



Tuesday, March 14, 2023

## In Today's Edition

- NCHER Webinar on the Department of Education's Dear Colleague Letter on Third Party Servicing
- The Department of Education Releases New Audit Guide for Third Party Servicers
- Department of Education Announces "Secret Shopper" to Investigate Colleges
- U.S. Department of Education News
- General News

---

## NCHER Webinar on the Department of Education's Dear Colleague Letter on Third Party Servicing

On Monday, March 27th from 2:00 – 3:00 p.m. ET, NCHER will hold a webinar to discuss the U.S. Department of Education's Dear Colleague Letter on third-party servicing. On February 15th, the Department released updated guidance to clarify when organizations that contract with institutions of higher education are considered third-party servicers and, thereby, subjected to disclosure, audit, and liability requirements. In the guidance, the Department added recruitment and retention services, software services used to administer Title IV programs, and the provision of educational content and instruction to those entities that are subject to these requirements and codified the prohibition on foreign-owned providers. The effective date for this guidance is September 1, 2023 and the Department is [accepting written comments](#) through March 29, 2023. Interested parties have raised concerns about the impact of the expansion of the definition of third-party servicers and how many entities will now fall under the definition. During the webinar, speakers from Thompson Coburn LLP will discuss the Dear Colleague Letter and

the potential implications for those industry participants that are current or potential third-party servicers. A question-and-answer session will follow the discussion. Members can register for the webinar on the [NCHER website](#).

## Department of Education Releases New Audit Guide for Third Party Servicers

Last week, the U.S. Department of Education released the [2023 Proprietary School and Third-Party Servicer Title IV Audit Guide](#). The new guide is effective for fiscal years beginning on or after January 1, 2023 and supersedes the 2016 Title IV Audit Guide and associated documents. Along with the Audit Guide,, the Department released a [transmittal letter](#) detailing some of the changes in the guide. Some of the modifications include expanding the minimum sampling requirements for third-party servicer engagements, clarifying the required elements of a third-party servicer report package, updating illustrative reports for proprietary school engagements and added illustrative reports for third-party servicer engagements, and updating the information to be included in the School Information Sheet (previously referred to as the Auditor Information Sheet) and the Servicer Information Sheet. Additionally the letter states that the new guidance clarifies when the guide can be used as a “safe harbor” and the auditor’s responsibility for ensuring that the requirements subject to audit are current and the attestation procedures are sufficient.

## Department of Education Announces “Secret Shopper” to Investigate Colleges

Today, the U.S. Department of Education [announced](#) that it will begin a “secret shopper” program to investigate whether colleges and universities are misleading prospective students about their academic programs or financial aid. The program, which will be run by the Office of Federal Student Aid (FSA), will examine whether institutions are misleading students about whether transfer credits to other schools, job and earning prospects, graduation rates, and financial aid options, among other things. The Department said that findings from the secret shopping program could be used as additional findings in an ongoing investigation or as evidence to open a new one. The agency also said that it may share the findings with the Inspector General, other federal agencies, or state authorities. In the statement, FSA Chief Operating Officer Richard Cordray stated, the “secret shopping is another tool in FSA’s toolbox as we expand our oversight work to hold predatory schools accountable,” adding that the goal is to make

sure “students, borrowers, families, and taxpayers are not being preyed upon to make a quick buck.” The Department also announced that it will be monitoring possible problems at institutions that recruit veterans, military servicemembers, and their family members. In some cases, the Department shared, students have complained that a school misled them about how much of their costs would be covered by GI Bill benefits. The Department said that it would seek to “address such violations and seek all appropriate corrective measures” but did not disclose any particular investigations into schools.

## U.S. Department of Education News

For today’s Federal Register, click [here](#).

---

### General News

[Yahoo Finance](#) reports that, as federal student loan borrowers wait in limbo for the U.S. Supreme Court ruling on the President’s student loan forgiveness plan, nothing is being done to address the real problem: the cost of higher education.

[Higher ED Dive](#) reports that the Education Corporation of America and its subsidiaries will pay \$28 million to settle allegations that it left students in the lurch following its sudden closure.

[Forbes](#) reports on the best student loan refinancing rates in March 2023.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).

***Do not forward this email with this link included.***

***Anyone clicking on this link will unsubscribe you from the Daily Briefing distribution.***

[Unsubscribe](#) | [Manage subscription](#)

**Copyright © 2023**

**National Council of Higher Education Resources**

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

