



September 28, 2022

Richard Cordray  
Chief Operating Officer  
Federal Student Aid  
U.S. Department of Education  
830 First St., NE  
Washington, D.C. 20002

Dear Mr. Cordray,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully — and in the spirit of cooperation — submit our comments on the Federal Student Aid (FSA) Draft Strategic Plan for FY 2023-27.

NASFAA represents nearly 20,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

The draft strategic plan includes many laudable goals focusing on essential areas like customer service, equity, access, and efficiency. We offer the following suggestions to ensure important areas are not neglected in FSA's goals and performance indicators adequately measure progress toward goals and objectives.

On Goal 1, "Improve customer service for students and borrowers," FSA acknowledges the pivotal role higher education stakeholders play in delivering customer service to students and borrowers in all areas of federal student aid delivery. FSA commits in Objective 1.3 to engaging with stakeholders to improve student aid delivery, but falls short in the performance indicators to measure whether this goal is met.

FSA's only performance indicator for Objective 1.3 is to conduct surveys with third-party stakeholders. This solution represents an exclusively reactive approach to stakeholder engagement and lacks a metric by which FSA could measure success.

FSA must include in its performance indicators a commitment to proactive engagement with stakeholders to anticipate problems as well as to improve responsiveness when unanticipated issues arise. Far too often, financial aid administrators find themselves in the dark on FSA operational decisions that they should have been involved with, such as Operation Fresh Start implementation and broad-scale loan forgiveness<sup>1</sup>. Students and borrowers often come first to the financial aid office with questions. When we don't have answers, students may miss out on important federal benefits.

There are other looming issues NASFAA and others have urged FSA to address to avoid future customer service failures. Unfortunately, FSA's response has been inadequate. For instance, FSA announced plans to implement the cost of attendance (COA) and professional judgment provisions of the FAFSA Simplification Act on time, for the 2023-24 award year. NASFAA has repeatedly<sup>2</sup> reminded FSA of the quickly approaching October 1 FAFSA launch date, and the fact that institutions will have to delay making financial aid decisions if they don't have guidance on how to construct their COAs — yet to date, FSA has failed to respond.

NASFAA and others<sup>3</sup> have stressed the need for FSA to share a FAFSA simplification implementation roadmap to prepare institutions and college access professionals to serve students during this time of significant change to the federal student aid application process. Without the resources to prepare for these changes on our campuses, financial aid offices will once again find themselves without answers to students' questions.

You note in your Letter from the Chief Operating Officer that the strategic plan advances FSA's own accountability. We hope this is one area where FSA strives to be more accountable to stakeholders, and that FSA expands Goal 1 to include proactiveness and responsiveness to stakeholders to ensure the best possible customer service to students and borrowers.

On Goal 2, "Advance equity and access to student financial assistance," FSA states as two of its objectives, "Enable financial education and empowerment by helping students and families understand the benefits and responsibilities of financing post-secondary education," and, "Provide seamless, easy, customized interactions throughout the student aid lifecycle." Yet, we understand FSA has chosen not to develop a new tool by which prospective students can easily estimate their Pell Grant eligibility by providing only their income and family size, a tool that would undoubtedly contribute toward meeting this objective. Meeting the requirements of the

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<sup>1</sup> [https://www.nasfaa.org/uploads/documents/NASFAA\\_Letter\\_ED\\_FSA\\_Partnership.pdf](https://www.nasfaa.org/uploads/documents/NASFAA_Letter_ED_FSA_Partnership.pdf)

<sup>2</sup> [https://www.nasfaa.org/off\\_the\\_cuff\\_ep233](https://www.nasfaa.org/off_the_cuff_ep233)

<sup>3</sup> [https://www.nasfaa.org/uploads/documents/NASFAA\\_NCAN\\_Letter\\_Cardona\\_FAFSA\\_Changes.pdf](https://www.nasfaa.org/uploads/documents/NASFAA_NCAN_Letter_Cardona_FAFSA_Changes.pdf)

FAFSA Simplification Act by relying on an existing tool that requires significantly more effort from students and families goes against the spirit of both the law and FSA's stated objectives. We hope FSA will reconsider this decision and publish an easy look-up table on Pell eligibility.

With respect to Goal 3 to "Strengthen engagement and accountability for educational and financial institutions," we ask FSA to reexamine the statement, "Policy updates, systems training, and other pertinent information are efficiently delivered to all segments of the financial aid community." While this sentence is provided as a statement of fact, we would be remiss if we did not point out that our community sees this as an area in need of significant improvement.

### **Other Performance Indicators**

In addition to the concerns above, we note several other performance indicators that lack the specificity or metrics necessary to determine success and hope FSA will reevaluate these indicators.

- Objective 1.4: Address complaints and inquiries regarding financial aid products and services.
  - FSA's only indicator is timeliness of case handling. While prompt replies are a priority, FSA should establish parameters that balance accuracy with timeliness. A quick but incorrect response is not an indicator of success.
- Objective 2.1: Enable financial education and empowerment by helping students and families understand the benefits and responsibilities of financing postsecondary education.
  - FSA's only indicator is the overall borrower satisfaction score for online counseling. We encourage FSA to explore additional methods for ensuring students have gained knowledge from the counseling. A satisfaction score may indicate a user liked the format, or they found the counseling effective, but doesn't necessarily convey whether they learned what the counseling was designed to teach.
- Objective 2.2: Simplify the Free Application for Federal Student Aid (FAFSA®) process.
  - FSA's only indicator is the customer satisfaction survey score associated with completing the FAFSA, but we believe other relevant metrics include increased numbers of FAFSAs filed and shorter completion times. We ask FSA to consider adding those indicators.
- Objective 2.3: Provide seamless, easy, customized interactions throughout the student aid lifecycle.
  - FSA should add "accurate" to the types of interactions it strives toward, and add an indicator to measure accuracy. Inaccurate information from FSA contractors

harms students and borrowers. One unfortunate example is the Public Service Loan Forgiveness program where the Government Accountability Office found<sup>4</sup> that one of many causes for failures in the program was inaccurate information provided to borrowers.

- Objective 3.3: Provide inclusive and effective partner outreach, training, and technical assistance.
  - FSA's only indicator is institutional participation rates in Title IV training and specialized technical assistance programs. However, participation rates provide no information about an effort's effectiveness or inclusivity.

NASFAA remains committed to our longstanding partnership with FSA. We agree with and sincerely appreciate FSA's sentiment expressed in Goal 3 that "FSA achieves its mission of funding America's future with the assistance of participating educational and financial institutions; without them, FSA would not be able to fulfill its mission."

We appreciate the opportunity to comment on FSA's draft strategic plan for FY 2023-27. If you have any questions regarding these comments, please contact me directly or NASFAA Senior Policy Analyst Jill Desjean at [desjeanj@nasfaa.org](mailto:desjeanj@nasfaa.org).

Regards,



Justin Draeger, President & CEO

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<sup>4</sup> <https://www.gao.gov/assets/gao-18-547.pdf>