servicing environment in order to enhance the federal Direct Loan program for all borrowers.

In addition to the reauthorization of the Higher Education Act, 2014 brings a historic milestone. This year we will celebrate the 20th anniversary of a pilot implementation of the William D. Ford Federal Direct Loan program. Whether your institution was a pioneer as one of the original 104 schools that entered the program in 1994 or you just recently transitioned to the Direct Loan program, we hope you will celebrate this hallmark event in federal student aid with us.

On February 18, the Department of Education released the draft 2011 3-year cohort default rate (CDR). The Coalition created a guide to reviewing and challenging your institution's CDR and as a member, you received an advanced copy. We hope you found it useful as you reviewed your lists.

I encourage you to follow the activities of the Coalition on our website and to join in the conversations that occur on our email list, DirLoan2. Thank you for your support and please contact me if the Coalition can be of assistance to you and your students.

Sincerely,

Chuck Knepfle  
*Chair, National Direct Student Loan Coalition*

## Coalition Visits DC

The National Direct Student Loan Coalition had an eventful visit to Washington, DC in late February. We began our visit with a meeting at the Department of Education with Office of Federal Student Aid staff where we discussed servicing issues, servicer trainings, and data inconsistencies we've seen in NSLDS and COD.

The mission of the National Direct Student Loan Coalition is to promote the success of the Federal Direct Student Loan Program in serving the interests of students, families, taxpayers and institutions.

### EXECUTIVE COUNCIL

**Chuck Knepfle**, Chair  
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**S. Kay Lewis**, Chair Elect  
*University of Washington*

**Margaret Rodriguez**, Past Chair  
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*Denison University*

**Robert Johnson**  
*Iowa State University*

**Peg Julius**  
*Kirkwood Community College*

**Eileen O'Leary**  
*Stonehill College*

**Doug Severs**  
*Oregon State University*

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In addition, we had another excellent meeting with Rohit Chopra, Assistant Director and Student Loan Ombudsman at the Consumer Financial Protection Bureau, who has become a great friend and ally to the Coalition in our work to improve and strengthen the federal Direct Loan program. The Coalition also met with Jeff Appel, Deputy Under Secretary of Education, and Ajita Talwalkar Menon, White House Domestic Policy Council Senior Advisor on Education, to discuss servicer choice in consolidation, the Coalition's single portal proposal and the College Scorecard.

Finally, the Coalition had a full day of meetings with House and Senate Education Committee members and staff on Capitol Hill. We spoke about Higher Education Act reauthorization, including our proposals to eliminate loan origination fees and to establish a single income driven repayment option as the default repayment plan for all students. During our meetings we also discussed federal loan servicing, our concerns related to servicer choice in consolidation and the need for borrowers to have a single point of contact for all loan repayment activities. Overall, it was a productive visit that helped the Coalition to continue to build valuable relationships with key members of Congress.

## Coalition Chair Selected for Negotiated Rulemaking

Chuck Knepfle, Chair of the Coalition and Director of Financial Aid at Clemson University, was selected by the Department of Education as a negotiator to prepare proposed regulations for the student financial aid programs authorized by Title IV of the Higher Education Act of 1965, as amended. Topics up for negotiation in this round include Clock to Credit Hour Conversion, State Authorization for Distance Education, State Authorization for Foreign Locations, Cash Management (primarily as it relates to Title IV balances delivered to students via debit cards), Retaking Coursework and the Definition of Adverse Credit for Direct PLUS Loan Eligibility.

Negotiators are prevented from public comment during the course of the hearings, but any input is welcome and will be provided to the committee. We encourage you to review the Department of Education's latest proposals and send comment directly to Chuck at [knepfle@clemson.edu](mailto:knepfle@clemson.edu). Sessions continue through the middle of May with proposed rules available to the public for a comment period later in the year.

## Executive Council Member Testified at House Education and the Workforce Committee Hearing

On March 12, Peg Julius, a member of NDSLC's Executive Council and Director of Financial Aid at Kirkwood Community College, testified on behalf of the Coalition at a House of Representatives Education and the Workforce Committee hearing on "Examining the Mismanagement of the Student Loan Rehabilitation Process." Her testimony focused on several areas where we believe that the servicing of loans could be improved, including a single point of contact and single portal for all loan repayment activities and that service levels, loan terms, borrower benefits and performance measures must be equal and uniform.

To read her entire testimony, please [click here](#).



## Executive Council Member Testified at Senate HELP Committee Hearing

On March 27, Roberta Johnson, a member of NDSLCS's Executive Council and Director of Student Financial Aid at Iowa State University, testified before the Senate Health, Education, Labor and Pensions Committee hearing on "Strengthening the Federal Student Loan Program for Borrowers." Roberta gave insight into the experience of borrowers of federal student loans at every point in the financial aid process and discussed the need for changes that should be made to improve the program that would benefit borrowers, schools and taxpayers.

To read her entire testimony, please [click here](#).

As a result of her appearance before the Senate HELP Committee, Roberta was asked to appear on PBS NewsHour on April 3 to discuss student financial aid. Roberta shared her expertise and insight about how parents and students can calculate the costs of college and how to navigate student financial aid options.

To view the segment, please [click here](#).



## Membership

We are about to come to the end of our 2013 – 2014 membership year and we want to thank you for your continued support. We envision the upcoming year to be just as busy and productive and we hope that you will renew your membership for the 2014 – 2015 year.

To renew your membership, please [click here](#).

If you have any questions about membership, please feel free to contact our Membership Coordinator, Ashley Smith, at [asmith@mrss.com](mailto:asmith@mrss.com) or 202-478-6141.

## In the News

- Shift in Scrutiny of Loan Servicers (April 15, 2014)
- Student Debt and Federal Loan Policy Take Center Stage at Senate Hearing (March 28, 2014)
- 5 Things to Know About the Proposed Gainful-Employment Rule (March 14, 2014)
- Let the Rule Making Begin (February 20, 2014)