

Charter: NASFAA Task Force on Consumer Information

November 2013

Timeline & Commitment

Start date: November 2013

End date: June 2014

We expect one in-person meeting in Washington DC and additional work to be conducted via bi-weekly conference calls.

Background & Purpose

The Higher Education Act (HEA) of 1965, as amended, authorizes the major federal student aid programs that are responsible for the majority of financial assistance to postsecondary students. To meet the changing needs in education, these programs are reviewed and “reauthorized” by Congress every five years. Federal student aid programs are currently authorized by the HEA through 2013, so there is growing interest in the U. S. Congress in issues that might be considered during the next reauthorization process. A topic that gets frequent complaints is the overwhelming quantity of consumer disclosures that must be made, and the observation that students are so flooded with information that they do not read or absorb any of it. NASFAA’s Reauthorization Task Force (RTF)’s preliminary recommendations called for a thorough review of existing consumer disclosure requirements.

The primary purpose of the Consumer Information Task Force (CITF) is to sort through existing consumer information requirements and propose ways to streamline both the content and delivery of those requirements for consideration by the NASFAA Board as part of the Association’s reauthorization recommendations. The CITF will thereby fulfill the RTF directive to conduct a thorough review of the student consumer information requirements.

Composition

- Chair: Bonnie Joerschke
- Members:
 - Sarah Bauder (4-year public--EASFAA)
 - Jamie Brown (4-year public--SWASFAA)

- Billie Jo Hamilton (4-year public--SASFAA)
- Rich Heath (2-year public--EASFAA)
- Nancy Hoover (4-year private--MASFAA)
- Cristi Millard (2-year public--RMASFAA)
- Kay Soltis (4-year private--WASFAA)
- Michelle Stipp (for-profit--MASFAA)
- Staff Liaisons: NASFAA Policy Team

Task Force Scope, Duties & Responsibilities

The outcome of the CITF is to produce student consumer disclosure proposals for incorporation into NASFAA's recommendations for the reauthorization of the Higher Education Act that:

- Eliminate disclosures that are irrelevant to Title IV aid
- Eliminate duplicative disclosures
- Differentiate between appropriate undergraduate vs. graduate student recipients
- Improve the form and format of disclosures and provide flexibility for schools to determine the most effective form and format for their students
- Consider the timing of disclosures and identify when are they actually needed or most meaningful
- Consider who should distribute different disclosures (e.g., the school itself or, using reports from schools, the federal government)
- Examine the effectiveness of current loan counseling and explore the need for debt counseling
- Identify improvements for the content and process (including the source and the division of responsibility) of disclosures surrounding private lender lists
- Explore the possibility of replacing lists of disclosures in the law with more general goals and objectives of disclosure, and
- Develop a consumer testing model that should be used by the federal government for any additional disclosures

The CITF will draw guidance from the following principles:

- Promote policies that address the needs of disadvantaged students;
- Recommend policies that accommodate the diversity of information delivery models;
- Promote fairness and equity for students across all sectors of postsecondary education;
- Promote accountability;
- Encourage simplicity;
- Provide schools with the flexibility to respond to the specific needs of their students;
- Promote the use of technology wherever possible;
- Eliminate statutory requirements that use financial aid to enforce unrelated social policies;
- Support recommendations with research and data analysis wherever possible; and

- Promote programs and efforts that encourage student financial and academic preparation at an early age.

Indicators of Success & Outcomes

The task force will serve in an advisory capacity to NAFSAA. In addition, two specific outcomes include:

- Designees will present task force findings to the NASFAA Board of Directors at the Board's June 2014 meeting.
- With Board approval, findings will be presented to the Membership at the July 2014 National Conference and then distributed accordingly to congressional staff.

Budget

Planned expenditures (estimated to be less than \$10,000) would come out of board designated "reauthorization task force" funds, which as of August 31st had a remaining cash balance of roughly \$100,000.