

NASFAA's "Off The Cuff" – Episode 118 Transcript

Justin Draeger: Hey everybody, welcome to another edition of "Off The Cuff." I'm Justin Draeger

Joelle Fredman: I'm Joelle Fredman, one of our reporters.

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

Jill Desjean: I'm Jill Desjean with the federal relations and policy team.

Rachel Gentry: I'm Rachel Gentry with NASFAA's policy and federal relations team.

Justin Draeger: Welcome back everyone. We have another blockbuster week ahead of us. We're going to get to some congressional action this last week. We're going to get to some funding bills. We're going to talk about public service loan forgiveness and some drama there and some drama with loan servicing. We have a new bill on award letters that I think folks will want to pay attention to so a lot to talk about. First though, I want to get to last night, a couple of us in the room went to a gala, which when you hear gala Erin, what are you envisioning?

Erin Powers: A big party, like black tie.

Justin Draeger: Yes.

Erin Powers: Cocktail.

Justin Draeger: Yes.

Erin Powers: Yeah, something pretty swanky.

Justin Draeger: Yes, almost like adult prom.

Erin Powers: Yes.

Justin Draeger: Yes.

Erin Powers: Exactly like adult prom.

Justin Draeger: That's why I wore my black suit. So I was very like decked out for this. It's the CEF, which is the Committee for Education Funding. And Rachel, you're on the board of directors of CEF.

Rachel Gentry: Yes. I inherited Stephen's seat on the board of directors.

Justin Draeger: You always see the system. This is, you always caveat with that you are on the board.

Rachel Gentry: I want to give a shout out to Stephen. I mean he got us where we are.

Justin Draeger: Yeah but, Stephen doesn't have a vote on CEF.

Erin Powers: He's not here anymore.

Rachel Gentry: This is true. I do have a vote now.

Justin Draeger: And so it was like their 50th and this is like one of the big coalitions we work in.

Rachel Gentry: Yup. And we are a hundred organizations, early childhood all the way through higher education.

Justin Draeger: Yeah. And they all, we're all fighting for our bucket of funding, so it's not like we're fighting for just Pell or elementary, secondary school funding. It's just like our whole bucket.

Rachel Gentry: Right, overall increases to education funding.

Justin Draeger: When the bucket's bigger then everybody has an opportunity to have a little bit more funding for their programs. And so this was their 50th anniversary. We had some lawmakers show up, we had a teacher of the year show up, which Joelle, you were there.

Joelle Fredman: Yeah, it's really inspirational.

Justin Draeger: Yeah, he was very good. It was obviously K-12 focused. So did you know when to clap? Because like they were like into big K-12 policy issues. So for a minute I was like, I really have to pay attention because I'm not familiar with these issues as closely.

Joelle Fredman: No, when everyone clapped and I clapped, when everyone stood, I stood and everyone started eating.

Justin Draeger: And when they booed?

Joelle Fredman: Oh that didn't happen.

Justin Draeger: Okay. So here's the big thing about this. How do you feel about receptions in general? You like them, you look forward to them, it's exciting, Erin described it as like dress up and-

Erin Powers: I think the crowd has to be feeling it. It's like everybody's going in with a certain energy and if they're down to mingle it can be a really good thing. But if people are being kind of standoffish, you don't feel like you can approach them. It can really change the attitude.

Justin Draeger: So you need like a party game to get you engaged?

Erin Powers: Yeah. I need other people that want to engage with me. So I'm not just trying to pop up to random strangers like, "Hi."

Justin Draeger: Well, that's the part I dread about receptions because I feel like there's all this pressure to like, I don't know, like some people I think really excel at receptions, like they are built for receptions circulating, and if you're hosting like at the NASFAA conference or any of our regional or state conferences, I feel very comfortable. But at the CEF where like a lot of the folks that I know may or may not have been there. So I saw like some of the old government relations folks, I mean seasoned government relations folks that I know, the point being, I feel like it can be stressful. So I always like to show up a little late and then to those types of receptions. So Joelle, your feeling on receptions, were you circulating last night, where you're working the room, what was your strategy?

Joelle Fredman: No, I just stuck with the NASFAA.

Justin Draeger: You stuck with the team.

Joelle Fredman: We got there, we had like an hour and a half of just reception before the dinner-

Justin Draeger: That's a lot of time.

Erin Powers: That's a long reception.

Joelle Fredman: Yes, so we took some pictures.

Justin Draeger: It was an open bar. I should add this.

Joelle Fredman: Multiple bars.

Erin Powers: With two drink tickets or did they?

Justin Draeger: No. This is very different [crosstalk 00:04:05]

Rachel Gentry: As open as it can be.

Justin Draeger: CEF gala is an annual event. But this is the first one I can ever remember in the 10 years that I've been going, where they did not hand out tickets.

Rachel Gentry: 50Th anniversary.

Justin Draeger: Yeah. [crosstalk 00:04:20]

Erin Powers: At the end of the reception, were people really chatting then?

Justin Draeger: Well, I got there late by the time I'd been there. The NASFAA team you guys had each had like, what? Seven drinks?

Rachel Gentry: It's like don't throw us [crosstalk 00:04:28]

Joelle Fredman: Everyone's just shooting keg cans.

Justin Draeger: Yeah, things were a little out of hand.

Rachel Gentry: I mean we weren't somewhere. Right?

Justin Draeger: Rachel was your strategy last night, were you circulating? I mean you're like government relations. You're like, you're out there-

Rachel Gentry: I'm still relatively new in the space is still kind of getting to know people. So yeah, I stuck with the NASFAA crew for a little bit and then-

Joelle Fredman: You disappeared a little.

Rachel Gentry: I branched out of and saw some folks.

Justin Draeger: Jill, you seem like a person likes to get out there, circulate. What's your strategy? When you go into a reception, you don't know a lot of people. Your strategy is?

Jill Desjean: I don't think you know me very well. I'm one of the standoffish types that you mentioned earlier. I like to stick with the people I know. I'm friendly, if someone comes and talks to me, I'm happy to engage with them. No, I am definitely not going to walk up to a stranger and start talking to them.

Justin Draeger: Okay. So yes, unless you are hosting-

Jill Desjean: That's different, yes.

Justin Draeger: Right. Like so at the NASFAA conference it feels different because NASFAA is like we're all the staff and it's like you were part of NASFAA and you're at the NASFAA conference and Dah, Dah, Dah, Dah, Dah.

Jill Desjean: Plus I already know a lot of those people, so I go to ones I know.

Justin Draeger: Yes, those are our people.

Jill Desjean: Right.

Justin Draeger: Yeah. Much love to them. Before I went to the reception last night, I wiki-How'd, how to network at reception just because Wiki-How is created by people. I don't think it's like created by like, it's not like a professional telling you how to do

this. It's like Wikipedia. It's like everyday people. So here's some of their advice. One of them was, be discerning and selective. Simply approached someone confidently, stick your hand out, introduce yourself. Do you feel like the handshake's going away a little bit? I don't feel like I'm shaking as many hands as I used to 10 years ago. Do you feel that way?

Jill Desjean: Among the germophobes?

Justin Draeger: You think it's just because you and I are both germophobic?

Jill Desjean: Yes.

Erin Powers: Maybe it's seasonal, like it is almost flu season people, in the summer at a reception more handshaking.

Justin Draeger: Yeah. At any time I could tell you who in the office is coughing, who has a cough. So Jill, I want to congratulate you. You just got over something because your coughing has gone way down in the last week.

Jill Desjean: Yeah. Thank you for noticing.

Justin Draeger: You're welcome. And then the other thing they said is find an anchor, which is something revealing something about yourself related to the anchor, that would, you would have in common with them. That's your anchor.

Erin Powers: So what would you use, like at CEF last night, what would you have used as your anchor?

Justin Draeger: Well, I suppose because we're all there, if I'm being real, I could have been like, "Hey, I'm so and so," I didn't have time because I just kept seeing people that I knew. But, "Hey, I'm so and so I'm from NASFAA, a student financial aid administrators. Who are you with?" But the other thing is it feels like people are moving around in groups. So there's always the awkwardness of walking up to a group that already knows each other and-

Erin Powers: It's harder to open a set versus just a one on one.

Justin Draeger: Yeah, because then everybody stops talking and they look at you and-

Erin Powers: And then you've really got the pressure to perform, you've got to say something good.

Justin Draeger: You better say something earth shattering.

Erin Powers: Yeah.

Justin Draeger: All right. Here was the best one, the best advice I saw, have an elevator speech. So you could say like, "Hey, I'm so and so, I'm with such and such company or school. I just, hey, I just graduated," this in this example, "I just graduated college. And this is my first," you can say my first CEF.

Erin Powers: That's an interesting one because that's something that you at least a couple of years ago used to have us do on a somewhat regular basis at our all staff meetings. Do you remember that?

Justin Draeger: I did. No.

Erin Powers: Yeah.

Justin Draeger: When was this?

Erin Powers: Yeah. This was maybe three or four years ago and you would just, I think you gave the staff at heads up that you might call on one or two of us during the staff meeting. And have us give you like a one minute, like you're stuck in an elevator with somebody who doesn't know what NASFAA is, what do you tell them? And you'd just call on people at random and you'd see them start to sweat. But everybody came kind of prepared with a just a couple of sentences about what NASFAA is and what we do.

Justin Draeger: This is genius. I'm going to write this down.

Erin Powers: You are going to bring this back now.

Joelle Fredman: Oh Erin, you've gotten us all into-

Erin Powers: I'm sorry.

Justin Draeger: This is such a good idea.

Erin Powers: Sold us down the river.

Justin Draeger: All right. Last week, couple things. One. We got a question from somebody who was asking about if we know when the official CDRs will be available because it says there more than a month behind. I'm not sure. That's quite right. I was trying to look back at last year, I think September, October is the time, but I went back to 2018 and it was September 25th, 2018 it said. Then the subject of the announcement was fiscal year 2015 official court default rates distributed September 24th and that was when the notification packages were just going to schools only. So then they have this time to appeal. So I don't know if that's what this person might be referencing, but I don't think we're outside the timeframe. If not, somebody send it to me, and correct me. We also got a couple answers to the question about your favorite cupcake. Our friend Heather, who is now at Vanderbilt, sent us in something and said that her

favorite cupcake flavor is wedding cake. And she was doing that in honor of Allie getting married. Is She married?

Erin Powers: Not yet. One week to go next. Not this Saturday. Next Saturday, she'll be hitched.

Justin Draeger: Okay. All right, great. And then we got one final, this was from the MASFA, president actually Marvin Smith. He was the guy who put out the call for cupcakes. They are actually going to, he wanted to make this clear. They're actually providing cupcakes at their conference. So if you haven't registered for the MASFA conference in Chicago in October and you want a cupcake, if that's going to move you off the line of not registering versus registering, cupcakes on the way. So thanks for the member comments. Keep them coming. Let's get into what's going on the hill. Rachel, you want to start us off?

Rachel Gentry: Yeah, so it's been somewhat of an exciting week. There have been a flurry of reports. I think starting first kind of big report was yesterday morning and Higher Ed came out with an article saying that chairman Alexander was looking at really seeing kind of a skinny slim down HEA reauthorization proposal. What led to that is that on Tuesday the House passed the future act, which would extend funding for HBCUs and MSIs that is set to expire September 30th, if not renewed. So this would renew the funding, I think it's \$255 million that would go to HBCUs and MSIs particularly would be focused on improving like stem programs. And so there's been a really big push, a big advocacy movement from those institutions, from various advocates in the DC space. A lot of pressure being put on policy makers to pass the future act.

Rachel Gentry: So it did go through the House on Tuesday and is now going to the Senate. And so Senator Alexander has a plan to release a scaled back HEA as kind of attaching it to this funding extension. The reason that they're looking at doing this is because the version of the bill passed in the house would only extend funding for two years. So like every two years we'd have to be revisiting this and extending the funding again. He is interested in a permanent fix rather than a short term fix. And so that is why we're seeing this HEA proposal kind of coming along with that.

Justin Draeger: Right, that's a really good summary. What's interesting about this is, this is a little outside of title four, I think this is this in title three of the Higher Education.

Rachel Gentry: I believe it is title three.

Justin Draeger: And so the funding for the HBCUs and MSIs, this is really about like, nobody disagrees with that. Republicans, Democrats, everybody wants to authorize and appropriate more funding for them. But the challenge they're having is how they're going to pay for it. And the House bill actually would take money from guarantee agencies maintenance fund and some of those are state agencies. So Republicans behind the scenes have voiced concern about rating another

program for a two year extension where then again we'll find ourselves in the exact same place. I think if Democrats could get a bill through where they wouldn't have to offset with other aid programs, they would, but Republicans certainly want to do pay go.

Justin Draeger: And so senator Alexander came up with a 10 year fix as opposed to a two. The interesting thing, and we've not been able to glean this because Senator Alexander's Office has not released the bill language. So this is all like conversations behind the scenes and us talking to these staffers. And the pay for in the Alexander bill appears to be some sort of cap on income based repayment, which would ultimately as far as we can garner without actually seeing bill language. It looks like it would accelerate payments for some borrowers bringing money back to the federal government faster than it otherwise would with the current income based repayment plan. I can't dig too much deeper into that because this is all, this is all conversational. We have not actually seen the ledge texts. Nobody's seen the ledge texts yet.

Justin Draeger: So I think that is also a bit disconcerting. And then there's just the fact that if Senator Alexander did release a skinny HEA, a trimmed down version and took it to the committee or floor because they want to get this passed for the future act to fund these HBCUs before September 30, like nobody's going to have time to actually review any of this. And this gets back to one of the points, Senator Murray has said a dozen times, which is she's not in favor of a slim down HEA. She wants to do comprehensive and you certainly not going to do comprehensive in the last two weeks of the federal fiscal year.

Rachel Gentry: Right. And I mean, same goes for the Democrats in the house. They're also firmly committed to comprehensive. And so this is not going to fly there either. I think it kind of the part that's scaled back as they're kind of eliminating and pulling out the most controversial pieces of HEA accountability, title nine.

Justin Draeger: So the piece that would have though that would be of interest to our community is it would have a FAFSA simplification piece. This is actually a simplified FAFSA, which we have not seen language for. This is the three pathways that we've talked about or we've talked about in the past or Senator Alexander's had hearings on it. We've testified in, none of us have actually seen that language. So we would obviously really pumped the brakes on any sort of fast tracking of a bill that makes drastic changes to need analysis and the application.

Rachel Gentry: Yeah. The, I think the pitch from Alexander's Office has kind of been these are priorities that have widespread bipartisan support. And so this should be no problem for everyone to just jump on board. But I mean these are issues like the college transparency act is one of the things that we've heard might be attached and that there are a lot of folks that are in support. There are also groups that are not and so we've heard that there might be some version of the college transparency act that is changed and tweaked so much that those who actually

support CTA may not be on board with it. Expanding, Pell to short term programs. And including for-profits. That's problematic for a lot of folks.

Justin Draeger: Yeah. I think it'll come as no surprise to our members that NASFAA does not endorse bills solely based on press releases coming from congressional offices.

Rachel Gentry: Right.

Justin Draeger: We actually read the legislation and see what the bill say because surprise, surprise, sometimes there are things in there that don't seem like a big deal to them but are very big deal to us or our students. Speaking of the College Transparency Act, let me shift for just a minute and go to another bill that tries to get at transparency and higher education specifically around costs and benefits. This last week we had the introduce or the introduction of the FACT act.

Rachel Gentry: Yeah, that's right. Earlier this week, Congresswoman Lori Trahan from Massachusetts and Congressman Lloyd Smucker from Pennsylvania introduced the financial aid communication and transparency act of 2019 which they're calling the FACT act. And this is a bipartisan bill with a goal of bringing standardization to financial aid offers by mandating the use of standard terms and definitions. And this actually was a really exciting development because the bill includes a number of measures that we at NASFAA include in our own code of conduct that we ask our members to adhere to, such as requiring institutions to include an itemized list of cost of attendance components. And that grants be listed separately from other types of aid such as loans. And in the bill they also direct the department of Education to conduct consumer testing in order to establish standardized definitions and to determine any additional elements that should be included in financial aid offers.

Justin Draeger: So a couple of important points here. One, it is bi-partisan.

Rachel Gentry: Yes.

Justin Draeger: So that's always notable because if you have both sides of the aisle signing off on something, that certainly gives it more legs. We actually worked with both offices on this bill and we were asked to endorse and because it's so closely follows, NASFAAs code of conduct, we were very happy to put our full support behind this bill. It's also a little less prescriptive than a competing bill that was introduced in the Senate, first.

Rachel Gentry: the Grassley bill.

Justin Draeger: Right.

Rachel Gentry: Yup.

Justin Draeger: That bill was it was very prescriptive in terms of the amount of things that had to be put on eight offers for students. And the issue there is that while those of us in DC can probably come up with lots of things, we think students should be paying attention to. What we find is through consumer testing, they aren't interested in the same things that we think they should be interested in.

Rachel Gentry: Exactly. Yeah.

Justin Draeger: So this bill really gets at the consumer testing but then really limits the number of elements that must be required and then leaves discretion for other things that might prove useful. The students, and parents and requires us all to work together. The secretary, the aid community, we endorsed our colleagues over at the college access network, endorsed our admissions colleagues also endorsed and it received a positive, I don't know if it was an endorsement, but certainly a positive review from our friends at Uspire that we've been working on for a couple years on-

Rachel Gentry: And support, they're supportive.

Justin Draeger: So we'll see more to come there. Let's keep with Congress for just a minute and talk about spending bills. We have some action in the Senate. It sounds like Rachel.

Rachel Gentry: Yeah. So following up to last week's report, which was that the Labor age subcommittee markup was canceled. Earlier this week, the Senate Appropriations Committee released its fiscal year of 2020 labor each bill. Chairman Shelby kind of hinted that the bill might bypass committee. So just as a reminder, it hasn't been marked up by the subcommittee or the full committee. Chairman Shelby, suggested that they might just bypass committee vote all together and send the bill to the floor kind of looking at what's in this bill, it provides \$71 billion in discretionary funding to the department, which is a decent amount less than this, nearly \$76 billion proposed by the house, although slightly more than what was in president Trump's proposal. It does include an increase to the maximum Pell grant. I think it's a \$135, so it would boost the max Pell \$6,330.

Justin Draeger: And that was relative to the house appropriations process. That's \$15 less.

Rachel Gentry: \$15 less.

Justin Draeger: So they're in the same neighborhood?

Rachel Gentry: Yes. That was kind of seen as a win. Aside from that, the bill pretty much flat funds keeps all the funding level for other campus based aid programs.

Justin Draeger: And a big negative like the Senate bill, the house does not dip into the Pell surplus right now?

Rachel Gentry: So that 71 point \$4 billion kind of total that the Senate bill allocates to Ed does include a one point \$3 billion recession from the Pell grant surplus fund. And so that is a really big concern. They do increase next hill, but the amount that's being allocated doesn't include this Pell grant surplus. So they're going to be pulling some from that surplus to fund this max Pell increase.

Justin Draeger: All right. So given the two, we would clearly support the house bill that increases Pell, doesn't touch the surplus and increases campus-based funding.

Rachel Gentry: Yeah, I think the House bill had pretty historic increases for campus based aid and did not pull anything from the surplus bill.

Justin Draeger: So if the Senate funding bill goes to the floor, prediction?

Rachel Gentry: It will not pass.

Justin Draeger: It will fail in the Senate and so we'll be right back to the drawing board. So if anything, I guess I could say thank you to Mr. Shelby for just bypassing a pointless committee markup that would result in a floor vote that would also fail. All right. So we'll stay tuned and see what happens there. Takeaway for us though is we will most certainly not have Pell grant maximums by October one for the 2021 year.

Rachel Gentry: Right. And one kind of follow-up on just kind of the overall budget and appropriations, the house released, their kind of the bill techs for the continuing resolution. I believe they're expected to vote either today or tomorrow, sometime this week on a funding extension. And so we can expect the Senate leaders to be already thinking about that and probably following the house's lead in the next week or two. So hopefully no shutdown, but I would say be prepared for some type of continuing resolution.

Justin Draeger: Yeah. And the good news for us as our programs are forward funded. So we'll be fine and we'll see what happens with the government in early October. Sticking with Congress there's a hearing happening right this moment is we're taping. Jill, you just stepped out from the hearing for a moment to come tape with us. This is on public service loan forgiveness. You want to catch us up?

Jill Desjean: Sure. Yeah. So the hearing is called broken promises, examining the failed implementation of the public service loan forgiveness programs.

Justin Draeger: So they gave it away right in the title? You didn't have to read the description.

Jill Desjean: Not at all. The majority position is made clear.

Justin Draeger: Okay.

Jill Desjean: Yeah. So they split the panel, they've two panels. The first I left during the first one, it was about an hour and three quarters in, we've been getting live slack messages from Karen on the status. So they just switched a couple of minutes ago to panel two.

Justin Draeger: Is there only one person on panel two or who's on panel two?

Jill Desjean: There was supposed to be three. But the CEO of FEA declined to come. So there were two people on panel two, Jeff Appel from the department and Melissa Emory Erez from the government accountability office.

Justin Draeger: Okay. So this is clearly just going to be on the government accountability report that came out about PSLF and then Jeff's representing the administration on how they've provided oversight?

Jill Desjean: Exactly, right. So the first panel included Yael Shavit, who is an assistant attorney general from Massachusetts who is currently suing FEA over mismanagement of public service loan forgiveness. Matt Chingos of the urban institute. And Kelly Finlaw, who is a New York City teacher who is part of the American Federation of Teachers Lawsuit Against the secretary. She is one of, I believe eight borrowers who are denied public service loan forgiveness and are seeking forgiveness and also fixes for the program.

Justin Draeger: So having only caught glimpses of the hearing this morning, it would it be accurate to say this hearing came down like these Democrats very concerned about FEA and FEA fed loan, basically getting all of this revenue and then not adequately servicing these loans. And Republican's pointing out that these issues stem from both legislative and department of Ed issues that go back to the Obama administration. Would you say that encapsulates the talking points out of both sides?

Jill Desjean: Yeah, I would say.

Justin Draeger: Okay. So it's fairly predictable on how they're falling down.

Jill Desjean: Yeah.

Justin Draeger: Just based on what you're watching, would you say there's credence to both sides of those arguments?

Jill Desjean: I would say the blame could be spread pretty evenly. It is a complex program, Congress created it, they limited loans to only direct loans to only certain employment. It's hard to figure out for borrowers and probably for the Department for servicers exactly who qualifies. That said, there were definitely a lot of sort of implementation issues, slow implementation in some cases. And on the servicing side, miscounted payments other issues with just bad advising where students thought they were tactically all set is sort of a, the terminology

a lot of people used as far as what they heard from servicers and then found out, oh, well you were all set on the number of payments side, but you were in the wrong repayment plan, or something like that.

Justin Draeger: Which just feels like a got you. Like, you can't win.

Jill Desjean: Right. Purposeful or not. Yeah.

Justin Draeger: So couple notable moments maybe that highlight the tenor of the hearing. First one is from representative Takano.

Takano: Unfortunately, it is this administration that is tasked with implementing this program. And from where I sit, it is evident that they are purposely sabotaging this program. It's shameful.

Justin Draeger: Jill, let me ask you, I mean you've been following this closely for us. Do you think the department is purposefully sabotaging PSLF?

Jill Desjean: It would be hard to make that argument. Certainly.

Justin Draeger: I think you're saying you're skeptical.

Jill Desjean: I'm skeptical of a purposeful attempt to sabotage, but they seem to be doing the minimum in some cases.

Justin Draeger: So I think it'd be fair to say maybe it hasn't been a priority.

Jill Desjean: Yeah, I think that's fair.

Justin Draeger: That's fair. And we actually submitted something for the record and say that the reason I don't think they're trying to sabotage it is because this is the sort of political fodder that I feel like is thrown around based on which side of the aisle you sit on and who's occupying the White House. The failures of the department to adequately administer this program span a democratic, well first a republican than a democratic, than a Republican administration.

Jill Desjean: They were failures by all three.

Justin Draeger: Right.

Jill Desjean: So it's hard to say the department is sabotaging it.

Justin Draeger: Right. Like what would be the ideological underpinning of that argument? So could you say there's been gross negligence? I think somebody could make an argument there. Are they doing the minimum? We make that argument that sometimes they could have, should have gone much further. But then there's, I

guess another point in the hearing that I think really drives home. Like what this means for borrowers. And this is, who's speaking here?

Jill Desjean: Kelly Finlaw, who is the teacher from New York City.

Kelly Finlaw: I have to resign myself that I'm going to die with this debt. I have to just accept that I had to do this to get to where I am. I had no other option. And that's my reality.

Justin Draeger: One thing about the borrower, and I don't know her situation, was she the borrower as I was listening who had \$120,000 in debt?

Jill Desjean: Yes.

Justin Draeger: And it's a little unclear. She must've been a graduate student.

Jill Desjean: Yeah. She has a master's degree.

Justin Draeger: In art teaching?

Jill Desjean: I think our Undergrad was in art and maybe the master's was in teaching, but I might have that wrong.

Justin Draeger: Yeah, and I'm certainly not trying to do any victim blaming here. I'm trying to point out that there's so many intersections of policy here. The policy of public service loan forgiveness is obviously front and center. But then the entire idea that someone would have to borrow \$120,000 to get a masters in teaching screams to me like we have another policy issue at play that needs to be addressed. Several probably. Anything else stand out from the first panel this morning?

Jill Desjean: I think those are the highlights. Just also interesting that so many Democratic presidential candidates have also just mentioned PSLF like on their campaign trails and so many of them have these grand and proposals to fix the program.

Justin Draeger: Yeah. It's not often that an issue that's so specific gets elevated to the presidential campaign trail. But, two people, at least on the Democratic side, Elizabeth Warren and Bernie Sanders both sit on the Senate health education and Labor Pensions Committee. All right. We will continue to follow and monitor that and for folks that want to read our letter that we sent up to the hill, that will be included in the official hearing record, will be available on our podcast notes. Sticking with loan servicing for just a minute, some breaking news this last week about the CFPB investigation in Navient, Joelle, you want to catch us up?

Joelle Fredman: Yeah, sure. So first reported by politico earlier this week a federal court published dozens of pages of evidence that CFPB has been collecting as part of

this massive lawsuit against Navient. And their main claim is that Navient steered borrowers into forbearance instead of income repayment plans.

Justin Draeger: So what are they using? Like a single memo, lots of memos and emails?

Joelle Fredman: No, it seemed like there was a bunch of.

Justin Draeger: Okay.

Joelle Fredman: A bunch of things released, but the focus it seems from everybody has been this one pretty, from the outset, it looks pretty damning. This memo that was sent among the employees' kind of describing the company's strategy and there's one quote from it where they said in a response to how they should direct borrowers. It was, our battle cry remains forbear them, forbear them, forbear them, make them relinquish the ball. Set in another way, we are very liberal with the use of forbearance once it is determined that a borrower cannot pay cash or utilize other entitlement programs.

Justin Draeger: So critics of Navient, I assume are jumping all over this saying that they haven't purposely steered borrowers into the easiest repayment status they could, which also to their detriment, results in interest and like additional interest charges that make the loan costlier.

Joelle Fredman: Yeah. Even though those payments are stalled, they're still going to accrue interest.

Justin Draeger: So Navient's response that I saw was like that memo was taken out of context.

Joelle Fredman: Yes.

Justin Draeger: And so the last thing you just read though, the very last sentence, it was after we put them in forbearance, after what?

Joelle Fredman: Once it's determined that a borrower cannot pay cash or utilize other entitlement programs.

Justin Draeger: Okay. So I'm going to turn to Jill for just a minute, in our policy department, so if you're a servicer in a spiral cannot make the payment and they don't qualify for another entitlement, which is sort of another word for a deferment because those are entitlements. What else are they supposed to do with them?

Jill Desjean: Income-based repayment.

Justin Draeger: Okay. Wouldn't that be an entitlement?

Jill Desjean: Okay.

Justin Draeger: So maybe that's where it's foggy.

Jill Desjean: Yeah.

Justin Draeger: Because maybe the other thing with income-based repayment is to date, servicers have not been able to do that over the phone, right?

Jill Desjean: Right, that's true.

Justin Draeger: If you get a borrower on the phone, you can't do income based repayment on the phone.

Jill Desjean: Right. You have to advise them about how to apply for it.

Justin Draeger: But they have to do it off the phone and actually submit paperwork and possibly proof of income.

Jill Desjean: Right. Whereas forbearance, they can do on the spot.

Justin Draeger: Right. So if you're delinquent or you're about to be delinquent, you can't make a payment. You don't qualify for a deferment, it's going to take you a day or two to get into income based repayment. I'm genuinely wondering what else is a servicer supposed to do, wouldn't you put them into forbearance?

Jill Desjean: I just wonder about the people who are trying to be on the path for Public Service Loan Forgiveness and are getting dumped into forbearance and not understand.

Justin Draeger: Because none of that counts.

Jill Desjean: Exactly, because there were some stories about in the whole all of the stories about PSLF where there was some borrowers who were told they were getting help, we'll help you, you can go into forbearance and not understanding that those months that they weren't forbearance weren't counting toward 120 months of payments, which you would think would be obvious. But certainly when your servicer doesn't give you the full range of options, you might not know.

Justin Draeger: So I wonder if there's any way to really get at this without actually listening to the borrower recorded phone calls to hear like where they provided all their options. Did they fully understand their options and did they still choose forbearance? Because if the memo released at Navient from leadership was, you know, save all else. Do not let them get off the phone and still be delinquent and put them in forbearance if that's the point they were making. Okay. But if the point was put everybody into forbearance without fully explaining all and do it as quickly as possible because we need to move on to

the next borrower, that clearly is totally wrong. So more to come, we'll find out. Or where does this go now?

Joelle Fredman: Yeah. I guess more to come the lawsuits still building.

Justin Draeger: All right, more to come there. Just a little quirk that I mentioned to you offline, Jill. One of the quotes that gets that now is like being thrown around DC all the time. It's about the number of repayment plans. That message is clearly landed too many, but today, was it today or earlier last? Was it earlier this week?

Jill Desjean: Last week.

Justin Draeger: Last week.

Jill Desjean: Yeah.

Justin Draeger: Somebody who was in a congressional hearing at Congress, I think it was a congressman, I can't remember who it was, said that there was something like 50 repayment plans.

Jill Desjean: There aren't.

Justin Draeger: Which I mean, I thought when we were saying like there's a dozen that that seemed like a lot, but now we're at 50, next week. Given the math in DC, it'll probably be 200 and I hypothesize that at some point we'll be up to 200 repayment plans. That's what people will be saying.

Erin Powers: Snowball effect.

Justin Draeger: Then Congress will say like, we fixed it. There's only 10, when in reality nothing has changed. Do you see what I'm saying?

Erin Powers: Good way to solve a problem that didn't exist. Inflate the numbers. The actual number sounds low.

Justin Draeger: Yeah. Today in the hearing that I was watching a little bit of it and Matt Chingos was like, I can't, I don't remember how many repayment plans that were. And I was like, nobody knows anymore because it used to be like seven, then it went to 12, yet last week it was at 50. So I don't know where it's at, but stay tuned. So for our listener question this week, I think this is a really good one, we talked to each other and other people and sometimes people ask us career advice. I'm curious from folks who are listening the best or the worst career advice you ever got. Do you have when Joelle, what career advice?

Joelle Fredman: Mine's almost a combo. I would, well, yes.

Justin Draeger: Did it come from anybody in this room?

Erin Powers: Please, say no.

Joelle Fredman: No.

Erin Powers: Okay.

Justin Draeger: Was it from Erin? Were there initials EP?

Joelle Fredman: No.

Justin Draeger: Okay, go ahead.

Joelle Fredman: No, I worked somewhere, which it wasn't the best experience, but I had a supervisor who just did not want me to ask her questions and she all, at first she was telling me to ask Google first, which I valued. And I think, it's a good practice to not go to your supervisor with your little questions. But when I had questions that I really needed her input on, she also refused to answer them. And she, I had this in a picture of an email just in case I ever needed to bring it out. But she told me something along the lines of only come to me with questions when the house is on fire and even then roll around and get some third degree burns first.

Erin Powers: God, that's brutal.

Joelle Fredman: Which was terrible, which is the exact moment I started looking for new jobs.

Erin Powers: This is something kind of small, but it's something that kind of stuck with me. Right out of college, I was working in the aid office at Georgetown University and I had a really great supervisor who is no longer there, but she on maybe my first or second week, I started in September, so it was just a house on fire and everything was crazy and, tension was running high and we were getting lots of distressed phone calls. I think people can probably relate to that right now, this time of year.

Erin Powers: And my supervisor said, "One thing that I do to kind of help me throughout the year is I create an email folder where I save any emails I get from parents or students that are complimentary or telling me that I really made an impact on them or really helped them or anything you get from other staff members just patting you on the back and kind of encouraging you. I saved those in a particular folder and then when I'm having a really rough day where somebody's loan didn't come in and they're panicked and it's your fault and you're really having a bad day, you can look back at that folder and go, all right, this is one person, let me take a beat and read through these nicer kinder emails to see why I do this." And that stuck with me and I do that. I've done that at every job since then.

Justin Draeger: That's why I don't send you any positive emails.

Erin Powers: You do. I have some emails from you in a folder.

Justin Draeger: I only send negative ones. Please refer back to this next week.

Erin Powers: Terrible job. Erin, do better.

Justin Draeger: Do you have any Jill?

Jill Desjean: Yeah. I have some advice that a really great supervisor gave me, which might be applicable to you, Erin. When I first came back to work after having my first child I was like a half a day in and I came in and I was like, I'm pretty sure I don't want to do this anymore. I need to go back and take care of my kid. And she was like, "Listen, I want you to do what makes you happy. However, I know you and I know you love this work." And she just said, "Please give me two weeks. That's all I ask." And she's like, "If at two weeks you can't do it, leave no hard feelings," and it got better every day and it's never easy. But by that two week point I was like, "You're right, I need to be here." So I really, really appreciated that advice.

Erin Powers: Good reminder.

Jill Desjean: Yeah, totally.

Justin Draeger: So just hit pause, no rush decisions.

Jill Desjean: Yeah, don't leave here at 10 o'clock in the morning.

Justin Draeger: I'm done. Here's the best career advice I ever received, and I tell this to as many people as I can, is when you are looking for a new job, the best way to make an impression and sort of get your foot in the door at that new job is it's one thing for you to reach out and say that you're the best candidate for the job. It's way better to have somebody else reach out on your behalf and say, not to say like, so-and-so asked me to contact you, but to say, "I saw you have this position opening. You should really be looking at that person," because it's one thing, you expect your applicants to be putting their best selves forward. It's another thing when somebody else reaches out to you, not on their own behalf, but on behalf of somebody else to say, I think I know somebody that'd be perfect for that job. That's such a standout move. I've actually used it. That's the best career advice I've ever received. I had a bad one too, but I didn't write it down. So maybe next week.

Erin Powers: I have a bad one.

Justin Draeger: Yeah, let's hear it. I like the bad ones better.

Erin Powers: The bad ones are more fun. I won't reveal who said this to me because some of you may know them. They're not in the NASFAA office. Somebody told me a while ago that in any career path, you want to make sure that you're not the

best at what you do, but you're not the worst because if you're the worst, obviously you might get fired, you might get reprimanded. But if you're the best and people see that you are able to keep taking on more and more and that you do a really good job at whatever tasks you're given, people are going to keep giving you more and more and more. And then you'll be at the office until 10 o'clock at night. So this person's advice was just bribe the middle of the road. Just stay right there.

Justin Draeger: It sounds like a get along strategy.

Erin Powers: I don't think it's the way to ... maybe if you're not trying to accelerate your career, your pathways, and you're like, I don't want to do one more thing around here. Maybe that is the strategy. It wasn't the career advice I was looking for.

Justin Draeger: Right. All right, I like that. All right, so send us your best and worst career advice. I'm all for the best. I like the worst personally because I enjoy a good laugh so send me the worst too. Remember to subscribe. Tell a friend, send us any questions you have for the next one.