*Cynthia Battle:* And I'm Cynthia Battle and I'm with Federal Student Aid. And with me are my panels of experts. So I'm going to start at the very end. And Jennifer Farmer is with MOHELA. We have Brett Lindquist from I'm going to say Great Lakes. We have Jim Harris from Nelnet, Ryan Pitts from Direct Loan Service Center or ACS. We have Dan Weigle from FedLoan Servicing, or FIA, and right here we have Bob Leary from Sallie Mae.

So the objectives of this session are kind of threefold; we're going to try to educate and inform. We're going to start off with kind of the servicing landscape, the realities, to make sure I bring everybody up to speed with terminology and exactly what we're doing in the servicing arena. I want to share with you some of the information on the not-for-profits. We're going to talk a little bit about split servicing, and then we're going to go into some of the challenges and benefits of a multi-servicer environment.

So I want to talk about how you navigate in this environment and then really give you some tools about centralized loan information. We're going to talk briefly about surveys, and I want to ensure that I give enough time for questions and answers, 'cause these servicing sessions are always an opportunity for us to hear feedback and you educate and inform us as well.

And then finally, and most importantly, I want to continue the dialogue about what things schools need in order to navigate. So we know the direct loan – for direct loan schools who were used to one servicer, one process. We now have multi-servicers, so I need to understand from schools what things do you need to know? What things do you need to understand about our processes so that we can provide you with additional resources, additional tools, or training to help you understand the basic processes. We know that we're not going to be able to provide all detail for every single servicer, but there are some key processes that you need to understand in order to have a confidence that your borrowers understand how things work. And so that's what we want to do, is continue that conversation so that next year we'll have some better tools to help navigate in this environment. So let's get started.

So really quickly we're going to go through some basic terms and then I want to have a hard stop around 11:45 to allow ample time for you to give me feedback, suggestions, concerns, and then our servicers are here to help me. So to start off we're just going to do some basic understanding of key terms. *Federal loan servicer*, again, that is just servicers that administer or have loans owned by the Department of Education. These loans are limited to the

William Ford Direct Loan Program, as well as the FFEL program loans that were purchased by the department. So we refer to these as federally-owned loans.

*TIVAS*. TIVAS was supposed to be an internal term that we use to describe the contracts. And it got out. So we snuck out. So I want to share, some of the schools in one of the sessions said, “What is a TIVA?” and so really the acronym is TIVAS; it stands for Title IV Additional Servicers. But in communications that we send to you we’re always going to reference the “federal loan servicers.”

You’re going to hear the term *NFPs* or our Not-For-Profits, and those are the servicing contracts under SAFRA, and we’re going to talk a little bit about the not-for-profit contracts and then how that impacts you.

Again, *federally-owned loans* refers to direct and FFEL loans that are put to the department. *PUT*, again, were loans made under FFELP that the department purchased. *Split loans,* we’re going to talk about this at great length, is borrowers who have more than one servicer of their federally-held loans. And sometimes there were confusion about what a split borrower is, so we want to make sure that we differentiate and understand that a split loan is really a loan that in our federal umbrella is split between our servicers.

*Commercial loans* for the purposes of servicing. We are talking about FFEL loans that are not held by the department, and we’re not really referring to private loans in a commercial loan terminology.

*LDE,* or Loan Distribution Engine is that vehicle that links with the Common Origination and Disbursement System, and that’s the interface that assigns loans to each one of the servicers.

And the term *Booked Loan,* sometimes we use the term “booked” when we are talking about once that loan is accepted in the origination system there is a linked promissory note and an actual disbursement. That loan is booked and then passed to one of the servicers.

Again, we have six and growing. So we have Direct Loans servicing center or ACS; FedLoan Servicing, Great Lakes, Sallie Mae, Nelnet, and now MOHELA.

All of our federal loan servicers must comply with regulatory requirements to provide their unique services. They will all educate and inform regarding tools and options available to assist in the management of the loan. They're going to offer repayment options, self-service tools, and they're going to have dedicated school support services. Again, they don't all walk, talk, and look the same. But again, we're going to begin to identify processes that we want to ensure consistency.

Last year when we were here one of the things that the schools brought to our attention is that we weren't capitalizing in the same manner. That's one of the things that from a borrower's perspective we want to ensure happens in this same manner. So we took that back and we have addressed that. So again, we want to continue to understand what other key processes you need to have that should be consistent. But again, the nature of our contracts are such that we want to ensure a competitive environment as well to ensure best in business practices.

So not-for-profits, we recently added MOHELA to our federal loan family. And so as we continue to expand our servicing team – we will continue to expand our servicing team as our loan portfolio grows, and we'll talk about how many servicers we have coming aboard. And again, the contracts were awarded under SAFRA.

So the first question, and there is I think a couple of ISAP announcements that are out about the not-for-profits and how they work. So the first question is which direct loan borrower accounts were transferred to MOHELA? So we transferred from the Direct Loan Servicing system, the ACS system, existing direct loan borrower accounts that were in repayment since '07-'08. So these were older loans that were not in an in-school or grace period. The not-for-profits do not have a direct connection with the Common Origination and Disbursement so we are pulling loans from that portfolio in order to transfer to the not-for-profits.

How will borrowers know if his or her direct loans were transferred to MOHELA? Once that loan is transferred or booked or loaded to the system MOHELA will communicate with the borrower. In the previous session one of the schools asked why did we not notify the borrower prior to transfer that they are being transferred to a new servicer, and we took that – we had several discussions about the timing of when a borrower would be communicated with prior to the transfer and made a conscious decision that it was best, due to timing issues, that we actually notify them once they are loaded into the system.

Because it's possible that we could've caused confusion with one servicer letting the borrower know they're being transferred and then a second servicer actually picking up and communication so that we thought that it was most efficient to notify them once they were transferred. However, what we will look at is how to better communicate with the customer during that transition period. So I think we will look and see whether there are other ways we can communicate more efficiently with the customer during that transition process.

How will the school know which federal servicer is servicing the borrower's loans? And that's always going to be NSLDS. MOHELA will send, for example, MOHELA will send correspondence that tells the borrower, and then NSLDS will be updated once that loan has been fully loaded onto the system.

And about how long will it take? It takes about 7 to 10 business days once the loan is loaded to actually show up in NSLDS. But all of the federal services do update NSLDS on a weekly basis. And I know in the general session there were some concerns about timing. But again, they are required to update NSLDS on a weekly basis.

How will MOHELA be identified in NSLDS? They are currently identified Department of Education/MOHELA, as all of the servicers are Department of Education and then slash-the servicer name. Their servicer code is 500.

And so the big question is how many federal servicing contracts will be awarded. We have about 15 in the works between now and January 2013. So we're bringing on ED Financial in January as well as Cornerstone. And there is an ISAP announcement that actually lists them all, but we have a job to do, so we have to figure out how to navigate in this environment.

So let's talk about split servicing. So again, split servicing are really just borrowers with federally-held loans with more than one federal servicer. ED, of course, owns both Direct and FFELP loans. So the conditions that caused the split conditions dealt with PUT loans and then, of course, dealt with schools transitioning from FFEL to direct. Right now the volume is somewhere around 500,000 and we'll continue to have volume, but we continue to monitor it and get those borrowers transferred as quickly as we possibly can.

So our goal is always going to be to get all of the borrower's federally-owned loans maintained by one single servicer. And again, we have ongoing processes to validate information within an NSLDS to determine where borrowers have loans and then get them to one servicer.

Federally-owned and commercial loans may still be split, meaning that under the federal umbrella if a borrower, say, as a direct loan with Nelnet and an FFEL PUT loan with Sallie Mae and may have a commercial loan with say Great Lakes, we're going to get that Nelnet and that Sallie Mae loan together. But that commercial loan may still be out there for the borrower regarding, you know, that they would have to manage. Consolidation may be an option, but not in all circumstances. And I think you are aware of the new special consolidation that will be implemented first part of the year, and that will handle some of the split conditions for borrowers to have commercially and federally-held loans, so that will be a viable option as well.

So let's talk about navigation. So of course there were many challenges, and then there are some benefits in a multi-servicer environment. We will continue, FSA and the servicers will collaborate on finding viable solutions to handle regulatory and operational issues. So again, this is a borrower-centric approach, so our goal is really to get borrowers with one servicer. And schools will see different processes and procedures offered by the servicers. And we want that because we want to ensure that we have continuous innovation and creativity in our servicing environment.

So again, we have challenges that will accompany the growth, but what we want to emphasize is that in our borrower-centric approach schools and FSA see many. But our goal is for the borrower to just see one. So the borrowers are going to see one process, they're going to see one way of paying their bills, they're going to see one communication that they are most familiar with. Our challenge at FSA and schools is to now make sure that you have the tools to be able to share with the borrower what those communications or those processes are. So we are going to continue to find ways to better streamline and to better communicate those processes.

So what we've done, is again, to start the dialogue of what things do you need to know. Over the past year I've worked with some of the graduate schools through surveys, through different communications to just understand what the challenges are. And we’re really looking at what does that roadmap look like, what does the servicing life cycle to help schools understand how to navigate in this environment. So what we’ve started to do is look at the servicing life cycle and identify concerns, issues, or inconsistencies that we should address.

So again, from Common Origination and Disbursement the school goes in, enters the information in in COD. Then that information is going to be passed to servicing and then there’s going to be these real five key areas: the loan booking, in school, grace period, repayment, and delinquency. So we’re going to start there and then begin to build upon that.

So in the loan booking, the assignment. The first question that schools want to know is when and how are servicers assigned. So again, the federal servicer is assigned upon the booking of the loan. Booking occurs when COD accepts the origination record, links to the p-note and accepts the actual disbursement. New borrowers are assigned to Great Lakes, FedLoan Servicing, Nelnet, and Sallie Mae, based upon percentages assigned by FSA. So as you know, you are key in the performance cycle, so there are surveys and there are ways that we determine volume based upon feedback and specific metrics. So based upon those percentages then loan volume is allocated. The loans – new loans do not go to the not-for-profits at the current time.

So the other question that we get in the loan booking area has to do with the notices. Borrowers may be asking you, “How do I know which servicer is servicing my loan?” So again, when we assign a student to a servicer the servicer will correspond with the borrower. They will provide what we call a “welcome.” We say “welcome” in quotes because it may not be deemed. But it’s going to be that initial communication that notifies the borrower of the servicer, where to contact them, toll-free number, website, basic information that they need to know when that loan is booked. If at any point you are unsure, always have the borrower contact or access NSLDS to obtain their loan information. And we want to encourage borrowers to continue to use NSLDS and be accountable to the information about their indebtedness.

So while the borrower is in an in-school status we get a lot of questions about how do borrowers make interest payments on the unsubsidized loan while they’re in school, can they do that? Borrowers can always make a payment. We’re going to always take money. So they can go into any of the servicer sites, they can view their account, and they can make a payment.

We were asked about quarterly statements. For those of you that were direct loan schools, there were quarterly statements that were sent out to the borrower notifying them of the interest amount. And again, it gets them in a healthy repayment – in a health repayment process. So quarterly statements are generated either automatically by some of the servicers or at the request of the borrower, maybe it's e-mail or paper, while the borrower is in school. So if you want to encourage your students to make interest payments while they are in school, they have the ability to do that; it just may be different mechanisms in order for them to receive that information or see that interest payment.

So while the borrower is in grace period. One of the questions borrowers maybe ask, "So what must I do to begin repayment on my loan? Do I receive a grace period?" So I want to remind you that borrowers with Direct or Stafford Loans receive a six-month grace period that begins the day after they graduate, leave school, or drop below half-time. And payments are going to be due after the grace period ends.

So for your PLUS and Graduate PLUS, for graduate professionals, they can postpone payments while they're in school, and this happens automatically. They would get the deferment while they are in school, as well as the six-month period after they leave school, the six-month grace period. However, for Parent PLUS they can process or they can request to have their payments deferred while the student is in school. They can do that upon the application process in the application. If it is after that they must contact the servicer and request a deferment. But PLUS loan borrowers do not receive the automatic six months; they must request the additional what we call post-enrollment period.

Okay, so I put this under grace period. So one of the things, again, that we received last year loud and clear were that the schools noticed different capitalization practices for their servicers. And let me start by saying that it wasn't that they were doing it wrong; what we realized is that we had interpreted the rules differently in FFEL than we did in Direct Loan. And some of our business rules in Direct Loans were different than when the servicers came on to begin direct loans. The graduate schools first identified this really with the Graduate PLUS loans and how those borrowers were capitalizing interest. The servicer or servicers that had different practices corrected that one immediately.

We then took an exhaustive search to look at all of the capitalization practice, and again, had to pair up the regulations for both FFEL and Direct Loan and ensure that we were in line, and identified inconsistencies with how we were handling capitalization. We've documented it, we have standardized the practice, all of the servicers have that, and we expect to be able to say in the first part of 2012 that they are standard and they are consistent. We will not be able to go back and retroactively change what has happened in the past, but going forward we can ensure that all borrowers receive the same kind of practices or capitalization events regardless of their servicer.

So while the borrower is in grace period what are the most important things that the student should know as they prepare for repayment? So there are several important messages that the services deliver to borrowers, and we want you to understand what those are. So again, check NSLDS; that's going to be key. Provide servicers with updated contact information, stay in touch with your servicer. Sign up for online account access, because that's, again, the first line where the servicer is able to communicate with your students. Sign up for automatic debit to ensure timely payments, and the borrowers are going to get a 0.25-percent interest rate deduction. Call the servicer to obtain information on repayment options, and then make sure that the servicers are there to help. So when they get in a bind, they don't understand the process, the servicers are there to assist.

So while the borrower is in repayment the questions the borrowers may come to you and ask, "Can I provide my servicer one deferment form for all of my ED-held FFEL and Direct Loans?" So as a generally rule we can accept – the servicers are able to accept FFEL program or Direct Loan program deferment forms for all requests. However, in some cases there are specific forms for FFEL or there may be a specific loan in the Direct Loan program that the borrower must complete in order to be eligible for that portion of the loan that they want to defer. So as a general rule if the servicer receives one form in, they can apply it regardless of the form type.

Likewise, I think in some cases I think you're able to apply to the commercial side, depending on the processes. So in some cases, depending on the servicer, if they happen to have a commercial loan at that particular servicer, in some cases they're able to apply it across both the federally-held and the commercial, so we're able to work through that.

I will share that the one challenge that we have is that across servicers there is a rule that allows a servicer to apply a deferment. So a borrower has a loan or several loans at servicer A and also has them at servicer B, can they use that same form to apply across both servicers. They can, but you have to notify the servicer. So if they call servicer A and get that deferment applied, then call servicer B and says, “My previous servicer just applied to the economic hardship deferment, can you also apply it? In some cases they’re able to go into NSLDS, determine eligibility, and apply it based upon that phone call, but it’s not something that’s automatic; it’s something that a borrower must initiate.

So in the repayment area schools want to know can they receive sample communications. They want to be able to communicate, you want to be able to see exactly what the borrower sees. So all of the federal loan servicers make samples of key borrower mailings available. So whether it’s on their websites or they can send them to you at your request, you would be able to see all of the communications or a sample. Key communications I’m sure is what you need, not all of that, that address a particular situation. So if you want to see the communications please reach out to your servicer if you don’t have access through I believe it would be the school portal, maybe the school portal. Okay.

The last repayment question that we get are about payment fees and whether we charge, any of the services charge for application of payment, and the answer would be no. So if the borrower, depending on the servicer, they may have different methods to repay their loan. There are no fees associated with any kind of online check pay or anything that they do with the servicers. We do not assess any fees on making payments.

And in the last area of our life cycle has to do with delinquencies. So some schools have asked questions about third parties. So we know that many schools use third parties in order to handle some of their default management activities and maybe other activities on campus, and wanted to know whether we would allow a third party access to reports or to the system. And the answer is yes, each one of the servicers have a process for you to establish an agreement with a third party and we would then provide access to that third party, and there are going to be management rules in that kind of sort to ensure that that third party has appropriate access. So once the authorization forms are complete we would allow access to either the data or to the system.

We did get a comment in the previous session that this is one of the areas that we can streamline and make better, is not have multiple forms, but maybe to have one. So we are looking at something like that so that schools would complete one form for all of the servicer access to their third parties.

Okay, how am I doing on time?

*Male:* Great.

*Cynthia Battle:* Good. So when we talk about the keep it simple what we want to begin to look at are what are the tools, what are the existing reporting mechanisms that you have today that would centralize loan information. We know that you can go to the individual servicers and get everything you want, but what do we need to give you in order to centralize key data.

So I want to share with you the NSLDS. I want to remind you, you probably already have access to some of the reports that NSLDS provides that allows for you to centralizes key information. So again, NSLDS includes guaranty agency or lender-held FFEL, PUT, and Direct Loan information. Updates information if federally-owned loans are reassigned to ensure that the borrower is whole, or if commercial loans change ownership. So again, it's going to provide a complete picture for your customer.

When requesting a report, reports are available under the Reports tab, you would just click, they call it the "blue number." Complete your report parameters, select your extract or your report type, and then any file layouts are available. So I know this is going to be a quick tutorial on some of the reports that are available, but there is additional information in IFAP. Your reports would be delivered to your SAIG mailbox. There kind of quick – and then there's just a little picture of the little blue number.

So delinquency reports on NSLDS provides information by school for all of the federal loan servicers. I think last year we had information just for the four additional servicers and not Direct Loan servicing or ACS. And now we have information in the report for all of the federal loan servicers. It includes your PUT and your Direct Loans. It's going to provide various data filters, and again, you're going to have an option to go out on your professional website and see the information in more detail. And I believe there's an NSLDS session that goes into more detail about these reports.

So for our Delinquent Borrower Report, it provides a report of borrowers who are delinquent in payments to any one of the federal servicers, but again, it excludes loans held by guaranty agencies. It contains the borrower's contact data as it's been reported in NSLDS, days delinquent, total outstanding balance, repayment plan, and payment information. So this is your opportunity to find one report that provides the information in order for you to manage your delinquent portfolio.

It allows for some ability to query the information and provide borrowers who fall within a specific date range. So I know some schools like to get on the delinquency and do things around the 60 and 90-day timeframe. But it allows you to create buckets. So if you want to just work borrowers that are 100-day delinquent versus those that are in the later stages of delinquency, this would allow that flexibility.

If you place an asterisk in the School Branch field it would retrieve all borrower data from a campus, but for a single school then you would just include the two-digit branch code. Users can select a single federal loan servicer, all five, a cohort year, or one or more periods. So it provides additional flexibility for you.

And then finally, the report option allows you to sort by SSN or name. The extract options includes a standard or a comma delimited, and again, you can schedule your frequency, so whether you want an automatic delivery, and then whether you want it daily, weekly, or monthly, you can assign that.

So the next report implemented not too long ago was the School Portfolio Report. And this provides schools with kind of a broader view of loan status. So not just delinquency, a broader view of information that's contained in NSLDS. If a school has merged, previous codes are included within this report. It includes your current and your original loan holder. So this one is going to be a more robust kind of school portfolio report. You will be able to track current status, date entered repayment, balance, delinquency date, original and current holder, claim information, and CDR, and I'm sure there is other information that you would be able to obtain in the School Portfolio Report. So use these tools as part of how you centralize information.

And, of course, if the NSLDS report does not provide you with the information that you need, each of the servicers have a report or reports that provides greater level of detail about the portfolio. It, of course, offers additional customization, but it only includes loans that are serviced by that particular servicer.  So again, your NSLDS is going to be the report that you need in order to centralize, and then you can always go to your individual servicer sites in order to obtain additional detail.

Okay, surveys.  So we have a performance structure where we are able to measure the performance of our federal servicers.  So we look at borrower satisfaction, we look at school satisfaction, we look at FSA satisfaction, and then we look at default rates in order to determine servicer performance.  So we conduct quarterly 10-minute-or-less surveys for both borrowers, schools, and FSA staff.  So for borrowers we have on a quarterly basis, we contact about 250 borrowers per servicer.  It is random, based upon repayment status.  And the surveyors that contact the borrowers are from the Discovery Research Group.  They will be contacting the borrowers and asking about their performance.  There is a proportion of borrowers that is similar for in-school and in grace and repayment.  So that sample, the proportion of borrowers that we contact is just going to be the same regardless of that servicer.

For schools it is also a quarterly survey.  We contact about 75 schools per servicer.  The surveyor is OLC Global, and I'm sure you have been contacted by, or many of you have been contacted, and we want to know your experience.  We use the contact information that is available in PEPS, so ensure that that information is updated in PEPS, because that's the data that we use in order to contact school.  And we only ask the school personnel about one servicer.  So say, for example you get a call in the first quarter about Nelnet.  We may pick you up again in the sample, but the next quarter it may be about a different servicer.

It's important to note that despite the numeric value, because that's what we use in order to determine allocation, any comments or feedback or suggestions that you provide in the verbatim, the servicers are reading that and they are acting on that.  So it's important that you take the time if you possibly – if you have the time, to ensure that you give a comprehensive view of how things are working, because with that data they are able to make changes in some of the products and services that they offer.

So it's important to respond.  Again, base your responses only on your experiences with the servicer that you are contacted by.  And if, by chance, you are not the person or the person receiving the phone call is not the person that can best answer the questions, make sure you forward that call to someone else on your staff so we can valuable feedback about how things are operating.

Oh, goody. How am I doing? Okay, so now is your time to tell us how good we're doing. So I have lots of comments from the first session, and so I want to hear from you. So this is your opportunity to tell us what is working, maybe what is not, what things or tools do you need in order to help navigate in this environment. I'm listening.

We've got one. Okay, Amber's got one.

*Audience Member:* I wanted to first thank you guys, because we do in-house default management and contact delinquent borrowers, and this time last year I was ripping my hair out 'cause I had to go to all these different sites to pull different types reports. Pulling delinquent borrowers from NSLDS is awesome, so that's really good. We actually use the tab where it comes up live on the screen, as opposed to exporting it to SAIG, which also helps, 'cause I can delegate specific campuses to staff members to pull the reports in. So I did want to let you know that was awesome.

We have two small glitches that I see come up on occasion. We will still have a borrower who suddenly pops in in an extreme delinquent account, because we're checking these every month. So I know they weren't there for seven months, and then all of a sudden they pop in eight months delinquent, so.

*Cynthia Battle:* Say the last part. So you said NSLDS.

*Audience Member:* NSLDS will suddenly, a borrower who wasn't there for the past six or seven months will suddenly show up like eight months delinquent or nine months delinquent.

*Cynthia Battle:* Okay, so it delays, okay.

*Audience Member:* I'm not quite sure why that happens, but we do have that happen on occasion. And we're seeing still where all the services come together, the old loans, and then maybe they re-enroll in school and they get assigned to a second servicer from DOE, and I don't know quite why that's happening either, but we are seeing that, where the new loans aren't going to the same entity that's servicing the current loans.

*Cynthia Battle:* The new loan that is existing, so say there is an existing old loan that's with one of the servicers. So you're saying the new loan is not going to-?

*Audience Member:* Right. Maybe they've been in repayment since 2009, they've been in repayment, they've been PUT, they've had Direct Loans, all with one servicer. They come back to school and they're getting assigned to another servicer. Just kind of seems to be a glitch.

*Cynthia Battle:* Yeah. Do you by chance have an example so we can look at it and make sure we solve for it?

*Audience Member:* I can send you guys the next one that pops up.

*Cynthia Battle:* That would be perfect. And then make sure that we've solved for that.

Go over here first and I'll be – go ahead. Oh, you see it?

*Dan Weigle:* I'd like to address the first part of that. ____ ____. Can everybody here me? The first part of your question, about the delinquency file, about the borrowers not showing up for six or seven months and then magically they appear on that delinquency file.

*Audience Member:* Occasionally.

*Dan Weigle:* Yeah. Just to address that, the delinquency report that you get from NSLDS includes the loans from the federal servicers, but the term "commercially-services loans," that loans that the department doesn't own and are serviced by the lender or the lender servicer – there's a program called the Conduit program, that those loans get transferred to us at a certain point of delinquency. So that's probably what's happening in that scenario. I think at day 240, when it becomes delinquent it comes to us, then becomes a department asset, comes to us as a servicer, and then we would report it and show up on that delinquency file. So I would imagine that that's what you're seeing.

*Audience Member:* So these are dual, like they would've been commercial _____ at that point, because you have those ______ _____?

*Dan Weigle:* Exactly. Exactly.

*Cynthia Battle:* Dan, repeat the last part of her question.

*Dan Weigle:* It was – I think the last part of your question was it was serviced by the original servicer and then the commercial servicer/lender, it got to the point of 240 days delinquent and then it came to us as the federal servicer.

*Audience Member:* Well, it was just suddenly ______ ______.

*Dan Weigle:* Right. It's almost very similar to the PUT program, where it gets transferred to us to service from that point in time forward, and then we would report on a weekly basis whatever threshold of delinquency that's at.

*Cynthia Battle:* Okay. Got a question over on this side.

*Audience Member:* Yeah. To add to the first lady that spoke, I see the problem where I download my delinquency reports and check them every two weeks, and I've seen one the next two weeks that suddenly 260 days delinquent that hasn't appeared on any of my reports in the last two months. But I've also seen where last year's loans and the year before with one servicer, and then this year's loans is assigned to a brand new servicer, a different servicer. And I had a student that just graduated last year, and she has three different servicers for all her direct loans. Still.

*Cynthia Battle:* Still. Okay.

*Audience Member:* But my question is is there any move to have all the servicers use the same deferment forms and forbearance requests, instead of using their own individually? Because it's very confusing to me, trying to help the students fill them out, and to the students themselves.

*Cynthia Battle:* Okay, so hopefully everyone heard that. It was for the servicers to use the same deferment and forbearance form. For the most part the majority of the deferment forms are OMB-approved, so they would be using the same deferment form. I think where we have maybe the challenges were around forbearances. So are – no, you're shaking your head; I'm wrong with that one.

So we do have standard both deferment and forbearance forms that the servicers must use. Again, there may be some that are unique to FFEL or unique to Direct Loan that we must use separately. So if there's something that – do you have a specific one that you find that is either confusing or that it's not consistent?

*Audience Member:* Well, I'm just seeing that there's – the forbearance ones, that they're not in school and don't qualify for the deferment, several different servicers, the forms are their own made, and they're not standard; they don't look like any other one.

*Cynthia Battle:* Okay, so forbearance for the most part is what you're finding?

*Audience Member:* Mm-hmm. And I was just wondering if there's going to – to standardize them. I mean one, and I can't remember which one, it has like three different options and then it just says "other".

*Cynthia Battle:* Okay. So yeah, we'll take a harder look at the forbearance forms to make sure we can standardize those. Do you want to add anything more about those? Okay. We will take that-

*Male 2:* We will honor another servicer's form. So it may not have the name of Sallie Mae at the top, it may have Nelnet, but we'll honor it because all of them contain the right language with regards to, you know, capitalization of interest, if that be needed, or the like.

*Cynthia Battle:* Yeah. But we will look at that and ensure we are standardizing that, so that's a good point.

*Audience Member:* I have a question about the Parent PLUS loan in-school deferment for the dependant student being enrolled at least half-time. For schools that participate in the online request through StudentLoans.gov, where you're asking parents whether they want an in-school deferment and a six-month grace after their student graduates, why is that information not being sent to the loan servicers? It's being captured in COD, and if you're already assigning that information to a servicer, shouldn't that be part of-

*Cynthia Battle:* It is passed to the servicer. So-

*Audience Member:* I don't believe so.

*Cynthia Battle:* You don't believe so?

*Audience Member:* I don't think so, because we even tried – I know that there were several people posting on the listserv, the DL listserv that the parent has to actually call and contact the servicer to make sure that that loan is in deferment, even after they've already requested it, which seems like a big pain.

*Cynthia Battle:* And you're saying it's the deferment and the post period or it's – for both?

*Audience Member:* Yes. Yeah. Yeah. Yeah.

*Cynthia Battle:* Okay, so I'm going to get – okay, go ahead – oh, we've got a COD person in here, so hold on.

*Ryan Pitts:* At the time we were not sending it to one of the servicers, which is ACS, so there were a portion of the loans at that time that did not get the indicator.

*Cynthia Battle:* Okay. Did you hear what she says? Okay, so there was a period of time – let me repeat it – for a period of time there was one servicer, Direct Loan Servicing Center, or ACS, where that information was not being passed to the servicer. And thank you for mentioning that. So when we brought up the additional servicers that interface existed and it took us – we had to implement it on ACS, and now it is implemented? Is it implemented now, Ryan?

*Ryan Pitts:* They're receiving it now.

*Cynthia Battle:* Okay, so now. So there was a period of time, and I'm not sure the timing of when you did see it happen, so it's possible the borrower had loans on the ACS side, and that's the one where it was not being passed. But we'll make sure that it is happening correctly.

*Amber:* I'm going to get a couple over here and then I'll come back.

*Cynthia Battle:* Okay.

*Amber:* All right.

*Audience Member:* Hi, I have a couple of questions. It's really great that you're looking into, you know, standardized forms. Is there a consideration about standardized logins into all of the servicers, especially because there's going to be 20? I mean it's really impossible to track of all these logins, especially since they all expire and it's really, really hard. I mean we've had this experience where it's really hard to get back in. Like we're trying really hard to get back in, we're trying to reset our password and it's not happening.

*Cynthia Battle:* So if I say no are you going to throw something at me?

*[Laughter]*

*Audience Member:* ‘Cause I still have another question.

*Cynthia Battle:* Yeah, I got it. So I understand, you’re saying standardize the login for both schools and for borrowers, or you’re just mostly concerned about schools right now, ‘cause for borrowers-

*Audience Member:* Right. ‘Cause if you say – right. Right. Yeah.

*Cynthia Battle:* Mm-hmm. Okay, I wrote it down.

*Audience Member:* All right.

*[Laughter]*

*Audience Member:* Thank you.

*Cynthia Battle:* I will not make promises. Okay.

*Audience Member:* So in ACS we had this really great thing where when you were trying to get repayment information for a student to put in their exit counseling communication, you know, there was this screen where we could go and put in the SSN and stuff and get like the repayment snapshot. And now we have to do it through NSLDS, we have to click through like 27 – exactly 27 screens to get to this poor student. In some cases we are doing this for 1,000 students-plus at a time. Can there be something like this in NSLDS, where instead of clicking through 27 screens per student we can put in the SSN and get the repayment information?

*Cynthia Battle:* So SSN – so you just want repayment information similar to what – so this would – you’d input SSN and then it would display all of their repayment options.

*Audience Member:* Right.

*Cynthia Battle:* Okay. So-

*Audience Member:* ‘Cause we are required to put that in the exit counseling material we are sending to students, and right now it’s a lot.

*Cynthia Battle:* Okay, so I will take that back as a suggestion. I will – they mentioned this morning in general session about an in-school counseling that we’re in the process of developing, and this is part of that. So let’s look at the solution. If you need some way to show borrower indebtedness and repayment options we’ll look at both NSLDS and the in-school counseling that's coming out in June to make sure that you have that kind of functionality.

*Audience Member:* Can I ask one more quick question?

*Cynthia Battle:* You can.

*Audience Member:* So is there a standard way for borrowers to schedule payments while they're in school for all the services?

*Cynthia Battle:* Say it again. Is there a standard day?

*Audience Member:* Way.

*Cynthia Battle:* Standard way.

*Audience Member:* Sorry, I have an accent.

*Cynthia Battle:* No, that's okay.

*[Laughter]*

*Cynthia Battle:* Standard way?

*Audience Member:* To schedule payments while they're in school for all the services.

*Cynthia Battle:* Standard way to schedule payments, um-

*Audience Member:* But is there a way? Ignore the standard, is there a way they can schedule payments, not just make a one-time payment?

*Cynthia Battle:* Oh. I won't say no. I'll let you all say no.

*[Laughter]*

*Cynthia Battle:* And tell them why.

*Dan Weigle:* I'll start from my perspective, from the FedLoan Servicing side of the house. Borrowers can go online at any point in time and make a payment once the loan is booked. We don't have the auto – I think what you're talking about is autopay option, where they can set up to say pay $50.00 each month or something like that. We don't have that ability while they're in school until they're set up for a billing or if they requested to pay their interest while they're in school. I believe at that point in time they could set up, 'cause they'll be getting a bill and we could tie it to the bill. But they could make payments online through our website, through a mobile payment site at any point in time while they're in school. They could do it weekly, daily if they wanted to, but they can't-

*Audience Member:* Like on schedule.

*Dan Weigle:* Yeah, but _____-

*Cynthia Battle:* Let me just add that the whole cost benefit for electronic debit, the 0.25-percent, was while the borrower was out of school. So they would not be eligible to get the incentive while they were in school, and that's really why that was designed that way. And it's not required. So it would be difficult to now require a payment while they're in school when they really are not, yeah, required. So they can go in on a regular basis and make that payment, whether it's interest or additional principal, while they're in school.

*Audience Member:* But you know, like it's one more thing to remember to do it.

*Cynthia Battle:* I understood. So yeah, we did get that suggestion as well. Go ahead, Jim, you want to add?

*Jim Harris:* On our system at Nelnet they can go into our quick pay system if they're in school and they can choose to get statements about what their interest is if they want to opt into that. So they have that ability to do that.

*Audience Member:* We have the statement, but they can't schedule payments.

*Jim Harris:* Well, we could override that, but we don't – oh. I don't know if we – I think it's something that they can – so possibly they get a monthly statement, and they can probably set it up so they can do it electronically. But it's not going to be a requirement that it's going to hurt them because they don't necessarily have to pay it.

*Audience Member:* So they're trying to ______ interest.

*Cynthia Battle:* Pay the interest, mm-hmm.

*Jim Harris:* Right.

*Audience Member:* They're trying to pay the interest so eventually they just have principal.

*Cynthia Battle:* Mm-hmm.

*Audience Member:* So they don't want to be required to and they don't want to be hurt and they don't want to get an EDA; they just want to be able to pay it and they want to just think about it one time and then have that magic _______.

*Cynthia Battle:* Okay, so let me repeat. So the suggestion was is students want the ability to have a constant payment; they don't want to be required, they don't want necessarily the benefits of EDA, but they want something that's continuous so they don't have to go in on a regular basis and make the payment. So we'll look at what prevents us from being able to do that.

*Jim Harris:* Let me just add one thing to that. If the did contact us and say they wanted to be billed for interest, we would send them the bill, and then if they didn't pay it within 30 days we would kick them out of that process and say they don't want the – we're not going to report them as delinquent.

*Audience Member:* But does the bill meaning they're getting IDDA or something?

*Jim Harris:* I'm sorry?

*Audience Member:* The bill isn't making a payment. They want to set up like-

*Cynthia Battle:* Ongoing payments. So even if-

*Jim Harris:* They want an automatic debit process.

*Audience Member:* ______ ______ bill, they know they're going to have interest. They want to be able to distribute money when they want to.

*Jim Harris:* Right. Yeah.

*Cynthia Battle:* More than one at a time.

*Audience Member:* Right.

*Dan Weigle:* Yeah. Yeah, at this time they would have to do it on a monthly basis, go in and do a one-time payment on a monthly basis.

*Jim Harris:* Yeah, my son is a freshman in college and he sends it out through his bill pay. So it just goes automatically from the bank to the institution.

*Cynthia Battle:* All right, so we'll look at that and see if there's something that prevents us from doing that.

*Jim Harris:* But he doesn't have it set up where they pull from his account, 'cause I think he wants the option to change if he wants to go out for the weekend.

*Cynthia Battle:* Can you hear on this side over here? No, they can't hear. Jim, move it closer. They're not hearing on this side.

*Jim Harris:* I just gave a suggestion about something that my son does. He has it set up through a bill pay through his bank, where every month it sends the $25.00 or whatever he has to the servicer, who's not Nelnet, but that's who he has.

*[Laughter]*

*Cynthia Battle:* Okay, so where are we? Okay.

*Audience Member:* I have a quick comment and then a question. My comment first is that my school was required to do gainful employment reporting, and when it came down to social security conflicts NSLDS told us to contact the servicers and other information providers. And I just wanted to say thank you, because every single contact that we had with the servicers tremendously helped us get through the gainful employment reporting. So thank you very much for all of your help for that.

*[Dinging noise]*

*[Laughter]*

*Jim Harris:* Of course you guys could hear that.

*[Laughter]*

*Audience Member:* My question is about enrollment status changes, notifications to the servicers. Before we went to direct lending and we were just on FFEL loans we only had one or two services to deal with, and when a student had an enrollment status change we would just pop a letter in the mail to the servicer and call it a day. When we switched over to direct lending, in addition to that letter we were also doing the enrollment status update on NSLDS. My question is is that NSLDS update sufficient for servicers? Do you also want us to send a letter? Is there another way to notify you when we have an enrollment status change for a student?

*Cynthia Battle:* Can I ask why you would send the enrollment letter? So is it the same information in the letter that would be in the enrollment updates?

*Audience Member:* Yes, it's just the last day of attendance, last four digits of the social security, who it is, and what happened.

*Dan Weigle:* I'll start. We prefer not to have the letter, to be honest with you. The enrollment form running through NSLDS, that information will get to us. If it's an expedited situation where you've got to have the information updated right away it would certainly – I would prefer e-mail instead of the letter. Again, last four digits of the soc, the enrollment information, and we'll take it just to get it expedited in case that student needs to get enrolled or for whatever reason you need to have that information updated in a quicker fashion. But ideally, report it through NSLDS and we'll get that information updated electronically. I don't know that applies for everybody.

*Male:* Yes, totally agree.

*Cynthia Battle:* I think that applies for everyone. Yes, we have a question here?

*Audience Member:* Hello? Okay. I'm going to say that first, servicing has gotten so much better. But I deal primarily with medical students, so I'm going to beg you to please train your first line customer service agents to understand the difference between undergrad, graduate, and medical. They do not understand that medical students are eligible – I am so sorry – for things that other students aren't.

Secondly, I have a question, and I'm going to aim this one at FedLoan, because this is the one I happen to know is a problem. When loans were getting transferred for PUT to FedLoan from another DL servicer, so like from Great Lakes to PUT to Fed, they were being transferred in a repayment status and were not being updated with all the other FedLoan currently-held in-school grace period loans. And the students were getting deferred – sorry – getting delinquency letters from FedLoan saying, "Hey, you're delinquent. Hey, you're delinquent," and coming into my office very panicked. And it took generally a phone call to fix this.

And it wasn't a problem because the customer service people, like I said, were very helpful. But it's just we never really understood or knew how many students were affected by this. So I was wondering is it something that has been corrected? Because I still occasionally get one or two like that; it's dropped off, but it's still kind of a problem.

*Dan Weigle:* So they have loans that were transferred to us and we had a loan already on the system and they weren't the same status. Is that what the scenario is?

*Audience Member:* Yeah. So you've got Loan A and B and they're in school, and you've got C and D, which you just got like two weeks ago or a month ago, and they're in delinquency status because they haven't received a payment because the grace period expired.

*Dan Weigle:* Yeah, I appreciate the comment. Transparency was mentioned earlier, and yeah, we do have an issue of there. We got a lot of loans transferred to us and I think everybody's in that same boat, and to get them all lined up with the same status, particularly the in-school one is a good scenario where we might have had them a repayment, the other servicer had them in school. We did go through a pretty exhausting effort because I think I've heard quite a few folks about this scenario, because it was a pretty big issue. So we went through a pretty exhaustive effort to identify those borrowers that were in different loan statuses with the different loans that they had, and we're going through the process of cleaning them up. The ones specifically we targeted are the borrowers that were in school that we had them at another status. We cleaned those up within the last couple of weeks. But if you're still seeing it you need to contact me and we need to do some additional research.

But it's an ongoing process that we're running. We think we've cleaned up a majority of them at this point.

*Cynthia Battle:* Before you take – before you pass the microphone, your first point about medical students and the counseling, is that consistent, that the messaging is not clear for all the services, or are you seeing-

*Audience Member:* Pretty much. Yeah, it doesn't seem to matter. The student will call, get some misinformation that they kind of understand isn't correct, 'cause we've told them otherwise, and then bring the question to me, and I have to call the servicer, and the servicer has to put me on hold and check with somebody, and it usually takes about 20 minutes to fix it, so.

*Cynthia Battle:* Is there any particular area that we're challenged or-?

*Audience Member:* Typically having to do with forbearance and what kind of forbearance they're eligible for, 'cause they're eligible for the medical internship residency.

*Cynthia Battle:* Okay, got it.

*Audience Member:* But sometimes just general stuff too.

*Cynthia Battle:* Okay. Did you want to say something, Jim?

*Jim Harris:* I was just going to say that we have heard that comment before. So we're doing additional training periodically throughout the year on those issues for graduate students and how, you know, health students, law students. 'Cause they have different needs and we're also creating – we have financial literacy materials, but they're mostly created for our undergraduate students. So we're trying to come up with a series based on feedback from schools of other kinds of things that are more appropriate for a very different kind of student. So we've heard that feedback before, and I think a lot of us are working on addressing that.

*Cynthia Battle:* Thank you.

*Audience Member:* I have one last question. You guys update NSLDS every 7 to 10 days.

*Cynthia Battle:* Weekly, yes.

*Audience Member:* Yes. How long does it take NSLDS to update that information? Because sometimes it's two to three months out of date.

*Cynthia Battle:* Hmm. So we're updating weekly, but now you're seeing that the information coming through I'd say SSCR process to the servicers, that's what we possibly are seeing?

*Audience Member:* No, I'm seeing, when I look a student up in NSLDS you're telling me one thing, 'cause I'll be on the phone with you, and NSLDS says something completely different, and you just updated this earlier this week.

*Cynthia Battle:* Okay. So I don't know whether we – do we have an NSLDS? Okay. You think it's-

*Female:* Yeah, between the different systems that COD interfaces with, so we send the transactions to the servicers, the servicers then send them to NSLDS. If there's conflicting data within those systems it's likely that, you know, one of the entities has to make a correction or even sometimes reach out to the school to confirm the information. So there is a reject process, and I think all the systems try to keep up with those as quickly as we can, but there certainly are cases where they're a little trickier to solve.

*Cynthia Battle:* Yes, Amber?

*Amber:* I'm going to get two down here and then I promise I'll come back.

*Cynthia Battle:* Okay. All right.

*Audience Member:* Yeah, one of the frustrations that people in my office have are for on occasion we'll have a student who has borrowed more than the aggregate maximum for their level. There's a lot of reasons for this: timing and whatever. And the student, in order to fix this, wants to go in and pay down the principal on their loan so that resolves that eligibility issue. It would be really helpful if there was some kind of consistency or predictability or logic to how the different servicers handle those. Sometimes the students are able to just pay the difference, some servicers say, "No, you must make your next payment and this additional amount in addition," and they won't let them do it any other way, which seems punitive to us. But there needs to be some kind of logic and plan and consistency, please.

*Cynthia Battle:* Thank you. Thank you. Did you want to add anything to that or do we just need to take that and look at that? Okay. All right, we'll take that suggestion back. All right, one more on this side and then we're coming over there.

*Audience Member:* Okay. I have two. But the capitalization practice that has been standardized, when will that be published and made available to the schools?

*Cynthia Battle:* When will it be published is what you said?

*Audience Member:* When will it be published and shared with the schools?

*Cynthia Battle:* We don't have an issue with publishing and sharing it, so it's going to be early 2012 when we expect to have it all implemented. So I'll get a timeline for when we can publish it, but not an issue.

*Audience Member:* And just as a follow-up to that, what is the standard capitalization policy?

*[Laughter]*

*Audience Member:* Could you share here?

*Cynthia Battle:* Let's see, do I have my list? Hmm. There are many, so for me to rattle them off-

*Audience Member:* Could then we just take at issue for Grad PLUS?

*Cynthia Battle:* Do you have a specific example? Say it again.

*Audience Member:* Grad PLUS?

*Cynthia Battle:* For Grad PLUS I'll let – you want to take the Grad PLUS one?

*Audience Member:* Given the problems we had last year in January with inconsistency and capitalization.

*Cynthia Battle:* Okay, so I'll let – you want to just do what the Grad PLUS one is at least? You want to take that, Dan? Or-

*[Laughter]*

*Dan Weigle:* Thanks.

*Cynthia Battle:* I didn't mean to set you up, Dan.

*Dan Weigle:* I guess I won't make eye contact with Cindy anymore.

*[Laughter]*

*Dan Weigle:* No, that's fine. I believe what the end result is is that we would cap at the end of the post-enrollment deferment period, which I think a lot of us were already doing. But I think the difference in what we were hearing specifically from some of the medical schools was about the residency forbearance. We are – I believe we are expected to cap at the end of the post-enrollment deferment period, even though they're going to go into an immediate forbearance. So that's what the Grad PLUS capitalization policy is going to be; end of the post-enrollment deferment we capitalize regardless of whether they go into immediate repayment or into a residency forbearance or anything like that.

*Audience Member:* But they will not be capitalized after the second disbursement is made, being flipped.

*Dan Weigle:* Absolutely not. Nope.

*Audience Member:* Okay. Given that, why can't retroactively the students that were affected by no consistent policy be identified and rectified from last year.

*[Applause]*

*Cynthia Battle:* You like that. Again, I will take that back to discuss, but again, these capitalization practices existed long before they became federal servicers, so how they were handled before the Direct Loan or the federally-held umbrella were pretty consistent.

*Audience Member:* And just to say that schools had more choice in who they worked for and who worked best for their student populations, and there is no choice now.

*Cynthia Battle:* It is no choice. I got it.

*[Applause]*

*Cynthia Battle:* I heard you.

*[Laughter]*

*Cynthia Battle:* Yes, I did. Running.

*Audience Member:* We have been seeing a lot of glitches between the COD feed and the servicer feed, in particular with ACS, but also with some other servicers, especially when a loan is canceled in COD and it takes forever it seems for ACS to have that updated information. We have parents who are actually being billed for something that was canceled about five months ago. How do you recommend that we handle these types of situations? Because the parent is being sent from COD back to the servicer and from servicer back to COD.

*Cynthia Battle:* Ryan.

*Ryan Pitts:* Well, I guess I'll respond with if it's within the last 60 days as a result of transition, but five months, I'm not aware of any issues with things prior to transition not being processed. So I guess if you have those examples I'd be happy to look at them if you want to stop by and provide them later.

*Audience Member:* Okay.

*Cynthia Battle:* Are we talking recently?

*Audience Member:* This is recent, this one in particular. But I've seen a couple of them, especially with cancellations, where they're not getting that information over to the servicer.

*Cynthia Battle:* Okay. And maybe we're talking about the conversion timeframe.

*Ryan Pitts:* If it's really to that then definitely there was a period of time where they weren't being processed.

*Cynthia Battle:* They were ______ there.

*Audience Member:* And it seems to be strange, though, because the parent will tell them, "I have screen shots from COD from the school that show that this was canceled," and the service is telling them, "We can't look at COD for that information." But isn't that where they should be looking for that information?

*Ryan Pitts:* If you want to – I'm sorry; I apologize, I was speaking-

*Audience Member:* It's not just one, that's why. I'm not singling you out, I'm just, in this particular case it's been frustrating.

*Cynthia Battle:* Do we know what that one is?

*Ryan Pitts:* And I understand that. But if you do want to provide some examples to me later then I would be happy to look at them for you. Okay.

*Cynthia Battle:* Okay. All right.

*Audience Member:* I don't see a problem right now, but when we get to 15 servicers it's going to take a lot of my staff to do a lot of this follow-up. I do already hire a third-party servicer to help me with this. But wouldn't it be cool if all the new loans that say a student that never had a loan before be with one servicer, like each school be allocated a servicer, so that-

*Cynthia Battle:* It would be cool.

*Audience Member:* It would be cool.

*[Laughter]*

*Audience Member:* Worth a shot. If I disburse funds today when will that student be notified? Because I'm having a lot of situations where I'm like, "Oh, you should've already received information from your servicer," and they're like, "I didn't get anything."

*Cynthia Battle:* All right, so we have – so the notification, so tell me that – so let's walk through the timeline. So by the time the loan books from COD into the servicers approximately what's the timeframe for that? And then once that loan is loaded and then the communications go out what are the timelines?

*Dan Weigle:* I apologize for this. They're playing games with me. I apologize to this side of the room. We're not just prerecorded voices up here. But once the loan is booked we're all consistent here from the servicer's side of the house. We get the loan booked that's sent to us through COD. Within one to two days that borrower is going to get a notification from us, a welcome packet, for lack of a better term, maybe e-mail, maybe a letter. But they're going to get a notification from us saying that we're going to be the servicer of the loan, here's our contact information, here's our website, that type of information. So that's going to happen within one to two days after the loan is booked and sent to us.

*Audience Member:* All right.

*Dan Weigle:* One thing to add to that, e-mail notification is a big thing. Make sure that your borrowers or your students know they're going to get e-mails from us, update their e-mail address with us, create an account online. That's obviously, you know, the most efficient way to manage there.

I'm sorry?

*Audience Member:* Students don't read _______.

*Dan Weigle:* A comment of students don't read e-mails, they want it on Twitter or something like that. But – yeah Facebook.

*Cynthia Battle:* Facebook or text messages.

*Audience Member:* Okay, I have a question. It seems like the FAFSA has gotten easier to make it more approachable, obtainable, whatever. And now that we're friendly with the IRS they are uploading the information. Can we make loan consolidation easier for the student? Is there any way that it can be like an upload, where all their loans can just upload and here is your listing of loans, their IDs the amounts.

*Cynthia Battle:* You are right. I agree. That's on our wishlist. One of the things that we didn't know how we were going to handle consolidation this past year, but one of the things that we have on our to-do list is to have a feed from NSLDS so that we can pre-pop the application, so.

*Audience Member:* Thank you. I think that this will help.

*Cynthia Battle:* Go a long way, yes, it will.

*Audience Member:* Default rates, because students will have it one place, quicker, easier, and it would be not something difficult for them to do.

*Cynthia Battle:* Got it, thank you.

*Audience Member:* Mm-hmm.

*Cynthia Battle:* We have-

*Amber:* Cindy, we have about five minutes, so you can pick the last one so no one's mad at me.

*Cynthia Battle:* Oh. Why don't we come to the middle?

*Amber:* Okay.

*Cynthia Battle:* 'Cause we didn't – we have about how many more minutes?

*Female:* Five.

*Cynthia Battle:* Five, okay. Yeah, I think there was a couple of questions in here. Right in the back. Mm-hmm. Amber says, "I'm not doing it."

*Audience Member:* Hi, good morning. Thank you for joining us. I am actually from a foreign school in London, and what we've recently recognized with information that we have to now provide on the default portfolio is that we may in fact encountering some issues around data protection in what we can and cannot release in terms of addresses, phone numbers, and e-mails to the loan servicers in order to help the students within repayment and to meet their obligation to repay these loans. Do you, or do each of you, or maybe as a blanket approach, have any language that you can issue for foreign schools to give us a little bit of teeth on this. Because I know when they sign their NPNs they obviously acknowledge that we can provide updates of information, but because we are in the United Kingdom the laws are a lot stricter, so do you have any guidance on that?

*Cynthia Battle:* I don't know – do we-

*Dan Weigle:* I'll start. And we have one of our policy people right in front, and she's nodding, so yes, we would be able to put something together for you and send that your way. So if I can get a business card or something from you.

*Cynthia Battle:* Yeah, I was going to say. And then if you could see us after so we can get some additional information, because it sounds like something that we do need to standardize across the servicers. So if you could see us afterwards that would be great, so we can make sure we capture and make sure our legal folks are involved. Have you raised this before as an issue?

*Audience Member:* ______ individual people.

*Cynthia Battle:* Okay.

*Audience Member:* But what I would like to ensure is if you have it on the U.S. we don't need to take it back to our legal in ________.

*Cynthia Battle:* Okay. Yeah. Thank you.

*Dan Weigle:* Is your name Katherine?

*Audience Member:* Kathleen.

*Dan Weigle:* Kathleen, sorry. Okay, some of our team members met you yesterday, so I think we're working on that and we'll get back in touch with you on that as well.

*Audience Member:* Thank you.

*Cynthia Battle:* So, Amber, that was a quick question, so we can take a couple more. One more. You're going to come back here and then we'll go back – who – where else do we have questions on this side? Okay.

*Audience Member:* First a comment. I dislike all your websites on the school side.

*Cynthia Battle:* You said "like"?

*Audience Member:* I dislike very much.

*Cynthia Battle:* Dislike. Oh, I didn't hear the "dis" part.

*Audience Member:* They provide no information for me.

*Jim Harris:* Specifically what are you looking for that you're not seeing?

*Audience Member:* Well, you're Nelnet, right? I don't like yours the most.

*[Laughter]*

*Jim Harris:* I remove that question.

*Cynthia Battle:* Maybe we should go back in time.

*Jim Harris:* Do you mean our inside product or our school website portal, that has financial literacy information, that kind of thing?

*Audience Member:* The inside portal, 'cause it only provides default information. What we'd like to see is more of what the student sees, like-

*Jim Harris:* We just have a brand new interface above SSN lookup that you can just put in the SSN lookup so it comes right up, because before you had to run a report for that. And then we took the 25 most commonly used needed reports that schools have asked us for.

*Audience Member:* Is it still-

*Jim Harris:* And those are going into production, so it will just be a simple click and the report runs with the most commonly ______ _____.

*Audience Member:* Is it still a CRYSTAL report?

*Jim Harris:* I'm not sure. I know you can put it any kind of report you need it to.

*Audience Member:* 'Cause that's horrible. Don't use that.

*[Laughter]*

*Jim Harris:* Okay. I know people put it into Excel and that sort of thing, so.

*Audience Member:* And that doesn't matter.

*Jim Harris:* Okay, so I can double-check on that.

*Cynthia Battle:* So maybe what we can do is can you – if there are suggestions for how to maybe improve the products then if you could see, I think it's probably each one upstairs on the third floor, where they are in the PC area, if you could do that and kind of share I think they would probably appreciate it.

*Audience Member:* They should – each servicer should just – our school login should just show – we should just be able to see what the student sees, login, enter.

*Cynthia Battle:* Okay, so you want to see more of what the student sees, got it. Okay, so maybe one more.

*Amber:* Yeah, we have about a minute left.

*Cynthia Battle:* About a minute left, two minutes left. Right on this side. Right in – okay.

*Audience Member:* Okay, so I just want to reiterate a request I made earlier again, to make sure that we can somehow get archival payment history information off of my – you know, it doesn't have to be off of MyEDAccount.com, but my – I do repayment counseling, and my borrowers want to see their repayment history from ACS and they can go log in back at DL.ED.gov and get that again.

And then another sort of – what I noticed from what you said about the SAFRA contracts, are they all going to be just taking the older FFEL loans?

*Cynthia Battle:* Correct. Not FFEL, Direct. Not FFEL. So for the not-for-profits, that's what you're referring to, right?

*Audience Member:* Mm-hmm.

*Cynthia Battle:* We're going to pull from the existing Direct Loan portfolio. Right, so that's what we're going to pull from.

*Audience Member:* Okay, that's helpful. And then they're still going – they're not going to be split-serviced as a result, it's they're going to have that one servicer.

*Cynthia Battle:* They're going to have that one servicer, right.

*Audience Member:* Okay, good. Well, that is a good question. Okay, so if they get – if that old portfolio, if that person gets a new loan and they go back to the school with the economy the way it is, how's that going to work?

*Cynthia Battle:* They may create a – so if a borrower that was on that existing, that old portfolio say they have an old loan, an old direct loan and they decide to go back to school, may create a split condition that we would have to rectify. It may create – so sorry-

*Audience Member:* But it would get rectified?

*Cynthia Battle:* It may recreate a rec – because there is no interface right now for the not-for-profits with Common Origination and Disbursement, but we have that on our-

*Audience Member:* You should probably-

*Cynthia Battle:* Yeah, we have that on our list to evaluate. But it may create if they go back to school. Yeah, so we are – we will ______ _____ that.

*Audience Member:* Okay. And then on NSLDS, the student access interface, it does not show the servicer URL or their actual interest rate on NSLDS. I know we have an NSLDS person, so I'm not sure which end would push that information forward, but the interest rate and the URL for the website, they have to go outside NSLDS to find that.

*Cynthia Battle:* Okay, got it.

*Audience Member:* And then when you're dealing with students who are income-related repayment plans and on the anniversary of their enrollment in that repayment play they need to go ahead and update their annual income with the servicers. Is that communication servicer-initiated, or does the borrower have to know that they need to, on their anniversary date, go ahead and report-?

*Cynthia Battle:* No, it's servicer-initiated.

*Audience Member:* And that's everybody?

*Cynthia Battle:* Yes.

*Audience Member:* That's great. Thank you.

*Male:* ______ for that, we'd give a 90 day – 90 days prior to that anniversary date that you ________.

*Cynthia Battle:* Yeah, so that is all triggered by some anniversary date, and the communication would go out per the servicer.

Okay, so I think I am at my limit. I am at my limit. Thank you for your suggestions and feedback, and we will be here for a little bit longer. Thank you.