



Friday, January 22, 2010

To Whom It May Concern:

Please accept the following comments from the National Association of Student Financial Aid Administrators (NASFAA) in response to the Dec. 23, 2009 notice in the Federal Register for public comment on the "Private Education Loan Applicant Self-Certification" form. NASFAA represents an estimated 20,000 financial aid administrators working at more than 2,600 colleges and universities around the country. We appreciate the Department's willingness to collect comments on this form and offer our comments in a spirit of cooperation.

Sincerely,

Joan H. Crissman
NASFAA Interim President and CEO

Opening Doors of Educational Opportunity

Section 1 Comments

NASFAA appreciates the Department's willingness to make changes to the disclosure section to encourage students and parents to exhaust other, less costly forms of aid before turning to private education loans. We also appreciate the fact that this section has been moved and made more prominent for loan applicants.

We suggest that the fourth bullet be changed as follows (altered text has been bolded to indicate the suggested changes):

The financial information required to complete this form **must** be obtained from the school's financial aid office. If the lender has provided this information, **the student is responsible for ensuring that it is correct.**

We believe these changes add important clarifications to the statement currently on the draft form. It reinforces that the information to complete this form must come from the school. Our suggestion also reinforces the idea that it is the student's responsibility to ensure the accuracy of the information on the form without automatically directing them back to the financial aid office, where the information could have already originated in a direct-school certification process. We also suggest deleting the portion of the last sentence that directs them to discuss their financing options since it is covered in the third bullet in that section.

Section 2 Comments

We have strong concerns about how institutional loans and federal Title VII loans are to be accounted for on this form. Since institutional loans and federal Title VII loans can be packaged into a student's award letter, it will be difficult for schools (and students) to know whether line B should include or not include all of a student's estimated financial assistance (which would include institutional loans or federal Title VII loans already packaged).

If a school is offering both an institutional loan and a federal Title VII loan, is the school required to collect two self-certification forms? Which institutional or Title VII loans should or should not be included on line B of those forms? If only one form is needed per lender, how should the instructions read for estimated financial assistance?

If schools do include all packaged aid on line B (including institutional and federal Title VII loans), line C would likely equal zero. The subsequent warning that "If you borrow more than the amount on line C, you risk reducing your eligibility for free or low-cost federal, state, or school financial aid" would prove confusing for students, who might think they are now ineligible for the very aid they were packaged with.

Obviously this raises questions as to whether this form should be used at all for institutional and federal Title VII loans. At the very least, this issue needs to be further vetted so that the process is the least confusing for students.

Section 3 Comments

We appreciate the Department's willingness to add additional identification information to assist schools and loan providers in ensuring they have the correct student. We are disappointed that there is no location for an OPE-ID, since we continue to believe that is the easiest way to ensure that forms are routed to the correct schools even in instances where the institution may have multiple programs and campuses with similar names. In lieu of OPE-ID, we suggest that the field "Name and Address of School" be changed to "**Full** Name and Address of School" to prevent students from using acronyms or abbreviations that could further complicate the routing and matching of forms to students.