

2018-2019
ANNUAL REPORT

*Navigating the Crossroads
While Identifying
New Opportunities*



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MESSAGE TO THE MEMBERSHIP

As we look back over the last year, there can be no doubt that NCHER, its membership, and the entire higher education finance industry are at a crossroads. While the Federal Family Education Loan portfolio still totals roughly \$200 billion, many state and nonprofit organizations are facing tough decisions as the federal student loan legacy program continues to amortize. At the same time, the U.S. Department of Education continues to move forward with its Next Generation Financial Services Environment, which envisions major changes to the current federal student loan servicing and collections systems. Both federal and private student loan debt – and renewed calls for free college from prominent politicians – continue to dominate national headlines and talk around the kitchen table. While all of these issues are having a profound impact on our membership, they also present new and exciting opportunities.

As the Chair of the NCHER Board of Directors and President, we've spent the last year navigating the changing political and policy environment in an effort to ensure that our organization and our members are best positioned for success in both the short- and long-term. Following the falsehoods contained in the report issued by the American Federation of Teachers (and concern that the report would reverse many of the gains that the membership was able to accomplish over the last five years), we used the NCHER Advocacy Fly-In in July 2018 to go "back to basics" – talking about the important work of our members in helping students and families and promoting student success. The NCHER staff followed up this effort with a 15-week social media campaign where we spotlighted the work of our members through positive news stories, which garnered over 18,000 unique views and were shared hundreds of times on Facebook and Twitter. The NCHER Legislative Conference held in February 2019 gave us the opportunity to continue this approach while strengthening our ties with both Congressional Democrats and Republicans. Through individual meetings set up by NCHER, we also met with members of the House and Senate Education Committees to discuss the membership's legislative priorities for the reauthorization of the Higher Education Act, met with members of the House and Senate Appropriations Committees to advocate for a one-year extension of Account Maintenance Fees and other budget and appropriations priorities, and met with officials from the White House Domestic Policy Council, White House Office of Management and Budget, U.S. Department of Education, Federal Communications Commission, and Consumer Financial Protection Bureau to discuss potential changes in federal rules and regulations impacting the NCHER membership. Our reputation continues to be our biggest asset at the federal level.

Throughout its great history and into the future, NCHER intends to continue to be an active participant and leader in shaping policies impacting federal, state, and private student aid programs. To this end, we need to continue to strengthen our advocacy, communications, research, and operations agendas and continue to implement many aspects of the NCHER Strategic Plan. We're pleased that, this year, we were able to continue many of the organization's high-quality membership services and even begin a new bi-monthly podcast where members can receive important updates through an alternative and innovative method of delivery. The Annual Report that follows chronicles the important work that NCHER has been doing on behalf of its members. The journey that all of us began in 2010 is a long one – and the outcome is still a little murky. But working together, we can achieve our main goal of "Navigating the Crossroads While Identifying New Opportunities."



Ron Gambill

RON GAMBILL
NCHER Board Chair 2018 -2019



James Bergeron

JAMES BERGERON
NCHER President

Our Values

The National Council of Higher Education Resources' mission is to provide superior advocacy, communications, research, and operational support to its members so they may effectively help students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society.

Our Vision

The National Council of Higher Education Resources is the nation's oldest and largest higher education finance trade association in the nation. NCHER's membership includes state, nonprofit, and private organizations with public service missions to increase college access and success. Our members provide a holistic approach to student success, from administering 529 college savings plans to operating state-funded grant, loan, scholarship, and college access and success programs for first-generation, low-income students. The organization assists its members in shaping policies governing federal and private student loan programs on behalf of students, parents, borrowers, and families.

Key Strategic Goals 2018 - 2020

- Ensure that NCHER is a trusted, active, and credible resource and advocate for its members, federal and state policymakers, and other higher education stakeholders so it can effectively influence the legislative and regulatory processes.
- Deploy a communications strategy that promotes the successful work of the NCHER members' services on behalf of students and families, consistent with the advocacy agenda.
- Provide more effective and efficient high-quality support and professional development to members, including sharing of best practices in support of the NCHER members' services that assist students, families, and borrowers in accessing and completing postsecondary education.
- Engage and collaborate with our higher education partners on matters of mutual interests while continuing to promote and create membership services that are unique to NCHER.

ADVOCACY

Throughout 2018-2019, NCHER continued to strengthen its advocacy strategy in an effort to promote its priorities in support of students and families. Beginning in July 2018 with the NCHER Advocacy Fly-In and continuing in February 2019 with the NCHER Legislative Conference, the organization met with members of the House Education and Labor Committee and Senate Health, Education, Labor, and Pensions Committee to discuss the membership's legislative priorities for the reauthorization of the Higher Education Act, met with members of the House and Senate Appropriations Committees to advocate for a one-year extension of Account Maintenance Fees (AMF) and other budget and appropriations priorities, and met with officials from the White House Domestic Policy Council, White House Office of Management and Budget, U.S. Department of Education, Federal Communications Commission (FCC), and Consumer Financial Protection Bureau to discuss potential changes in federal rules and regulations impacting the NCHER membership. In preparation for the meetings, the NCHER staff developed a two-page document highlighting the important services that many of the members provide to students and families in their states and around the country, and a one-page document providing detailed figures on the impact of the membership's services. Even with the hyper-partisan tensions occurring on Capitol Hill and new leadership in the U.S. House of Representatives, the organization and its membership were able to secure a number of important legislative wins over the last year consistent with the strategy outlined in the NCHER Advocacy Plan.

First, NCHER and its membership secured language in the House and Senate version of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act for Fiscal Year 2019 – and approved as part of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act for 2019 – extending the authority of AMF paid to guaranty agencies for an additional year. This effort involved continuing to carry out a comprehensive strategy to push-back on the President's budget request to eliminate AMF, and mobilizing the guaranty agency community to engage their House and Senate members to discuss the importance of the funding to college access and success programs in their states. Second, the organization secured language in the House version of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act for Fiscal Year 2019 – and approved as part of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act for 2019 – leveraging the expertise of state and nonprofit organizations to assist student and parent borrowers repay their student loans. This effort involved working with interested NCHER mem-



bers to answer detailed questions from House and Senate staff on the language and role of the Small Business Administration.

NCHER also continued to play a major role in urging the FCC to reconsider its final rules on the Telephone Consumer Protection Act (TCPA) so that federal student loan servicers and collectors are able to better communicate with struggling students who need help to stay out of delinquency and default. In conjunction with the Student Loan Servicing Alliance and Education Finance Council, NCHER is pushing back on Congressional attempts to expand the use of deferments to various health illnesses, which would make the current federal student loan program unnecessarily complicated for borrowers.

In order to promote its legislative positions, NCHER sent a number of letters to federal policymakers either in support or opposition to legislative proposals that impact our membership. In 2014, the organization sent one letter; in 2015, it sent nine letters; in 2016, the organization sent 16 letters; in 2017, it sent 43 letters; in 2018, the organization sent 15 letters; and in the first half of 2019, it sent 11 letters. The letters touch on a variety of topics and allow us to build legislative support across party lines. For example, last year, NCHER worked with Sen. Tammy Baldwin (D-WI) and Senate Health, Education, Labor, and Pensions Committee Ranking Member Patty Murray (D-WA) on the *Stop Student Debt Relief Scams Act*, which would crack down on third-party debt relief companies. Because of NCHER's reputation on Capitol Hill, House and Senate staff held numerous conversations with our staff and the membership who answered questions and provided guidance on some of the hot topics of the day when it comes to student loans. NCHER's strong engagement, continued availability as a respected resource for information, and well-fostered relationships with policymakers will result in improved higher education financing and resources available to students and families.

Advocacy Priorities for the 116th Congress

The National Council of Higher Education Resources (NCHER) and its members assist students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society. The following are NCHER's advocacy priorities for the 116th Congress:

Assisting students and families in making smart postsecondary education decisions: According to recent statistics, federal and private student loan debt totals nearly \$1.56 trillion, an amount that policymakers and economists have cited is negatively impacting the ability of student borrowers to achieve postsecondary success, own a car, buy a house, or start a family. With college costs and student loan debt on the rise, more borrowers are struggling to repay their student loans on time. ASK: Encourage states and/or institutions to provide face-to-face financial education and counseling services to students and families; strengthen existing entrance and exit counseling requirements by supporting the *Empowering Students through Enhanced Financial Counseling Act*, which requires institutions to provide annual counseling to all student and parent borrowers so they better understand their financial obligations; and promote the use of 529 Plans by exempting a certain percentage of the assets held in 529 Plans from federal financial aid calculations.

Improving federal student aid programs: The U.S. Department of Education offers nine different repayment options to student borrowers who need help paying back their federal loans in a timely manner. The number of repayment plans – as well as the length of the Free Application for Federal Student Aid (FAFSA) – is confusing to students and parents and creates unnecessary barriers to higher education for low- and moderate-income students who often believe that a postsecondary education degree is unaffordable. Also, the American Enterprise Institute, New America Foundation, Heritage Foundation, and other think-tanks have examined the proliferation of student loan debt levels over the last decade and believe that the widespread availability of federal student loans, especially by parents without the ability to repay debt taken to finance their students' education, has contributed to the growing problem of unmanageable debt burdens. ASK: Simplify and streamline the myriad of student loan repayment plans by retaining the standard repayment plan and collapsing all of the existing Income-Driven Repayment plans into a single plan for all student borrowers; dramatically reduce the number of questions on the FAFSA; provide

authority to financial aid administrators to lower student loan limits; and limit the amount that parents can borrow under the PLUS program.

Providing an alternative to LIBOR to promote stability for federal student loan borrowers: Under the Higher Education Act, lenders can use the London InterBank Offered Rate (LIBOR) to calculate their special allowance payments under the federal guaranteed student loan program. But the rate is currently scheduled to be phased out by 2021. Ask: Pass a technical amendment that lenders can use LIBOR or an alternative rate set by the Alternative Reference Rates Committee when calculating special allowance payments under current law.

Improving access to loan rehabilitation for struggling borrowers: The federal government's principal program for assisting defaulted borrowers struggling to repay their student loans is loan rehabilitation. Under this program, student and parent borrowers who make nine voluntary, on-time payments within ten consecutive months regain eligibility for federal student aid and the default status is removed from the borrowers' credit reports and their accounts are no longer subject to wage garnishment or tax refund offset. Also, over the last few years, there have also been challenges in the transfer of rehabilitated loans primarily handled by private collection agencies and guaranty agencies to the federal student loan servicers. ASK: Allow defaulted borrowers to rehabilitate their loans a second time, if needed; and streamline the transfer of rehabilitated loans to better assist borrowers.

Protecting students and families by combatting debt relief scams: Over the last few years, the number of third-party debt relief companies has exploded led by the overall increase in student loan debt. These companies charge exorbitant fees to struggling student and parent borrowers, many of whom are already delinquent in repaying their student loans, for help in enrolling in an income-based repayment plan and/or applying for a consolidation loan – help that they can receive for free from their federal student loan servicers. Ask: Support the *Stop Student Debt Relief Scams Act* that would restrict access to the Department's information technology systems; require institutions to provide a warning to borrowers that they may be contacted by third-party debt relief companies; and prevent improper access to the National Student Loan Data System.

Promoting greater consumer choice for both federal and private student loan borrowers: Under the Higher Education Opportunity Act of 2008, colleges and universities choosing to maintain a list of preferred lenders for private education loans must comply with a set of complicated disclosures and reporting requirements. Because of the new rules, many schools have shied away from having preferred lender lists and largely ended counseling students and parents on various sources of financial aid. Also, the Truth-in-Lending Act (TILA) ensures applicants for almost all consumer loans are provided with a federally-mandated disclosure of the true cost of their loans (the annual percentage rate or APR), which includes the interest rate, any origination fees, and all other loan costs. The purpose of the notice is to allow borrowers to compare different loan options before they become financially obligated. But federal student loans are exempt from this requirement. ASK: Remove preferred lender list restrictions; and support the *Transparency in Student Lending Act* (S. 234/H.R. 811), which mandates that Direct Loan borrowers receive accurate disclosure of the cost of their loans.

Allowing struggling borrowers to rehabilitate their private education loans: In 2017, Congress passed the Economic Growth, Regulatory Relief, and Consumer Protection Act, which allows private education loan borrowers to request a "financial institution" remove the default record from his or her credit report if he or she has successfully completed a loan rehabilitation program. However, the law inadvertently used a definition of "financial institution" that excludes state and nonprofit organizations and other nonbanks. Ask: Allow "private education lenders" as defined under the Truth-in-Lending Act to offer private loan rehabilitation.

Promoting better loan servicing for student and parent borrowers: Since 2009, the U.S. Department of Education has used not-for-profit and for-profit organizations to provide important services to borrowers with loans made under the Federal Direct Loan Program. The current competitive structure – using a mix of state and non-profit and national for-profit organizations – promotes high levels of customer service, establishes a benchmark for quality servicing, and saves taxpayers money. Ask: Develop a federal student loan servicing system that includes a single portal so that borrowers can easily access important information about their federal student loans; develop a Common Manual to set high-quality and strong national servicing standards and protections for all Direct Loan



borrowers (the manual could include best practices around payment allocation, repayment options, due diligence, default aversion, etc.); provide greater support for those borrowers that are in late-stage delinquency and need additional help to repay their student loans; and foster the participation of multiple service providers to promote competition.

Eliminating unnecessary barriers to assist federal student loan borrowers: Since 1965, guaranty agencies have provided important services to students, borrowers, families, and the federal government. The agencies receive Account Maintenance Fees (AMF) to carry out many of their administrative activities, including college access and success initiatives. This funding is critical to ensuring that the agencies are able to perform critical functions that assist borrowers and protect federal taxpayers. Also, currently, guaranty agencies do not receive reinsurance for claim repayments for three weeks or more following the time they pay a claim. This puts unnecessary stress on an agency's Federal Fund, which is the property of the federal government, and can curtail an agency's ability to provide critical services to assist struggling borrowers. Finally, the Higher Education Act caps the percentage of recoveries that a guaranty agency can make through Direct Consolidation Loans. Ask: Extend the payment of AMF for the life of the reauthorization process; provide just-in-time reinsurance payments to facilitate cash flow into the Federal Fund; and remove the 45 percent cap on Federal Direct Consolidation Loans.

Leveraging the expertise of state and nonprofit organizations to help struggling borrowers: College affordability and student loan debt are important issues on the minds of our nation's students and families. According to the U.S. Department of Education and Federal Reserve Bank of New York, almost 11 percent of borrowers who took out a federal student loan defaulted on that loan within three years, and over 10 percent of all student loans are either in delinquency more than 90 days or in default. Clearly, student and parent borrowers need access to more specialized support services throughout their postsecondary education to help them understand their financial decisions. State and nonprofit higher education agencies have been highly successful in providing important services to struggling borrowers for decades because they provide a holistic approach to student success. Ask: Include legislative language providing Department of Education primes with credit for working with small business subcontractors, including state and nonprofit organizations, in order to help struggling borrowers, similar to the report language included in past appropriations bills.

Promoting tax-exempt financing of education loans to reduce borrowing costs for students and families: State and nonprofit organizations are authorized by Congress to issue tax-exempt private activity bonds to provide low-cost loans to students and parents to help them pay for the costs of a postsecondary education. Under section 150(d) of the Internal Revenue Code, some of these nonprofit organizations are authorized to issue tax-exempt bonds to finance only student loans made under the federal guaranteed student loan program. Congress eliminated this program in 2010, thus limiting the ability of the nonprofit organizations in these states to offer low-cost private education loans. In addition, in 2015, the Internal Revenue Service, through the issuance of Notice 2015-78, provided guidance on the rules governing the uses of tax-exempt funds to finance private education loans. While the guidance was welcome, it left some ambiguity that has caused confusion for many issuers of tax-exempt student loan bonds, thus impeding their ability to offer lower rate loans to student and parent borrowers. Finally, current law caps the amount of tax-exempt bonds that can be issued in each state to fund student loans, along with certain housing and economic development programs. ASK: Support the *Student Loan Opportunity Act*, which allows 150(d) organizations to issue tax-exempt qualified student loan bonds to finance private education loans; clarify tax-exempt bonds used to make private loans that refinance existing tax-exempt private loans are not advance refunding bonds, particularly where the issuer is utilizing new volume cap to issue the bonds; provide guidance on how a lender can demonstrate that a loan being refinanced meets the loan size limitation under current law; and eliminate the state volume cap on private activity bonds while preserving tax-exempt financing of education loans.

Using technology to help struggling borrowers: The Bipartisan Budget Act of 2015 included an important provision amending the Telephone Consumer Protection Act (TCPA) so calls to collect federally-owned or -guaranteed debt can be made to cellular telephones using an autodialer or prerecorded voice without prior consent. The purpose of the new law was to allow more borrowers to receive timely information to avoid or get out of delinquency and/or default. But the Federal Communications Commission (FCC) issued final rules that were overly-broad in their reach and unreasonably restrictive, permitting only three-call-attempts over a 30-day period and subjecting callers to strict liability if they inadvertently dial a reassigned number, essentially gutting the intent of the law. ASK: Urge the FCC to reconsider its final rule implementing the Bipartisan Budget Act and the final rule broadly defining an autodialer and imposing other TCPA restrictions in order to strike a more appropriate balance between protecting consumers and allowing reasonable and responsible use of dialer technology to reach borrowers on their cell phones; and support the Commission's establishment of a reassigned number database.

Select Examples of Advocacy Efforts

- Developed and distributed position papers on the organization's advocacy priorities during the NCHER Legislative Fly-In and the NCHER Legislative Conference.
- Held an NCHER Legislative Fly-In in July 2018 where NCHER members met with the Consumer Financial Protection Bureau, U.S. Department of Education's Office of Federal Student Aid, Senate Health, Education, Labor, and Pensions Committee Republican and Democratic staff, Senate Appropriations Committee Republican staff, and House Education and the Workforce Committee Republican and Democratic staff and held a Congressional staff briefing on state and nonprofit organizations' ideas for reauthorizing the Higher Education Act.
- Held the NCHER Legislative Conference in February 2019 where the organization was able to meet with staff from the Senate Health, Education, Labor, and Pensions Committee, Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, House Education and Labor Committee , House Higher Education and Workforce Investment Subcommittee, House Appropriations Subcommittee on Labor, Health and Human Services, and Education, the Consumer Financial Protection Bureau, the Federal Communications Commission, the White House Domestic Policy Council, and the White House Office of Management and Budget.
- Letter to the U.S. Department of Education providing public comments on the proposed rule on borrower defense to repayment.

- Letter to the Federal Communications Commission providing public comments on the request for information on the definition of an autodialer and other provisions interpreted under the Telephone Consumer Protection Act as a result of *ACA International v. FCC*.
- Letter to the Federal Communications Commission providing public comments on the request for comment on the *Marks* decision.
- Letter to the Federal Communications Commission expressing concern over the declaratory ruling on advanced methods to target and eliminate unlawful robocalls.
- Letter to the Consumer Financial Protection Bureau providing comment to the Request for Information on the consumer complaint process.
- Letter to the Consumer Financial Protection Bureau providing comment to the Request for Information on consumer financial education.
- Letter to the House Appropriations Committee and Senate Appropriations Committee in support of language promoting small business contracting opportunities.
- Letter to the House Appropriations Committee and Senate Appropriations Committee in support of extending the authority for Account Maintenance Fees past September 30, 2019.
- Letter to the House Education and the Workforce Committee in support of H.R. 1635, the *Empowering Students Through Enhanced Financial Counseling Act*, which would promote financial literacy through enhanced counseling for recipients of federal financial aid.
- Letter to Sen. Mike Enzi (R-WY) and Rep. John Curtis (R-UT) expressing support for S. 234 / H.R. 811, the *Transparency in Student Lending Act*, which aims to improve the information provided to students and parents by requiring the disclosure of the annual percentage rate or APR so that federal student loan borrowers understand the true cost of a loan and can make better financial decisions.
- Letter to Sens. Mark Warner (D-VA) and John Thune (R-SD) and Reps. Scott Peters (D-CA) and Rodney Davis (R-IL) expressing support for S. 460 / H.R. 1043, the *Employer Participation in Repayment Act*, which would expand the current Employer Education Assistance Program, which is limited to assisting employees that want to further their education, to allow employers to contribute up to \$5,250 tax-free to their employees to help them repay their student loans.
- Letter to Sen. Chuck Grassley (R-IA) expressing support of S. 887, the *Know Before You Owe Federal Student Loan Act*, which would require colleges and universities to provide borrowers with counseling each year in which they receive a new federal loan; and require such counseling to include estimates of the borrower's monthly payment amount compared to their estimated monthly income, a statement that the borrower does not have to take out the maximum amount of federal student loans, options for reducing overborrowing, and a process whereby the borrower will manually enter the amount that he or she intends to borrow.
- Letter to Reps. Alma Adams (D-NC) and Mark Walker (R-NC) and Sens. Doug Jones (D-AL) and Tim Scott (R-SC) expressing opposition to the elimination of Account Maintenance Fees included in H.R. 2486 / S. 1279, the *Fostering Undergraduate Talent by Unlocking Resources for Education or FUTURE Act*.
- Letter to the House Energy and Commerce Committee expressing opposition to the Eshoo amendment, which was slated to be offered to H.R. 3375, the *Stopping Bad Robocalls Act*, to repeal the provision included in the Bipartisan Budget Act of 2015 that allows the federal government and its contractors to use advanced, efficient calling technology to call or text cell phones solely to collect debt owed to or guaranteed by the United States.

COMMUNICATIONS

During the 2018-2019 year, NCHER continued to implement its proactive communications strategy, which focused on improving the way the media (and the public) view the industry. Through the creation of the Communications Committee, the organization has a core group of public relations experts to bounce ideas off of and look for opportunities to promote membership. It is currently being used to carry out many aspects of the NCHER Communications Plan. The committee created a 15-week social media campaign titled #WeAreNCHER, which sought to spotlight its members and the good work they do through daily posts with photos and/or graphics that contained details of projects, services provided, little-known facts, and testimonials. The campaign achieved the established goals of: increased brand awareness, improved student loan messaging by breaking down the complexity of services by turning data into a useful story, shared positive news stories by promoting the good work our members are doing, and increased member engagement. The 75 posts garnered over 18,000 unique views and were shared hundreds of times on Twitter and Facebook. Due to its success, the committee decided to conduct a shorter social media campaign surrounding #CollegeDecisionDay, which highlighted the unique programs and events that NCHER members conduct for students in their local communities. In addition, the committee's bi-monthly calls continued and addressed such issues as: How to Make Data into a Story; Marketing Tool Kit/Being Prepared for Marketable Events; Organizational Communications; and Building Solid Relationships with the Media. The calls serve as an opportunity for members to share ideas and experience, offer advice, build their support network, and establish ideas.

In February 2019, NCHER started a bi-monthly podcast – *NCHER in 30* – which serves as an additional service for those members who want all of the federal, state, and industry news in about 30 minutes, in a medium that lets them listen to it on their own schedules: in their car, on the Metro on the way home, or over the weekend. Each podcast is focused on one or two particular topics of interest to the membership and contains a rapid-fire roundup (a Washington insider's view of what's going on in higher education and financial aid on a federal level), covers recent headlines that the members should be reading, and highlights some of the events and administrative activities that are coming across members' inboxes. NCHER's premiere communications tool, the *Daily Briefing*, remains the number one benefit enjoyed by the membership and the best opportunity to receive the latest news impacting the higher education finance industry. While NCHER has begun to be more succinct in its offering, with more links to further information, each issue continues to contain a variety of original stories that touch on nearly every sector of the industry. Readership continues to be around 1,000 readers per issue.



NCHER also continued to work and improve its relationships with the national and trade media, by participating in interviews, providing off-the-record background on higher education finance policy, providing the names and contact information for a select number of NCHER lenders, servicers, and collectors who agree to talk to the press and share their personal experiences, and providing quotes and statements to the national and trade press. Over the last year, NCHER was successful in getting coverage in publications such as *The Atlantic*, *Bloomberg*, *Inside Higher Ed*, *MarketWatch*, *NPR*, *Politico*, *U.S. News and World Report*, *The Hill*, *The Wall Street Journal*, and *The Washington Post*.

As in previous years, NCHER participated in Capitol Hill's annual Jump\$tart Financial Literacy Day where it distributed college access and success materials collected from the membership, and met with Congressional staffers, advocacy organizations, the public, and members of the media to share NCHER's priorities to help student borrowers and their families.

Throughout the year, NCHER adjusted its communications efforts to ensure that its messages were successfully reaching their intended audiences. From April 1, 2018, through March 31, 2019, NCHER's Twitter followers increased by 15 percent. This was mainly due to the 75 posts in the #WeAreNCHER social media campaign which garnered more than 18,000 Facebook views and hundreds of likes and shares on both Facebook and Twitter. There has been a slight increase in live tweeting by NCHER members during conferences, which has been warmly received by lawmakers and their staff, as well as those individuals who are unable to attend the events. The NCHER staff continues to take a significant number of photos at each of its meetings and shares them on a variety of social media platforms.

As technology continues to improve and new platforms emerge, NCHER hopes to take advantage of the opportunity to share important slices of news, research, and events with the general public.



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#CollegeDecisionDay

This is How UHEAA Has Helped Utahans With College

STUDENTS

\$11.3 M
in grants to 13,000 students

SAVINGS

\$226 M
in borrower benefit savings to students

REHABILITATION

8,500
defaulted borrowers a second chance through rehabilitation

EDUCATING

1,500
events showing 145,000 Utahans how to pay for college

TODAY, UHEAA

- Employs more than 270 staff
- Contributes \$20 million in annual payroll to the local economy
- Services \$7 billion in student loans

TO SEE WHAT YOUR STATE IS DOING, VISIT GOING2COLLEGE

#WEARENCHER

CONFERENCES

NCHER held two major conferences this year, which spanned across our diverse memberships' needs and addressed various areas of expertise. Each of the conferences provided the membership with an opportunity to learn relevant updates on higher education financing policy taking place at the federal level, to learn about important efforts taking place in the industry and the higher education community to prepare college access and success, and to network with friends and colleagues.

2018 Annual Conference

In kicking off its inaugural Annual Conference under the theme, "Inspiring Leaders and Building Generations," NCHER worked to ensure that all attendees of its diverse membership were able to attend sessions that applied directly to their work. Located in the heart of Charleston, SC, attendees arrived the first week of June and were greeted by Charleston Mayor John Tecklenburg. Serving as keynote speaker, Strada Education Network President and Chief Executive Officer Bill Hansen discussed his organization's current and future work by emphasizing the importance of increasing college completion, its work with Gallup, and its transition to a leading thought-leader in postsecondary education. The conference included both general and concurrent sessions on the 2018 midterm election, ways to combat student loan fraud, hot topics in compliance, the changing demographics of the student population, the future of LIBOR, improving the workplace for existing and new employees, best practices in supporting student and parent borrowers, a debate on whether the federal government should allow borrowers to discharge their student loans in bankruptcy, best practices in improving information technology, trends in student loan repayment, rehabilitation, and collections, as well as private education loans, and an update on the Telephone Consumer Protection Act. The Consumer Financial Protection Bureau (CFPB) was also on hand to provide an update on its growing role in the student loan marketplace.





2019 Legislative Conference

Following the 2018 midterm election that changed both the policy and political landscape and left a divided nation searching for answers, NCHER kicked off its 2019 Legislative Conference, held the first week of February in Washington, DC. Attendees of the three-day meeting had the opportunity to hear from Senate Health, Education, Labor, and Pensions Committee Member Maggie Hassan (D-NH) and House Education and Labor Committee Members Suzanne Bonamici (D-OR) and Phil Roe (R-TN) who shared their priorities for the upcoming reauthorization of the Higher Education Act. The conference also featured a number of sessions geared toward providing updates from key policymakers and staff on important issues impacting the NCHER membership. Sessions included: building an effective message to influence policy in Washington and at home, a review of the major stories impacting higher education from national and trade reporters, an update on college promise initiatives across the country, new ideas and new research for higher education, an update on state actions impacting the industry, a Congressional staff panel, an update from the U.S. Department of Education and CFPB, and a discussion on federal developments impacting the higher education finance industry. Similar to program agendas from previous years, the conference offered the members the opportunity to take their message directly to Capitol Hill in an effort to educate federal policymakers on their advocacy priorities for the year. NCHER members attended meetings with the staff members working for the Senate Health, Education, Labor, and Pensions Committee; Senate Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies; House Education and Labor Committee; House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies; House Higher Education and Workforce Investment Subcommittee; the CFPB; the Federal Communications Commission; the White House Domestic Policy Council; and White House Office of Management and Budget.

CAUCUSES

NCHER's caucuses serve as the primary venue to discuss current and future legislative and regulatory items impacting the higher education finance community and reach consensus among the organization's diverse membership. The caucus structure provides the membership with the opportunity to play a key role in policy and operational development at the federal and state level, thereby having an impact and making a difference across the industry.

Collection Agency Caucus

The NCHER Collection Agency Caucus is made up of private collection agency (PCA) members who are under contract or subcontract with the U.S. Department of Education to service its defaulted loan portfolio; who are PCAs under contract or subcontract with one or more guarantee agencies to service Federal Family Education Loan Program loans; and/or who are agencies interested in servicing defaulted loans under federal and private student loan programs. Co-chaired by Lynn Heineman Reynolds (formerly with Account Control Technology, Inc.) and Frank Cann (F.H. Cann and Associates), the caucus exchanges and solicits ideas and promotes legislative and regulatory items important to collection agencies that provide default prevention and default recovery services for student loan programs. In June 2018, the caucus held an in-person meeting in conjunction with the NCHER Annual Conference in Charleston, SC where it discussed recent developments and next steps in the Department's procurement for a Next Generation Financial Services Environment that proposes to bundle servicing and collection services; the Consumer Financial Protection Bureau's (CFPB) potential rules on debt collection and other actions involving the Office of Students and Young Consumers; NCHER's response to the notice from the Federal Communications Commission (FCC) seeking public comment on the recent court decision involving auto-dialers; and state student loan licensing laws. In February 2019, caucus members met with senior officials with the CFPB where they discussed the important work that they perform on behalf of students, parents, and taxpayers in an effort to further influence the debt collection rule and senior officials with the FCC to talk about the Commission's effort to reform the Telephone Consumer Protection Act (TCPA) in order to better communicate with borrowers. Over the last year, the caucus was instrumental in ensuring that federal policy makers were aware of the many important services that private collection





agencies offer on behalf of borrowers and taxpayers, which served as the basis for an op-ed issued by NCHER President James Bergeron that appeared in *The Hill*.

Guaranty Agency Caucus

The NCHER Guaranty Agency Caucus is made up of state and nonprofit guaranty agencies designated by the Secretary of Education under section 428(b) and (c) of the Higher Education Act and former guarantors who remain involved in activities, including philanthropic efforts, devoted to enhancing access and completion of postsecondary education. Co-chaired by Rene Drouin (formerly with the New Hampshire Higher Education Assistance Foundation) and Terry Mulenborg (Strada Education Network), the caucus promotes and gives active support to guaranty agencies and provides a forum to facilitate the exchange and solicitation of information, ideas, policies and procedures impacting these organizations. The caucus relies on a workgroup of Chief Financial Officers to monitor the actions of the Department of Education that may impact guaranty agency financing or reporting, including reviewing and commenting on annual Department revisions to the Guaranty Agency Financial Report. In June 2018, the caucus held an in-person meeting in conjunction with the NCHER Annual Conference in Charleston, SC where it discussed several important developments impacting its membership. The caucus discussed the importance of opposing the President's budget request for Fiscal Year 2019 to eliminate Account Maintenance Fees (AMF) paid to guaranty agencies, the negotiated rulemaking panel that was working to codify the Dear Colleague Letter on collection costs, the FCC's recent actions to reform the TCPA, recent passage of various state student loan servicing laws and their impact on guarantors, and the House and Senate action on reauthorization of the Higher Education Act. The caucus also examined the Department's information technology security reviews and best practices and dis-

cussed feedback from recent program reviews and the upcoming schedule. Over the last year, caucus members were instrumental in reaching out to their Congressional delegations in opposition to the AMF repeal included in the President's budget request and obtaining language in the House and Senate versions of the Fiscal Year 2019 Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act extending AMF for an additional year. Finally, the caucus continued to work with the Department to improve information technology.

Not-for-Profit Lender and Servicer Caucus

The NCHER Not-for-Profit Lender and Servicer Caucus is made up of state-designated and nonprofit lenders, loan holders, secondary markets, servicers, and third-party service providers. Chaired by Gene Hutchins (Kentucky Higher Education Assistance Authority), the caucus provides a forum for the exchange and solicitation of ideas and the promotion of legislative and regulatory initiatives that improve access to and successful repayment of federal and private student loan programs. In June 2018, the caucus held an in-person meeting in conjunction with the NCHER Annual Conference in Charleston, SC where attendees discussed several relevant items impacting the membership. The caucus discussed the Department's Next Generation Financial Services Environment, the CFPB's recent actions involving the Office of Students and Young Consumers and NCHER's response to the Request for Information on consumer complaints and consumer education, the FCC's recent action on defining an auto-dialer and creating a database of reassigned numbers, and the impact that state student loan servicing laws were having on federal and private loan servicers. Finally, the caucus received an update on the reauthorization of the Higher Education Act and prospects for any changes to the Parent PLUS program. Over the last year and illustrated through monthly calls, caucus members played a leadership role in promoting the organization's advocacy strategy for repealing current preferred lender list restrictions, enhancing loan disclosures for federal student loan borrowers, and increasing the role of the private sector in federal lending by capping the Parent PLUS Loan program – all items included in the House Education and the Workforce Committee's bill to reauthorize the Higher Education Act passed in December 2017. The caucus also continued to support the organization's request to include language in the House and Senate versions of the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act to encourage the Department of Education's nine national for-profit and not-for-profit student loan servicers to work with smaller state and nonprofit organizations as subcontractors to provide personalized financial education and debt management services to struggling borrowers.

Student Loan Ombudsman Caucus

NCHER, in conjunction with the U.S. Department of Education's Ombudsman, established this caucus to provide a resource for the creation and support of effective student aid problem resolution, methodologies, techniques, and processes that promote equitable services for all participants. Co-chaired by Melissa Johnson (Ascendium Education Group) and Diane Zitur (Educational Credit Management Corporation), the caucus provides a forum to discuss how its members can work together to protect student and parent borrowers, including sharing information within the caucus as well as with other federal agencies. The caucus holds bi-monthly conference calls with guaranty agencies, servicers, lenders, the Department of Education, the CFPB, and other interested parties to identify and report on trends, provide training and mentoring, and serve as the voice of fair process throughout the student loan life cycle. In September 2018, the caucus held its annual two-day meeting in Washington, DC to discuss those major items of importance to the caucus members. The meeting provided attendees with the opportunity to hear from Federal Student Aid and CFPB officials, and other guest speakers. The meeting also included extensive discussions on hot topics and efforts to improve professional development and training such as the latest on credit reporting and how to assist borrowers avoid third-party debt relief scams. The caucus members continue to take the lead in helping to combat student loan fraud by identifying organizations and the red-flags involving third-party debt relief companies. During the year, the caucus also focused on working collaboratively and opening the dialogue with some of the new State Ombudsman's Offices to ensure that students and borrowers are receiving the assistance and support they need at the state level.

COMMITTEES

NCHER's committee structure serves as the organization's main tool to foster collaboration and networking within and across industry sectors and hash out policy and operational issues with subject matter experts.

College Access and Success Committee

The NCHER College Access and Success Committee assists the membership in meeting their public missions to increase college access and completion for students interested in pursuing a postsecondary education. Chaired by Christine Conway (University of Phoenix), this committee fosters and promotes best practices for those activities around career and college exploration, planning, and counseling; pre-college, in-school, and post-college financial wellness; and college-to-career initiatives, and efforts to assist students in transitioning to successful employment. The committee also monitors legislative and regulatory activities that impact state grant programs and 529 plans and provides recommended improvements to policymakers. The committee has 69 members on its listserv and holds bi-monthly conference calls to share information, hear from guest speakers, and discuss timely issues. The committee also helps ensure that the Going2College website is current, so students and families have an easier way to learn about the many programs, services, and information that NCHER members provide to help students succeed. This year, the committee held presentations and discussions about the Free Application for Federal Student Aid (FAFSA), mobile app, Student Financial Wellness Survey, college student food and housing insecurity, America Saves, scholarships, and examples of college financial wellness programs. Over the last year, the committee provided recommendations to the U.S. Department of Education to enhance the FAFSA and responded to the Consumer Financial Protection Bureau's (CFPB) Request for Information regarding the efficiency and effectiveness of consumer financial education programs, including the role that NCHER members play in their states and communities. This information was also shared with the U.S. Department of the Treasury as part of the upcoming activities and discussion related to the Financial Literacy and Education Improvement Act. The committee participated in the annual Jump\$tart Financial Literacy Day on Capitol Hill, which provides the opportunity for NCHER members to share college access and success materials with Congressional staffers and members of the general public. The committee joined NCHER's Communications Committee in promoting a social media campaign—#WeAreNCHER—to help spread the word on available products and services from member organizations done to support students and families.





Debt Management and Borrower Support Committee

The NCHER Debt Management and Borrower Support Committee, co-chaired by Brad Eigsti (NSLP) and Lynn Heineman Reynolds (formerly with Account Control Technology, Inc.), represents a wide cross-section of the NCHER membership from guaranty agencies to private collection agencies to servicers. With 75 individuals on the listserv, the committee provides a forum for the exchange of policy and operational issues specific to reducing delinquency and default and to increase the recovery of defaulted student loans. Over the last year, the committee worked closely with the Department of Education to ensure that there was a smooth transition to the implementation of significant changes to the Treasury Offset Program that occurred in late 2018. Both the Department and guaranty agencies now certify borrowers on a weekly basis as soon as they become eligible and, because of this change, the annual certification and re-certification of all accounts is no longer performed. Conference calls continued into 2019 to ensure the opportunity for dialogue between the Department and guaranty agencies. The committee also provided assistance to NCHER and its staff on reform of the Telephone Consumer Protection Act.

Legal Affairs Committee

Chaired by Tom Levandowski (Wells Fargo Bank, N.A.), the NCHER Legal Affairs Committee is composed of 160 attorneys and others with an interest in legal issues that impact student financial aid, including issues related to lending, financing, consumer protection, compliance, and loan servicing and collection. Through its semi-annual meetings and listserv, the committee serves as a forum for sharing information on judicial, regulatory, and legislative developments, as well as a resource for members on legal topics. The committee's Fall Meeting took place in October 2018 in Chicago, IL. Hosted by NCHER member Hinshaw & Culbertson, the meeting's highlight was a Supreme Court update by University of Illinois College of Law Dean Vikram David Amar who gave another of his engaging presentations. The meeting also included sessions on cybersecurity, the legal challenges to the Department of Education's regulatory actions, a thought-provoking session on the applications of artificial intelligence in servicing student loans, and an overview of Illinois' *Student Loan Servicing Rights Act* provided by the Illinois Department of Finance and Professional Regulation. The committee's Spring Meeting took place in April 2019 in Alexandria, VA, with an agenda full of sessions of topical interest, including credit reporting, government contracting law, Telephone Consumer Protection Act developments, and state servicing laws and related litigation. Of special note, for the first time, the meeting included a speaker from the Federal Trade Commission who provided an overview of the agency's enforcement activities.

Private Education Loan and Consumer Finance Committee

The NCHER Private Education Loan and Consumer Finance Committee, chaired by David Bailey (Kentucky Higher Education Assistance Authority), is comprised of NCHER members who originate, service, or collect private education loans or who provide legal services in support of this market. The 110-member committee provides a forum to promote the development of sound public policy with respect to private education loans. The committee monitors the legislative and regulatory activities of the CFPB and other consumer protection activities at both the national and state levels, including the growing trend by states to regulate student loan servicing, including the servicing of private education loans. The committee holds bi-monthly conference calls on topics of interest to its members. During the past year, the following topics have been featured: an examination of the market for financing private loans; the market for lending to students from foreign countries; the Consumer Bankers Association's private education loan agenda; the use of academic data in underwriting; the private education loan provisions of the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (Public Law 115-174); and the servicing of private education loans.

Program Regulations and Policy Committee

The NCHER Program Regulations and Policy Committee provides regulatory support to the membership, serves as a forum for sharing operational and policy knowledge and experience, including best practices, and coordinates policy across all NCHER committees. The committee, which is chaired by Lynn Racculia (Pennsylvania Higher Education Assistance Agency) and has 113 individuals on its listserv, conducts monthly conference calls to discuss timely topics and maintains a constant flow of relevant information to share knowledge and promote best practices. The committee also supports the membership during negotiated rulemaking and develops NCHER responses to Requests for Information, Requests for Proposals, Notices of Proposed Rulemaking, sub-regulatory positions of the Department of Education, proposed federal forms, *Common Manual* proposals, and relevant proposed legislation. The committee prepares extensive analytical and training materials related to current and proposed regulations and legislation for dissemination to the NCHER members and other interested parties and provides content for the NCHER E-Library. The committee also provides operational support to lenders, servicers, secondary markets, guaranty agencies, collection agencies, and other participants in the federal student loan programs and provides specific subject matter expertise to other NCHER committees, caucuses, and workgroups. Additionally, the committee works closely with the Department, and, at the Department's request, has continued to provide technical assistance regarding updates for common Federal Family Educational Loan Program and Federal Direct Loan forms as well as providing recommendations regarding technical issues related to the National Student Loan Data System (NSLDS). Over the last year, the committee provided subject matter expertise on the Department's negotiated rulemaking sessions on borrower defense to repayment and the guaranty agency loan rehabilitation collection cost issue. It also continued to contribute to industry efforts to call attention to, and steer borrowers away from, unscrupulous third-party debt relief companies. The committee also provided extensive comments to the Department on the various deferment forms including the new Cancer Treatment Deferment form and the various discharge forms. The committee's workgroup activities include:

- The NSLDS Workgroup provided comments to the Guaranty Agency Data Provider Instructions.
- The Deferment Form Workgroup provided recommendations on the new Cancer Treatment Deferment form that, if incorporated, would streamline the application process for borrowers and physicians while reducing the potential for operational issues.
- The IBR Workgroup provided operational recommendations to the Department with respect to the Income-Driven Repayment Plan Request and continues to update the Income-Based Repayment Implementation and Best Practices Guide.

NCHER supports more than 80 member organizations that assist students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society. Membership in the organization is on an organizational, institutional, or agency basis rather than on an individual or personal basis. Under the organization's By-laws, there are currently three classes of membership:

Voting Membership

Voting Membership is open to all nonprofit organizations providing higher education services to students, parents, families, borrowers, institutions, and other stakeholders in the higher education finance industry. Higher education services shall include, but are not limited to:

- Providing information or services to students, parents, families, borrowers, and/or postsecondary education institutions designed to: 1) Improve college readiness upon graduation from high school; 2) Improve college access and enrollment; 3) Assist students and parents in understanding and accessing financial aid; 4) Improve financial education and literacy, debt management, and budgetary skills; 5) Assist students in making and planning for career choices; 6) Assist students in evaluating, selecting, and applying to postsecondary institutions; 7) Prevent or avert student loan delinquency and default; or 8) Enhance college completion, including through philanthropic efforts.
- Originating private education loans, providing financing and refinancing for federal and private education loans, and purchasing federal and private education loans.
- Administering postsecondary education scholarships, grants, college savings plans, and college access and success programs.
- Providing loan guaranty services on behalf of the federal government; or
- Servicing federal and private education loans.

Each member has one vote in the organization regardless of the scope or number of higher education services provided.

School Membership (Non-voting)

School membership is open to all nonprofit and for-profit postsecondary education institutions accredited by an accrediting agency recognized by the U.S. Department of Education and who are interested in helping students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society.

Affiliate Membership (Non-voting)

Affiliate membership is open to all nonprofit and for-profit organizations, not otherwise eligible for Voting Membership or School Membership, who are interested in helping students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society; provide services to members that further their mission to help students and families develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society; or provide financial education, career planning and career development, college access and success, debt management, delinquency aversion, default prevention, information technology linkages, financial aid administration, or collection services to students, parents, families, borrowers, and/or postsecondary education institutions.

High Quality Information Resources

NCHER provides its members with pertinent and timely information that they need to succeed in the student aid industry. The *Daily Briefing* provides relevant and timely updates to the membership every afternoon. Each month, the NCHER staff provides our members with a Washington update, Committee and Caucus activities, and an opportunity to ask questions and discuss common concerns. The NCHER E-Library provides members with access to a diverse archive of reference materials including commentary on federal laws and regulations, legal proceedings, and industry presentations.

Networking Opportunities

NCHER provides its members with a number of important networking opportunities to share best practices or the latest technology in support of the higher education finance industry. The executive level conferences, the Legislative Conference in February and the Annual Conference in June, are excellent opportunities to network with peers and hear experts discuss the hot topics impacting higher education financing. Members receive a significantly discounted registration fee for these meetings.

Advocacy, Communications, and Research Support

NCHER serves as a resource at the federal level should the members decide to visit Capitol Hill to advocate on behalf of their organization or particular subject matter. The organization's staff can arrange meetings, attend Hill visits, and help develop the best message and prepare leave-behind materials. The organization is also on the front lines promoting the important work of the members – and pushing back against the detractors – through traditional and social media.

NCHER also conducts important research on those areas of importance to the membership, tied to its advocacy and communications strategies.

Thought Leadership

One of the major benefits of joining NCHER is the opportunity to participate and be a thought-leader in the student financial aid community through involvement in NCHER committees. The committees (College Access and Success, Debt Management and Borrower Support, Legal Affairs, Private Education Loan and Consumer Finance, and Program Regulations and Policy) provide an excellent way to become more involved in student financial aid, working with peers to monitor and implement new regulations, set common standards, and create policy on delinquency and default prevention.

FINANCIAL STATEMENTS

Statement of Financial Position for the Fiscal Years Ending June 30, 2018 and 2017

ASSETS	2018	2017
Current Assets		
Cash and cash equivalents	416,720	\$ 856,092
Accounts receivable	26,560	27,690
Prepaid expenses and other assets	<u>38,726</u>	<u>46,021</u>
Total current assets	<u>482,006</u>	<u>929,803</u>
Investments	1,132,345	1,005,026
Property and Equipment		
Equipment	43,020	43,020
Furniture and fixtures	36,659	36,659
Leasehold improvements	<u>27,062</u>	<u>27,062</u>
Less: accumulated depreciation	106,741	106,741
Net property and equipment	<u>(92,937)</u>	<u>(86,168)</u>
Total Assets	<u>\$1,628,155</u>	<u>\$ 1,955,402</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	45,286	\$ 127,924
Current portion of capital lease	3,623	3,508
Deferred membership dues, standards fees, & other	<u>190,700</u>	<u>550,530</u>
Total liabilities	<u>239,609</u>	<u>681,962</u>
Other Liabilities		
Capital lease obligation	<u>1,887</u>	<u>5,795</u>
Total liabilities	<u>241,496</u>	<u>687,757</u>
Net Assets		
Unrestricted		
Undesignated	907,289	788,275
Designated	<u>479,370</u>	<u>479,370</u>
Total net assets	<u>1,386,659</u>	<u>1,267,645</u>
Total Liabilities and Net Assets	<u>\$1,628,155</u>	<u>\$ 1,955,402</u>

Statement of Activities for the Fiscal Year Ending June 30, 2018

	<u>Unrestricted</u> <u>Undesignated</u>	<u>Designated</u>	<u>Temporarily</u> <u>Restricted</u>	<u>Total</u>
REVENUE				
Membership dues	\$ 1,060,050	\$ —	\$ —	\$ 1,060,050
Conference fees	289,050	—	—	289,050
Sponsor income	31,000	—	—	31,000
Standards fees	30,000	—	—	30,000
Special meetings	28,000	—	—	28,000
Interest and dividends	7,395	—	—	7,395
Other revenue	27,212	—	—	27,212
Net appreciation of investments	29,061	—	—	29,061
Net assets released from restriction	<u>32,409</u>	<u>—</u>	<u>—</u>	<u>32,409</u>
Total revenue	<u>1,534,177</u>	<u>—</u>	<u>—</u>	<u>1,534,177</u>
EXPENSES				
Program services				
Conferences	251,063	—	—	251,063
Membership and program services	306,369	—	—	306,369
Advocacy	277,290	—	—	277,290
Committees	251,255	—	—	251,255
Special purposes				
Research and Outreach	<u>7,957</u>	<u>—</u>	<u>—</u>	<u>7,957</u>
Total program services expenses	<u>1,093,934</u>	<u>—</u>	<u>—</u>	<u>1,093,934</u>
Management and general	<u>321,229</u>	<u>—</u>	<u>—</u>	<u>321,229</u>
Total expenses	<u>1,415,163</u>	<u>—</u>	<u>—</u>	<u>1,415,163</u>
CHANGE IN NET ASSETS	119,014	—		119,014
NET ASSETS				
Beginning of year	<u>788,275</u>	<u>479,370</u>	<u>—</u>	<u>1,267,645</u>
End of year	<u>\$ 907,289</u>	<u>\$ 479,370</u>	<u>\$ —</u>	<u>\$ 1,386,659</u>

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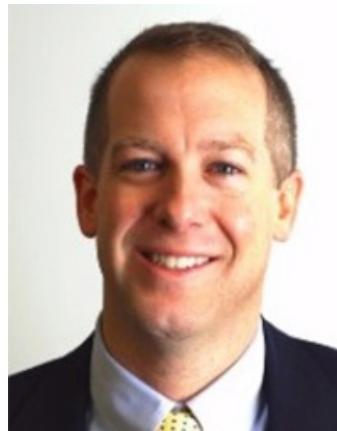
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