



DECEMBER 2011

NATIONAL DIRECT STUDENT LOAN COALITION

Dear Member,

As I write you, Congress is close to approving appropriations bills that will provide funds to retain the current maximum Pell Grant. This is possible in part due to changes in the eligibility criteria and in part due to loss of the interest subsidy during the grace period for undergraduate student borrowers. For a second time this year, borrower benefits are being reduced; the last round saw graduate students losing their subsidies. The Coalition will continue to remind members of Congress that federal aid for education must be a national priority for all needy students and, although we know that compromise is essential, increasing the cost of student borrowing is not sound public policy.

On a more positive note, many Coalition members recently attended the FSA Conference in Las Vegas. Federal Student Aid provided a very full agenda of training opportunities for the financial aid community. More information about the conference is included in this newsletter.

A topic that received a good deal of attention at the FSA Conference was the transition of the original Direct Loan Servicer, ACS, to their new platform. This was an area of concern for many at the conference. Activity on our dirloan2 e-mail list also referenced borrower issues resulting from the transition. The Coalition recently discussed the transition issues with staff from FSA during our monthly conference call and, though some issues are still in resolution, problems related to the transition are being resolved. The Coalition will continue to work with FSA on issues related to this transition and provide updates on the dirloan2 e-mail list as appropriate.

As we move into the new year, the Coalition looks forward to working with you, our members, and the federal loan servicers to improve the coordination of services to schools and borrowers. We will continue to work with Federal Student Aid to provide insights from the schools' perspective as well as the borrower perspective. We will also continue our advocacy with Congress for effective and efficient student loan policy that serves borrowers and taxpayers well. Please feel free to contact me with any suggestions that will move us forward in these areas or ways in which the Coalition can benefit you.

Best wishes for a healthy and prosperous New Year!

Sincerely,

Margaret Rodriguez, *Chair*
National Direct Student Loan Coalition

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.



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Two Executive Council Members Chosen for Negotiated Rulemaking

When the participants for the upcoming negotiated rulemaking were announced last week, the Coalition was pleased to learn that two Executive Council Members will be serving as primary negotiators on the Student Loan Committee to address changes made to Title IV of the Higher Education Act. The Coalition's Chair, Margaret Rodriguez from the University of Michigan, was selected to represent Financial Aid Administrators during the process. Executive Council Member, Kris Wright of the University of Minnesota, was selected to represent Four-Year Public Institutions.

The first negotiation session is scheduled for January 9 – 13. The second and third sessions are scheduled for February 13 – 17 and March 26 – 30 respectively. If you have any questions about negotiated rulemaking, please feel free to contact Margaret Rodriguez at mhr@umich.edu or Kris Wright at wrigh084@umn.edu.

Update from the Federal Student Aid Conference

Approximately 7,000 staff from schools across the country attended the Federal Student Aid Conference in Las Vegas, NV, November 29 through December 2. A host of interest sessions provided information about a variety of topics from Common Origination and Disbursement system changes for 2012-2013 to the Top Ten Audit Findings. A variety of hands-on sessions allowed participants to receive advice and tips on functionality in the various federal web sites such as COD and NSLDS.

Some sessions related to federal Direct Student Loans included:

- ***Strategies to Navigate a Multiple Servicer Environment*** presented by Cynthia Battle from FSA with representatives from each of the federal loan servicers
- ***Direct Loan Reconciliation and Aid Year Close Out*** provided tips and guidance for schools on reconciling activities
- ***Default Prevention Essentials*** suggested resources that are available to assist schools with activities to support successful student borrowers
- ***The StudentLoans.gov Experience*** describes current functionality and future enhancements to the site where borrowers complete master promissory notes and apply for PLUS loans.
- ***Direct Loan Tools*** described functionality that is available to assist schools with reporting and reconciling in the Direct Loan Program.

If you were not able to attend or want to view a presentation you missed, all conference presentations are available online at www.ifap.ed.gov.



Coalition's Past Chair Testifies in Congress

The Past Chair of the Coalition and Executive Council Board Member, Nancy Hoover of Denison University, testified in October in front of the House Education and Workforce Subcommittee on Higher Education. Nancy was one of three Financial Aid officers invited by the Subcommittee to testify at the hearing titled "Government Run Student Loans: Ensuring the Direct Loan Program is Accountable to Students and Taxpayers." Even though some of the Members of Congress participating in the hearing didn't support the move to 100% direct lending, the hearing lacked any controversy, as the witnesses testified to the success of the transition.

The Coalition is extremely pleased that Congress continues to turn to the Coalition for expertise on student lending issues. We will continue to work closely with our allies in Congress to ensure continued support for a strong Direct Loan Program.

[Click here to read Nancy's testimony to Congress.](#)

Please Renew Your Membership

We appeal again to members who have not yet renewed for the 2011-2012 membership year to please do so. As you can see through our work with FSA, testifying in front of Congress and participating in negotiated rulemaking, the Coalition still has a very busy agenda and we need your support. We want to thank all of our renewing members for your continued support. We had an incredibly busy and successful year and we are looking forward to an equally busy 2012.

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

