Hello out there to all of you in summer/vacation-land! This is the last issue of The Torch before the Mid-Year Meeting in Philadelphia. This is my final attempt to convince all of you to attend! What better opportunity might you ever have to visit a historical and beautiful city and attend the finest two-day conference ever? I hope to see you there. You will be missed if you are not and I will know who you are….

The need to contact your Congressional Representative is imminent! We could possibly lose some of our Perkins funding. Please be pro-active and send letters, e-mails and make telephone calls. You may use the format provided that has been e-mailed to you or feel free to create your own. If you have a Government or Federal Relations person on your campus, contact him or her asking that they become involved as well. All of us must protect the students who wish to receive a Perkins loan in order to attend the college of their choice.

I sincerely hope to say hello to each of you, in person, in Philadelphia. If you will not be there, take care and we’ll see you in January.
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**MID-YEAR MEETING INFORMATION**

**Register To Attend the COHEAO Mid-Year Meeting TODAY**

The COHEAO Mid-Year Meeting is rapidly approaching. **Register now before it's too late (and the price goes up).** This year’s Mid-Year Meeting is on August 1-3 in historic Philadelphia. You can register for the meeting at [http://www.coheao.org/](http://www.coheao.org/) or fax the attached form.

Newly confirmed is Scott Fleming, the senior legislative aide to Sen. Mike Enzi (R-WY), the Senator who may be the Chairman of the Senate Health, Education, Labor and Pensions Committee next year, if Republicans retain the majority. (Current Chairman Judd Gregg is considering moving to the leadership of the Budget Committee.) Also confirmed to speak is Andrew N. Schwartz esq., an expert on the several important court decisions that have taken place this year affecting loan collections.

Rep. Chaka Fattah’s position on the Appropriations Committee make him very important to the Perkins program, especially in light of the proposed $98.7 million cut in the Federal Capital Contribution for next year. He will open the conference on Monday, the 2nd. And an excellent panel has formed on the allocation formula with representatives from a public and a private university as well as from the American Council on Education discussing those thorny issues.

The meeting itself will prove to be an excellent source of information on a wide variety of issues. On the agenda are sessions on “Check 21,” changes that are being required for electronic payment processing by NACHA and how recent court decisions will impact the treatment of student loans when a borrower declares bankruptcy.

A significant portion of the meeting will be on developments in Washington, including the reauthorization of the Higher Education Act of 1965 and the Fiscal Year 2005 federal appropriations process, which will be in mid-stream. Although the reauthorization bill is not expected to pass this fall, the reauthorization process will be continuing, with action expected early next year. In addition, David Bergeron, senior advisor at the Office of Postsecondary Education at the Department of Education, will attend to discuss Perkins funding in the appropriations process and the Department’s position on reauthorization.

U.S. Department of Education Ombudsman Debra Wiley will talk about her job and the issues that arise in it. Nancy Weiderspan, the new Board Chair of the National Student Clearinghouse, will be giving the latest on all of the Clearinghouse’s activities.

A draft agenda is posted on the COHEAO website at [http://www.coheao.org/](http://www.coheao.org/), and one is also attached.

If you have any questions, send an email to Harrison Wadsworth or Andrew Stringer: hwadsworth@wpllc.net or astringer@wpllc.net. Or call us at 202-289-3910 or 202-289-3903.
New Letter to Support the Perkins Loan Program

The House Appropriations Committee has recommended eliminating the Federal Capital Contribution for Perkins Loans in the Fiscal Year 2005 federal budget. This would affect schools' 2006-2007 award year if it becomes law. We understand that the full House will consider this legislation in September, and that the Senate Appropriations Committee will also probably consider it then. Your action is essential to preserving funding for Perkins.

Please find attached a draft letter for you to send to all Representatives and Senators in your state asking that they support the Perkins Loan Program. Please take a look at this draft letter and, very important, customize it to fit your school or company, including placing the letter on your letterhead. It is important to point out that the Perkins Loan Program helps students in your campus and state. In the letter are suggested places to insert this information. At the end, please put down how you can be contacted.

Also attached are talking points on Perkins. These may be especially helpful to your organization’s federal or government relations staff, as will a chart with the state-by-state allocation of Perkins Loans for this year. To obtain information on the Perkins Loan Program specific to a specific school, go to this address in the Department of Education's IFAP web site: http://www.ifap.ed.gov/cbpmaterials/0405CBCongreportApril8CoverLtr.html. At the bottom of the document are links to information on Perkins FCC awards broken down by individual school, with state totals. If you have any questions or need help accessing the information, contact Andrew Stringer at astringer@wpllc.net or 202-289-3903.

Finally, here is how and where to send the letters. Paper mail is subject to delays, so we strongly suggest that you fax (preferable) or e-mail your letters. Fax numbers are contained in the Congressional directory that COHEAO gave to attendees at the January Annual Meeting. In addition, most Congressional web sites have the fax number, and all should have an email address.

If you don't have a directory, go to the House website for House members sorted by state: http://www.house.gov/house/MemberWWW_by_State.html. For your senators, go to http://www.senate.gov/ and use the pull-down feature to find who your senators are. If you are from a large state and need help with this project, please let us know.

We also ask that you send us a copy of your letter after you have sent it. You can e-mail the letter to astringer@wpllc.net or hwadsworth@wpllc.net or fax it to 202-371-0197.

Again, if you need any assistance or have any questions, please contact us at 202-289-3903.

Announcement Regarding the Dress Code at the Union League

For those attending the reception at the Union League, the following is the official Union League Dress Code Policy:
The League allows casual dress on all floors. Casual dress is defined as a collar shirt and slacks for men and appropriate attire for women. Turtleneck and mock turtleneck shirts may be worn when accompanied by a suit jacket or sport coat. Jeans, denim wear, athletic attire, tee shirts, shorts, baseball caps, sneakers or tattered clothes are NEVER allowed on the first or second floor of the Clubhouse.

Visit coheaostore.com and Get Cool Stuff for a Good Cause

With summer here, why not find appropriate attire at http://www.westernprinting.net/coheao, where you will find high-quality clothing and outerwear bearing the distinctive COHEAO flame logo. The net proceeds from the sale of the clothing will go to the COHEAO scholarship fund, which awards $1,000 scholarships every year to deserving students with financial need who are attending COHEAO-member institutions of higher education. Check it out today and help yourself – and a student who can really use the assistance.

CONGRESS

Labor-HHS-Education Bill Moves Through House Appropriations Committee: Defense Bill Includes Deeming Resolution

On July 14, the House Appropriations Committee approved the FY2005 Labor, Health and Human Services (HHS) and Education appropriations bill. The bill makes no significant changes in the $142.5 billion in discretionary spending allocated by the Labor, HHS, Education Subcommittee on July 8, which included a freeze in the Pell Grant maximum, an increase for Supplemental Education Opportunity Grants and a cut of $98.7 million to the Perkins Loan Program by eliminating the Federal Capital Contribution. Report language accompanying the full committee bill defended the cut to Perkins stating “that the combination of a low interest rate environment and the availability of the Federal Family Education Loan Program and the Federal Direct Student Loan Program make additional capital contributions unnecessary this year.”

The only difference between the subcommittee and the full committee bills with regard to education spending is an additional $25 million for workforce training efforts at community colleges that was part of a manager’s amendment introduced by Ralph Regula (R-OH), chairman of the Labor, HHS, and Education Subcommittee. This amendment provides an increase in the appropriate account, but in fact does not provide any additional funding. Representative David Obey (D-WI), ranking member on the full Appropriations Committee, offered an $18 billion amendment that included an additional $5.5 billion in discretionary spending for education programs. The vote failed on party lines: 25-31.

While the original schedule was for the House of Representatives to consider the bill on the floor before the August recess, the bill will instead be debated the first week after Congress returns from its summer recess on September 7, along with the Transportation and Treasury, and the Veterans Affairs, Housing and Urban Development, and Independent Agencies bills.
Included in the final Defense appropriations bill, which passed this week, is a deeming resolution that establishes an $821.9 billion cap on discretionary spending for the Senate, the same figure as in the House’s FY2005 Budget Resolution. The new spending cap will allow Ted Stevens (R-AK), chairman of the Senate Appropriations Committee, to make subcommittee allocations. An amendment increasing spending above Stevens’ allocations could be killed by a point of order that would require 60 votes to overturn. The deeming resolution opens the door for the Senate to pass appropriations bills individually instead of seeking an omnibus bill and its parliamentary procedures to protect against an unlimited number of expected Democratic amendments. Many Senators feared voting on these potentially politically embarrassing amendments, some of which would increase education spending, before heading into the November elections.

On the Senate side, the Appropriations Committee has marked-up the FY2005 Homeland Security, Military Construction and Legislative Branch appropriations bills. One of the more likely appropriations scenarios for September is for the House to send nine appropriations bills to the Senate in the form of an omnibus, leaving the VA-HUD and Labor-HHS bills separate. However, as some senior staff members of the Senate Appropriations Committee have said, between now and September, there will be two conventions and the Olympics – a lot can change in six weeks.

**Labor-HHS-Education Approps Bill Amendment Rescinds “Two-Step” Consolidation Guidance**

An amendment offered by Representative Randy “Duke” Cunningham (R-CA) to change the FFEL consolidation loan program has been adopted by the House Appropriations Committee as part of the FY2005 Labor-HHS-Education Appropriations bill. The amendment seeks to prevent the Department of Education from enforcing an April 29, 2004, Dear Colleague letter that indicated that in the case of a borrower with one or more FFEL loans held by a single holder and one or more non-FFEL federal loans, such as Perkins Loans or Direct Loans, the borrower must include at least one FFEL loan in the portfolio to consolidate.

The April 29 Dear Colleague letter was opposed by some FFEL lenders because it threatened to stop a practice under which a consolidator would first “consolidate” one or more non-FFEL federal loans as a means of circumventing the single holder rule. Under the single holder rule, if all of the loans of a borrower are held by a single lender, consolidation is limited to that lender or the Direct Loan Program in most circumstances. Consolidation-specialist companies have lobbied for repeal of the “single holder rule” for the past three years, but have not been successful.

The amendment also attempts to prevent the Department from denying loan certification requests for FFEL consolidation loans from borrowers of Direct Loans. A form in use by the Department of Education suggests that loan certification requests may be denied on this basis. The Department, however, has not denied any such requests on this basis to our knowledge.

The following is the text of the committee report language to be included in support of the Cunningham amendment:
“The Committee recently became aware of a policy change implemented by the Department of Education regarding consolidation loans. The Committee believes that the proper forum for any such change is within the reauthorization of the Higher Education Act of 1965. The Committee therefore directs the Secretary to make no change to these policies while the Committee on Education and the Workforce is in the process of this reauthorization. Further, the Committee directs the Secretary to withdraw the Secretary’s dear colleague letter dated April 29, 2004, regarding consolidation loans and to remove any restriction on the Department’s servicer in the processing of loan verification certificates.”

The Department’s Dear Colleague Letter of April 29, 2004 may be found at: http://www.ifap.ed.gov/dpcletters/fp0405.html.

**Senate Does Not Introduce HEA Reauthorization Bill Before August Recess**

Notwithstanding indications earlier this year that Senate Health, Education, Labor and Pensions Committee Chairman Judd Gregg (R-NH) would introduce a bill reauthorizing the Higher Education Act before Memorial Day, it now appears that Labor Day will pass before such a bill is introduced.

Earlier this week, staff supporting Senator Gregg confirmed that the long-awaited bill will not be ready for introduction before the August recess, which is scheduled to begin upon adjournment today. Gregg’s staff did not comment on whether or not plans to introduce a bill later this year will be abandoned.

The Senate development will increase speculation about the contents of an anticipated bill to extend certain expiring portions of the Higher Education Act. Some in the higher education community expect that select reauthorization provisions may be included in the so-called “extender bill.”

The “extender bill” is expected to be considered upon Congress returning from the August recess in early September. The bill must be enacted prior to September 30.

**House Ways and Means Committee Passes Bill on Social Security Number Use**

This week, the House Ways and Means Committee approved legislation to severely restrict the use of Social Security numbers. The bill was passed by unanimous consent and Ways and Means Social Security Subcommittee Chairman Clay Shaw (R-FL) said he hoped the vote would “send a message” that limiting the use of Social Security numbers is gaining momentum in Congress to other congressional committees with jurisdiction over this issue. The bill, H.R. 2971, would prohibit federal, state and local governments from selling Social Security numbers or displaying them on drivers’ licenses and checks. For more information on this legislation, visit http://thomas.loc.gov.
**House Judiciary Committee Releases Report Language on Privacy Legislation**

The House Judiciary Committee released its report on Rep. Steve Chabot’s (R-OH) privacy bill that would require agencies when publishing a general notice of proposed rulemaking for a proposed rule or for an interpretative rule involving the tax code, to prepare a privacy impact statement describing the rule’s impact on the privacy of individuals. The committee approved the bill June 23 with amendments that would exclude agency rules that do not impact personally identifiable information and those that involve national security or law enforcement activities.


**Congress Expected to Return for Lame Duck Session**

Speculation is increasing that Congress will return to Washington after the November elections for a lame duck session to complete unfinished appropriations bills and other legislation, although no plans will be solid until after the outcome of the 2004 congressional elections. The possibility of a lame duck session has raised speculation that action could occur this year on the reauthorization of the Higher Education Act.

**Senate Hearing Examines Privacy Standards**

Steve Bartlett, president and CEO of the Financial Services Roundtable, urged the Senate Banking Committee Tuesday to establish uniform financial privacy standards. The Senate Committee on Banking, Housing and Urban Affairs held a hearing to examine the financial services modernization law, Gramm-Leach-Bliley (GLB), five years after its passage. Bartlett testified that the California courts recent ruling regarding affiliate sharing could be an “invitation to other states to pass their own privacy laws, thereby subjecting financial institutions, and their customers, to a variety of different and conflicting privacy regulations contrary to the clear intent of Congress to establish national uniform standards for affiliate sharing.”

The California law, which took effect July 1, allows customers to opt out of having financial services companies share their personal information with corporate affiliates that provide unrelated products or services. The Financial Services Roundtable, the Consumer Bankers Association, and the American Bankers Association brought a lawsuit against the state of California arguing that the Fair Credit Reporting Act pre-empted the law. A federal judge however, ruled that although FCRA clearly pre-empts state financial privacy laws, the Gramm-Leach-Bliley law is more applicable to the sharing of financial information in non-credit reporting situations and that it does not pre-empt states from enacting stronger privacy rules. The three industry groups are appealing this ruling.

**Staffers Discuss HEA Reauthorization**

Michael Dannenberg, Democratic education counsel on the Committee on Health, Education Labor and Pensions; and Kathleen Smith, professional staff on the House Committee on Education and the Workforce, offered different perspectives on where Higher Education Act reauthorization is headed. Speaking at the Education Finance Council (EFC) meeting on July 16,
Dannenberg said that Democrats might support a reauthorization bill that was satisfactory to FFELP lenders if additional federal funding was provided for grants and to reduce the cost of student loans. He harshly criticized the Coalition for Better Student Loans, saying that the group did not propose grant increases. He also said he was disappointed that the Senate had not had more hearings on reauthorization or taken more action, but noted that higher education has become very politicized. The formula for generating a bi-partisan reauthorization bill that can pass next year is to increase federal funding and hope that the election campaign does not poison the atmosphere too much.

Smith said that both Republicans and Democrats want to increase access to college and reduce costs for students. She said that is what H.R. 4283, the reauthorization bill introduced by Chairman John Boehner (R-OH) would do, although she noted that it would have been easier if they had additional resources available to work with. She stressed that the Committee staff would consider any suggestions for changes to the bill, major or minor, and would continue working on the process throughout the year. She said it would be a big mistake to stop lobbying and commenting on reauthorization just because the legislation seems highly unlikely to pass this year.

**Chairmen Boehner and McKeon Speak on HEA Reauthorization Issues and HEA Extension**

Chairman of the House Education and the Workforce Committee John Boehner (R-OH) at a Washington-area conference last week promoted the variable rates for consolidation loans provision included in his Higher Education Act reauthorization bill by stating that by not going to a variable rate, Congress would be acting irresponsibly. Right now, he stated that 14 of the 22 Democrats on the Education and the Workforce Committee have sponsored some type of legislation that included converting to a variable rate so he is hopeful of getting support on that provision of the bill. He also reiterated the theme that has gone throughout the whole reauthorization process that money should be saved at the back end so it can be put at the front end and used to get more students into school. In answering a question, the Chairman said that he is considering some type of dual rate program, similar to what takes place in the mortgage industry, although, in this interest rate environment, the fixed rate option would not be very attractive. Finally, he mentioned that he put forward a budget neutral bill because with more money to fund Homeland Security and the war in Iraq, he knew the dollars for education were slim, and he did not buy into budget “gimmicks” like the $5 billion reserve fund included in the Senate budget resolution.

As far as the timeline on moving the reauthorization bill through the process, the Chairman acknowledged that this Congress is in a highly partisan environment with very few legislative days left. Additionally, he cautioned that even if the House passed something, the Senate would not get to it. Boehner did acknowledge that they will move an extension of the HEA, although he hopes that the extension will only go until the middle of next year, not a full year. He emphasized that it will be a clean extension.

Garnering 53 percent of the vote in the Republican primary, Rep. Johnny Isakson (R-GA) cleared one of the last hurdles to winning his contest for the Georgia Senate seat being vacated by retiring Senator Zell Miller (D). While the contest is far from over, Isakson has now become the front-runner against the Democratic candidate in the race, either Rep. Denise Majette or businessman Cliff Oxford. Isakson’s opponent will be chosen in a runoff election on August 10.

Moderate Republican Jim Greenwood (PA) has indicated he will retire at the end of the year to take a job with a biotechnology trade association. A six-term congressman, Greenwood’s retirement would leave open seats on both the Education and Workforce Committee and the Energy and Commerce Committee. If he retires, he would be the 18th Republican leaving the House at the end of this session.

INSIDE ED AND THE ADMINISTRATION

Department Issues Dear Colleague Letter on Student Loan Scam

The Department of Education has issued an alert indicating that someone claiming to be a representative of the U.S. Department of Education (ED) is calling students, offering them grants, and asking for their bank account numbers so a processing fee can be charged. According to the Department, the caller tells the students that he understands they have federal student loans and then offers to replace the loans with an $8,000 grant. The caller explains that a processing fee must be charged and obtains the student's checking account information.

ED suggests that financial aid administrators immediately e-mail or otherwise contact current and incoming students to warn them about this scam. Anyone with knowledge of this scam should contact the Department of Education’s Office of Inspector General at: 1-800-MIS-USED (1-800-647-8733) or oig.hotline@ed.gov. The letter is attached at the end of The Torch.

Department Posts Slides from 2004 NASFAA Conference

The Department of Education has posted online slides from several presentations made at the 2004 National Association of Student Financial Aid Administrator’s conference in Minneapolis, Minnesota. Of interest are presentations on Default Aversion, Return of Title IV Aid, the Perkins Master Promissory Note (MPN) and the eCampus-Based System.

The default presentation can be accessed at: http://ifap.ed.gov/presentations/04NASFAADefaultAversion.html

The Title IV aid presentation can be accessed at: http://ifap.ed.gov/presentations/04NASFAAR2T4.html

The Perkins MPN presentation can be accessed at:
The eCampus-Based System presentation can be accessed at: http://ifap.ed.gov/presentations/04NASFAAeCampus.html

INDUSTRY NEWS

Democrats Release Official Party Platform


Several education issues are addressed, including college affordability. A key excerpt from the Platform report follows:

“Making college affordable. With the leadership of John Kerry and John Edwards, we will make college more affordable, so that more young people get higher education, and more of those who graduate get relief from the crushing burden of debt. We will make student aid faster and simpler to get so students aren’t scared off by the complicated process. We will offer generous tax credits to reduce the price of four years of college for all students, including those who pay their own way and can least afford college now. We will strengthen our aid programs for students while eliminating wasteful subsidies for lenders. At a time when all good jobs increasingly depend on advanced skills, we will strengthen technical training for those who do not attend college. Finally, we must place a special emphasis on expanding achievement in math and science. These are subjects where America has always led the world and must continue to lead in the 21st century.”

Recent ACE and CEF Activity

With Congress on recess until early September, the Committee for Education Funding (CEF) and the American Council on Education (ACE) will not meet during the coming weeks. During the Congressional recess, CEF will conduct a grassroots campaign to provide key members of Congress information on relevant education issues before the November elections. Included in the grassroots campaign is information on the Perkins Loan Program and what individuals can do to support it. As part of the campaign, COHEAO is encouraging its membership to write to their Representatives and Senators. Also, if anyone is interested in writing an op-ed piece on the Perkins Loan Program and funding for higher education, please contact Andrew Stringer at astringer@wpllc.net
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To: All Destination Points

FROM: Kay Jacks, General Manager
FSA Application, School Eligibility and Delivery Services

SUBJECT: Financial Aid Fraud

SUMMARY: Someone impersonating a U.S. Department of Education official is offering students grants for a processing fee.

Dear Colleague:

It was brought to our attention recently that someone claiming to be a representative of the U.S. Department of Education (ED) is calling students, offering them grants, and asking for their bank account numbers so a processing fee can be charged. Specifically, the caller tells the student he understands the student has federal student loans and offers to replace the loans with an $8,000 grant. The caller explains that a processing fee must be charged and obtains the student's checking account information.

We urge you to remind your students that there is no ED program to replace loans with grants and that there is no processing fee to obtain Title IV grants from ED. Furthermore, students should never provide their bank account or credit card information over the phone unless they initiated the call and trust the company they are calling.

We recommend that you immediately e-mail or otherwise contact your current and incoming students to warn them about this scam. A student who is a victim of this or a similar scam should take the following steps:

1. Immediately contact his or her bank, explain the situation, and request that the bank monitor or close the compromised account.
2. Report the fraud to ED's Office of Inspector General hotline at 1-800-MIS-USED (1-800-647-8733) or oig.hotline@ed.gov. Special agents in the Office of Inspector General investigate fraud involving federal education dollars.
3. Report the fraud to the Federal Trade Commission (FTC). The FTC has an online complaint form at http://www.ftc.gov/scholarshipscams/ and a hotline at 1-877-FTC-HELP (1-877-382-4357; teletype for the hearing impaired: 1-866-653-4261). The FTC will investigate if the fraud is deemed widespread; therefore, it is important that every student contacted by the person or people in question lodge a complaint so the FTC has an accurate idea of how many incidents have occurred.
4. Notify the police about the incident. Impersonating a federal officer is a crime, as is identity theft.

When filing complaints, the student should provide detailed information about the incident, including what was said, the name of the person who called, and from what number the call originated (if the student was able to obtain it via Caller ID). Additionally, if unauthorized debits have already appeared against the student's bank account, the student should mention this fact in his or her complaint. Records of such debits could be useful in locating the wrongdoer.

For information about identity theft prevention, you and your students may visit http://www.ed.gov/about/offices/list/oig/misused/index.html. For information about preventing financial aid scams, visit http://www.studentaid.ed.gov/PORTALSWebApp/students/english/lsa.jsp

Sincerely,

Kay Jacks
General Manager
FSA Application, School Eligibility and Delivery Services
July XX, 2004

The Honorable X
United States X
X Office Building
Washington, D.C. X

Dear X:

On behalf of <<insert school name here>>, we urge you to restore the $98.7 million cut in funding for the Perkins student loan program that is proposed by the House version of the appropriations legislation for the Department of Education. The elimination of most of the funding for Perkins loans will mean that <<your state>> will lose <<insert your state’s funding here>> next year. Without this money, a federal capital contribution that is partially matched by school funds, some students in <<your state>> will not receive the student loan funds they need for higher education. This cut is real. And, since Perkins Loans serve the lowest income students, and it will hurt those who need financial aid the most.

The demand for Perkins Loans always outstrips the supply of loan funds. Stafford Loans are not a substitute – their loan limits are far too low for many students. By cutting Perkins loans, you will be forcing students to borrow from high-cost alternative sources, such as credit cards or private education loans. Since these loans require good credit or a co-signer with good credit, many students will be turned down. Please don’t deny current and future students the opportunity for higher education by cutting the Perkins Loan Program.

At <<institution>> we receive <<insert FCC>> annually as part of the Perkins Loan Federal Capital Contribution. Without the capital contribution, we will not be able to make <<insert number of loans that your institution would be unable to make without the FCC. If this figure is unavailable, divide your school’s FCC by the size of the average Perkins Loan, $1,790.>> next year.

More than 2,200 postsecondary institutions have chosen to provide Perkins Loans to their students over the past 43 years because they know the program works. We believe -- and have seen for ourselves -- that the Perkins program plays a critical role in our nation’s financial aid system, especially for the lowest-income students. The capital contribution is needed to help students now. Because the funds will be repaid and re-lent, Perkins represents a direct investment in our country’s future.

At a time when access to education is increasingly important, we again ask that you restore funding for the Perkins Loan Federal Capital Contribution at least to this year’s level of $98.7 million, a level far below the $250 million authorized by the Higher Education Act. If you would like to discuss this issue further, please contact <<insert contact information>>.

Sincerely,
SUPPORT FUNDING OF PERKINS LOANS FOR LOW-INCOME STUDENTS

- The demand for Perkins Loans always outstrips the supply of loan funds. Stafford Loans are not a substitute – their loan limits are far too low for many students.

- Federal funding for Perkins Loans is an appropriation that feeds on itself and builds, starting with a school match of a share of the federal funds and continuing for years as the loans are repaid and re-lent.

- Without Perkins Loans, students would be forced to borrow from high-cost alternative sources, such as credit cards or private education loans. Since these loans require good credit or a co-signer with good credit, many low-income students will be turned down.

- Students often take advantage of the opportunities to have their Perkins Loans forgiven by working in 12 different public service professions, such as teaching, nursing, the military, law enforcement, corrections and the Peace Corps. Unless campuses are reimbursed for cancellations, loans will not be available for future generations of students. Additional funding is needed to make up for past shortfalls.

- The $140 million requested by COHEAO and the Student Aid Alliance for the Federal Capital Contribution would result in at least $175 million in new capital for students because schools must match 25% of the federal dollars with their own funds. Many match more than the minimum.

- Without the federal contribution and its minimum school matches, almost 100,000 additional low-income students across the country won’t receive the loans they need for higher education. ($175 million divided by the average Perkins loan of $1,790). Failing to fund the contribution means that students from every state will be left out. Even failing to fund last year’s federal contribution of $98.7 million will, counting the school matches, leave 69,000 students without the funds they need next year.

- Because the Perkins Capital Contribution is forward funded, the FY2004-2005 appropriation funds the 2005-2006 academic year. Any increased funds available from consolidation loan payoffs of Perkins will be gone, since rising interest rates will sharply reduce the desirability of consolidation. Regardless, even with the increased repayments from consolidation loans, schools are lending all of their Perkins money to needy students.

- **Request**: Include in the FY2005 appropriation for the Department of Education $140 million in funding for the Perkins Student Loan Program Capital Contribution and $120 million in reimbursements of cancelled loans. The authorized maximum is $250 million. The FY2004 levels were $98.7 million for the capital contribution and $66.7 million for reimbursements.
## State Totals of the Federal Capital Contribution for Perkins Loans,
Award Year 2004-2005

<table>
<thead>
<tr>
<th>State</th>
<th>Perkins FCC</th>
<th></th>
<th>State</th>
<th>Perkins FCC</th>
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<tbody>
<tr>
<td>Alabama</td>
<td>748,265</td>
<td>Nebraska</td>
<td>967,588</td>
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<td>Alaska</td>
<td>0</td>
<td>Nevada</td>
<td>155,997</td>
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<td>Arizona</td>
<td>1,463,743</td>
<td>New Hampshire</td>
<td>797,323</td>
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<tr>
<td>Arkansas</td>
<td>766,068</td>
<td>New York</td>
<td>8,199,638</td>
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<tr>
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<td>North Carolina</td>
<td>2,178,803</td>
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<tr>
<td>Colorado</td>
<td>1,557,845</td>
<td>North Dakota</td>
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<td>Connecticut</td>
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<td>Ohio</td>
<td>4,097,236</td>
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<td>Oklahoma</td>
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<td>Georgia</td>
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<td>Pennsylvania</td>
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<td>Hawaii</td>
<td>274,336</td>
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<td>Massachusetts</td>
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<td>Michigan</td>
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<td>Minnesota</td>
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<td>Wisconsin</td>
<td>3,031,353</td>
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<td>Mississippi</td>
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<td>Wyoming</td>
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<td>Missouri</td>
<td>2,295,397</td>
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<td>U.S. TOTAL:</td>
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<td>Montana</td>
<td>458,784</td>
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**Source:** U.S. Department of Education. For Individual School Totals, Go to: [http://www.ifap.ed.gov/cbpmaterials/0405CBCongreportApril8CoverLtr.html](http://www.ifap.ed.gov/cbpmaterials/0405CBCongreportApril8CoverLtr.html)
Register Today
for the
2004 COHEAO Mid-Year Meeting
August 1 - 3, 2004
at the Loews Philadelphia Hotel
1200 Market Street
Philadelphia, PA 19107

THREE WAYS TO REGISTER NOW AVAILABLE
1. ONLINE at http://www.coheao.org
   credit card payment available only online
2. By fax: 202-371-0197
3. By mail: COHEAO, 1101 Vermont Ave., NW, Suite 400,
   Washington, DC, 20005

Name:_____________________________________________________________________

Title:_____________________________________________________________________

Organization:_____________________________________________________________________

Address:_____________________________________________________________________

City:_____________________________________________________________________

State:________ Zip: ______________

Email:_____________________________________________________________________

Member $375     Non-Member $450

Register now for these rates—Onsite registration is $400 for members, $475 for non-members. Please send check or money order for appropriate amount to COHEAO, 1101 Vermont Ave, NW, Suite 400, Washington, DC, 20005 OR REGISTER ONLINE TO PAY BY CREDIT CARD at http://www.coheao.org.
COHEAO Mid-Year Meeting
August 1-3, 2004
Loews Philadelphia Hotel
Philadelphia, Pennsylvania

Saturday, July 31, 2004
12:00pm – 4:00pm  Perkins Task Force Meeting
Location: Congress A

Sunday, August 1, 2004
8:30am – 4:00pm  Board of Directors Meeting
Location: Congress B

4:00pm - 6:00pm  Registration

6:00pm - 8:00pm  Welcoming Reception: Food and Beverages
Location: Howe Room

Monday, August 2, 2004
8:00am – 3:00pm  Registration

8:00am - 8:45am  Continental Breakfast
Location: Lescaze Room

8:45am - 9:00am  Welcome
Jeanne Dotson
Director, Loan Repayment
Concordia College
COHEAO President
9:00am - 9:50am Keynote Speaker:

Representative Chaka Fattah (D-PA)
Member, House Appropriations Committee

Moderator: Ralph Hosterman, Pennsylvania State University

Location: Howe Room

9:50am - 10:50am HEA Reauthorization Hill Staff Panel

Scott Fleming
Legislative Assistant to Senator Michael Enzi (R-WY)
Senate Health, Education, Labor and Pensions Committee Staff

Moderator: Bob Caruso, UCLA

Location: Howe Room

10:50am – 11:00am Break

Location: Lescaze Room

11:00am - 12:00pm An Informed Discussion of Changes to the Campus-Based Aid Allocation Formulas

Bill Schilling
Senior Director of Financial Aid
Director of Student Financial Services
University of Pennsylvania

Anna Griswold
Assistant Vice Provost for Enrollment Management and Student Aid
The Pennsylvania State University

Melanie Corrigan
Assistant Director, Center for Policy Analysis
American Council on Education
12:00pm - 1:10pm Luncheon

Guest Speaker: Debra Wiley
Ombudsman, Department of Education

Moderator: Michael Richter, Weber State University
Location: Lescaze Room

1:10pm – 2:00pm NACHA and E-Check Update

Rob Unger
Director
Council for Electronic Billing & Payment, NACHA

Moderator: Nora Corralez, ACS, Inc.
Location: Howe Room

2:00pm – 2:50pm Check 21

Dave Kurrasch
President
Global Payments Advisors, Inc.

Moderator: Tom Schmidt, University of Minnesota
Location: Howe Room

2:50pm - 3:00pm Dessert Break

Location: Lescaze Room

3:00pm - 4:00pm National Student Clearinghouse: Bring New Services On Line while Continuing to Upgrade Its Activities
Nancy Wiederspan  
Board of Directors Chair, National Student Clearinghouse  
President, National Student Loan Program  

Jeff Tanner  
Vice President, National Student Clearinghouse  

Moderator: Jeanne Dotson, Concordia College  

Location: Howe Room  

5:00pm – 7:00pm  
Special COHEAO Reception and tour:  
Philadelphia’s historic Union League club  

Tuesday, August 3, 2004  

7:30am - 8:15am  
Continental Breakfast  

Location: Lescaze Room  

8:15am – 9:15am  
A Perspective from the Administration on the Higher Education Act  

David Bergeron  
Director, Policy and Budget Development Staff  
Office of Postsecondary Education  
Department of Education  

Moderator: Alisa Abadinsky, University of Illinois at Chicago  

Location: Howe Room  

9:15am - 10:15am  
Technology Developments at the Department of Education: National Student Loan Data System, E-authentication  

Pam Eliadis  
Acting Director, National Student Loan Data System  
Department of Education  

Lisa Hanners,  
National Student Loan Data System (NSLDS)
Pearson Government Solutions

Moderator: Jackie Ito-Woo, University of California

Location: Howe Room

10:15am - 10:30am  Break

Location: Lescaze Room

10:30am - 11:20am  Recent Court Decisions Related to Bankruptcy and Student Loans

Andrew N. Schwartz
Law Offices of Andrew N. Schwartz

Moderator: David Stocker, General Revenue Corporation

Location: Howe Room

11:20am – 11:30am  Break – to allow for check-out

Location: Lescaze Room

11:30am - 12:30pm  Reauthorization Workshop/Discussion Session

Harrison Wadsworth, COHEAO Executive Director
Mark Mundy, Chairman, COHEAO Reauthorization Task Force
Vice President, Marketing and Government Relations, RC Services, Inc.

Location: Howe Room

12:30pm – 2:00pm  Commercial Member Meeting
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(202) 289-3903.