

November 20, 2018

Dear President,

As you may know, the Federal Perkins Loan Program expired Sept. 30, and the Department of Education (ED) will soon require institutions to repay funds they received from the federal government. ED will very soon—probably within the next month—issue guidance to institutions regarding the repayment of those funds.

One important issue in the repayment of these funds is how to account for student loan cancellations that were explicitly mandated by the Higher Education Act. Under law, schools are required to cancel loans for borrowers who were employed in any eligible public service profession (such as teaching, military service, or nursing). The federal government promised to reimburse schools for loans that were canceled, but has not done so since 2010. At this point, we believe institutions are owed more than \$300 million. Under the Tucker Act (28 U.S.C. 1491) as well as the Fiscal Year 2019 spending bill that funds the department, ED's obligation to reimburse those funds is clear and unambiguous, regardless of whether funds have been appropriated.

The American Council on Education (ACE) and the National Association of Student Financial Aid Administrators (NASFAA) sent letters to ED on July 11 and Oct. 5 asking that the department delay any remission of funds until this matter is resolved. Those letters can be found on ACE's [website](#).

We believe ED understands its obligation and is attempting to resolve this situation. However, the amount of money involved invariably means that multiple federal agencies are involved in this discussion and there has been no clear action on our request.

For this reason, we encourage all institutions who participated in the program and are likely owed money for unreimbursed cancellations, to reach out and engage on this issue. In particular, we would encourage you to contact your elected representatives in Congress, as well as Secretary of Education Betsy DeVos, Principal Deputy Under Secretary Diane Auer Jones, and General Counsel Carlos Muñiz at the Department of Education, about this matter. The main line for the department is 1-800-872-5327.

Obviously, you will want to work closely on this with your financial aid office. Because we are working closely with NASFAA, we are sure that you will find they are ready to proceed. Institutions can use a [spreadsheet](#) developed by NASFAA and ACE to calculate how much money they are owed.

We believe that outreach from institutions will be critical in securing a timely resolution, so it is important that lawmakers and ED officials hear from as many institutions as possible in the very near future. If you have any questions, or if we can be of assistance in any way, please feel



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free to contact Jon Fansmith in ACE Government Relations at jfansmith@acenet.edu or by phone at 202-939-9355.

We thank you for your support in moving this issue towards a fair resolution for campuses.

Sincerely,

A handwritten signature in black ink that reads 'Ted Mitchell'. The signature is written in a cursive style with a large 'T' and 'M'.

Ted Mitchell
President