

CASFAA Federal Issues Committee

August 27, 2015

2:00pm – 3:00pm

(1-888-450-4821 Participant Passcode: 175728)

Present: Anafe Robinson, Scott Cline, Michelle Rodriguez, Vicky Shipley, Peggy Lowey Wellish

1. Comments on the 2016-2017 FAFSA

- FR on 16-17 FAFSA – www.ifap.ed.gov/fregisters/FR081215.html
- Draft of 2016-2017 FAFSA sent to committee members

2. Next Negotiated Rulemaking Hearings - www.gpo.gov/fdsys/pkg/FR-2015-08-20/pdf/2015-20669.pdf

US Dept of Ed (USDE) announced their intention to establish a negotiated rulemaking committee for 2016 and will hold two hearings on Direct Loan discharges and suggested additional topics. Public hearings will be held as follows from 9:00-4:00:

- 9/10/2015 – US Department of Education office, Washington, DC
- 9/16/2015 – Courtyard San Francisco Downtown, San Francisco, CA

The main regulatory issue is to determine which acts or omissions of an institution a borrower may assert as a defense to repayment of a Federal Direct Loan and the consequences of such borrower defenses for borrowers, institutions and the Secretary. Specifically, the USDE intend to address the following:

1. Procedures to be used for a borrower to establish a defense to repayment
2. Criteria that the Department will use to identify acts or omissions of an institution that constitute defenses to repayment
3. Standards and procedures that the Department will use to determine the liability of the institution participating in the Federal DL for amounts based on borrower defenses
4. Effect of borrower defenses on institutional capability assessments

USDE anticipates negotiations to begin in January 2016 with up to three sessions of three days at monthly intervals.

The committee also identified other topics that should be considered by the negotiating committee. The topics identified are:

- Institutions should be able to provide additional mandatory loan counseling or financial literacy. Authority to reduce loan amount.
- SULA – this never went to NegReg. The implementation pierce needs to be changed.
- R2T4 – this regulation is complex to administer. Now that there are other limitations in place such as 600% PELL, Satisfactory Academic Progress and 150% Subsidized Limit, we feel that R2T4 regulations is not necessary.

Scott Cline volunteered to attend the hearing in San Francisco. The committee will draft written comments for Scott.

3. GE reporting challenges –

- http://www.nasfaa.org/news-item/5604/Schools_Share_Challenges_and_Questions_on_GE_Reporting
- How are colleges dealing with students who received notification from USDE that they are losing subsidy?

4. Other items

5. Next meeting – September 10, 2015 @ 1pm