

# NASFAA Off the Cuff – Episode 121 Transcript

Justin Draeger: Hey everyone. Welcome to another edition of "Off The Cuff." I'm Justin Draeger.

Allie Bidwell: I'm Allie Bidwell on our communications team.

Erin Powers: And I'm Erin Powers, our director of communications.

Justin Draeger: We are light but mean today. We've been having like four people-

Erin Powers: Yeah.

Justin Draeger: On the podcast. Rachel is up on the Hill today with our graduate and professional community, so is most of our policy team, actually. So they are storming Capitol Hill, and talking about issues related to graduate/professional student aid. So we'll see Rachel again next week.

Justin Draeger: Today, we're going to talk about the latest higher education plan from the pool of Democrats running for president. We're going to talk about some stalled borrower defense claims, even more news on PSLF. We'll discuss whether services are rightfully getting the blame for student loan portfolio performance. And scandalously, is Secretary Betsey DeVos going to jail? We'll answer all of that.

Justin Draeger: That's a cliffhanger. But before we get to that, and we'll put all this in the notes if you want to skip ahead, go ahead and do so now. But lots to talk about. Allie, welcome back.

Allie Bidwell: Thanks.

Justin Draeger: You've been gone for what, two months, three months?

Allie Bidwell: Yeah.

Justin Draeger: I haven't seen you in a while.

Allie Bidwell: I don't even know if I work here anymore.

Erin Powers: You better still work here.

Justin Draeger: Ditto. I question that every day. For those who don't know, Allie's office is right next to my office, so I look over-

Allie Bidwell: Did you look over every day and be like, "Where are you?"

Justin Draeger: Yeah. Every day was like, do you remember that commercial with Sarah McLaughlin with the-

Allie Bidwell: With the cats?

Justin Draeger: With the, yeah, all the mangy animals.

Erin Powers: That's so sad.

Justin Draeger: Right. Every day I'd-

Allie Bidwell: So I'm the mangy animal in this situation.

Justin Draeger: No, the fact that you weren't there was like the mangy animal.

Erin Powers: She still works here, but now I'm worried she's going to quit because you think she's a mangy cat.

Justin Draeger: No, when she wasn't here, it was like, "I will remember you ... "

Allie Bidwell: Yeah. I've been in and out a lot.

Justin Draeger: Yeah, so you got married. Congratulations.

Allie Bidwell: Thanks.

Erin Powers: Yay.

Justin Draeger: You look like a completely different person.

Allie Bidwell: I know.

Erin Powers: You don't have to keep wearing your wedding dress to work though. I mean, you can leave it at home, we get it.

Allie Bidwell: I mean, it was expensive.

Justin Draeger: Yeah. She's going to repurpose that. It'll slowly shrink. It'll become like a wristband, and then an arm band.

Allie Bidwell: Yeah.

Justin Draeger: How'd it go?

Allie Bidwell: It was great.

Justin Draeger: All right, my number one question is when you plan a wedding, people either do it under one of two philosophies. Either the wedding is for everybody else, or the wedding is for you. Which one did you do?

Allie Bidwell: I mean, I would say that-

Justin Draeger: Did you invite all the people that your family wanted you to invite?

Allie Bidwell: No. We invited most of them. I mean, we were limited by the size that our venue could hold.

Justin Draeger: Okay. So you had physical limitations.

Allie Bidwell: There were certain things that were specifically that Pascal and I wanted, and that we were going to prioritize. And there were other things that were not.

Erin Powers: Like a band over a DJ.

Allie Bidwell: Yes.

Erin Powers: Yeah.

Allie Bidwell: Yeah, we wanted a band over a DJ. So we had the same band that Stephen had at his wedding.

Erin Powers: Yeah. They're awesome.

Justin Draeger: Stephen got married?

Erin Powers: Long time ago.

Justin Draeger: Wow. Yeah, okay. So you tried to balance them both.

Allie Bidwell: Yeah.

Justin Draeger: That can be stressful.

Allie Bidwell: Yeah.

Justin Draeger: That's stressful because then you've got like obviously your family have ideas, and you've got ideas.

Allie Bidwell: Oh yeah, my family had ideas up until like the day before the wedding that they were trying to change things.

Justin Draeger: At any point during this process did you think it would be better for us to just go elope?

Allie Bidwell: Yeah, like many times over the last year and a half.

Justin Draeger: Like every single day?

Allie Bidwell: Not every single day, but there were definitely times where I was like, "Why are we doing this?"

Justin Draeger: Yes.

Erin Powers: I think everyone planning a wedding has that thought.

Justin Draeger: Yes, yes.

Erin Powers: Like, why? It's so much money, and the time, and yeah.

Justin Draeger: Yeah. What is the point here?

Allie Bidwell: Yeah, and so like we just got paid for the first time since I've been married. And I was like, "I have no huge bills. Like I can just keep my money. Woo hoo."

Justin Draeger: Why is that? Oh, because of the wedding, or-

Allie Bidwell: Yeah.

Justin Draeger: Oh, oh. Okay.

Erin Powers: Cake and vendors and all that stuff, all of her money was coming in.

Justin Draeger: I didn't know if you were inferring like Pascal's now covering all expenses. And you're just pocketing your own paycheck.

Erin Powers: Now we're getting to the bottom of it.

Justin Draeger: Well good, I wanted to talk to you about something, we're going to have to do some pay cuts, so it sounds like you're in a position to ... No, congratulations! Did you do a honeymoon? Or is that coming?

Allie Bidwell: We did. So I talked a while ago about how Pascal was in a pretty bad accident not long before our wedding. We were going to go to Italy for a honeymoon. We unfortunately had to cancel that because we just weren't sure if he was going to be able to travel, let alone like international travel. So we're going to do that for our first anniversary next year.

Justin Draeger: Next year?

Allie Bidwell: Yeah, we just pushed everything back a year in terms of the honeymoon. But we did not on a little trip to Afton, Virginia, right outside of Charlottesville.

Erin Powers: It's beautiful.

Allie Bidwell: We were at a BnB in the mountains, we went to wineries, we pretended to hike, we went to an orchard.

Erin Powers: Pretended to hike. Allie was telling me she went out and it was like ... they were in their like fall flannels.

Allie Bidwell: It was 96 degrees.

Erin Powers: Like ready for the nice fall hiking, and it was 96 degrees.

Allie Bidwell: And then the bugs wouldn't leave me alone.

Justin Draeger: It was like our 100th day at 90 degrees.

Allie Bidwell: Right.

Erin Powers: Yeah.

Justin Draeger: Climate change.

Allie Bidwell: But that lasted 20 minutes.

Justin Draeger: All right. Awesome.

Erin Powers: You tried. You gave it a good old try.

Justin Draeger: Yeah. I don't feel like hiking is ... That's more of a modern honeymoon.

Allie Bidwell: I love hiking. Like we both love hiking, but I only hike in the fall. And the bugs did not get the memo that it was fall.

Justin Draeger: Right. Well-

Allie Bidwell: So ...

Justin Draeger: It's 90 degrees.

Allie Bidwell: Rude.

Justin Draeger: Well, congratulations. We're all very happy for you.

Allie Bidwell: Thanks.

Justin Draeger: Welcome back. This last week, I was at MASFAA, the Midwestern Association of Student Financial Aid Administrators. I don't know if you all remember this, but they submitted a question to us about our favorite cupcakes.

Erin Powers: Oh yeah, did you bring them back?

Justin Draeger: I've got some bad news.

Allie Bidwell: What?

Justin Draeger: They came through and they provided cupcakes. They were mini cupcakes, but they were still cupcakes. So they did provide the cupcakes. And I've got some bad news for you. To my credit, I always casted doubt from the beginning that these cupcakes would make it back to you.

Erin Powers: True. That's true.

Justin Draeger: Right? I never committed.

Erin Powers: No.

Justin Draeger: But they tried to apply social pressure. They gave them to me publicly. And the truth is I went back to my room that night. I went from one meeting here in DC, jumped on a plane, went there, I had not eaten all day.

Erin Powers: You ate all our cupcakes?

Justin Draeger: I sampled all the cupcakes.

Erin Powers: Justin.

Justin Draeger: I felt so sick, like really sick.

Allie Bidwell: My two theories in my head were that you ate them all, or that you left them on the plane or something.

Erin Powers: Yeah.

Justin Draeger: I didn't eat them all. But I ate many. And then I dropped one, and cupcakes went everywhere.

Erin Powers: Oh, no.

Justin Draeger: Because I didn't bring a carry bag, so all my stuff was everywhere. And then the last box, I shared with the hotel staff.

Allie Bidwell: How many boxes of cupcakes did they give you?

Justin Draeger: It was two boxes.

Allie Bidwell: Yeah, I thought they were-

Justin Draeger: But here's my commitment to you, okay, and to MAFSAA. Is that I will ... they gave me the flavors that each of you requested, they had that written down. And I will out of my personal expense, not out of MAFSAA or NAFSAA, I will make you whole with those flavors in due time.

Erin Powers: Nice.

Justin Draeger: All right? Things are busy right now, but soon. Soon. That's my commitment.

Justin Draeger: So great time at MAFSAA, great conference. Our friend, former national chair and currently federal official, Craig Munier, had announced at MAFSAA that he's retiring in January, so he'll be going on a bit of a farewell tour as he goes to some of the regions over the next few months.

Justin Draeger: All right. Let's get to some member feedback... this is where I feel like we should take a break and there should be a commercial.

Justin Draeger: Yeah. When we get back, member feedback.

Erin Powers: Yeah.

Justin Draeger: All right, go ahead Erin, what have we got for member feedback this week?

Erin Powers: Well so we opened last week's episode by talking about personal hygiene and grooming in the office. Allie, I'm sure you're really sad you missed that conversation, but to sum it up, Justin was asking whether it's appropriate to brush his teeth in the NAFSAA office kitchen.

Allie Bidwell: No, but I've brushed my teeth before like in the bathrooms here.

Erin Powers: Right. So we had a whole conversation about-

Justin Draeger: Gross.

Erin Powers: What was ... yeah, what was appropriate, and Justin didn't want to take his toothbrush-

Justin Draeger: Right.

Erin Powers: Into the bathroom.

Allie Bidwell: That's why you get a case.

Erin Powers: Right, exactly, so Jamie from Ohio Northern University has a solution for you.

Justin Draeger: Okay.

Erin Powers: She sent us an Amazon link to something called the Steripod clip on toothbrush protector.

Allie Bidwell: We use those.

Justin Draeger: What?

Erin Powers: You do?

Allie Bidwell: Yeah. Pascal and I have those for our toothbrushes at home, I have like a bunch of them because you're supposed to change them like every three months or whatever.

Erin Powers: Yeah.

Allie Bidwell: Yeah, so we have a whole bunch of those.

Erin Powers: They've got really good reviews on Amazon, and it says that they're great for travel, home, or camping, and I would add to that also good for the NAFSAA office.

Justin Draeger: Are these the things that just clip over the end of your toothbrush?

Erin Powers: Yeah.

Allie Bidwell: Yeah.

Justin Draeger: Mm-hmm (affirmative). Seems like an environment for mold growth.

Allie Bidwell: But I think they have like something in ... they have like something in them that's supposed to like-

Justin Draeger: Sterilize it?

Allie Bidwell: Yeah.

Justin Draeger: Magic.

Erin Powers: Jamie, Justin doesn't seem like he's into this, but thank you for trying, I do appreciate it.



Justin Draeger: I do, I want to thank you, Jamie, thank you for thinking of me. I will look into that, I promise. Until then, you guys are going to want to steer clear of the kitchen between the hours of 12:00 and 1:00 p.m.

Erin Powers: So lunchtime, don't go in the kitchen. Got it.

Justin Draeger: I'll be brushing and flossing for an entire hour.

Erin Powers: Perfect, great.

Justin Draeger: What else?

Erin Powers: So also last week we asked listeners if you could become an expert at something in the blink of an eye what would it be? Joshua from Highland Community College in Kansas said he'd like to become an expert in carpentry-

Justin Draeger: Amen.

Allie Bidwell: Nice.

Erin Powers: To make an awesome table and chair set, which sounds really cool.

Allie Bidwell: Yeah.

Justin Draeger: Yeah.

Allie Bidwell: Send one my way.

Justin Draeger: Do it, do it, Joshua.

Erin Powers: Yeah, send us pictures.

Justin Draeger: Okay.

Erin Powers: Marty from Boise State University sent some thoughts on the Huffington Post article we discussed last week about getting married in order to get financial aid funds to finish college. She said, "It's helpful to note from the article that the student was previously receiving only unsubsidized loans with parent information. In her situation, a financial aid administrator would be able to award un-sub loans without parent information on the FAFSA, with the required documentation. The student had an avenue for the same financial aid award without the necessity to get married. By getting married, she likely became eligible for a Pell Grant for the first time though." So I thought that was an interesting point that we didn't discuss last week.

Justin Draeger: Touche, thank you.

Erin Powers: Yes. Renee from Nazareth College asked Justin, "Do you have a reference for your statement about parents' financial responsibility toward college expenses? I would be interested in reading the phrasing there, as we don't encounter a lot of flat out refusal."

Justin Draeger: Yeah, just to follow up a little bit on this, this is ... this really gets into the history of need analysis, so let me ask you two a question. If you ever go through like financial aid 101 training, it always starts with like the very first scholarship or grant was awarded by and it's ... I can't ... I'm embarrassed to say I can't even remember, but it was like 1500 or 1600 or something. But then somewhere in the timeline, they're like the very first need analysis formula was created by ... do you guys remember or have any idea?

Erin Powers: No.

Justin Draeger: What school maybe?

Erin Powers: Boise State.

Justin Draeger: So close. Harvard.

Erin Powers: Oh, right. Just a little off.

Justin Draeger: Yeah, the Harvard of the Idahos.

Erin Powers: Right.

Justin Draeger: And it was in the 1950s, John Monroe, he was the director of Harvard University's financial aid center, he developed the first ever need analysis formula to distribute institutional scholarships. And the intent was for needy students, and he created what was known as the 15% rule. And the idea was that it would determine a student's family's contribution by using 15% of the family's income after subtracting \$100.00 for students in school.

Justin Draeger: But, the idea that it was the family's responsibility was there from the beginning. From John's initial formula, that fed into the College Scholarship Service in 1954, which was associated with the college board, and then we had several different methodologies, all the way to the BEOG, the Basic Educational Opportunity Grant, which basically codified in federal law this idea of family responsibility. So it's been there from the beginning. Also I think it's kind of fun, we'll put a link in the show notes.

Justin Draeger: I also want to point out for people that need backup on like family responsibility, the Federal Student Aid website actually has ... their page summarizes it really well, which is if you don't meet this criteria, they still use dependent and independent, which again, I think is just a misnomer that's in the

law, but they talk about family responsibility being enshrined in law, so hopefully that helps folks who need to explain it.

Erin Powers: And then one last comment came in from Ben at Kennesaw State University, he said, "Hello Justin and all. There is a misperception in the public that all student loan borrowing directly benefits schools, and increased borrowing over time is primarily the result of rising tuition and fees. But we know this is not the full story. A significant portion, if not the majority of borrowing, is for indirect costs, especially at the graduate level where loans pay up to full cost of attendance. Many of us in the financial aid community know this, but it's rarely talked about. The proposed discussion topic would be around the appropriate use and definition of indirect costs. The conversation should address whether indirect expenses are truly education related in all cases, given today's lifelong convenient delivery options, and whether allowing using federal aid dollars for indirect expenses is appropriate in those cases."

Justin Draeger: Yeah, I think this raises a good point. I don't know that the majority of borrowing is happening with indirect expenses, although maybe that's different based on whether you're a graduate student or a-

Erin Powers: Yeah.

Justin Draeger: Undergraduate. So I don't want to accept that as gospel necessarily, but I will say I think one of the points he raises and NAFSAA actively advocates for is this idea of giving schools more authority to limit loans for populations of students. Not protected classes, obviously, but for like part time students so that they borrow at a part time rate, or for certain programs where maybe it's not justified ... that the borrowing rates are not justified for the salaries that you would expect.

Justin Draeger: And so we've gotten some traction on that on Capitol Hill. We haven't necessarily looked at just limiting to direct expense borrowing, but the point's well taken and appreciate the comment.

Erin Powers: Yeah, thanks, Ben.

Justin Draeger: All right, moving right along, this last week, more presidential news. Former Vice President Joe Biden released his latest higher education plan. Allie, you want to catch us up?

Allie Bidwell: Yeah. So former Vice President Joe Biden is the current Democratic front runner in the race, and he released his higher education plan, which he actually called "Education Beyond High School," so encapsulating all the different paths there. And one of the highlights of the plan was he proposed doubling the maximum Pell Grant award. Among other things, he proposed tweaking repayment plans, redesigning public service loan forgiveness, and all of this would cost \$750 billion over 10 years, and it would be paid for by new taxes on the wealthy. So

doubling the Pell Grant, which is currently 6,195 for the 2019-20 award year, the maximum Pell Grant award, would put that well over \$12,000.00.

Justin Draeger: And then like he would cut in half, right, like income based repayments, so instead of 10% of discretionary it'd be 5%-

Allie Bidwell: Yes.

Justin Draeger: Of discretionary.

Allie Bidwell: It would be 5% of discretionary income, with forgiveness after 20 years.

Justin Draeger: Yeah, here's the one thing ... couple comments on this. One is, the one thing I thought that was really interesting about his that I liked was this public service loan forgiveness piece. The benefit would cancel \$10,000.00 annually for up to five years for each year the person's working, so it's sort of like forgiveness on a rolling basis.

Allie Bidwell: Right. Which you don't have to wait-

Justin Draeger: Yeah. Like this waiting 10 years and recreating history is clearly a cluster.

Erin Powers: Yeah.

Justin Draeger: Like it is a disaster. So this idea of like rolling forgiveness I think makes a lot of sense, and I don't know if we've got the amounts right that he's proposing but-

Allie Bidwell: Well, yeah, no, that is correct, and he also proposed that those working in schools, government, or other nonprofit settings would be automatically enrolled in the program. And then national or community service, they performed up to five years prior would also qualify.

Justin Draeger: So people who are interested in this and the other candidates can go to our presidential tracker where we have all the different proposals summarized. We'll put a link to that in the show notes.

Justin Draeger: One other observation about this proposal. This proposal would cost ... what'd you say? 700-

Allie Bidwell: \$750 billion over 10 years.

Justin Draeger: Okay, so just under a trillion dollars. Three quarters of a trillion dollars. And when you look at all the presidential candidates and their higher ed proposals that have been released, I kind of divide them into two camps. You have the folks that are like maybe over a trillion dollars. That would be like free college, widespread debt forgiveness, that would be like Bernie Sanders and Elizabeth Warren. And then you have the under trillions. And that would be the Joe

Bidens. I haven't seen a fully fleshed out plan from Pete Buttigieg, but he tends to fall on the more ... he's talked about not doing away with need analysis.

Allie Bidwell: Yeah.

Justin Draeger: So my point is that ... in terms of the Democratic pool, the conservative proposals, if I were to use that term, not Republican, but like conservative of the Democrats, is \$750 billion.

Allie Bidwell: Yeah, and like I would point out too that Biden's plan also does include some form of free college.

Justin Draeger: Community college.

Allie Bidwell: Yeah, for community college, federal state partnership.

Justin Draeger: Yeah. So I guess what's interesting to me is ... and I know like we all have to repeat, Twitter is not reality like 20 times a day. But here's what I notice happening like almost ... it's happening a lot, like almost every other week now, where I'm seeing very well-known progressives who appear to be having like open conflict about whether we should do need analysis, or whether we should do full forgiveness, or whether we should do ... and then it becomes personal, where they question each other's credibility and motivations. And I'm sort of like watching this debate thinking this is a debate similar to me ... to me, this is a debate like which is better, unicorns or mermaids? Like none of this is reality today, and to spend \$750 billion, or 1.5 trillion, to me at this point is like the same camp.

Erin Powers: It just all sounds like made up numbers.

Justin Draeger: It's not happening right now.

Erin Powers: Yeah.

Justin Draeger: Now, listen, I respect visionaries, people who put out a vision that's not reality. Because visionaries point to a place, and then we might slowly or in a zigzag way get there. But candidates are taking different approaches here. Some are like visionaries, but their vision is not reality now, and it won't be in the near term. Some are putting forward what I think are more realistic proposals, where we might be able to take some of their proposals, but not in totality. The idea ... we are running a trillion dollar deficit this year, as a country. So-

Allie Bidwell: And I always wonder too, what's the more like prudent political strategy there? Do you like shoot for the moon and like let people know if you could get everything you wanted, what would you do? Or do you put forth like something that's actually more realistic?

Justin Draeger: Well, it's a very good question, and just based on very unscientific polling just around the office, we've talked about this before. When I talk to people about free college, I do find a generational divide of support. In the office, even here. And I do wonder if like visionaries speaks to a certain demographic and other voters are looking for just tell me realistically what you're going to do.

Erin Powers: That's a good point.

Allie Bidwell: I think even ... I still think ... I mean, I talk to people within my generation, the Millennials, who don't see eye to eye on that. I mean, some people like the visionary stuff, and they say things like, "We need someone to push us that way, because otherwise you won't get there."

Justin Draeger: Yep.

Allie Bidwell: And people like me say, "It's not really going to get you elected if you're just-"

Erin Powers: Well, Obama ran on a platform of hope and change. I mean, he was a visionary, he was saying in his slogan, "I am a visionary, come with me," and it worked.

Justin Draeger: Right.

Erin Powers: I mean, it worked in getting him elected.

Allie Bidwell: Yeah, but he also had concrete policy proposals-

Erin Powers: He did.

Allie Bidwell: That were like realistic.

Erin Powers: Right.

Justin Draeger: Yeah, at the time you remember, I mean, President Obama was talking about like increasing Pell Grants by like a couple thousand dollars.

Allie Bidwell: Yeah.

Justin Draeger: Now we're talking about like \$1.5 trillion spending bill. There's also a difference between the primary and the general, of course. I don't know, I feel like as a Gen Xer, I'm just looking ... I'm just a pragmatist, that I'm always thinking about well, how's that going to work?

Allie Bidwell: Well, that's what I do, too.

Erin Powers: If you're a candidate though and you're the only candidate using realistic numbers for things and everybody else is like, "If I was given \$750 billion-"

Justin Draeger: Right.

Erin Powers: "Here's what I would do," your platform's going to look like it's falling a little short.

Justin Draeger: Right.

Erin Powers: You have to like stay in the game there.

Justin Draeger: Right, right, right.

Erin Powers: Yeah.

Justin Draeger: Well, we will see.

Allie Bidwell: I will say the SNL skits on the election have been pretty good.

Erin Powers: Oh, yeah.

Justin Draeger: Okay, don't ruin for me because we're a little behind as a family. This is the one show we tend to watch together, and we have not caught up.

Erin Powers: They're good, they won't disappoint.

Justin Draeger: Okay.

Erin Powers: Yeah.

Justin Draeger: I will take that to the bank. All right, next item, a federal judge in California is considering whether to hold Secretary DeVos and others at the Department of Education in contempt. Now, this was like a little bit of a buzz at MAFSAA, where I was just at, people were like, "Oh, is Secretary DeVos going to be put in jail?" And "scandalous." And I mean ...

Allie Bidwell: No.

Justin Draeger: I don't know that we'll call it fake news, you went to journalism school, you're a communications major here. So I don't want to say fake news, but this was definitely click baity to me, so here's the headline from Newsweek, it was, "Betsy DeVos could face jail time after judge rules she violated 2018 order on student loans." I guess theoretically she could, but the actual transcript as reported by several organizations, the one that I saw first was Politico, a US magistrate judge, Sally Kim, said in a hearing Monday that she was, quote, "Extremely disturbed," and quote, "Really astounded," that the department and the secretary had sought to collect on student loans from Corinthian students despite the fact that in May 2018, the judge ordered the department to stop collecting on those loans.

Justin Draeger: And those students got together, and they sued the Department of Education, and they asked the judge to hold the department and the secretary in contempt because they continued to collect on those loans. And what the judge, Judge Kim, said was that ... she said, quote, "I'm not sending anyone to jail yet, but it's good to know I have that ability." So-

Allie Bidwell: And that judge, Sally Kim, has been involved in like a lot of the lawsuits involving the department, we've seen her name pop up quite a bit.

Justin Draeger: That's right, she's well acquainted with the Department of Education. But to say that she like might face ... the secretary might face jail time was definitely click bait, and-

Allie Bidwell: Yeah.

Justin Draeger: And apparently a lot of people clicked it. So just setting the record straight here. I don't know, I think the department is claiming that this was like an administrative oversight, yada, yada, yada. Bottom line, judge not happy, and those students should have had a stay.

Justin Draeger: Moving along, looks like was have some new FSA data out on borrower defense claims. Allie?

Allie Bidwell: Mm-hmm (affirmative), yeah, so Federal Student Aid put out its quarterly report on many, many things such as like FAFSA application rates, loan information, things like that. One of the items that it covers is borrower defense claims, and as of June 30, 2019, more than 210,000 borrowers were now seeking loan forgiveness under the Borrower Defense Repayment Provision. Approximately 33,000 of which were filed between March and July of this year. The Trump administration is still facing a class action lawsuit led by former for-profit college students over the failure to resolve any claims in more than a year. And Secretary DeVos and the department have in the past said that they haven't made any progress on pending claims due to pending lawsuits, so it's just kind of at a standstill where it has been for quite a while.

Justin Draeger: Now, correct me if I'm wrong, did they also make a claim that they were short on staffing?

Allie Bidwell: I believe so.

Justin Draeger: Does that sound right? So interestingly, the department, FSA in particular, they're having like a job fair, I think they just had it yesterday, did you guys see this? Like-

Erin Powers: No.



Justin Draeger: Like I think they literally set out like an outdoor booth, sort of canopy thing and invited people to come over.

Erin Powers: Just in front of the building?

Justin Draeger: Yeah, in front of the building, yeah. But it's not clear to me where those positions are going, so I guess we'll wait and see if the borrower defense claim clearance is accelerated in the coming weeks and months.

Allie Bidwell: We will see.

Justin Draeger: Okay.

Allie Bidwell: Wait for that next quarterly report. In the same one was new data on public service loan forgiveness.

Justin Draeger: Ah, catch us up.

Allie Bidwell: Yeah. So the department has only put out a handful of the reports on public service loan forgiveness applications since it hasn't been all that long really since people have been eligible to submit applications. This one actually also included information on temporary expanded PSLF, or TEPSLF. What this showed was that as of June 30th, the same time period as the rest of the data, over 110,000 applications have been submitted for PSLF, but only 1,216 or about 1.1% have been approved. That overall loan discharge is about \$52 million. The average loan amount of forgiveness per borrower was \$61,592. And of those that were approved, about three quarters work for the government, the rest worked in the nonprofit 501c3 sector. And all of those applications that were rejected, over half were rejected due to a lack of qualifying payments, which is one of those really nuanced things that has been really problematic for borrowers. Another quarter were rejected for missing information, and 15% were denied for not having eligible loans.

Allie Bidwell: Skipping ahead to TEPSLF, there have been just 726 approved applications for TEPSLF, which is the whole program that was designed to fix the problems with people getting denied for PSLF for really semantics, for lack of a better word. And there's been almost 17,000 rejected applications in TEPSLF.

Erin Powers: Wow.

Justin Draeger: Remember, you have to be rejected from public service loan forgiveness to even apply for the temp.

Allie Bidwell: Which is a problem that a lot of people were running into because they ... yeah.

Justin Draeger: Back on the PSLF numbers, did you say for the quarter now they're above ... they were above a 1% approval rating?

Allie Bidwell: 1.1%.

Justin Draeger: Okay. Well, I mean that is a new threshold though, because we were below 1%, so-

Allie Bidwell: Yeah.

Justin Draeger: Kudos?

Allie Bidwell: Yeah.

Erin Powers: Small progress.

Justin Draeger: Yeah, this is obviously something ... you know, what's interesting is I don't know in previous presidential campaigns if we would've even seen recommendations on public service loan forgiveness or something that minute, like how to fix a program. This has clearly risen to the ... risen to the attention of everyone since we even have candidates who are weighing in on how to properly address this program. So thank you for that, Allie.

Allie Bidwell: Yeah, there's a lot of interesting comments on this story, too, that Hunter wrote for us on the PSLF data, so we'll [link to that](#).

Justin Draeger: Also happening this last week, speaking of sort of building off of public service loan forgiveness, a new report out of the American Enterprise Institute on whether all of the grief that is thrown at loan servicers is warranted. Erin, you want to catch us up here?

Erin Powers: Sure. So we've talked a little bit about this in recent episodes, but PHEAA, the Pennsylvania Higher Education Assistance Agency has been in the spotlight for the last couple of weeks for its alleged mismanagement of the public service loan forgiveness program. And PHEAA's not alone in this, over the last several years lots of consumer advocates and elected officials have singled out loan servicers as some of the worst actors in all of higher ed.

Erin Powers: But this week, the American Enterprise Institute published a report that says that while student loan servicers are the ones being blamed, the real issue may actually lie with the design of the federal loan program. So in this report, AEI analyzed a random sample of 1,200 complaints from the Consumer Financial Protection Bureau's complaint database, and found that less than half of the complaints filed under the student loan servicing in the database reference something under loan servicers' control, but that 35% of the complaints are actually about the terms and rules of the federal loan program, which obviously isn't something that servicers can control. And 12% didn't have anything to do with servicing failure or loan policy.

Justin Draeger: Okay, so if I'm understanding this correctly, CFPB puts out a report about all of the complaints against loan servicers.

Erin Powers: Yes.

Justin Draeger: And these folks took a random sampling of the complaints, went through them and they found that ... what is that, 35 plus 12, 47, nearly half of all of the complaints were not warranted, because it was either a program design flaw, or it was completely out in left field.

Erin Powers: Right, yeah.

Allie Bidwell: And then there was like another 9% that they just like couldn't tell what it was.

Erin Powers: Yeah, because they-

Justin Draeger: It was not decipherable.

Allie Bidwell: Yeah, they actually said it was too garbled.

Justin Draeger: Ah, that makes me sad.

Erin Powers: Yeah, the 12%-

Justin Draeger: For the complainants, I mean.

Erin Powers: Yeah, really, that they couldn't coherently explain-

Justin Draeger: Yeah.

Erin Powers: They were so frustrated and confused-

Justin Draeger: Right.

Erin Powers: They couldn't explain what was going on. The 12% of complaints that were categorized as other because they didn't have to do with servicing failure or loan policy were generally either the borrower complaining about the school that they attended-

Justin Draeger: Oh, okay.

Erin Powers: Yeah, or complaining about a third party debt relief company that may have done something kind of shady.

Justin Draeger: And just to be clear, all of the sample they took were filed by the CFPB as a complaint against the servicer.

Erin Powers: Right, yeah, so the report points out that CFPB doesn't screen or verify the complaints in the database, so all of the complaints that show up appear on this public facing website exactly as the borrower submitted them, regardless of

their accuracy and regardless of whether the servicer has taken any action to fix them. But also that CFPB automatically categorizes all complaints about federal loans as servicing issues, regardless of whether the problem has to do with servicing or something else.

Allie Bidwell: That was interesting, I didn't know that ... I mean, I wouldn't have thought that they didn't do some sort of like weeding out.

Erin Powers: Yeah.

Justin Draeger: Yeah. Well, especially since that ... I think that these reports are cited widely by lawmakers.

Erin Powers: Yeah.

Justin Draeger: It's obviously problematic. But it doesn't mean that servicers are like ... have no culpability.

Erin Powers: Right.

Justin Draeger: But it's maybe not as sensational as its been made out to be.

Erin Powers: Right, exactly.

Justin Draeger: Yep. All right, for next week, I'm just pointing out, Congress is coming back into session right after the federal Columbus Day holiday. And there is some news circulating that several bills could be introduced this next week, so just want to alert members, keep your eyes, ears open. We might have some alerts going on about various bills, we'll see what happens. Anything else going on for this week, Allie, or-

Allie Bidwell: Yeah, and just wanted to throw out there too that our NAFSAA member appreciation day is coming up on October 24th, and that coincides with the date of NAFSAA's founding in 1966. And this is a day when we show our appreciation for you, our members, and so we are hosting a social media contest, there was a blurb earlier this week in Today's News with a link to a webpage with instructions, but we have some posts up on Facebook, Twitter, and Instagram. So if you guys head to our social media pages, follow us, like the posts, and tag two other aid administrators who have been inspirational to you - that's how you enter the contest. And for three members, so one person from each platform, we will give you a registration, a complimentary registration to your choosing of a webinar, or an online course, and provide funding for an office pizza party.

Justin Draeger: Wow.

Erin Powers: Yeah. Pretty exciting.

Justin Draeger: That is celebrating our members.

Allie Bidwell: Yeah.

Erin Powers: Yes.

Justin Draeger: Thank you to you.

Allie Bidwell: And all the hard work that you do.

Erin Powers: Yeah, I'll add it's really been fun to look and see ... as people are tagging people on Facebook-

Justin Draeger: Yeah.

Erin Powers: That have had an influence on their career, they're writing just really nice, positive messages about how they helped them-

Justin Draeger: Yeah.

Erin Powers: And yeah, how great it's been, and it's been fun to read.

Justin Draeger: Can NAFSAA staff participate and win?

Erin Powers: No.

Allie Bidwell: I don't know that that's in the budget.

Erin Powers: We're not members of our own organization, so no.

Justin Draeger: Oh, all right, all right. Anything else?

Allie Bidwell: Listener questions.

Justin Draeger: Yes, all right, let's get to this week's listener question. What do we got, Allie? Are we doing something student aid related or not student aid related?

Allie Bidwell: No, it's definitely not student aid related, but-

Justin Draeger: All right, well, you've got something I think.

Allie Bidwell: I ... so I realized this week that I may be a little weird, because I-

Justin Draeger: Just this week.

Erin Powers: I love it when things start like this. It gets me very excited.

Allie Bidwell: Pascal and I were in the kitchen and I was looking for ... we were cooking breakfast, and I was looking for-

Justin Draeger: You guys cook breakfast? This-

Allie Bidwell: On the weekend.

Justin Draeger: All right.

Allie Bidwell: On the weekend. And I was looking for a specific kitchen item that we use for a specific thing, and basically I want to know if other people have weird like specific kitchen things that they use for specific things. So I asked him where he put our bacon plate. Because we were making bacon.

Justin Draeger: What the hell is a bacon plate?

Erin Powers: Does it look different than your other plates?

Justin Draeger: What is a bacon plate?

Allie Bidwell: It does. It does.

Justin Draeger: What, it's a special plate for bacon?

Allie Bidwell: It's this like really ratty, old plastic plate that we don't care what happens to so we put ... like we get that bacon from Costco that's already cooked that you just pop it in the microwave and heat it up.

Justin Draeger: Okay.

Allie Bidwell: And so we put the bacon on that plate, because it gets all greasy and stuff, and we don't want to use our nice plates for that, so we have a bacon plate, and-

Justin Draeger: I'm lost.

Erin Powers: I'm trying to think if I have something like this in the kitchen.

Justin Draeger: What is the point? What's the point?

Allie Bidwell: So I asked-

Erin Powers: They don't want to wreck one of their nice plates.

Allie Bidwell: Yeah, we-

Justin Draeger: Why would it wreck anything? You just wash it with soap.

Allie Bidwell: I don't know, it like ... I don't know.

Justin Draeger: Don't you have glass plates?

Erin Powers: They have a process-

Justin Draeger: For bacon.

Erin Powers: In place for the bacon, Justin, that's the point.

Allie Bidwell: We have a bacon plate.

Justin Draeger: This sounds really gross.

Allie Bidwell: So I ... I mean, obviously we wash it.

Justin Draeger: So breakfast after breakfast, bacon grease just seeps into this plastic.

Allie Bidwell: We wash it, but we have a bacon plate.

Justin Draeger: Ew.

Allie Bidwell: Like it's just, I don't know, it's a thing. So I asked this ... I was like, "You know what, that's probably a little weird," so I asked people, I put the question up on my personal Instagram account and I asked people if they also did anything like that. And one person did respond, and-

Justin Draeger: Which is what?

Allie Bidwell: They said-

Erin Powers: Tell me it was also a bacon plate.

Allie Bidwell: So first I put a poll and I said do you have a like, quote, "bacon plate," and so actually, 56% of people responded, "Duh," and 44% of people responded, "No, you're a weirdo." So that was five people for yes and four people for no.

Erin Powers: Pretty even split.

Justin Draeger: Well, I'd call that a valid sample.

Allie Bidwell: But, one person who is a staff member here, I won't say who, responded to me and said, "I have a designated potato drawer," so that's another example.

Erin Powers: I know who that is.

Justin Draeger: They waste a whole-

Erin Powers: It's not me, but-

Justin Draeger: They waste a whole drawer for potatoes?

Allie Bidwell: I like that idea though.

Erin Powers: They eat a lot of potatoes.

Justin Draeger: Wow. Are you supposed to keep potatoes in a dark place?

Erin Powers: I think so, so they don't grow eyes.

Justin Draeger: Oh, they don't do that when it's in the dark, okay, I gotcha.

Erin Powers: Yeah, yeah.

Allie Bidwell: Okay. Oh, good to know.

Justin Draeger: So you want to know if people have a weird kitchen thing.

Allie Bidwell: Yeah. Make me feel better.

Erin Powers: I'm trying to think.

Allie Bidwell: About my bacon plate.

Erin Powers: I don't know.

Justin Draeger: It's hard to know whether you have something like that until you have like an outside audit where-

Erin Powers: Because you don't think it's weird.

Justin Draeger: Right, somebody else comes over-

Erin Powers: If you're doing it.

Justin Draeger: And they're like, "What is this bacon plate?"

Allie Bidwell: Well, I never thought it before, and like I had never really said it out loud until this day, we just like know that that's the plate that we use for bacon. But then I couldn't find it, and I was like, "Where did you put the bacon plate?" And he knew exactly what I was talking about.

Justin Draeger: True love.



Erin Powers: I think all couples have a secret language like that, where you ... I don't know that I have like a kitchen thing, but I think my husband and I probably have weird terms that we use that if somebody came over and heard us use them-

Allie Bidwell: Yeah.

Erin Powers: They'd be like, "What is that? You guys are weird." But it makes sense to us.

Justin Draeger: Yeah. Well, I'm coming up blank over here, so ... hats off to your bacon plate, and-

Erin Powers: But I really want to hear from listeners.

Justin Draeger: Yeah.

Erin Powers: If you have something.

Allie Bidwell: Yeah, if you have a bacon plate, if you have a potato drawer.

Justin Draeger: If you have like a radish sock.

Allie Bidwell: A radish sock.

Erin Powers: I don't want to hear about your radish socks.

Justin Draeger: I'm just trying to think of like ... what other things do you repurpose for the kitchen that aren't intended for the kitchen?

Allie Bidwell: Or like is there like one spatula that you only use for like eggs? Or that you have to use for eggs, like if you have a-

Justin Draeger: No.

Allie Bidwell: Second spatula, but you're like no, no, no, that's not good for the eggs.

Justin Draeger: Nope.

Erin Powers: Well my husband has one spatula that is his preferred ... we have like 10 spatulas, he has one that he will use, and if it's not clean it's just-

Allie Bidwell: He won't cook.

Erin Powers: It's chaos, yeah, right, so-

Allie Bidwell: We have duplicates of like the same-

Erin Powers: I somehow, not on purpose, I don't even know how I did this, at our old apartment, I tossed it behind the oven, and you can't move the oven.

Allie Bidwell: Oh, no.

Erin Powers: Yeah, it just kind of fell back there.

Justin Draeger: Oh, boy.

Erin Powers: And I spent like weeks scouring the internet and couldn't find this same stupid spatula, so I bought him like 18 more, he tried them all out, none of them are to his satisfaction, so I'm still in the doghouse over that.

Justin Draeger: Ouch.

Erin Powers: And it's been like a good three years.

Allie Bidwell: What is it like?

Justin Draeger: Is it behind your current stove?

Erin Powers: No, it's at the rental place that we don't live in anymore, so, yeah.

Allie Bidwell: Can you ... what was so great about this spatula?

Erin Powers: I don't even know. And he couldn't explain it, which made it really difficult to find a replacement.

Justin Draeger: Oh, I think he was-

Allie Bidwell: Was it it's like flatness?

Justin Draeger: I think this might've been just looking for the upper hand here.

Erin Powers: Yeah, maybe. Yeah, it was firm, it had holes in it so like greasy things would kind of seep through. I don't know.

Justin Draeger: Yeah, this is his thing, when you bring up past things that he's done, he can always go back to the spatula.

Erin Powers: He just needed something to lord over me.

Justin Draeger: Yeah, the spatula's nothing.

Erin Powers: Right, yeah.

Justin Draeger: It's just-

Erin Powers: I'm like, "You didn't make the car payment." And he's like, "But that spatula ... "

Justin Draeger: Right.

Allie Bidwell: Right.

Justin Draeger: He's playing 3D chess.

Allie Bidwell: Yeah.

Justin Draeger: You're playing solitaire.

Erin Powers: Yeah. Yep.

Justin Draeger: Yeah. I have one thing, it's not like a weird utensil, I like to leave ... like when I cook things in a pan, which I do often, I put butter in the pan. And then-

Allie Bidwell: That's so weird.

Justin Draeger: I don't like to clean the pan.

Allie Bidwell: Oh, that is weird.

Justin Draeger: I put a cover on it because the butter just re-coagulates.

Allie Bidwell: So you try to ... the way that you would season like a cast iron skillet, you just do that with things that are not cast iron skillets.

Justin Draeger: Yeah, like, exactly. I just am like why ... I'll put a cover on it so like my kid's sneezes don't hit the pan, or whatever's flying around the kitchen-

Allie Bidwell: Whoa, whoa, whoa, okay, let's back up. Because you were giving me grief about having a bacon plate that I clean.

Justin Draeger: Yeah, yeah, yeah.

Allie Bidwell: But you never clean these pans?

Justin Draeger: Rarely. It's not pans-

Allie Bidwell: You just leave the butter in there?

Justin Draeger: Plural, it's one pan, it's a skillet. And I just put a cover on it.

Erin Powers: This is totally your bacon plate. You have a butter skillet.

Justin Draeger: Yeah, a butter skillet. And then you can cook eggs in there, noodles.

Allie Bidwell: I mean, I'll do something if like ... if I get like uncooked bacon, I'll like cook it and then put like the eggs in after to cook it in the bacon grease.

Justin Draeger: Yeah.

Allie Bidwell: But then I wash it.

Justin Draeger: No, I don't wash it. What's the point? Why are you washing away the grease that you just want to use later for more cooking?

Allie Bidwell: Then what's wrong with my bacon plate?

Erin Powers: How do you store it?

Justin Draeger: And the more you cook in it, the more flavors it absorbs.

Erin Powers: Do you just leave it on the stove?

Allie Bidwell: What kind of like-

Justin Draeger: Yeah.

Allie Bidwell: What material is this skillet made out of?

Justin Draeger: Oh, like Teflon, whatever. Yeah. I mean, this isn't ... I'm not ... it's not from the 1940s here, I mean, I'm using stainless steel and Teflon. And it just ... yeah, the butter melts, I cook in it, fry in it, and then I just let it coagulate.

Erin Powers: I don't know.

Justin Draeger: I just keep going.

Erin Powers: Yeah.

Allie Bidwell: That seems like-

Justin Draeger: You guys are missing out on a world of flavor.

Allie Bidwell: Stuff is going to be growing-

Erin Powers: This is where my OCD comes out. I don't think I could just leave a pan with butter on it, just on ... like what if you don't use it for a week? It's just sitting there with old butter?

Justin Draeger: Oh, no, I use my pan all the time.

Erin Powers: All the time, okay.

Justin Draeger: Yeah. Yeah, there's always stuff being cooked in that pan.

Allie Bidwell: I don't know, man.

Justin Draeger: All right. Send us your comments, remember to subscribe, let us know if you have any questions or comments about the episode. Are we going to be back again next week? What's happening?

Allie Bidwell: Yeah, we're back next week.

Justin Draeger: All right, we're back next week. Until then.