



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

DEC - 3 2018

Justin Draeger, President, National Association  
of Student Financial Aid Administrators  
Terry Hartle, Senior Vice President,  
American Council on Education  
1801 Pennsylvania Avenue, NW, Suite 850  
Washington, DC 20006

Dear Mr. Draeger and Dr. Hartle:

Thank you for your letters dated July 11, 2018 and October 5, 2018, regarding cancellation reimbursements in the Federal Perkins Loan (Perkins) Program. We understand your position that the Perkins Act obligates the Department to reimburse institution for Perkins loan cancellations notwithstanding the lack of an appropriation from Congress to do so. While the Senate Committee Report (S. Rep. No. 115-289 at 201, 2018) "encourages the Secretary to use any authority granted for reimbursing college and universities for which no reimbursement has been provided..." Congress still has not provided funds to support those reimbursements. We are closely examining what, if any, options the Department has to address the reimbursements but, without a dedicated appropriation, full and immediate reimbursement is likely not possible.

In addition, we understand that institutions are concerned about any statute of limitations running before the Department can fully reimburse institutions for cancelled Perkins loans. We are reviewing this issue, but it would also be helpful if you could provide additional details on how you view any applicable statute of limitations as limiting or preventing reimbursement.

Because it will take us additional time to determine what, if anything, can be done to remedy this problem short of a direct appropriation, we will be delaying the cash on hand reporting and payment requirements. We are working to identify a solution as quickly as possible.

We will continue to explore potential solutions to the outstanding reimbursements, but, to reiterate, we believe that an appropriation is likely necessary to completely resolve the issue.

Thank you for bringing this matter to our attention.

Sincerely,

Diane Auer Jones  
Principal Deputy Under Secretary  
Delegated to Perform the Duties of Under Secretary  
and Assistant Secretary for Postsecondary Education