

U.S. Department of Education
Press Call to Announce NextStepsEDU and Ongoing Efforts to Support former
ITT Technical Institute Students

Speakers

U.S. Under Secretary of Education, Ted Mitchell

Beyond 12, Chief Executive Officer, Alexandra Bernadotte

Iowa Attorney General, Tom Miller

Moderator: Kelly Leon
September 21, 2016
9:45 am CT

Coordinator: Welcome and thank you for standing by. At this time, all participants are in a listen only mode until the question and answer session of today's call. At that time, to ask your questions, you may press star followed by the number 1 on the phone and record your name at the prompt.

The call is being recorded. If you have any objections, you may disconnect at this time. I would now like to turn the call over to the Assistant Press Secretary of the US Department of Education, Ms. Kelly Leon. Ma'am, you may begin.

Kelly Leon: Thanks so much, operator, and thanks everyone for joining us this afternoon and morning, wherever you maybe in the country. Today the Department of Education is announcing continued progress with supporting students affected by recent school's closures, specifically ITT Technical Institute's students.

We're pleased to have several partners with us on the call today to share a few remarks. We'll begin with a few brief remarks from Undersecretary of Education, Ted Mitchell.

We'll go on to have remarks from Ms. Alexandria Bernadotte, CEO of Beyond 12 and we'll conclude with remarks from Iowa Attorney General, Mr. Tom Miller.

The Department's press release was issued earlier this morning and a complementary blog post by Undersecretary Mitchell, titled, "Helping ITT students find a way forward," was posted on our Home Room blog.

If for some reason you cannot access those documents, please email us at Press@ed.gov. I would also like to note we are joined by Mr. Justin Draeger, the CEO of the National Association of Student Financial Aid Administrators, to help with answering questions as they come up.

As a reminder, today's call is on the record. Let's go ahead and begin with remarks from Undersecretary Mitchell.

Ted Mitchell: Thank you, Kelly, and thanks everyone for joining us today. The landscape for students of ITT Tech has changed dramatically. It's been just two weeks since students were informed that the school be closing its doors.

Many students were surprised, troubled and upset, all of which is understandable. To back up a bit, as I've said before, we took a series of financial oversight measures following a set of troubling findings made by the schools accreditor, the Accrediting Council for Independent Colleges and Schools, ACICS.

ACICS determined that ITT, and I'm quoting here, "Is not in compliance and is unlikely to become in compliance with ACICS accreditation criteria," end quote.

We determined that it would be risky, indeed, irresponsible, to allow the school to continue participating in our federal aid program without enhanced oversight.

In June, and then again in August, we increased our oversight of the institution, oversight that goes back to 2014 when we placed ITT on a heightened cash monitoring status.

Today, I want to focus squarely on what we here, at the Department, and what others around the country are doing to support the thousands of students affected by ITT's closure.

I'm also pleased today to announce the creation of a new resource for students who are affected by school closures, which I'll share more about in just a second.

Shortly after the closure was announced, we sent out an email to all enrolled students at ITT Tech and informed them of their options, either to pursue close to school federal loan discharge or to work to transfer their earned credits and continue their studies elsewhere.

I want to list just a few of the ways in which we've been in touch with students since that initial email. First, we equipped a team of federal financial aid professionals to answer thousands of calls and emails we knew that we would receive.

Second, we built a resource page on our student aid web site with frequently asked questions, closed school loan discharge guidance and a schedule of online and in-person events.

And we are routinely updating that page with new resources every day. Third, we organized interactive webinars for students and worked with colleges and state authorizing agencies around the country to host in person transfer affairs.

Through these efforts, we've had almost 22,000 interactions with impacted students in just these two weeks. And we didn't stop there. We also sought the help of our federal agency partners especially the Departments of Veterans Affairs, Defense and Labor to help build awareness of options and resources for students.

Their support has been invaluable. For example, representatives from the VA joined our webinars to answer questions unique to veterans and to service members impacted by the closure.

And the Department of Labor will provide information to its network of nearly 2500 American job centers about options available to former students impacted by ITT's closures.

Additionally, employees displaced by school closings can access reemployment assistance through American Job Centers and the services they provide.

On the day of ITT's closure, I sent a letter to community college presidents and system leaders around the country encouraging them to take an active role in engaging students interested in continuing their education.

Many institutions around the country are opening their doors to former ITT students and helping them to identify programs that match their interests and will allow them to continue their educational pursuits.

Many have launched their own resource pages inviting former ITT students to information sessions and to meet with campus representatives. Some colleges will consider direct credit transfers while others will rely on prior learning assessments or credit by exam.

States are also stepping up. State Attorneys General, including Tom Miller, who's with us today, are helping us think through how best to engage with students and they have offered to assist students with pursuing federal loan discharge and exploring other options to continue their own education.

As I think you know, Iowa Attorney General Miller, leads a working group of Attorneys General nationwide, is focused on state level oversight of for-profit colleges. And he'll talk a little bit about that later.

Finally, a number of accreditors, higher education associations, community college associations, counseling networks and student advocacy organizations are galvanizing support and inciting action among their members, all in an effort to support affected students.

For example, several accreditors, including SACS in the southern region, in both California regional accreditors, the Higher Learning Commission in the middle of the country, along with ACCSC, a large national accreditor, have encouraged their colleges to consider welcoming ITT students.

These accreditors have proactively provided clear guidance to ensure colleges know how they can support ITT students including guidance on the transfer of

credits, prior learning assessment and the ability for colleges to waive limits on the number of credits that can be transferred from one institution to another.

I want to emphasize one point that the accreditors have made and this is something that we want colleges and universities around the country to hear clearly.

The source of accreditation, meaning the accreditor, is not alone enough to negate the possibility of transferring credit. We understand that colleges will look at credits in a sophisticated and sensitive way and we appreciate their attention to ITT students.

We're grateful to accreditors for their work, reminding colleges of their flexibility and we're grateful for them urging colleges to help find ways for ITT students to pursue their education if that's what students choose to do.

Students, indeed, face somewhat complicated choices in this matter. And today am pleased to announce the Beyond 12 in the National Association of Student Financial Aid Administrators have teamed up to develop an online platform to help match students displaced by school closures with counselors who can provide critical financial aid and academic guidance.

Both organizations are leveraging the expertise of their respective networks to essentially crowd-source counseling with experienced professionals and at no cost to students.

I'll let Alex say more about the resource in just a moment but let me say how grateful I am to Beyond 12 in the NASFAA teams for their leadership, their creativity and their commitment to aiding affected students.

Here at the Department, we've been working around the clock in our efforts to ensure ITT students remain inspired to pursue the promise of a higher education.

We will continue to do so, working together with federal, state, college and advocacy partners. We're all aiming to help former ITT students move forward. Thank you. And at this point I'd like to us over to Alex Bernadotte, the CEO of Beyond 12.

Alex Bernadotte: Thank you so much, Undersecretary Mitchell. We are pleased to join the Department and NASFAA and other partners in providing advising and support to the students for dealing with school closures, and in this particular instance, the students who have been displaced by the closure of ITT.

These are students who need support. Their need for support is deep and immediate. Many of our students and the students that we will be serving are among the most vulnerable seeking higher education and without capable and targeted help, they face the prospect of debt without a degree.

A little bit about our background in the work that we're doing. Beyond 12 is a national technology-based service organization and our mission is to significantly increase the number of students from underserved communities who earn a post-secondary degree.

With a network of K-12, college and nonprofit partners, we're currently tracking the post-secondary progress of more than 40,000 students and we're coaching and advising nearly 2000 students passionately on 180 different college campuses.

We're pleased to put our work in our experience in tracking students' progress in providing individualized coaching advising support through phone, text and email to help ITT students and to help other students continue and complete college.

We are - we have the experience and we're used to guiding students with the least experience in networks to succeed in higher education and that is the foundation of the work that we do in my we're pleased to join the Department and NASFAA in providing this much-needed resource to ITT students.

To give you a little bit more information about the resource, the initiative in the effort is called Next Steps EDU. And so if you go to the Steps EDU Web site, we are connecting students displaced by school closures and with volunteers who are knowledgeable about financial aid via a user-friendly online help ticket system.

So students will navigate to the Web site, and once they completed ticket and they give us information about the kind of challenge that they're experiencing in the kind of help that they would like from us, we route those tickets to qualified advisors who will respond to their questions via email, phone or text messaging.

We are providing our own cadre of advisors to provide this - to help support this effort in our advisors will be focused on providing students with academic resource navigation and we are pleased to partner with NASFAA and they will be taking on the Herculean effort of providing students with information about financial aid.

So their network of 20,000 financial aid professionals and 2,500 colleges and universities across the country will be volunteering to help students make important decisions about student aid, debt and load options.

And without NAFSAA's partnership, we really don't believe that this could happen so we're very grateful for NAFSAA's member's expertise because they are a vital component of this project.

And so we think about just the reason that we're doing it, really for us, our goals are twofold. The first is that we know and we have learned from our experience having helped more than 3000 students who were displaced by the Corinthian College closing, that students at this stage are understandably confused.

They're demoralized and they're dispirited by these closures. And what's vitally important is to help them see that the time and money that they have invested don't have to be wasted, that they can continue their education and achieve a degree that is worth something and allows them to change their economic and personal prospects.

And then the second piece of locals for us in terms of doing this work, is that we also want to use the data and all of the information that we're learning from the students that we will be helping in serving to take a look at the long-term picture.

So students in the margins especially need better guidance so that they don't end up in these situations and at colleges that are going to let them down in this way.

So we are, again, pleased to partner with the Department, pleased to partner with NAFSAA to ensure that ITT students and other students who were impacted by the school closures, continue the vital work that they've started, continue along this path to better their education. And this is something that is personally important to me.

I'm a first-generation college goer in college graduate myself. And like the cadre of dedicated new graduates at Beyond 12 also achieved their college ambitions with the help of others, we're just glad that we can extend this hand to others who want to complete their education. So thank you so much, and I am happy to introduce now Attorney General, Miller.

Tom Miller: Thank you very much and thank you to the Department of Education for taking these steps concerning the oversight measures dealing with ITT that eventually caused - brought about the closure of the school.

You know, I think the actions that the Department took were both very important and very appropriate and fair in the sense that the problems that ITT was dealing with were created by ITT over a period of time and were significant problems.

They had a chance to deal with those problems and correct them. They did not. They had a chance to do one or more mergers that would have solved the problem. They did not.

So this was a very fair and very important. It sends a strong - it sends a powerful message to this sector coupled with Corinthian. The closure of the two schools sends a strong appropriate message, the kind of message that is received when other messages aren't noticed or received as well.

So I think, Undersecretary Mitchell, you may exactly the right decision and of bringing about the right results. You know, I recognize that students have a complicated decision to make here.

And I think everybody is trying to assist them to be able to intelligently make that decision. But like I say, it's complicated. One alternative is to leave the school and leave the credits and have the loans discharged.

Obviously there's a big trade-off there. The loans are discharged but the credits are gone. On the other hand, students can transfer their credits to another school but the loans remain an obligation.

And this part is also complicated because students don't know and there are a variety of results in terms of whether they get credit at the new school. So it's really important for students to be able to find out how much credit they would get if they want to stay on course and transfer and use the credits.

That's why I think it's really important what Beyond 12 and the National Association of Student Financial Aid Administrators are doing. Essentially you're providing an opportunity for students to talk to a counselor one-on-one to get advice and I think that's really important.

I think what the Department has done to try and publicize and contact people in Webinars and others to get the word out is very important as well. Additionally, the College Aid Commission here in Iowa is willing to talk to students one-on-one I give them the advice that would seem appropriate.

Additionally, we in the Attorney General's Office in Iowa, are willing to do the same thing with Iowa students. So I think that students have a difficult and

somewhat complicated decision to make but it's an extremely important decision.

And like everybody else on the call, we hope that students, all students, are able to pursue one way or another their goal of higher education. With that, I think we are open to questions. Is that right?

Kelly Leon: Thank you very much, Mr. Miller. That's exactly right. Again, thanks so much, Ms. Bernadotte, for your remarks. Again, thanks so much to Undersecretary Mitchell.

Operator, I think we're going to go ahead and move on to the question and answer portion of this call. Would you remind participants how to ask questions please?

Coordinator: Thank you. Participants, to ask your questions, you may press star followed by the number 1 on your phone. Unmute your phone and record your name at the prompt.

Your name is required to introduce your question. To cancel, you may also press star followed by the number 2. One moment while we wait and check for any questions. Thank you. Our first question comes from Kirk Carapezza of WGBH. Your line is now open.

Kirk Carapezza: Hi, Undersecretary. Thanks a much for holding the call. We appreciate it. Quick question - on this effort. We've been talking to a lot of community colleges and nonprofits here in New England.

And they're in a tough spot because these for-profits are nationally accredited schools around here, regionally credited, so they can't accept these credits.

And they're going - they're working with students one-on-one and it's a nearly impossible task to know exactly what the students know. Couldn't states at least, or the federal government, create some kind of articulation agreement so that these low-income students are able to transfer?

Ted Mitchell: Thanks for the question, Kirk. So couple things - you know, we've been working closely with NIASC, in fact, as recently as this morning, and so I think this issue that you mentioned is exactly the point that I was trying to make, is that in fact, the distinction between regional and national accreditation, by itself, is not a gatekeeper.

So community colleges can accept credits. We have been assured by the regional accreditors - can accept credits from nationally accredited institutions. But they may have their own criteria in addition to that.

So that's a non-problem that I think rhetorically is becoming a problem and I hope that you all be willing to help us get out of that loop. There are plenty of other things that we need to worry about. That one isn't.

In terms of articulation agreements, I think that's important for all institutions that are working to provide transfer opportunities for their students to create articulation, really solid articulation agreements, but those are typically done on an institution by institution basis or, in the case of public systems, public system articulation agreements, most commonly between community colleges in state four year institutions.

Kelly Leon: Kirk, thanks so much for your question.

Kirk Carapezza: Great. Thank you.

Kelly Leon: Operator, we'll take the next question please. Operator, will take next question please.

Ted Mitchell: We may be having some technology issues.

Coordinator: I do apologize for the slight delay. Next question comes from Joel Aschbrenner of the Des Moines Register. Sir your line is now open.

Joel Aschbrenner: Is there any state breakdowns on how many students and employees are affected particularly, you know, in my case for Iowa? Is there any information on how many Iowa students are affected by the closure?

Tom Miller: There's a rather limited number of Iowa students affected, and we can get you that information. This is Tom Miller. Geoff Greenwood will get you that information after the call.

Joel Aschbrenner: I'll follow up with him.

Ted Mitchell: And Joel, there's state by state enrollment information also on the dedicated FSA Web site.

Joel Aschbrenner: And Mr. Miller can you talk at all about in Iowa, have you had conversations with any of the colleges here, the community colleges, about accepting credits from these students?

Tom Miller: We have not had conversations with them at this point. We anticipate that we would, particularly if we hear problems from students that would contact us.

Joel Aschbrenner: Thank you.

Kelly Leon: Thanks for the question. Operator we'll go on to next question please.

Coordinator: Thank you. Our next question comes from Ann Carrns of the New York Times. Your line is now open.

Ann Carrns: Hi, thank you. I want to clarify something. One of the speakers mentioned that an option for some of these students would be to stay at the school and have their loans discharged. But my understanding is that these campuses are closed. So is that an option for them, or did I misunderstand? Thanks.

Tom Miller: They wouldn't stay at the school. They would leave the school. And having left the school and not transferring anyplace else, then the loans are discharged.

Ann Carnes: Okay. So could you advise students in this situation? What should their first step be at this point, would you recommend that they go first for advice?

Kelly Leon: Alex would you like to take that question? Alex you may be on mute.

Alex Bernadotte: I was on mute again. Thank you very much. There are – if they are using – I mean, I think the first thing that we're saying to students is that they should use the resources that are available to them at the department.

And so there are a couple of Webinars that have been created for them. There are - the Federal Student Aid Office has set up a hotline as well as lots of resources on their Web site.

So one of the first things that we are talking to students about is to avail themselves of those resources because lots of questions are being answered by the FSA Web site. So that sort of is step number one.

If for some reason they still feel like those questions or those resources are not helping with their particular questions, then we're advising them to come to the NextStepsEdu Web site, which they can find at NextStepsEdu.org.

And once they go to the Web site, they can just put in information about the particular questions that they have. And whether those questions are financial aid related, academic planning and advising, you know, closed school loan, discharge and tuition recovery, legal aid -- so depending on what types of questions they have -- we're routing those questions then to these live advisors who can provide them with additional resources.

Kelly Leon: Perfect Alex. Thanks so much, and thanks for the question Ann. Operator, we'll go ahead and take next question please.

Coordinator: Thank you. Our next one comes from Susan Tompor of the Detroit Free Press. Your line is now open.

Susan Tompor: I have two questions, and I'll just give you both of them at once if that's fine.

The first one is what is the amount of private versus federal loans in these cases? And two, why wouldn't I just want to get my loans just discharged and start all over again? It seems like if you have a question of how many credits are going to go through, it seems a lot easier on your pocket just to have those loans discharged.

Ted Mitchell: So Susan, this is Ted. Thanks for your questions. So we don't have a good way of knowing the data on private student loans. And so it's hard to get through that.

And I think that there are some students for whom a closed school loan discharge will not really make them whole because they have also taken out private loans. So that's something that students need to think about. So I think...

Susan Tompor: And...

Ted Mitchell: Sorry, go ahead.

Susan Tompor: I'm sorry, I was going to ask and if they're private they can't get those discharged, right?

Ted Mitchell: That's correct. That's correct. Only direct federal student loans can be discharged. So your question about why wouldn't people simply take the closed school loan discharge, I think it's a right question. And I think for many students that will be precisely the right option.

For other students – particularly students who are close to completing and whose program has an analog at a nearby say community college -- it may be feasible to continue. But again I think that that's exactly what Alex was talking about and what Attorney General Miller was talking about, about these are not - these are hard choices that students are going to need to make.

If I can go back a second on your original question about direct loans versus private loans, what we do know is that the maximum total discharge amount would be \$500 million, in the neighborhood of \$500 million of every eligible student took advantage of the closed school loan discharge.

Kelly Leon: Susan thanks for the question. Operator we'll go to next question please.

Coordinator: Thank you. Our next question comes from James Briggs of Indianapolis Star. Your line is now open.

Kelly Leon: James, happy to have your question. We can't hear you.

James Briggs: Hi. Sorry, am I there?

Kelly Leon: Yes, you're here. Go right ahead.

James Briggs: Okay. So a moment ago there was a statement that the problem with transfer credits is a rhetorical one. I was just hoping that you could clarify that a little bit. Is that rhetorical on the side of schools that are sort of using that accreditation as an excuse perhaps to not take transfer credits from ITT?

Ted Mitchell: Yes so I'll try to be clear. So the regional accreditors have reassured their institutions that national accrediting shouldn't be an impediment to evaluating the credits that students have accumulated. So that's what the regional accreditors are saying and we believe that colleges have received that message.

Colleges routinely look at applications for transfer from students from ranges of institutions and they make internal decisions about whether to take those credits. And we expect that institutions will do that as they normally do. We've been quite encouraged by the number of large community colleges that have stepped up and are really opening their doors to former ITT students.

Institutions have created their own open houses. They've created – as I've mentioned in my remarks – they've created their own Web portals aimed at ITT students. I believe community colleges in Texas have created kind of a common app for use by ITT students.

So we're very encouraged and see a lot of activity, all aimed at helping students from ITT institutions find a way forward.

So I guess I would not call the accreditation issue a rhetorical problem. I think that the rhetoric has gone sideways of the facts on the ground.

Kelly Leon: Thanks for the question.

James Briggs: Can I still ask one more question?

Kelly Leon: Sure. Go really quickly, thank you.

James Briggs: Yes I was wondering if you could elaborate on the process that was alluded to in a previous conference call for past students who were no longer at ITT at the time that it closed, their process to submit a claim and what criteria the education department might use to consider whether their loans might also be discharged.

Ted Mitchell: Yes, thanks for letting me clarify the timeline. So students who were enrolled in ITT 120 days prior to the date of closure – so students who left ITT after May 6 – are eligible for closed school loan discharges as long as they didn't graduate.

And so they apply either through their loan servicer or by using a form that's acceptable on the federal student aid Web site. And the criteria is simple. If you were enrolled, if you didn't complete, and you were enrolled during that window – or you left during that window -- then your loans will be discharged.

And that's different from other forms of loan discharge that many of us on the call have talked about which involve borrower defense to repayment, which

Attorney General Miller is not only familiar with but helping us think our way through.

And borrower defense to repayment depends on an act or omission of the institution that would give rise to a state cause of action and something like misrepresentation or fraud. But today we're talking about universal eligibility for closed school loan discharge for students who withdrew from ITT after May 6.

Kelly Leon: Thanks so much. Operator we'll go on to next question please.

Coordinator: Yes, thank you. Our next one comes from Andrew Theen of the Oregonian. Your line is now open.

Andrew Theen: Hi, thanks for taking the call. A couple questions. What lessons if any did the education department learn after Corinthian closure that it's putting to use here to help students? And also what are you telling veterans who we talk about loan forgiveness but they won't be allowed to reuse their GI bill benefits at a different institution? So what are you telling them?

Ted Mitchell: So let me start with the veterans. And we've been really pleased with our partnership with the VA in providing outreach to affected students. VA is looking at all of the opportunities that they have in their toolkit to provide relief. But as you say, the path to restoring used post-9/11 GI benefits does not seem to be open at the moment.

On lessons learned from Corinthian, I think that what we're talking about today is certainly a big part of our lessons learned, and we're very grateful. As Alex mentioned, Beyond 12 and NASFAA were engaged in this work around the Corinthian bankruptcy and sort of got their start there.

The fact that they are willing to deploy in this instance and to do so at a national scale I think speaks to their eagerness to help and to reach out.

In addition I think, you know, we learned that we needed to be – we need to be communicating directly with borrowers as quickly as we can to have material resources available to them and make those responsive to changing facts on the ground. And I believe that Federal Student Aid has done a marvelous job of doing just that.

Want to go back to the veterans piece for just a moment. Most of what we do – and certainly much of what the Veterans Administration does – is guided by or constrained by law. And so we would hope that Congress would take up the question of restoring used GI benefits for folks in this situation in the same way that we would hope that they would take up restoring lost Pell funds for students who used Pell grants in these closed school situations.

Tom Miller: This is Tom Miller, if I can just jump in for a few seconds because I think it's worth noting that the department I think is very open with students in this process about what their rights are and what their choices are.

One of those choices, the loan discharge, potentially costs the department a huge amount of money, depending on how many take that choice. But that clearly is not deterring the department from being open and fair and honest with students and giving them the full opportunity to do what's right. I just thought it was important to note that.

Alex Bernadotte: And this is Alex Bernadotte just to follow on those things as well. One of the things that we've talked to the department about and that we're committed to doing after this effort is really gathering the lessons that we've learned

directly from students -- so students who were impacted by Corinthian and now students who will be impacted by ITT -- and to potentially create a toolkit and a set of policy recommendations that come directly from the students' experiences that would potentially help the department if and when these situations arise in the future.

Kelly Leon: Thanks so much. Operator, let's go on to next question please.

Coordinator: Yes, thank you. Our next one comes from Danielle Douglas of the Washington Post. Your line is now open.

Danielle Douglas: Hey guys. Thanks for doing the call. I had a quick question. Does this mean that you guys are considering some sort of expedited BDR process for ITT students similar to what a number of the Corinthian students were able to get?

Ted Mitchell: Hi Danielle. So there are a number of investigations under way at ITT, and so I think that we will be in a better place to determine whether there are findings that we can make or others can make in the ITT case. But we are not - we do not have those at this time.

And so borrower defense claims -- although certainly every student has a right to file them -- we do not have the kind of findings that we had in the Corinthian case that would make it possible to do expedited reviews.

Danielle Douglas: Does Mr. Miller and his group of AGs have any sort of findings that might be able to lead to that?

Tom Miller: I think that we're having discussions among the states to ascertain exactly that.

Danielle Douglas: Okay thanks.

Kelly Leon: Thanks for the question Danielle. Operator we have time for just one more question please.

Coordinator: Thank you. Our next question comes from Mikhail Zinshteyn of Education Writers Association. Your line is now open.

Mikhail Zinshteyn: Hi everyone. Wow, big pressure to ask the right question, being the last one to ask one. I want to know what does it mean to – in tax dollars or in revenue terms – what does it mean for the education department to have to fork over up to \$500 million if every student at ITT who is eligible applies for this loan forgiveness because their school closed.

Does that mean that comes out of your budget? Does that mean it comes out of the treasury? What does that \$500 million mean? Where does it come from?

Ted Mitchell: So first to put the question in context, our first priority is to protect students and to help those students displaced by ITT's closure find a path forward. For some, that will be a closed school loan discharge. For others it will be an opportunity to transfer credits and complete the education that they've started.

Loan and protecting, that's our first priority. In the case of closed school loan discharges, these loan discharges are an obligation on the U.S. Treasury.

Mikhail Zinshteyn: Okay, so - okay, so it doesn't come out of ED's budget. It's something that arguably gets added to the debt, national debt, right?

Ted Mitchell: So it does not come out of the Education Department's budget, that's right. It's a general obligation against the government, the way - the large category of those kinds of things.

Mikhail Zinshteyn: Okay, thank you.

Ted Mitchell: Yes.

Kelly Leon: Thanks so much for that last question. Thanks so much to everyone for joining us today, this afternoon, for all of the thoughtful questions. My thanks again to all of our speakers, Undersecretary Mitchell, Ms. Alexandra Bernadotte, and Attorney General Miller from the state of Iowa.

That concludes today's call. If you have additional questions, please e-mail us at press@ed.gov. Thank you so much.

Ted Mitchell: Thanks everyone.

Alex Bernadotte: Thank you.

Coordinator: Thank you. That concludes today's conference. Thank you all for your participation. You may now disconnect at this time.

END