



Texas Association of Student Financial Aid Administrators

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XXXXX, 2017

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Dear XXXXX:

On behalf of the Texas Association of Student Financial Aid Administrators (TASFAA), I am writing to inform you of our support for the overall intent of HB 836 to provide students with more information on their student loan debt. Our support is tempered, however, by concerns about how best to accomplish this objective. Our membership represents approximately 2,000 financial aid professionals at 160 Texas institutions of higher education, and we hope our concerns and other comments, enumerated below, will merit your attention as we all seek to provide the best service possible for our state's students:

1. The bill would not provide students with a "full picture" of their state loan indebtedness (only a view at their current institution), which is not a best-practice.
2. Many institutions already provide a "full picture" of a borrower's federal student loan debt in their communications with students (state-made loans comprised 4.8% of undergraduate debt according to *THECB Report on Student Financial Aid in Texas Higher Education: FY 2015*).
3. The bill does not require the Texas Higher Education Coordinating Board (THECB) to develop a mechanism for sending to individual institutions the data for a "full picture" of a student's state loan debt at *both current and previous schools*. Doing so would provide a mechanism similar to the one for federal student loans via the National Student Loan Database System.
4. In terms of sheer business efficiency and quality customer service, the THECB as the lender of state loans is in a much better position to communicate comprehensive state loan debt information to borrowers. Doing so would also ensure the uniform reporting of the data.
5. Calculating remaining loan program eligibility within a particular program may not be of practical help for many borrowers because a student's eligibility may change repeatedly based on changes in dependency status, grade level, parent loan denial status, etc.
6. There is a potential for information overload and the need for multiple disclaimers when combining into a single notice three different types of student loans—i.e., federal, state-private and non-state private. Each type has different applicable terms—e.g., interest rates, repayment requirements, debt pictures (depending on loan type), and repayment options.

Our mutual goal of providing students with a "full picture" of their student loans would currently be best facilitated if the THECB provided annual notices to borrowers about their student loan debt. Prior to involving schools, it is essential that the THECB first develop the appropriate mechanisms, as has the federal government, to make this complete information available to schools. Full disclosure is essential for students to facilitate an understanding of their entire state loan indebtedness and help ensure reasonable future borrowing and the successful repayment of these funds.

In our view, the legislation in its current form would provide students with only a partial picture of their state loan indebtedness and would also impose very difficult and inefficient administrative burdens on individual institutions of higher education. We know this is not the intent of HB 836. As the single statewide professional association whose members administer the state and federal student financial aid programs, we would welcome the opportunity to assist in the further development of this legislation.

Sincerely,

Alan David Ahmad
President, TASFAAA 2016-2017
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