
Allie Arcese: I'm Allie Arcese with our communications team.

Megan Coval: I'm Megan Coval with our policy team.

Rachel Gentry: I'm Rachel Gentry with our policy team.

Justin Draeger: Welcome everybody. This week we're going to be talking about some new student loan legislation. We're going to be talking about some breaking news out of an event that you were just at, Rachel, where we're getting some details on IRS FAFSA data sharing. Some things going on with the Clearinghouse, some budget numbers, and possibly some changes to ease some of the PSLF confusion. Before we get to all of that, let's do our big winner this week for our fitness challenge. Are people actually submitting?

Allie Arcese: Yes, so thanks guys. I guess I scared you last week, we had a lot of people showing us that they were actually participating.

Justin Draeger: Your nagging skills are top notch.

Allie Arcese: I wouldn't say it was nagging. It's motivating.

Justin Draeger: Your motivational skills are top.

Megan Coval: She's a coach.

Allie Arcese: So our big winner this week, drum roll, is Shannon Barrera who is at Carrington College and that's in Sacramento.

Justin Draeger: All right, congratulations. She's going to win an “Off The Cuff” mug and some other swag that we find in our closet.

Allie Arcese: Exactly.

Justin Draeger: All right, well congratulations.

Allie Arcese: Swag closet.

Justin Draeger: How many more weeks is this going on for?

Allie Arcese: This is the last week.
Justin Draeger: This is it?
Allie Arcese: Yeah.
Justin Draeger: So we're done?
Rachel Gentry: Really?
Allie Arcese: Three weeks.
Justin Draeger: That was it?
Megan Coval: Oh right, it was on for three weeks. Yeah.
Justin Draeger: Well, it's the end of January and for all the people that keep telling us their January birthdays, I love you, but I still don't like the month of January.
Rachel Gentry: That's fair.
Megan Coval: We're so close.
Justin Draeger: I feel like every week we're just getting a bunch of people saying I'm born in January and I love you all.
Allie Arcese: Well, I mean when I tell people my birthday, I feel like I also have to immediately after apologize.
Justin Draeger: For the month of January.
Allie Arcese: Like I'm sorry. I know that's inconvenient, but that's when I was born.
Justin Draeger: So we also get a lot of questions, here's the same things that happen at the end of January. Lots of questions about the Pell schedules. I guess they'll be out by Saturday.

Insane. But whatever. Appropriations were done December 17, but okay. So we'll get Pell schedules out. And then the second thing is, next week is the State of the Union already.

What are your plans? I'm genuinely curious. What are your plans and are they different from when you first moved here?

Megan Coval: Yeah, I mean, I used to get really excited about the State of the Union-
Justin Draeger: Right. Go out to a bar maybe.
Megan Coval: ... as an event. When I first moved here I did, a couple of years I went to a bar, but just frankly starts too late now for me to be-

Justin Draeger: Like at 9:00, 9:30.

Megan Coval: Yeah. Which that's a big part of it.

Justin Draeger: Yeah. Allie, got big plans?

Allie Arcese: I mean, I used to always work. I have to work through the State of the Union.

Justin Draeger: Covering it?

Allie Arcese: Yeah. But now I think I'm just going to drink.

Justin Draeger: Are you supposed to be working that night? I don't even know.

Allie Arcese: If something comes up with education, yeah.

Justin Draeger: Okay.

Allie Arcese: It's okay. Write drunk, edit sober.

Justin Draeger: Rachel, are you going out? I mean...

Megan Coval: Write drunk, edit sober.

Rachel Gentry: I'm not going out. I don't know. I don't have existing plans. Okay. It's late and it's long... It's just a long time to watch one person speak.

Megan Coval: The applause.

Rachel Gentry: I might be on Allie's team of team stay-at-home. It's different than a debate where you're, "oh, who's going to talk?" But when he's going to get into it, it's one person. Regardless of how you feel about that person. One person speaking for hours.

Justin Draeger: I said for a long time that I don't care. It doesn't matter to me who's running for president. Not for sure, but my vote would go a long way to someone who would keep the State of the Union to 20 minutes or less and would allow no applause.

Allie Arcese: No applause. Yeah.

Justin Draeger: Strict. No applause.

Allie Arcese: I feel like we have this conversation every year.
Justin Draeger: Well, I'm sorry to beat a dead horse, but for all the new “Off The Cuff” listeners, I hate it. I hate the applause. Stop it, please.

Rachel Gentry: It's probably a good 15 minutes of it, at least.

Justin Draeger: It's insane.

Allie Arcese: It's so much.

Justin Draeger: Gov. Whitmer of Michigan just did her State of the State and the newspapers were all fluttered because it was less than 30 minutes.

Allie Arcese: I love that.

Rachel Gentry: Got my vote.

Justin Draeger: First of all, and tell me, all the policy wonks, we just troll the websites, looking for the printed speech and then you just do a word search to see if your subject.

Rachel Gentry: A, education.

Justin Draeger: Higher education, college affordability...

Rachel Gentry: Student, yeah.

Justin Draeger: And then you skim the whole document and there’s still 40 minutes left of the speech.

Allie Arcese: Yeah. So, I mean, that's why I'm saying, I'm probably not going to be working.

Megan Coval: But let's be fair, this president is a little more apt to go-

Justin Draeger: Off-script?

Megan Coval: ... Off-script. You never know we're tuning in for.

Allie Arcese: But I think there are lower chances than, in previous years, that higher ed would get mentioned.

Justin Draeger: Possibly. I mean, I think that's true. I mean, it's fair to say that with this administration, higher education hasn't been like a top tier priority, that fine. And maybe the Obama administration is sort of a standout outlier too.

Rachel Gentry: He was the higher ed president.

Justin Draeger: He talked tons about higher ed. The other thing that'll be coming on two weeks, which we're talking about in the podcast, is the president's budget and there'll
be recycled stuff in there, I’m sure. But we’re expecting some new stuff in the budget this year, so maybe some of that gets talked about in the State of the Union, but I think you're right. Probably not.

Allie Arcese: And just one thing I’ll say about the applause without that, we would have lost out on that Nancy Pelosi meme.

Justin Draeger: Oh, where she clapped at him, she didn't clap back?

Rachel Gentry: That is very, very true.

Megan Coval: You knew who gave the longest State of the Union?

Justin Draeger: Who was it?

Megan Coval: Anyone want to guess?

Justin Draeger: Andrew Johnson.

Megan Coval: Oh no, no. Much more recent in history.

Justin Draeger: Bill Clinton?

Megan Coval: Mm-hmm (affirmative).

Justin Draeger: Was it? He was a talker.

Megan Coval: In his last term. They said it was like an hour and a half.

Allie Arcese: Oh, what, that’s honestly, exhausting.

Megan Coval: I mean, for your out-going too.

Justin Draeger: Oh no, no, no, no. I think you've been exhausting for him. I think, no, he’s extroverted. He loves it. He feeds off that. That would be different for introverts.

Allie Arcese: I would just die.

Rachel Gentry: I mean it is their chance to state their policy priorities for the year when most people are paying attention, somewhat.

Allie Arcese: No, but you know what we need?

Rachel Gentry: After watching the West Wing, I have a new appreciation for that.

Justin Draeger: Oh, boy. Yeah.
Allie Arcese: We need an introverted president because this would never happen.

Megan Coval: I bet you Barack Obama would say he is an introvert. If you asked him.

Justin Draeger: Yeah, it's true. I mean, good communication skills are often equated with extroversion, but that's not always the case.

Megan Coval: I'm just thinking, everything I've read about him is-

Allie Arcese: Or an extroverted introvert.

Megan Coval: ... But I see what you mean.

Justin Draeger: Oh boy. All right, I just got schooled on that by Sydney on staff.

Allie Arcese: That's how I would categorize myself.

Justin Draeger: Everybody would categorize themselves that way. You just take two opposites and smash them together.

Rachel Gentry: You like people, but you also like being alone.

Allie Bidwell: I have to psych myself up to do anything in public. When we do the live podcast, I have to psych myself up and then afterwards I just go to my room and don't talk to anyone for the rest of the day.

Justin Draeger: Is that why you blew me off last year?

Allie Bidwell: Yeah.

Justin Draeger: I was trying to talk to you on the way out of the podcast.

Allie Bidwell: I was like, "I've got to go. Bye."

Justin Draeger: All right. I've been offended for six months. [crosstalk 00:06:49] Today, new year, letting it all go. All right.

Megan Coval: No hard feelings.

Justin Draeger: Let's jump in. Rachel, you just came from an event. We have two previous lawmakers who were both at one time, chairman of the house education committee, Buck McKeon, Republican, George Miller, Democrat. They sat next to each other on the committee as ranking member or chairman at different points and they've come together and put out their own HEA proposals. I don't think we can get into all of it, but anything of interest?
Rachel Gentry: Yeah, so this was like a task force of various leaders in the field of higher education. I think it was 15 people and they looked at access and affordability and accountability.

So it was a two hour event with several panels and it kind of just felt like a kitchen sink of how do we fix higher ed and change the system.

Justin Draeger: They actually called in their press release. Didn't they say the HEA is broken or something?

Rachel Gentry: They may have. I didn't-

Justin Draeger: The current laws...

Rachel Gentry: That was definitely the term.

Allie Arcese: They said it was obsolete.

Justin Draeger: It was a very pointed word.

Allie Arcese: Mm-hmm (affirmative). It was something like obsolete.

Rachel Gentry: There was definitely a lot of chatter about partisanship and how nothing's getting done. Sort of the idea was "this is a group of bipartisan of folks from both sides of the aisle who came together, and there were some tough conversations and it wasn't easy to get to this point."

Justin Draeger: For the record, we had a HEA Reauth at 98 and 2008. That was 10 years.

Megan Coval: It took them 10 years too.

Justin Draeger: I'm sure, in retrospect it seemed like a flowering of bipartisanship, but there were two HEAs in a decade.

Rachel Gentry: That was not mentioned. There were a couple of things that, I think, are definitely of interest to our members. So one of their proposals was to eliminate the in-school interest subsidy on federal student loans.

Justin Draeger: So that we could redirect the money elsewhere.

Rachel Gentry: Right, because it's expensive. Some stuff that is somewhat familiar, state-federal partnership, changes to the FAFSA, consolidating income driven repayment. Some of the same old stuff, but I think they have 45 recommendations, so it's a lot. It's about 140 page report. I have not read it yet, but-

Justin Draeger: Just give them the highlights.
Rachel Gentry: I'll be skimming the highlights.

Justin Draeger: Other thing I saw breaking out on Twitter was that general Mark Brown who's the COO over at federal student aid showed up and started making comments, I guess about this IRS Department of ED data share.

Rachel Gentry: Yep. There's a question asked about the future act and implementation, and he said that they are meeting almost every day with the IRS working on implementation. He did talk about how it would be, there's a lot that has to happen. It's going to be a process. It's not just something that you can snap your fingers and have right in front of you immediately, but-

Justin Draeger: I don't think anybody believes the federal government can snap their fingers.

Rachel Gentry: Very true. But he did use the word pilot, so he said that next year they're planning on a pilot. He didn't specify what next year might be, but we would imagine that would probably be the FAFSA that opens next fall. He didn't offer any kind of extra-

Justin Draeger: So, we're talking to 2021-22 FAFSA?

Rachel Gentry: Yes.

Justin Draeger: That's weird because we do need to understand better what a pilot would be, because if it's only for a subset of students that seems problematic.

Rachel Gentry: Right. He didn't offer any context on what a pilot is. He definitely used the term pilot, because I know myself and some of the other folks that we work with in the community who have been engaged on the 6103 issue, kind of we're looking around like, "pilot? We haven't heard about that."

Allie Arcese: Or is it going to be some sort of back-end simulator or something?

Justin Draeger: Oh, like they're running concurrent that's not really live?

Megan Coval: Or just part of it like? Like the IDR piece alone or the non-filing piece?

Justin Draeger: Yeah, verification, non-filing. I mean, we did start meeting with the department already on this and, to their credit, they are thinking about this and putting together plans, and two federal agencies working together. I don't think a lot of people realize, those two federal agencies have to negotiate out a contract before they can even begin work on this.

The IRS just doesn't hand over data. They have to have a user agreement, basically, that defines the scope, how it will be delivered, what are the security measures. That all has to be figured out before you can even start to move data around.
Rachel Gentry: He talked kind of about their plan and how they're working on implementation, but he also talked about how impactful this is going to be for students and for institutions. He mentioned this is going to relieve a lot of burden that financial aid administrators are currently taking on. I think it kind of speaks to the eagerness that the department has had on their end for something like this. I mean, it wasn't just folks in the policy community advocating, it was also the department had a willingness to make this change.

He said, after the pilot, they'll kind of roll it out fully in one plus years, which I take to mean it could be-

Justin Draeger: That's like just saying, "in the future".

Rachel Gentry: It's a really nice way of saying, "It could be one year, but it also might be a lot more than one year."

Megan Coval: Good PR people.

Justin Draeger: I would be happy if we could get Pell schedules out earlier.

Rachel Gentry: I agree.

Megan Coval: One thing at a time.

Justin Draeger: Let's start with the manageable. That's right. Okay, thank you for that recap. Rachel. Let's move on. We had some consumer advocates up in arms this last week talking about the clearing house. Allie, you want to catch us up?

Allie Arcese: Yeah, so this one's a little bit confusing because there are a few different players here and some of them overlap. So, the advocacy group called the Student Borrower Protection Center, which was formed by the former student loan ombudsman, from the Consumer Financial Protection Bureau, Seth Frotman.

On Tuesday, his new organization sent a letter to the CFPB urging it to regulate the National Student Clearinghouse, a credit reporting agency. They are like a third party company. They collect data from institutions on millions and millions of students.

Justin Draeger: They basically do enrollment verification and degree verification.

Allie Arcese: Yeah, but it's all self-reported from the colleges.

Justin Draeger: Yes. So they say they're an agent of the institution. They're not a credit reporting body. They're basically a clearing house, which means they're collecting the data and then they can report it out. Going back to your first point, Seth Frotman used to be at the CFPB Director and he left in a huff.
Allie Arcese: Yeah, a mic-drop.

Megan Coval: In a moral thing, saying "I can't be here anymore. They're not doing the right work."

Justin Draeger: Right. "You don't care about students." He didn't just quit, he quit and did big to deal about it. You could look at it one of two ways. He's a whistleblower. He's standing up for what's right. Or, to me, it felt a little opportunistic at the point because then he went out and raised money and started his own company. They sued the Clearinghouse. They funded a lawsuit against the Clearinghouse that was settled reportedly for around $2 million.

Allie Arcese: Yeah. So the thing with that was students were trying to go to the Clearinghouse and see what information they had on them. And then the Clearinghouse was saying, "you have to pay $30 to get that information." And so they sued.

Justin Draeger: Because if, apparently the Clearinghouse was not aware that in some States and, in this state in particular Massachusetts, to obtain your own information, there was a cap on how much students or how much anybody would have to pay and the $30 exceeded that cap. Now the Clearinghouse would charge a certain amount and then schools are allowed to add a surcharge onto that. I don't know if a lot of people realize that. So the schools tell the Clearinghouse how much more they should charge.

The percentage of students who are going in and doing their own verification is minuscule. We're talking probably less than 1%. Most of the time the degree verification is happening from third parties. So the Clearinghouse and the schools, well the schools thought they were charging your company who was doing a degree audit. "This person said they got a bachelor's, did they?" And so the Clearinghouse then negotiated out of court and then change their fee structure, and then schools basically said don't charge, don't do any up charges on actual students. Do the charges on the companies. But that was settled.

Allie Arcese: Yes. So there's one other moving piece here that the Student Borrower Protection Center notes in the letter and an accompanying blog post explaining why they're pushing the CFPB to do this. A couple of years ago, I believe in 2017, the CFPB itself actually put out a report saying that-

Justin Draeger: Was this written under Seth's leadership? Because I feel like-

Allie Arcese: It may have been.

Justin Draeger: ... He issued a report, left and then tried to say regulators issued a report but it was him.

Allie Arcese: It may have been.
Justin Draeger: Okay. All right, go ahead. I just wanted to draw up the contracts.

Megan Coval: Because this current, the CFPB wouldn't have been into this.

Allie Arcese: Yeah. So basically what they said was, "student loan companies were getting information from the Clearinghouse and if it was not correct, it could have an impact on borrowers in terms of losing their in school interest subsidy" or something.

Justin Draeger: That's true. But then again, the Clearinghouse is just reporting data that it's collecting from...

Allie Arcese: It's this weird cycle.

Justin Draeger: How was the Clearinghouse supposed to verify the data they're getting from schools? The schools submit it and the Clearinghouse turn around and say, "are you sure?" Now, clearly there might be some additional logic you could build into all of this where timelines aren't adding up or making sense. We'd be out of my depth really quickly if we got into all of that, but-

Allie Arcese: Well, the vice-president of compliance and operations at the Clearinghouse told POLITICO that they go through a "painstaking process" to verify the debt data that they receive.

Megan Coval: They're different than other agencies that are monitored by the CFPB right now. In reading that, it just sits a little uneasy because they're saying, "oh, we regulate these other agencies, but this is different." This is a company, schools are their clients. It's just not the same.

Justin Draeger: Ultimately though, if the Clearinghouse has to meet a whole new set of regulatory requirements, which I don't know that I know enough to say "yay" or nay," but if they do, cost of operation will definitely go up. Those costs will be passed along to schools and students. To some extent this doesn't determine the underwriting standards of alone. As Allie pointed out, this determines when a student might go into repayment and if a student disputes, in a perfect world, the loan servicer would say, "okay, let me go back to the Clearinghouse and, or the school and try to get updated enrollment information."

Allie Arcese: If they leave and then they re-enroll somewhere, but that has not been communicated-

Justin Draeger: Right, because reporting might be happening once every 30 days or once every 60 days. So, all right. We'll keep our eyes on that. Thank you, Allie. We have some legislation that seems to be moving along the student borrower credit improvement act. Megan, you want to catch us up here?
Megan Coval: Yeah. So this was a bill that originated in the House, the Student Borrower Credit Improvement Act, which would amend the Fair Credit Reporting Act and it passed last night, actually, along party line votes. So by a vote of 221 to 189. What this would do would allow private student loan borrowers to rehabilitate their loans after going into default or delinquencies.

Justin Draeger: So this passed in the House?

Megan Coval: In the House, yes.

Justin Draeger: Democrat supported?

Megan Coval: Democrat supported. Done just last evening. It was introduced last fall, I believe. First came out of committee. So really what this does is sort of just brings private loans in line with what can be done now with federal loans, with respect to rehabilitation. Same sort of terms as what is for federal loans now. So making nine, on time, affordable payments in a 10-month period right after the default or delinquency occurred.

The other piece is that it would require that the credit agencies sort of take that mark off of your credit report once the rehabilitation occurs. So, I don't really know that this is going to go anywhere. It was obviously, as I said, a party line vote and I think Republicans have been on record as saying that this is just a Band-Aid, this isn't fixing the bigger problem. So this might be where it ends, but definitely have full democratic support.

Justin Draeger: Okay. I want to make a bit of a prediction here and if it doesn't come true, we'll never speak of it again, okay?

Megan Coval: Mm-hmm (affirmative).

Justin Draeger: But I've heard out of the White House now that they are interested in looking at bankruptcy reform around student loans. So I know in the House there was a party line vote, but let's just set that aside because, let's say, it was Democrats who brought it up and the Republicans just automatically voted against it. Same that would happen when the Republicans were in the majority. Maybe they're interested in it for altruistic reasons, I don't want to discount that. But if the Trump administration is most worried about a Biden run for president, Joe Biden in the Senate was involved. Some of you might've seen the POLITICO piece in the last couple of weeks where it kind of recounted how Joe Biden was a bit of a hardliner on bankruptcy protection on student loans.

So if they feel like he's vulnerable there, and the White House potentially in their next budget here in two weeks, but somewhere can talk about their support for bankruptcy protection in some way for loan borrowers that they might undermine a Biden run. I'm just, I sort of see the political machinations in
the leaves here that, that I could see Republicans coming around on this and, and the other reason... Yeah, go ahead.

Megan Coval: Well, I was just going to say, I just think, generally, the Trump administration is feeling pressure to do stuff in this area with how much attention indebtedness and costs is receiving over on Democratic side. And that’s your point, I know. I think they’re looking for something and this is kind of an easy grab in a way.

Justin Draeger: Right. This is a bit of a political hearsay, but what we were hearing was that the Trump administration and the Democrats are all arguing about these really grand plans. We can debate how realistic they are, but these really grand plans about college affordability and indebtedness. The Trump administration was saying, "where's our plan?" sort of thing. So I could easily see this picked up as a tenant, especially if they think they can hit the leading Democratic contender with it.

Megan Coval: Yeah, good point.

Justin Draeger: I’m sticking with just sort of the motion towards private student loans or even federal with bankruptcy. I thought there’s an interesting article in the Wall Street Journal this last week, that we can put in the show notes, that talks about in New York, there was a bankruptcy court there that's making it easier for borrowers with any financial difficulties to modify their student loans through bankruptcy.

So the talking point forever has been you cannot escape student loans because bankruptcy will not apply... And that's true unless you can indicate a financial hardship, which is ill-defined and really hard to do. But it looks like courts are starting to see enough student loan bankruptcy relief requests that they've decided that instead of going through litigation, which can result in costs for the borrower and the lenders and then collections that they are going to move towards mediation.

So, a borrower could submit an application to the bankruptcy court if they're going through bankruptcy, that they would like to have their student loans either basically renegotiated. Their payments renegotiated or partially or fully forgiven under bankruptcy relief. And that it would be settled between the borrower, the lender, and a mediator that's appointed by the court. Usually binding mediation means less costs for everyone and it's an easier route to go.

So I think this is notable because, and it's not just for private loans, I was looking through here and I was just looking through the definitions that the bankruptcy court came up with. They said the term, quote, the quote here, the term student loan, she'll have the same meaning as a debt that may be excepted from discharge under 11-USC, as an "Educational benefit overpayment or loan made insured or guaranteed by government unit or made under any program
funded in whole or in part by a government unit or a nonprofit institution." And then it goes on, but that's clearly federal loans and private loans.

I think we're seeing a lot of movement towards allowing people to get out from underneath their loan debt, which would have been almost unimaginable, I think, 10 years ago. One of the first things we did when you first started here, there was a time when NASFAA students and lenders, and we all signed onto a letter, all agreed with the fact that, at least on private student loans, people should have relief through bankruptcy.

Now, I don't want to speak for the lenders today, but-

Megan Coval: Yeah, we did a whole written testimony on that, and a hearing and-

Justin Draeger: And then we all signed a letter together too. A couple of years of good faith payments, of course, not just immediately coming out of school and declaring bankruptcy. And then it sort of feel like it felt it got lost in the partisanship during the Obama administration. But it seems like there's this consensus back towards compassion.

Megan Coval: I remember it also being a little bit of a struggle because we would see bills that come out that would put both federal and private loans together and then that becomes more complicated in terms of support because there are different feelings about the federal loans.

Justin Draeger: Especially with income-based repayment and loan forgiveness. Because picking up on your thread here about loan forgiveness, it sounds like the Department of Education, just this morning, is looking to streamline Public Service Loan Forgiveness and Temporary Relief Public....

Megan Coval: T-E, TEPSLF.

Allie Arcese: Temporary Expanded.

Justin Draeger: Thank you. Temporary Extended Public Service Loan Forgiveness. Allie, you want to catch us up here?

Allie Arcese: Sure. So we will have an article on this tomorrow in the newsletter. But the Department of Education this morning published a notice in the Federal Register asking for a comment on combining into one form the applications for both PSLF and TEPSLF. The reasoning behind this would be to streamline the forgiveness determination process. So right now borrowers would need to apply for PSLF and be rejected and then send an email asking. I guess that's the application currently for TEPSLF, it's an email request.

Justin Draeger: You have to go through the rejection process to then request the secondary.
Allie Arcese: Yeah. Just like miscommunication, like we saw with regular PSLF, there's still have been issues with TEPSLF, because I think some people don't know that you had to have been rejected first from PSLF.

Justin Draeger: The rejection rates seemed like the exact same.

Allie Arcese: They're very similar and for a lot of the same reasons.

Justin Draeger: Some people just didn't qualify. They were confused. Somebody who didn't have all their paperwork in. Whatever. So, presumably this would make it easier because it's just a one and done form, right?

Allie Arcese: Yeah, I guess. I guess we have to wait and see a little bit more explanation about what the process would be. We were talking about this a little bit this morning and the podcast channel about different scenarios, how this would play out. But I would imagine that you would just apply once and if you're rejected from PSLF but you would qualify for TEPSLF that's all you would have to do. You wouldn't have to come back to them and they would just work it out on the back-end.

Justin Draeger: I don't know what's in the request, but I do like the fact that people would have to fill out fewer federal forms.

Allie Arcese: That was just my hypothesis for how it would play out, but we don't know yet.

Justin Draeger: So, I don't know if any of you guys saw this, speaking of the federal bureaucracy in general, but The New York Times had this thing that, maybe we can put the link in the show notes, but it's taking a quiz. The question is, "Could you manage as a poor American?" And it leads you through a series of questions that basically measure your ability to navigate bureaucracy and fill out forms.

Justin Draeger: So here are some of the questions. I'm curious what your answers would be to this. "Do you have paper mail you plan to read that has been unopened for more than a week?" Do you guys have any mail that you plan to read but is sat unopened for at least a week?

Megan Coval: Any mail? Yes.

Allie Arcese: Yeah, like junk mail.

Megan Coval: Like magazines.

Justin Draeger: But you don't plan to read the junk mail.

Allie Arcese: Oh that's true. That's true. Yeah.

Rachel Gentry: I have a couple of things. But like that's not a usual thing. I just haven't opened my mail in a while.
Justin Draeger: When you go through your mail, junk mail, right in the trash, and then other stuff-

Megan Coval: Yeah, and then I'll have a little bin when I get to it.

Justin Draeger: So, 26% of Americans said "yes". The problem of course being that sometimes things are required a timely response and if your life is what it is, you've got a job, kids, pets, whatever, school. If you're not able to return forms in on time, then this works against you and you might end up with penalties or additional costs or you missed a deadline that results in fees, and 26% of Americans said "yes" that they have paper mail you plan to open... That's surprises me. I would think like 80% of...

Megan Coval: I feel annoyed.

Justin Draeger: I find the mail dreadful.

Allie Arcese: Me too.

Rachel Gentry: If it's not a hand addressed cause then I know it's a nice card from someone.

Justin Draeger: But now they trick you with that because-

Rachel Gentry: That's so true.

Megan Coval: Why people pay money to print these advertises, who looks at this stuff? Anyhow, that's-

Justin Draeger: Oh that's a whole other thing. All right, next one. "Have you forgotten to pay a utility bill on time?" I don't want to put anybody in a weird position here.

Megan Coval: Yes.

Rachel Gentry: I will own up and say, yes.

Megan Coval: I just did that.

Justin Draeger: Allie, every month? Is that what you're going to say?

Allie Arcese: No, but it was a big one. It was our rent once.

Megan Coval: Our gas bill or something, it was like $500. Whoops.

Justin Draeger: You didn't pay?

Megan Coval: We didn't pay for two months.
Justin Draeger: I haven't in a while. But if I were to look back at my life, yeah. One time Deanna and I drove across the country without car insurance. We forgot we were not insured and we had a trailer and we were driving through snow.

On the utility bill, 31% of Americans said that they had forgotten to pay utility. Okay, next one. "Have you received a government document in the mail that you did not understand?"

Rachel Gentry: Probably.

Justin Draeger: I'll tell you when it happens for me. It doesn't happen often. Federal forms, I'm actually...

Megan Coval: Only tax time.

Justin Draeger: It's when I move to a new location. So when we first moved to Fairfax, Fairfax County is so big that it's basically, to me, its own state. When we moved from Michigan, I got zero stuff from the county. I didn't have to pay county taxes, I didn't have to pay property taxes on my cars. None of this exists. I moved to Fairfax, I started getting all sorts of stuff that I just ignored because I was, "what is this? County's can't charge you fees for these things." And I obviously learned differently.

So when I moved, new locales have different things. Yeah. I'm with the 25% of Americans who said that they receive government documents in the mail that they didn't understand. And then the final one here is, "Have you missed a doctor's appointment because you forgot you scheduled it or something came up?"

Megan Coval: No.

Rachel Gentry: I forgot and then canceled it the day before, which I know is not cool.

Justin Draeger: But you canceled, you didn't forget.

Rachel Gentry: I canceled it, yeah.

Justin Draeger: Yeah, I'm far too neurotic for that.

Megan Coval: Me too.

Allie Arcese: Well, mine sends reminders. As soon as I schedule something like that, I put it in my calendar because otherwise I know I would forget.

Justin Draeger: At the dentist, they want me to fill out a postcard.

Allie Arcese: When they ask you to schedule your cleaning six months ahead of time.
Justin Draeger: Right. And they're like, "fill out this postcard, we'll mail it to you." I'm like, "I have a smart phone." Done. But these are the types of questions they're asking to say, we have lots of safety nets in this country thankfully, but to actually receive the safety nets you have to be a bit of a pro at staying on top of paperwork. You have to know how to shuffle paperwork.

And if that's not your forte, or if your reading level isn't up to par, or you're trying-

Megan Coval: You're a single parent with...

Justin Draeger: Life is busy.

Rachel Gentry: Speak a different language.

Justin Draeger: ... That you end up missing out on the safety nets because you can't navigate the system. So anyway, back to the PSLF. What I would just say is, if we can do anything to make these things easier so that people can only fill out one form, I'd be happy to do that.

Allie Arcese: While we have been recording the podcast, I have my laptop up just for notes and stuff, and we just got an email blast from POLITICO saying that Diane, Auer Jones, who is one of the top advisors in the Education Department, said at a conference of Christian college leaders, that Second Chance Pell is an experiment that, "we think is really important. It's also probably illegal." And she also said that the department is sparring sort of with the Office of Management and Budget over funding for the program.

Justin Draeger: This is the Pell for prisoners or what is this for?

Allie Arcese: Second Chance Pell.

Justin Draeger: Pell for prisoners, right?

Allie Arcese: Yes.

Justin Draeger: I just tried to match the moniker with the appropriate name. This is something everybody's unsupportive of. So I assume if they think it's illegal, then it would be, because I think the administration has been gung ho on this.

Allie Arcese: Yeah, I mean what she said was that the prior administration started it. She said, one of the things we're not allowed to do at experimental sites is change eligibility requirements. So technically it's not a legal experiment. But Congress likes it and the last administration started it, and we said, "what the heck, we'll join the club."

Justin Draeger: All right, so they're going to do it? They're going to continue it or not?
Allie Arcese: It's unclear. I don't think she was necessarily saying that they want to end it. And she went on to say it's a really important program. The president thinks it's an important program. Everyone thinks it's important.

Justin Draeger: Just to be clear, Congress did prohibit prisoners from receiving federal Pell grants. That's true, right?

Rachel Gentry: Yes, there's a ban.

Allie Arcese: Currently, yeah.

Rachel Gentry: It's part of the 1990s crime effort.

Justin Draeger: So when can the administration break the law and when can't it?

Allie Arcese: Well, so what she went on to say was, there are some people over at OMB that are making it clear that they don't want to allow us to use the budget. So we're having that fight. So it sounds like she's saying like it might be illegal, but we're fighting for it.

Rachel Gentry: The money that's been authorized, OMB is not releasing it.

Justin Draeger: Listen, I'm somewhat sympathetic to this because what if the department said they were going to start using public dollars to fund the training of priests.

Megan Coval: The more I hear the story, the more I'm... The headline, as usual.

Justin Draeger: I'm just saying that if, if there is a ban, Congress needs to deal with it.

Rachel Gentry: But it's been going on for a while, so I just wonder why it's coming up now.

Megan Coval: Well there's got to be, at any given point in time, a gazillion things that are going on that are technically illegal or don't meet the light of the law. And so the question is: Someone brings it up. Someone flags it.

Justin Draeger: So last week we talked about when you become an adult, when you feel it. I'll tell you one of the biggest things since when I got into policy work. One of the biggest revelations to me was that, in terms of legality, whether something is legal or not, almost in every scenario there is a gradation. There are huge gradations. And what I've ended up learning, 20-some years ago is now that that's what attorneys do. They argue over gradations of legality. What's legal today can be illegal tomorrow depending on how a court rules or however a person in charge says you can spend money on that in the federal government. So anyway.

Allie Arcese: Just one last thing before we wrap it up today. Next week is the start of February, which means it is the start of financial aid awareness month and, like
last year, we're encouraging you guys, our members, to do your part on your campuses, to spread awareness to students, parents, the rest of the community. We have some resources online at nasfaa.org/finaidfeb for how you can do that. Some suggestions and just be sure to tag us in your social media posts and share with us how you are participating next month.

Justin Draeger: We don't want their fitness shots anymore, we want their financial aid.

Allie Arcese: Yeah, back to financial aid.

Justin Draeger: I feel like we need to pick a theme and go, what if it's a fitness related financial aid awareness? Double points?

Allie Arcese: Sure. I mean, this isn't a points thing.

Justin Draeger: Are we still giving away prizes next month?

Allie Arcese: No. You can get a shout out in TN.

Justin Draeger: All right. Shout out in TN, maybe something on the podcast. All right. Thanks everybody for joining. Remember to subscribe. Send us your comments. Tell a friend, we'll see you again next time.