

NCHER Update

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NCHER Priorities

- Raise profile of our members in helping borrowers and promoting postsecondary success
- Defend against threats
 - Reduction in guaranty agency compensation for loan rehabilitation
 - ED's delay in implementing not-for-profit servicer program
- Remove barriers to helping struggling borrowers

Overarching Theme – Support Borrower Services

NCHER Reauthorization Proposals

- Need for borrower services
 - RADD proposals point out need for financial literacy and debt management counseling
 - State and nonprofit agencies well positioned to provide assistance

Official FFY 11 2-year Cohort Default Rate Data

	Numerator	Denominator	CDR
FDLP*	273,147	2,594,669	10.5%
FFELP*	239,088	2,895,123	8.3%
National*	475,538	4,739,481	10.0%
FFELP*	239,088	2,895,123	8.3%
Cumulative GA #'s *	67,784	1,082,737	6.2%
Put Loan Rate	171,304	1,812,386	9.5%

Official FFY 10 3-year Cohort Default Rate Data

	Numerator	Denominator	CDR
FDLP*	137,977	1,069,612	12.8%
FFELP*	470,642	3,142,719	15.0%
National	600,545	4,082,570	14.7%
FFELP*	470,642	3,142,719	15.0%
Cumulative GA #'s *	162,742	1,551,169	10.4%
Put Loan Rate	307,900	1,591,550	19.3%

NCHER Reauthorization Proposals

- Remove barriers to helping borrowers
- Simplify relief for servicemembers
- Provide for more flexible repayment, particular for Parent Plus borrowers
- Separate Grad Plus and Parent Plus
- Provide exemption to preferred lender list requirements for low cost loan programs
- Tax provisions
 - Discharges for death and disability should not be taxable
 - Interest on student loan bonds should not be subject to AMT