



May 31, 2022

Erin Higgins, Program Officer
National Center for Education Research, Institute of Education Sciences,
U.S. Department of Education,
400 Maryland Avenue SW,
Washington, DC 20202-7240

Subject: Department of Education, RFI Response

Thank you for the opportunity to provide comment on the request for information regarding datasets by the U.S. Department of Education on behalf of the National Association of Student Financial Aid Administrators (NASFAA). NASFAA represents more than 32,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. All told, NASFAA members serve nine out of every 10 undergraduate students.

As an association that focuses specifically on issues and policies related to the federal student financial aid programs, we have centered our comments on the need for more data transparency to improve policymaking.

The databases that Federal Student Aid (FSA) and the Department of Education (ED) possess are rich and robust, and they hold the potential to provide great insight into how the federal student aid programs, and the policies and requirements that go along with those programs, like verification, could be improved. While FSA has increased the amount of data they share and have improved the ease with which to find it, there is still a substantial amount of data that FSA has access to and either doesn't share publicly or shares at unpredictable intervals. At times, we gain insight into the breadth of data that is available only because it's requested by other federal agencies or members of Congress, included in ad hoc ED presentations, or because of events like negotiated rulemaking, where ED provides data to support its agenda or at the request of negotiators.

The establishment of the FSA Data Center as the repository for Direct Loan data has made it easier to access information posted by FSA and track trends in the portfolio composition and performance. However, that publicly available data remains quite limited. A small step would be for FSA to increase the type and scope of the information it provides in the Data Center.

This could include providing data on borrower outcomes, disaggregated by various borrower demographics, such as race, ethnicity, and EFC. Additionally, FSA could provide more data on the student loan repayment programs, including the approval time for income-driven plan

enrollment, recertification time for returning borrowers, and the number of abandoned/incomplete applications for both new and returning borrowers. Likewise, more data around the volume and characteristics of borrowers in deferment or forbearance disaggregated by time spent in the status would reveal any trends that may help inform policy fixes to ensure that these statuses are being used as intended and to the benefit of borrowers.

Public data about both the parent and grad PLUS loan programs, which have seen a monumental increase in borrowers and volume in the past years, is inadequate to evaluate trends among PLUS loan borrowers. Adding data points related to credit check approvals and denials, cohort default rates (CDR) for these programs, as well as the remediation rates broken down by the number of borrowers who appeal, find an endorser, or receive the supplemental unsubsidized direct loan offer, would offer new insight into how borrowers are using these loan programs, and allow policymakers to more quickly address worrying trends.

Verification, the process in which millions of FAFSA filers are selected by ED each year to have the information they submitted on the FAFSA validated by schools for accuracy, is another part of the federal financial aid process in which there is a lack of consistent data released by ED. While schools and researchers receive information on selection rates and the results of verification on an ad hoc basis, ED does not reliably release data on verification selection criteria, the characteristics of students most impacted by the verification process, or the degrees to which verification results in changes to financial aid awards, making it impossible to assess its true impact on students or value to taxpayers.

To ensure the most useful data is released, FSA should reach out to stakeholders to determine what information they believe should be included in the Data Center to answer the most pressing policy questions.

The impact of financial aid policies and practices on students and student outcomes are not fully understood today, despite the existence of powerful data that can help answer questions and guide policy decisions. More transparency of data from ED can provide policymakers and the public more insight into the federal student aid portfolio and related programs.

Thank you for your time and consideration of our comments and we look forward to working with you on these issues. If you have any questions regarding these comments, please contact me or NASFAA Policy Analyst Megan Walter at walterm@nasfaa.org.

Sincerely,

A handwritten signature in black ink that reads "Karen McCarthy". The signature is written in a cursive, flowing style.

Karen McCarthy, Vice President of Public Policy and Federal Relations