

NASFAA “Off The Cuff” Episode 136 Transcript

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

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

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

Jill Desjean: And I'm Jill Desjean, also with our policy team.

Justin Draeger: Thanks. Welcome back, Jill. It's been a little while since you've been here.

Jill Desjean: Yes.

Justin Draeger: You said you had an observation right before we started about Jill. I feel like we should get into that first, Megan.

Megan Coval: Yeah. Does anyone else notice it, or just me? Just a quick ...

Justin Draeger: Hmm. Well, I feel like this is dangerous territory.

Allie Arcese: Did you change your hair?

Megan Coval: Okay. Jill has an Apple watch on.

Justin Draeger: Really? Oh. Look at that.

Megan Coval: And it was just a few short weeks ago when we were talking about the fitness challenge and how to document it and Jill said, "Oh, I don't do those."

Justin Draeger: Oh, what changed, Jill, was it the podcast?

Megan Coval: It's the same exact one I have.

Jill Desjean: Yeah, is it? I couldn't remember who... I've sworn to a lot of people that I would never wear a fitness tracker and I couldn't remember if I told you guys, so I was definitely hiding it, and Greg also doesn't know I have it.

Megan Coval: Oh Greg doesn't-

Allie Arcese: How long have you had it now?

Jill Desjean: I've only had it like a few days.

Allie Arcese: Okay.

Justin Draeger: How's it going?

Jill Desjean: It's fine.

Justin Draeger: So if we text you now, will you get a notification on your watch?

Jill Desjean: Yeah.

Megan Coval: In Slack?

Justin Draeger: What about Slack you?

Jill Desjean: Yeah.

Justin Draeger: This is great.

Jill Desjean: Yeah.

Justin Draeger: I can't wait.

Allie Arcese: Wake Jill up from her early bedtime.

Justin Draeger: Yeah.

Jill Desjean: It came out of a friend put on Facebook that she was looking for a new running watch. And I was like, "I should probably just get a running watch, just like a Garmin or something like that." Then I started looking at prices and then I started being like, "You get so much more functionality with the Apple Watch."

Justin Draeger: Yes.

Jill Desjean: And I went down that hole and I bought it.

Justin Draeger: We are not supported by Apple or Garmin or Fitbit on this podcast, but I just want to say, I bought my kids Fitbits because they're less expensive and they all break. They all break like in a year, year and a half.

Allie Arcese: Yeah.

Megan Coval: Yeah.

Justin Draeger: I've had the same Apple Watch for, I don't know, two or three years.

Megan Coval: Yeah, same. I love my Apple watch.

Allie Arcese: Same.

Justin Draeger: Yeah. We are not supported by Apple.

Allie Arcese: Yeah, but we're open to it.

Justin Draeger: But we're open to it.

Jill Desjean: Well I'm glad that's all you noticed about me today, because I was a little nervous.

Justin Draeger: Well okay, when we crossed each other in the hallway today, do you remember this?

Jill Desjean: I do.

Justin Draeger: People might not know, we have like a concrete... What do you call that? The floor is concrete. It's not carpet, which is good because it doesn't wear out, and people spill their coffee and it goes on the concrete and not all over the carpet. But did you trip a little bit when we were walking by one another today?

Jill Desjean: I did.

Justin Draeger: Okay. I saw.

Jill Desjean: Thank you for noticing.

Justin Draeger: I did notice, but I didn't want to say anything, but it was right when we were crossing, I was like, "Hey Jill," and then you tripped and then I didn't want to say anything.

Jill Desjean: Yeah. I stumbled on my own foot. There was nothing there. It's a very flat concrete surface. I just went for it.

Justin Draeger: I thought maybe you were wearing shoes that a lot of traction.

Jill Desjean: They do, they have a rubber sole.

Justin Draeger: Okay, well there you go.

Jill Desjean: Maybe I was intimidated by seeing the boss early in the morning.

Justin Draeger: I don't know what was happening.

Allie Arcese: I do stuff like that and then I think about it for weeks.

Justin Draeger: See, and if I had just said something about it, got it out in the open, then you could probably move on. This is why when I-

Allie Arcese: But that did happen, and I still think about it when we were at the round table and I was eating a cookie and you were trying to tell me that I had it on my face.

Justin Draeger: I don't even remember this at all.

Allie Arcese: You were going like this, you were making the motion on your face to tell me, and I thought, I don't know what I thought you were doing, but I was like, whatever. And then I was like, "Oh my God, he's telling me I have crumbs all over my face."

Justin Draeger: Yeah. It kind of looked like you had stuck your whole face in the cookie platter, but that's fine. You'd earned it.

Allie Arcese: Yeah, I'm still thinking about it.

Megan Coval: You needed a break.

Justin Draeger: I got to show you something, okay? Do you see this? You see this piece of paper? All right. This is an email that I received today, okay?

Allie Arcese: Okay.

Justin Draeger: Did you see this? This is 327 words, 28 sentences, and there are five dates and times in this. Do you see any issues with this email?

Allie Arcese: Yeah, you need bullet points in this.

Justin Draeger: It is all one paragraph. Pet peeve. I've got two pet peeves. One is bullets. Please, please. I beg you.

Megan Coval: What do I need to know?

Justin Draeger: Yes, please. God, please. The second thing is, how do you sign off your emails? I'm curious.

Megan Coval: It depends.

Justin Draeger: On what? I'm talking professional emails, not ones to your mother.

Megan Coval: I usually say warm regards. That's my favorite.

Justin Draeger: Warm regards?

Megan Coval: Or warmly.

Allie Arcese: I either say best, or I say nothing and just let my signature speak for itself.

Justin Draeger: Okay, so that's none or best.

Allie Arcese: Like, "Allie Arcese."

Justin Draeger: Best, comma. Okay. Jill?

Jill Desjean: I also use warm regards.

Justin Draeger: Warm regards? I've never noticed this.

Megan Coval: I like it.

Justin Draeger: Do you do that internally?

Jill Desjean: Oh, I don't send it to you, no.

Justin Draeger: Okay.

Jill Desjean: No. No. Like professionally, if it's someone that I don't know well, but if it's someone that I communicate with a lot...

Megan Coval: "Justin, here's my assignment. Warm regards."

Allie Arcese: That would be so weird. That would be so weird for someone you see every day.

Jill Desjean: I feel like that's actually ruder when it's someone that you know well. I'd use a formal...

Justin Draeger: I agree with you, Jill. When I see some people have thanks, exclamation point, but it's part of their signature almost. So anytime they say something, sometimes it comes across as like, "Hey dude, you just screwed something up. Thanks!" It feels sarcastic to me.

Justin Draeger: So I saw an email the other day... So Bloomberg did a study, and maybe we can put this in the show notes. This is like a productivity hack for people. People who put things like... Oh let me see, I wrote them down. "Thanks in advance." That got a higher return reply rate than any other salutation at the end.

Megan Coval: Because you're stating an expectation, sort of.

Justin Draeger: Are those called salutations? What are those at the end? Salutations? I don't know.

Megan Coval: I think so, right?

Justin Draeger: Okay. Thanks, also higher than average. Thank you. Cheers. That's sort of my-

Megan Coval: That's a Justin one.

Justin Draeger: I go to cheers. But I also am starting to feeling like that might be a little smug, because that's obviously a British thing, but I've never actually seen a British person use it.

Megan Coval: I like it.

Justin Draeger: Alright, well how do you feel about foreign language? Non-English, like ciao, or-

Allie Arcese: Adios.

Jill Desjean: No.

Justin Draeger: You don't like that?

Jill Desjean: It doesn't feel authentic.

Allie Arcese: If you're not Italian, and you sign your email ciao, who are you?

Justin Draeger: Au revoir, or something French.

Megan Coval: Au revoir.

Justin Draeger: Were you in France recently?

Jill Desjean: Yeah, but you notice I don't sign off au revoir.

Justin Draeger: You didn't use it when you came back?

Jill Desjean: I didn't come back French, unfortunately.

Justin Draeger: People don't like the foreign language one. But the one I saw the other day that really stood out to me, so you've got the warm regards, yeah? I had someone that said, "The end."

Allie Arcese: I love that.

Megan Coval: The end, comma.

Justin Draeger: Because I asked this person about it and they were like, "Well, because I don't feel like it actually conveys anything. Like you're not saying anything, except that now you know my email's not truncated. This is the end, so I'm letting you know it's the end." I was like, "I love it."

Megan Coval: I like that.

Justin Draeger: It's sort of like when it's your birthday and I say, "It is your birthday. Fact." Not Happy Birthday.

Allie Arcese: You're wearing a sweater.

Justin Draeger: Yes, or you've changed your hair. Fact. Not saying anything about it. There's no value judgment. All right.

Megan Coval: You know, the other thing too I struggle with is, and I know we've had this conversation, and you've told me you read that it's more productive to just start the email and get right to your-

Justin Draeger: Oh yeah. You and I are on opposite ends of this one.

Megan Coval: But I feel always like I have to begin with some pleasantries. Like, "Hello Mary, I hope you're doing well."

Allie Arcese: Yeah, well there's a lot of gender stuff there too.

Justin Draeger: You think this is gender related?

Allie Arcese: 100%.

Megan Coval: Like I'll say, "I hope you're doing well."

Justin Draeger: You think women need to start with-

Allie Arcese: No, there've been studies on that too, where if a female sends an email that is very straight to the point, people receive it more negatively than if that exact same email came from a man.

Justin Draeger: Really?

Megan Coval: I believe that. I guess I hadn't thought about it in that way.

Allie Arcese: It's seen as like curt or bossy, things like that.

Justin Draeger: I write emails the way I want to receive them, and so I just jump right in, and I usually try to get... It's sort of like, I imagine when people get an email they're thinking, "What do you want?" And I just try to answer that in the very first sentence.

Megan Coval: But then you do the reverse. I feel like then you usually will end with something lighter, which is nice.

Justin Draeger: Yeah, at the end, it's like "I hope you're doing well. I know we haven't talked in a while."

Allie Arcese: But you do the nice sandwich.

Justin Draeger: Up front.

Megan Coval: I do the nice sandwich, yeah.

Justin Draeger: I would not feel at all if you just jumped right in with me. Even if we didn't work together, and you were like, "Justin, are you available on March 27 to blah blah blah blah blah?" And then at the end you were like, "Hey, hope your kids are doing well. How's so-and-so? Yada yada yada." I'd be okay with that.

Megan Coval: Maybe I'll try this.

Justin Draeger: Try it out. I feel like... just get to it.

Megan Coval: Do a mindful... get to it.

Justin Draeger: Just get to it.

Megan Coval: What do you want?

Justin Draeger: Yeah. Do you feel like it's curt when I send those to you?

Allie Arcese: No.

Justin Draeger: Okay.

Allie Arcese: Yeah, because you get right to the point and you give the details. It's when you don't give any details, then I'm like, "Am I getting fired? Can you meet?"

Justin Draeger: "Allie Arcese, I hope you're doing well. I haven't seen you in a while."

Jill Desjean: "Can you meet at 1:30?"

Justin Draeger: "Are you available for a meeting at 1:30?"

Allie Arcese: Then I'm going to be like, "No, I'm not."

Jill Desjean: Bring a box.

Justin Draeger: Parentheses; this will not be a pleasant conversation.

Jill Desjean: It'll be pretty quick.

Justin Draeger: Okay, we've got a lot to jump into today. We got several comments last week about the Informed Borrower Tool, so we're going to talk about that. We have

some new data from the federal government. There's some new data coming out about Pell Grants, and students enrolled in elite institutions.

Justin Draeger: But first, let's start with the debates last night. Are we sort of debated out? Is anybody watching anymore?

Allie Arcese: I haven't been watching them, but I do read the summaries of the debates. I just can't emotionally handle...

Justin Draeger: I hear you. I do feel it, and it's not even because... Whether I'm Republican or Democrat, or left or right. It's a circus. It's such a circus. So I watch like an hour, 45 minutes to an hour and I'm like, this is a circus. So you didn't watch. Did you watch, Megan?

Megan Coval: Yeah, but just for the first hour. That was the first time my attention was held the whole time. The others I've been like, "I'm going to watch," and then I fade off after like 10 minutes.

Justin Draeger: Maybe because there were fewer people debating.

Megan Coval: Yeah, and just because it was so wild.

Justin Draeger: And this is the first one Mike Bloomberg was at. Which, boy, like everybody...

Allie Arcese: I watched a 90 second clip and I was just like, "Oh my God, this is so uncomfortable."

Megan Coval: Feeling uncomfortable.

Justin Draeger: Yes. I found myself watching this with my daughter doing homework on one side and DeAnn was on the other. There were times where I just was looking at them because I'm like, I can't watch this. It's sort of like a train wreck. Through my hands, I'm watching this thing. Anything stood out? So a couple things.

Justin Draeger: The other thing that's important about this is Mayor Bloomberg just released his Higher Ed plan this last week.

Allie Arcese: Right, which we'll talk about in a couple minutes.

Justin Draeger: And that didn't come up.

Allie Arcese: So from what I read, it was just like the first 45 minutes, was everyone dumping on Bloomberg.

Justin Draeger: Yes. There was a lot of memorable moments, like Senator Klobuchar was taken to task for not knowing the President of Mexico, which I always feel-

Allie Arcese: And then she also got into something with Mayor Pete, right?

Justin Draeger: Right.

Megan Coval: Their most heated exchange was over that, I think. Oh no, and then she said he wasn't in the arena. There's a lot.

Justin Draeger: I cut people slack for not knowing trivial pursuit questions, like when they're not getting any sleep and traveling thousands of miles all the time. So I sort of feel like these are gotcha questions that are like, "Who's the president of Mexico?"

Justin Draeger: But then she rattled off the presidents of all these other countries to show she really did know foreign policy, and I was like, none of this means anything. Yes, they did pile on Mayor Bloomberg, who was clearly not debate ready. So the debate is not substantive. It's like... gotchas. It's zingers.

Allie Arcese: That's what really bothers me, is they spend so much time trying to undercut all the people around them that they're not talking about anything.

Justin Draeger: Yeah, and I feel like they're almost-

Allie Arcese: And some of it is you valid in some way, to an extent, but...

Justin Draeger: It's like canned zingers. It's like we tested these with an audience.

Megan Coval: And they're just dying from it.

Justin Draeger: Yes, and then they're looking for any opening to, like, "Gotcha. Zing." Obviously Bloomberg's not used to this, because he showed up and mostly just seemed like he was watching the tennis ball fly around.

Megan Coval: I think he thought it was just going to be a cake walk, like that was my take. "This can't be that hard."

Allie Arcese: Also, I feel they're similar to what we've talked about with hearings and stuff. They're just looking to get some viral clip. I was reading this article from *The Washington Post* about the debate from last night, and it actually says that some political scientists have argued that debate performances have little, if any effects on elections.

Justin Draeger: I was watching the debate last night. I didn't think it went well for Mayor Bloomberg. But what will be interesting is he's about nationally second in the polls, and I'm curious, does anything change at all? Who's watching this debate, and who cares?

Allie Arcese: Some people have argued that he's polling well just because he's pumped millions of dollars into all these ads.

Justin Draeger: Which is probably true. I mean, in Virginia he's been running ads for weeks. I haven't seen an ad from another candidate until this last week, was the first time. All right, so let's get into Mayor Bloomberg's higher ed policy since he was the last one to release something. Allie?

Allie Arcese: Sure. Mayor Bloomberg released his formal Higher Education plan on Tuesday of this week, and there were a lot of things in there that we have seen from other candidates, such as increasing the maximum Pell Grant. He proposed doubling the max Pell Grant to \$12,690.

Allie Arcese: He proposed creating an incentive plan for states to reinvest in higher education, steps to raise college completion rates, experimenting with grants for at-risk students approaching graduation, rewarding more selective schools with higher graduation rates for enrolling more low-income students. Things like that.

Allie Arcese: There was also a call for free community college for all students, and free tuition at four-year universities for low income students. One thing that was kind of outside of the norm that we've seen lately was reinstating the gainful employment regulations from the Obama administration.

Justin Draeger: So on the scale of the Democrats running, would we call this really progressive, or would we call this middle of the road? Where do you think this falls?

Allie Arcese: I think it's slightly more than middle. But when you think about Senator Warren's plan to just wipe out student debt, it's-

Justin Draeger: And Senator Sanders. So those two might be anchoring the furthest left position.

Allie Arcese: For sure.

Justin Draeger: This is probably middle ish, but it's still retained some form of need analysis, because this plan focuses on measuring need and who's low income and not. And then the other piece of the plan about gainful employment, and Megan and I were just talking about this before the podcast, that of all the presidential people running for president on the democratic side right now, they have all these grand legislative proposals. But Mayor Bloomberg specifically talks about gainful employment. How realistic are all of these proposals, I guess is the question.

Megan Coval: I think that they could potentially chip away at these proposals and get pieces of them done, but I think what's never discussed is the role that Congress plays in the legislative process. But certainly on the regulatory front.

Justin Draeger: Right, so gainful employment. So they don't need legislation for that. This has been litigated and written and rewritten and so, yeah, I think it's a pretty good

sign that if Democrats come back into power, they could rewrite gainful employment for the... If we're counting just administrations, third time, but if we're counting different iterations, we're talking like fifth or sixth time.

Megan Coval: Is he the only one that mentions it, Bloomberg? As a part of his official plan?

Justin Draeger: It's the one that stood out to me. I don't remember.

Allie Arcese: Off the top of my head. I think, yeah.

Megan Coval: But I think they all would.

Justin Draeger: Yeah, it sort of feels like a standard piece at this point.

Megan Coval: So it's not just a Bloomberg thing.

Justin Draeger: Because some people put it under high quality institutions, which is just code for things like gainful employment, and other accountability metrics. So that didn't get talked about in the debate, but it's out there, and it does strike me that the most conservative, right now, proposal from the Democrats is doubling Pell Grant. Right? That's the most conservative proposal.

Justin Draeger: So we'll definitely see some champions of student aid on the Democratic side. President Trump is reportedly working on a Higher Ed something as well. It's reported by *POLITICO*, although we haven't quite seen it. The other piece that ties maybe into this free college, whether it's for community college or four year schools, the Urban Institute just released today, at least I saw it today, an infograph that walks people through what free college proposals would look like for like a hundred students.

Justin Draeger: So if you take all college students, boil it down to a hundred students, here's the makeup of that student population, and then you can go through this dynamic infograph on their website that says, if we did this with free college, this is how people would be impacted.

Allie Arcese: It's interactive, like the display of it is really cool.

Megan Coval: It is really cool, yeah.

Justin Draeger: So people should check that out. I'll put the link in the show notes. All right, let's move on to the Informed Borrowing Tool. I am not going to rant about this today, but we did generate a lot of questions and Jill, you're going to answer all the questions. You'll make all things known today.

Jill Desjean: Yeah, that's the plan.

Justin Draeger: First thing I want to talk about is, it's not called the Informed Borrowing Tool. What's it called?

Jill Desjean: It's now called the Annual Student Loan Acknowledgement.

Justin Draeger: ASLA.

Jill Desjean: Sure.

Megan Coval: It rolls right off the tongue.

Justin Draeger: The problem is, I can remember Informed Borrowing Tool, but I can't remember everything in the Annual Student Loan Acknowledgement. I can remember ASLA.

Jill Desjean: Yeah, I'm struggling with the name too.

Justin Draeger: All right, well let's just go with ASLA.

Jill Desjean: Sure, okay. That sounds good.

Justin Draeger: A lot of people, first of all, commented that they didn't know that there was a name change.

Jill Desjean: Yeah. That's because it was kind of tucked away in a Q&A document answering unanswered questions from the FSA conference back in the winter. So it wasn't widely broadcast.

Allie Arcese: How is that not an electronic announcement, renaming this? Sorry.

Megan Coval: Especially when you're working on it. You have to name it and call it things so that students and families understand it.

Justin Draeger: I'm the only one who took a vow of not ranting today, so you three can have that.

Megan Coval: Go right at it.

Justin Draeger: But yes, I agree with your assessment, which is it's buried in a Q&A, which is why schools missed it.

Jill Desjean: Yeah.

Justin Draeger: But the name has changed. It is the Annual Student Loan Acknowledgement. The other question we got most frequent was, did the timing change? Because last week, I had cited a Federal Student Aid leadership person who had said this

will be in place for fall enrollment. Now, because that person was in leadership, I think he was using that term colloquially. But has the timing changed?

Jill Desjean: So the timing hasn't changed, but that colloquialism didn't exactly mesh with what is the actual timeframe. It's for the 2020-21 award year, which is not based on dates. There isn't an official start to the award year, a school sort of decide what their award year is.

Jill Desjean: So if you've got a summer header, your award year would start before July 1, or before the fall, and it would be for summer term, obviously not for fall. If you use borrower based academic years... sorry, borrower based award years it could be the first term could really be this spring. Could be a spring, summer BBAY. So definitely not effective for fall. Effective for 2020-21 award year, whatever loan you're dispersing for that year.

Justin Draeger: So for the school, if they have originated a loan for the 2020-21 year, it's effective for that, any loans in that year.

Jill Desjean: Right. The first disbursement.

Justin Draeger: Regardless of the first disbursements in April or May or June.

Jill Desjean: Does not matter. The date of the disbursement, right, it's just whenever that first disbursement is for that award year.

Justin Draeger: April is probably a little far out for most years, I would think. May probably will have some, and in June we probably have quite a few.

Jill Desjean: June, for sure, yeah.

Justin Draeger: Okay. So when will the department have it out? Has that timing been solidified?

Jill Desjean: We hear April. We've heard April 20, we've also heard generally April. That's about all we know right now.

Justin Draeger: Someone was pointing this out to me yesterday, that April is normally when the department would release its COD updates, so it would make sense that for software providers and COD, because this is going to generate a reject, right?

Jill Desjean: It'll generate response codes and response files from COD. So when they bring COD up and running for the 2020-21 award year, this functionality would be incorporated into it.

Justin Draeger: I think the question... I've also heard, although I don't have this confirmed, that the software providers have been brought into the loop on this already, although if the software providers are ready to go in April, which I can't confirm,

you would still think the schools might have to do something on their end to integrate this into all of their processes.

Jill Desjean: Sure, yeah. They have to know what to do with the response files when they come back. They need to pay attention to these tags that are in the response files, that inform you as to whether the student has completed the acknowledgement or not.

Jill Desjean: If they have queries that they run to decide which students are eligible to have a disbursement or not, they need to incorporate the completion of this tool, of this acknowledgement thing. The way that they would have to say, did the student do an MPN? Did the student do an entrance interview? So there's definitely work on the school end after ED comes out with the COD release.

Justin Draeger: All right. This will have to be done hereafter for every award year after this one, so it's not so much if a student does one, I'm just using an example, let's say it's next year, and they do an acknowledgement in January 2021 for the 2020-21 year, the school's originating a loan for that year. They do one in January. If they're then doing one in May for the '21, '22 year, even though it's been five months, they still have to do one.

Jill Desjean: Yeah, there could be like a day or two in between, and they would still have to, depending on the award year that their new loan falls into.

Justin Draeger: Okay, so it doesn't appear to have anything to do with when the last time you did it was. You just have to have one for every award year.

Jill Desjean: Exactly.

Justin Draeger: And then another question we get is, how does this interplay with entrance counseling, or are they completely separate issues?

Jill Desjean: Completely separate, because entrance counseling is one time, and this is annual, so they'll be completely separate things. They'll both be on StudentAid.gov, so a student can fill them out in the same place, but it is a new requirement. It's not replacement of anything. It's not an enhancement of anything. It's new.

Justin Draeger: So one of the challenges I think we're hearing from schools is, for next fall already, forget about summer and maybe June disbursements, or May disbursements. Schools have already gone out, they've already started telling people to do entrance counseling, and they've already had people sign MPNs.

Justin Draeger: They'll be coming back potentially a second or third time now, and they'll be saying, "Oh one more thing." And we can't do that today, so it's literally just waiting for this update.

Jill Desjean: Yeah.

Justin Draeger: From the department side then, is it our understanding that ... could a school still disperse? Can they override the comment code that will be generated, still do a disbursement, and clean it up post-facto?

Jill Desjean: No.

Justin Draeger: So they can't even disperse at this point.

Jill Desjean: No. The disbursement will reject from COD.

Justin Draeger: Yeah, and we kind of run into these things with other requirements. Sometimes I hear people say, "Well, you know what? That'll get the students' attention. If the funds don't disperse, students will..." The problem with that is, students actually have bills to pay.

Justin Draeger: I don't know how many landlords care about COD error codes, and new requirements. Or groceries, or gasoline, or other things that students need to actually live. So this will, though, generate an error that will prevent disbursement.

Jill Desjean: Right.

Justin Draeger: So even if the school could forego tuition until it gets worked out, it prevents them from getting any of their refunds.

Jill Desjean: Exactly, yeah.

Justin Draeger: Another question which was asked, and this is a bit of conjecture, but the question was, if a student... so it doesn't work with entrance counseling because that's a one time thing, but students have to complete a FAFSA every year. So why couldn't they, as part of the FAFSA process, if they have student loan debt, why couldn't that pop up and be just an acknowledgement then?

Justin Draeger: I've completed my FAFSA, I acknowledged my loan debt, the end.

Jill Desjean: I think it's a timing thing. You can complete your FAFSA in October before the upcoming award year, whereas this would be once a loan has been awarded for the award year, so you're going to get much more updated aggregate loan borrowing history information by doing it later, versus when you fill out your FAFSA.

Justin Draeger: I suppose there are people who might not take loans, that this wouldn't be required, but if you have loan debt, that's already reported. Is it not on the student aid report?

Jill Desjean: It is, yeah. There's an NSLDS history thing. Yeah.

Justin Draeger: So they are getting this?

Jill Desjean: It just doesn't have your... if you were doing something on a traditional fall-spring calendar, it wouldn't have your spring loans reflected if you did it on the FAFSA. Might not even have your fall loans reflected, depending on if you filled out your FAFSA literally October 1.

Justin Draeger: This name change was buried in a Q&A. I seem to recall that at FSA, they had said that additional training will be coming.

Jill Desjean: Yeah. They said they would be doing a webinar in early 2020 but hasn't happened yet.

Justin Draeger: I mean, it's still February.

Jill Desjean: Sure.

Justin Draeger: But nothing's scheduled that we know of?

Jill Desjean: Not that we've seen now.

Justin Draeger: Okay.

Allie Arcese: When is it not early 2020?

Jill Desjean: Yeah. We're getting toward the end now.

Justin Draeger: P the spring Equinox.

Jill Desjean: Which falls...

Justin Draeger: March 21, I think.

Allie Arcese: Not even the first quarter.

Jill Desjean: Around daylight savings time, maybe.

Justin Draeger: I assume the federal government revolves around where the sun is.

Jill Desjean: Or when the Crocuses start to bloom.

Justin Draeger: Yeah, something like that.

Jill Desjean: One question that's out there that we were tossing around yesterday was, this is the only award year specific requirement for direct loans, and so when students

are going to StudentAid.gov to fill it out, are they going to be expected to choose the award year that it's for?

Justin Draeger:

They have no idea.

Jill Desjean:

Because they probably don't know what award year their loan is being assigned to, because it doesn't connect to academic year, grade level. It's its own thing.

Justin Draeger:

Especially if it's a crossover, they'll have no idea whatsoever.

Jill Desjean:

But the schools do need to know which year it's been filled out for, because they need them annually.

Justin Draeger:

Okay, here's a question. Could they just fill it out for both simultaneously?

Jill Desjean:

Sure. But that sort of makes it not annual anymore.

Justin Draeger:

Oh, it totally defeats the purpose. But at this point we're just talking about tying up bureaucratic loose ends, right?

Jill Desjean:

Sure, yeah. Why not?

Justin Draeger:

Well, I'm just trying to be realistic about it. This is not going to move mountains. I don't suspect that next year we're going to come back and direct loan disbursements will be down, like student loan debt is going to be down a significant percentage.

Jill Desjean:

That's the thing.

Justin Draeger:

In fact, I was just reading in the FSA latest reports, which we'll get to in a moment, but total disbursements are down year over year. They're down the same percentage of the decrease in applications. In FAFSA applications.

Allie Arcese:

And there's fewer college students, right?

Justin Draeger:

Right. That's what I'm saying. So this is all just following an enrollment trend. All right, people should feel like they can continue to send us questions, and we will certainly publish information as we know it.

Justin Draeger:

We also understand that there's quite a bit of frustration out there with folks who have to, one, have been going out and basically raising awareness about this but under the wrong name and warning students that they'll have another process but now it will be called something different, and we also understand that schools have a lot of frustration with the idea that while April is the normal COD release, and while software providers may or may not already have this integrated, the schools do not.

Justin Draeger: So there's still going to be some catch-up time on the school's end, and, right now at least, schools are not going to be able to clean it up later. Funds will not disperse without this being addressed, which seems problematic to me, and I wonder if there's something the department could do to at least turn off the reject for now, and then turn it on later.

Justin Draeger: Again, this is not driven by legislation. There is no regulatory requirement. This is completely contrived by the Department of Education, which may not be a bad idea, except that then why put everybody through the ringer in a two and a half month implementation period?

Jill Desjean: That's like an artificial deadline.

Justin Draeger: Right, yeah. It's not real.

Jill Desjean: Yeah.

Justin Draeger: All right, moving on. Allie just mentioned the FSA data center being updated. Any highlights there?

Allie Arcese: Sure. So again, this is a quarterly report that FSA puts out, and so this data includes the last quarter through Dec. 31, 2019. For the first time, this report included a summary of automatic closed school discharges. So I'll go over that first since that's the new part.

Allie Arcese: This sort of summarizes the number of borrowers and the loan balances that were eligible for an automatic closed school discharge, for borrowers whose school closed between Nov. 1, 2013, and Dec. 31, 2019. So all together, there were about 31,400 borrowers eligible for an automatic discharge, and their loans totaled to \$347.1 million.

Allie Arcese: And of those borrowers, about 30,000 had received their loan discharges. Other things that are generally covered in this report are new defaults and delinquencies, how many borrowers and loans are moving into default in the last quarter, so about 300,000 direct loan borrowers with outstanding balances totaling to \$7.6 billion entered default in this last quarter.

Allie Arcese: The other big things that are usually covered here are borrower defense and Public Service Loan Forgiveness. So in the last quarter, FSA received 12,000 new borrower defense applications, bringing the total to about 300,000. Of those 300,000, 49,000 have been approved, and of the ones that were approved, about 32% got partial relief, 68% got full relief. So those are some of the highlights there.

Justin Draeger: And as I was looking at borrower defense, because this is obviously something that Congress has really kept their fingers on the pulse on, 217,000-

Allie Arcese: Pending.

Justin Draeger: Of the 300 are still in pending status, which I know the department has sort of picked up the pace on, but still, it just seems like a lot of outstanding applications.

Allie Arcese: It is, yeah.

Justin Draeger: I was also looking at the PSLF forgiveness, and TEPSLF, temporary public service loan forgiveness. So it looks like we're starting to see some movement here, but I was just looking at the average loan forgiveness rates, and I didn't look at the distribution, but the average borrower who's receiving TEPSLF, the temporary, is around \$42,000, and for the average person who's getting it under PSLF, it's \$63,000 in forgiveness.

Justin Draeger: Again, I didn't look at the distribution, that's just the straight median. So I'm not looking at the mode or anything.

Allie Arcese: Overall, it's kind of like a lot of the same.

Justin Draeger: The mean. Excuse me. Looked at the mean.

Allie Arcese: Yeah. Overall it's kind of a lot of the same. In the last quarter, there was another several thousand, 17,000 new borrowers who submitted PSLF applications. Total, there are over 161,000 applications, and 151,000 have been processed. Fewer than 2,300 applications under PSLF have been approved. So that's like a 1.4% approval rate. And then similarly, under TEPSLF, about 1,300 borrowers have had loans discharged.

Justin Draeger: And we should add that the large majority of the rejects are because they didn't meet the program requirements.

Allie Arcese: Yeah. Incomplete information, or missing information, or some reason that they didn't meet program requirements.

Justin Draeger: I will say kudos to the department, because it used to be that the data center didn't get updated in a timely way, and at least we're about, I don't know, I guess almost eight weeks, seven weeks out from the end of the quarter. So it's being updated.

Justin Draeger: And two, they keep adding data. So these data points are helpful. The one thing I can't find, and I don't want to put anybody on the spot here, is I still can't find the breakout of Parent PLUS loan data versus...

Allie Arcese: I don't think that's ever been reported quarterly.

Justin Draeger: Right? It hasn't. And I'm talking about delinquency and default rates, and average delinquency and default rates on Grad PLUS and Parent PLUS.

Allie Arcese: I'm pretty confident when I say that has never been a part of these reports.

Justin Draeger: Which is something we keep calling for. All right, thanks Allie. Let's move on here. Some data coming out about Pell Grants and the American Talent Initiative. Megan?

Megan Coval: Yes, so the American Talent Initiative is a program that began in '16, '17, with the goal of enrolling 50,000 more Pell eligible students at what they call top-tier institutions by the year 2025, and the way they identify top-tier institutions would be schools with 70% or higher graduation rates.

Megan Coval: Basically, what was reported out this week is that they feel like in the first year or so, the program was going along really strong. They had like 20,000 additional Pell Grant students enrolled at these institutions, and so far for '18, '19, which is the data they are collecting right now, there was only a net aggregate of eight new Pell Grant recipients.

Megan Coval: There's a little bit of a... there's 128 schools that are a part of this initiative, but they're counting in their total the 320 plus colleges that meet the criteria of having that 70% above graduation rate. So the data don't exactly line up, but I feel like the way that it was reported was sort of shame on schools, and they needed to step it up.

Megan Coval: But I think there's just a lot to discuss here in terms of how many Pell eligible students are there to begin with, and what else is going on in terms of demographics. So it's a great program, I think, but there's, I think, a lot to unpack here in terms of what's happening.

Justin Draeger: One of the schools, when I was at a conference about a week ago, had talked about this idea that some rankings now are looking at Pell Grant enrollment as part of a ranking criteria. That does get schools looking at their Pell Grant enrollment.

Justin Draeger: The problem this person was pointing out, who's in enrollment management, is that you pull on one lever to do something good, but there's always this other thing happening then. And in this case he was saying, "Pell Grant recipient enrollment has gone up at their campus," but he's like, "Then go measure the enrollment of people who are making between \$50,000 and \$100,000," and it's almost a one for one trade off.

Justin Draeger: So we have the people who are paying full pay, or close to full pay, that percentage hasn't changed. Pell percentage has gone up, middle income families went down.

Justin Draeger: This is the problem with trying to engineer an outcome in these situations. It's just way more complex than people realize, and it's not like schools have all this extra capacity, you can't increase Pell. I guess what I'm saying is, that's a laudable goal. Absolutely. I hope that's part of an enrollment managed plan at any school, but there's always going to be a trade off.

Justin Draeger: So then what happens to middle income families who are right on the other side of the Pell cliff? There's always going to be these sorts of trade-offs.

Megan Coval: Yeah. I think a point too to be made is this is part of a broader initiative, but everybody knows the schools are obviously putting in a lot of their own funding here, right? So yes, getting them through the door, but also these schools have to have resources and contribute to making sure that we... Okay, we admitted your Pell Grant student, but now we're going to make it impossible for you to actually come. So there's kind of that piece of it too. It's not like there's...

Justin Draeger: Yeah, we've heard schools that are-

Megan Coval: Money isn't being thrown at these schools to participate there.

Justin Draeger: Yeah, we've heard this with need blind and need aware schools who say, is it really fair for me to admit a student who can't afford to be here, without giving them the financial support that they really need?

Justin Draeger: If we don't have anything else, let me go back to the beginning of the top of the episode, which is, I'd be interested how people sign their emails off. Is it always the thanks? Is it something else? Is it the end? I see a lot of people with quotes at the end of their emails, you know? All right, so send us your email sign offs, and we'll share some of the best ones, or ones we haven't heard before.

Justin Draeger: Thanks everybody for listening. Remember to subscribe. Send us your comments and tell a friend. Until next week.