

**U.S. Department of Education  
Higher Education Act  
Student Loan Program Negotiating Committee**

**Meeting Summary  
January 9-12, 2012**

**Welcome**

David Bergeron welcomed the members of the Student Loan Program Negotiating Committee and thanked them for agreeing to assist the Department in developing proposed student financial assistance regulations pursuant to Sec. 492 of the Higher Education Act of 1965, as amended (HEA).

**Introductions**

All members who were present introduced themselves.

**Overview of the Negotiated Rulemaking Process**

The facilitators provided an overview of the negotiated rulemaking process. They explained that the committee's discussions will focus on developing consensus regulatory text for the Department's proposed rule on student financial assistance regulations.

**Review and Adopt Minutes**

This was the initial meeting of this negotiating committee, so there were no minutes from a previous meeting.

**Organizational Protocols and Membership**

The members discussed the draft Organizational Protocols, and approved them. The membership of the committee was presented. Additions to the committee and Alternates to Primary members were proposed, discussed, and agreed to or not agreed to.

The following Primary and Alternate negotiators were proposed and accepted.

Students	Mr. Getachew Kassa Legislative Director United States Student Association	Mr. Abou Amara, Jr. President Graduate and Professional Student Association University of Minnesota, Twin Cities
Legal assistance to students	Deanne Loonin National Consumer Law Center	Ms. Radhika Singh Miller Program Manager Educational Debt Relief and Outreach, Equal Justice Works
Consumer advocacy organizations	Jennifer Mishory Deputy Director Young Invincibles	Maureen Thompson The Hastings Group, LLC
Financial aid administrators	Margaret Rodriguez, Senior Associate Director of Financial Aid, University of Michigan	Elizabeth Hicks Executive Director Student Financial Services Massachusetts Institute of Technology

	Chair, National Direct Student Loan Coalition	
Business officers and bursars	David Glezerman Assistant Vice President and University Bursar Temple University	Maria Livolsi Director Student Loan Service Center State University of New York
Institutional third-party servicers	Robert Perrin President Williams & Fudge, Inc.	
State attorneys general	Todd Leatherman Executive Director Office of Consumer Protection Office of the Kentucky Attorney General	Michele Casey Assistant Attorney General Consumer Fraud Bureau Office of the Illinois Attorney General
Two-year public institutions	Ms. Cristi Millard Director of Financial Aid Salt Lake Community College	Mr. Chris Christensen Director of Financial Aid Johnson County Community College, Kansas
Four-year public institutions	Ms. Kris Wright Director, Office of Student Finance, University of Minnesota Executive Council Member and Secretary, National Direct Student Loan Coalition	Elaine Papas-Varas University Director of Student Financial Aid and Director of the Primary Care Practitioner Loan Redemption Program of New Jersey University of Medicine and Dentistry of New Jersey
Private nonprofit institutions	Yvonne Gutierrez-Sandoval Senior Associate Director of Financial Aid Pitzer College	Jeffrey A. Gall, Associate Dean, Office of Student Financial Services Georgetown University
Private for-profit institutions	Tom Sakos Director of Student Lending and Regulatory Quality Assurance DeVry Inc.	Anthony Fragomeni Director of Governmental Affairs, Empire Education Group; Chairman, American Association of Cosmetology Schools' Government Relations Team
Guaranty agencies and guaranty agency servicers	Betsy Mayotte Director, Regulatory Compliance and Privacy, American Student Assistance	Scott Giles Vice President for Operations, Social Marketing and Strategy Vermont Student Assistance Corporation

Lenders,  
secondary  
markets and  
loan servicers

Robert Sandlin  
Director of Policy and Compliance  
Higher Education Servicing  
Corporation  
(Servicer for North Texas Higher  
Education Authority)

Vicki Shipley  
Senior Advisor  
National Council of Higher Education  
Loan Programs

Accrediting  
agencies

Albert Gray  
Executive Director and CEO  
Accrediting Council for  
Independent Colleges and Schools

Sharon Tanner  
CEO  
National League for Nursing  
Accrediting Commission

US Department  
of Education

Pamela Moran and Gail McLarnon

### **Review Negotiating Agenda of Issues**

The committee reviewed and discussed the list of agenda items proposed by the Department. The Agenda of Issues proposed by the Department was accepted, with the addition of three issues (Items # 23-25 of the full approved agenda of issues -see below).

### **Workshop-Style Review of Issues**

Team members participated in discussions on each item of the Agenda of Issues listed below:

1. Changes to Income Contingent Repayment (ICR) Plan
  - Process for Receipt of Cancellation
2. Changes to Income-Based (IBR) Repayment Plan
  - New Borrower Notification for Annual IBR Evaluation
  - Annual IBR Income Verification
  - Borrower Repayment After Leaving IBR
  - Process for Receipt of Forgiveness
3. FFEL Repayment Disclosures: Borrowers Who Are Having Difficulty Making Payments and Borrowers Who Are 60-Days Delinquent
4. Forbearance Provisions for Borrowers Receiving Department of Defense Student Loan Repayment Benefits
5. Borrowers Who Are Delinquent when Authorized Forbearance is Granted
6. Forbearance for Post 270-Day Defaulted Loan Borrowers Prior to Lender Claim Payment or Transfer to ED Default Collections
7. Minimum Loan Period for Transfer Students in Non-Term and Certain Non-Standard Term Programs
8. "Reasonable and Affordable" Payment Standard for Rehabilitation of Defaulted Direct Loans and FFEL Program Loans

9. Rehabilitation of Defaulted Direct Loan and FFEL Program Loans Treatment of Borrowers Subject to Administrative Wage Garnishment
10. Participation Rate Index Appeal for Single Cohort Default Rate Loss of Eligibility to Participate in the Direct Loan Program
11. Repeal of Unnecessary FFEL Program Regulations
12. Modification of Direct Loan Program Regulations
13. Total and Permanent Disability Discharge – Single Application Process
14. Total and Permanent Disability Discharge – Borrower Notification of Denial
15. Total and Permanent Disability Discharge – Post-Discharge Monitoring of Employment Earnings
16. Title IV Closed School Loan Discharge
17. Satisfactory Repayment Arrangements on Defaulted Title IV Loans for Borrowers who also Rehabilitate the Loan
18. School Enrollment Status Reporting Requirements
19. Federal Perkins Loan Graduate Fellowship Deferment Eligibility
20. Social Security Number Requirement for Assignment of Federal Perkins Loans to Department of Education
21. Federal Perkins Loan Cancellation Rate Progression Across Cancellation Categories
22. Federal Perkins Loan Economic Hardship deferment Debt-to-Income Ratio Provision
23. Federal Perkins Loan Break in Cancellation Service Due to Condition Covered Under the Family and Medical Leave Act (20 U.S.C. 2601 et.seq.)
24. Standard for On-Time Rehabilitation Payments in the Federal Perkins Loan Program
25. FFEL Program Administrative Wage Garnishment (AWG) Hearings for Defaulted Borrowers

### **Public Comment**

Several opportunities were provided for the public to provide comment. Comments from the public were received at the end of the second and fourth days.

### **Logistics**

The second session of the Student Loan Program Negotiating Committee is scheduled for Monday through Friday, February 13-17, 2012, with the following schedule:

Monday: 12:00 pm – 5:00 pm

Tuesday to Thursday: 9:00 am – 5:00 pm

Friday: 9:00 am – 12:00 pm

The session will be held at the U.S. Department of Education in the 8<sup>th</sup> Floor Conference Center located at 1990 K Street, N.W. in Washington, D.C.

### **Next Steps**

Prior to the next meeting, the Department will provide the draft Agenda for the second meeting and draft regulatory text for the agenda of issues to the committee that reflects the workshop discussions of the first session. The facilitators will distribute the approved Contact List and Draft Meeting Summary of the first meeting.