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VIA Federal eRulemaker Portal

July 27, 2020

The Honorable Betsy DeVos,
Secretary of Education Department of Education
Building 400 Maryland Ave
SW Washington, DC 20202

RE: [THE COUNCIL FOR EDUCATION SUBMIT THE FOLLOWING COMMENTS IN RESPONSE TO THE DEPARTMENT OF EDUCATION'S \("DEPARTMENT"\) PUBLIC NOTICE \(DOCKET NO.: ED-2020-SCC-0050\); REQUEST FOR TITLE IV REIMBURSEMENT OR HEIGHTENED CASH MONITORING 2 \(HCM2\)](#)

Dear Madam Secretary,

The Council for Education ("C.E.D.") is a watchdog organization for student-loan borrowers and servicers of student-loan debt, which operates under section [501\(c\)\(3\)](#)¹ of the Internal Revenue Code and is organized to litigate ([Rev. Rul. 80-278, 1980-2 C.B. 175](#)²) in defense of the Civil Rights Act on behalf of a charitable class. Its principal activity consists of legal service³ as an audit [relator](#)⁴ of institutions in receipt of Title IV funds for specific evidence of any violation of 34 C.F.R. §§ [668.161](#)⁵ and [668.162](#)⁶.

¹ <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations>

² <https://www.irs.gov/pub/irs-tege/rr80-278.pdf>

³ See, "When C.E.D. sells \$50.00 membership subscriptions to California residents as a federal relator to provide the U.S. Department of Education with specific evidence of any violation of 34 CFR 668.161 and 668.162, the true object of the membership subscription agreement sought by subscribers is legal representation. As such, it is my opinion that C.E.D.'s primary purpose is providing legal services." Letter from Greg Buehrer, Acting Supervisor, Cal. Dep't Tax & Fee Admin., Audit & Info. Sec., to Harold Huggins, Director, The Council for Educ, pp.3-4 (July 22, 2020) (on file with author).

⁴ <https://dictionary.findlaw.com/definition/relator.html>

⁵ <https://www.govinfo.gov/content/pkg/CFR-2019-title34-vol3/xml/CFR-2019-title34-vol3-sec668-161.xml>

⁶ <https://www.govinfo.gov/content/pkg/CFR-2019-title34-vol3/xml/CFR-2019-title34-vol3-sec668-162.xml>

We believe that several institutions may have engaged in a policy of selective admissions preferences, omissions of mandatory civil rights data collection, and falsified financial audit reports of [Program Participation Agreements](#)⁷ ("PPA") ([34 C.F.R. § 668.14](#)), among other activities against the federal government. If true, we believe these activities are likely to bring about an event known as a default, in which the U.S. Department of Treasury is the guarantor. We believe these widespread and systemic institutional policies violate the provisions of the applicable program. 34 C.F.R. §§ [668.161](#)⁸ and [668.162](#)⁹ establish the rules and procedures for a participating institution to request, maintain, disburse, and manage Title IV program funds.

Therefore, the C.E.D. hereby submit these comments in response to Public ED-2020-SCC-0050. The ongoing collection of information requests for Title IV Reimbursement or [Heightened Cash Monitoring 2](#)¹⁰ (HCM2) ([O.M.B. Control Number: 1845-0089](#)¹¹) support the role of the C.E.D. as a [self-regulatory organization](#)¹² ("SRO") in the evaluation of these unregulated student loan exchanges of federal funds as a relator under the Higher Education Act of 1965, as amended ("HEA"). We believe the collection of data is necessary for the proper functioning of the Department and federal compliance. The C.E.D. will provide the Department with information technology in the delivery of audit reports to enhance the quality and control of Title IV Reimbursements.

The collection of data is a necessary function of the government that promptly restores the public accountability of federal financial regulatory agencies, thereby reducing the Department's financial burden. It is also important in order for the Secretary to enforce statutory control of the federal student loan programs as administered by the institutions, i.e., Executive Order 13772 of February 2, 2017, § 1 ([E.O. 13772 of February 3, 2017](#)¹³) and Executive Order 13791 of April 26, 2017, § 2 (c) ([E.O. 13791 of April 26, 2017](#)¹⁴).

In conclusion, the C.E.D. supports the Department's extension of an existing information collection on Title IV Reimbursement or Heightened Cash Monitoring 2 (HCM2).

⁷ <https://www.govinfo.gov/app/details/CFR-2012-title34-vol3/CFR-2012-title34-vol3-sec668-14>

⁸ Ibid 5

⁹ Ibid 6

¹⁰ <https://studentaid.gov/data-center/school/hcm>

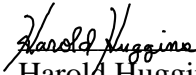
¹¹ <https://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=1845-0089>

¹² https://www.law.cornell.edu/wex/self_regulatory_organization

¹³ <https://www.federalregister.gov/d/2017-02762/p-9>

¹⁴ <https://www.federalregister.gov/d/2017-08905/p-3>

Sincerely,



Harold Huggins
Council for Education (CED)
Director, Council for Education