

Submitted Electronically at <http://www.regulations.gov>

July 9, 2018

Ms. Davida Farrar
Counsel
Consumer Education and Engagement Division
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Docket Number: CFPB-2018-0015

Dear Ms. Farrar:

The National Council of Higher Education Resources (“NCHER”) is responding to the above-referenced Request for Information (“RFI”), which relates to the Bureau of Consumer Financial Protection’s (“CFPB” or “Bureau”) assessment of the overall efficiency and effectiveness of its consumer financial education program. The RFI was published in the *Federal Register* on April 9, 2018.

NCHER is a national, nonprofit trade association representing state, nonprofit, and private higher education service agencies that help families, students and borrowers develop, pay for, and attain their educational goals so they can pursue meaningful and rewarding work and become contributing members of society. For more than 50 years, NCHER members have provided a range of college access and success services and programs to students, parents, schools, and community organizations to help individuals gain access to and succeed at postsecondary education. This includes financial aid awareness, consumer education, completion services and events for the Free Application for Federal Student Aid, borrower assistance, ombudsman support, training and assistance programs to high school counselors and financial aid administrators, and a wide range of financial literacy/education and wellness programs and services on budgeting, establishing good credit, paying for college, and successfully managing debt.

The Bureau has raised several important questions in its RFI; based on the expertise and decades of experience that its members have in assisting students and their families, NCHER has concentrated its recommendations on questions 1a, 1b, 1c, 1e, 1f, 2e, 3, and 4.

Questions 1a, b, and c

- NCHER believes the CFPB’s current consumer financial education information is too generalized for today’s college students and should focus more on the diverse college student population, including working adults and lower-income students. We also believe that the Bureau’s effort should focus on college completion as a key step to financial wellness since we know that

students who do not complete their postsecondary education degree and drop out are more likely to become delinquent and default on their federal and private student loans.

- NCHER believes that the Bureau’s consumer financial education efforts – especially information provided to borrowers with federal student loans – should be coordinated with the U.S. Department of Education (the “Department”) to ensure that there is consistent information provided across federal agencies. All federal agencies should also ensure that their financial education programs include relevant student loan information, from origination and repayment through delinquency and default, and that there is clear information provided to student and parent borrowers on the terms and conditions of their student loans.
- The Bureau should also encourage borrowers to connect and stay in contact with their student loan holder, lender, or servicer. Students that have consistent communication and contact with their student loan holders, lenders, and servicers rarely default on their loans, in large part because the service providers can educate them about their student loan repayment options available under the law and how to avoid delinquency and default. Our members know that if a borrower will connect and stay in contact with their servicer, it will make them less vulnerable to third-party debt relief companies that take advantage of uninformed borrowers. NCHER is aware that the Bureau is currently working with both the Department, the Federal Trade Commission, and state Attorneys General to try to protect students, families, and borrowers from unscrupulous and illegal debt relief scams. Our members continue to work with their appropriate federal and state agencies to help protect students and families from deceptive student loan debt relief scams as well, but more needs to be done. The Bureau should develop a public campaign designed to explain the role of loan holders/lenders/servicers to student and parent borrowers and the importance of remaining in contact with them throughout the student loan life-cycle. Student borrowers should know that answering a phone call from their servicer can get them on the path to successful repayment. NCHER endorses a potential “take the call” campaign where borrowers are encouraged to answer, rather than avoid, calls from their student loan service providers to avoid the penalties and costs of delinquency and default.
- In *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2016 Update*, the U.S. Department of Treasury’s Financial Literacy and Education Commission (“FLEC”) outlined a goal of “determining the personal finance knowledge and skills individuals and families need to make informed financial decisions at various life stages and for particular life events.” NCHER believes that the Bureau should strengthen its work with FLEC and that FLEC’s *My Money Five* should be supplemented to include guidance for individuals planning for, attending, and paying for college.

Questions 1e and f

- Current research demonstrates that a-one size-fits-all approach does not work when it comes to financial education and counseling to help support the diverse financial wellness needs of students and their families. NCHER believes that the nation’s financial education programs must emphasize local, customized, and in-person “boots on the ground” programs and services that are so critical to the individuals in their states and regions. NCHER members have provided these important services for decades as part of a holistic approach to student access and success. To be successful, our members leverage their experience to develop programs and offer services that are creative and responsive to the changing needs of the student population, especially underserved students and families, and the overall community. They also focus on creating vital partnerships among providers to better provide much-needed support services to

ensure that they are not duplicating efforts and making the best use of limited resources. We strongly believe that many of the consumer financial education programs provided by the Bureau can be further improved and enhanced with state- and local-based partnerships and conversations and we hope our recommendations can help to start this collaborative action.

- According to the most-recent Federal Reserve report, over 40 million Americans have student loans. But millions of additional students and their families engage with the higher education system at some point in their lives making this a multi-generational issue. As such, NCHER believes that the Bureau's financial education efforts must be focused on the elementary and secondary school level so that students are exposed to such information as early as possible. Also, and even though this idea is clearly outside of the scope of the Bureau, NCHER recommends that financial education be integrated as part of the core curriculum at both the elementary and secondary and higher education levels.

Question 2e

- NCHER recommends the Bureau's Financial Well-Being Scale be modified to address situations specific to college students, and that the scale be expanded to include additional questions or key indicators for college students or borrowers. This would be particularly helpful for educational institutions who seek to implement financial wellness coursework or programming, as a baseline assessment of student knowledge, proficiency, and attitudes.
- NCHER recommends that the Bureau collaborate with organizations that are also conducting various research projects on financial wellness as part of improving its Financial Well-Being Scale. For example, NCHER member Trellis Company has conducted and released extensive research measuring the effectiveness of financial education that could help influence the Bureau's efforts. The organization recently released the *Student Financial Wellness Survey Report* and reported that "more than two-thirds of respondents are less than confident they will be able to pay off the debt they acquired while in school." This finding supports the need for financial wellness before and during enrollment in college.

Question 3

- Recently, the White House released a document titled, *Delivering Government Solutions in the 21st Century*, which stated there are more than 20 federal agencies involved in financial education activities. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 mandated that the Bureau develop and implement a strategy to improve the financial literacy of consumers and initiatives to educate and empower consumers to make better informed financial decisions. Consistent with the law, NCHER believes that the Bureau's underlying mission of "consumer protection" involves providing information or access to information to a consumer that allows he or she to make the best financial decision for their own unique situation. The Bureau could meet its goal of consumer protection and address the potential problem outlined by the White House by working with FLEC to coordinate efforts and serve as the clearinghouse of education material from multiple federal agencies. In this potential role, the CFPB could focus on disseminating the information to consumers, as well as conducting and coordinating research on the effectiveness of those materials and their delivery method. As part of the dissemination efforts, the Bureau should involve state and nonprofit organizations to deliver those needed resources within local communities. As noted above, these organizations understand their local community and will know what works best to reach the intended audience.

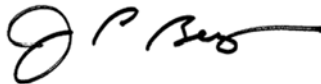
- Financial education must be provided to consumers in a way that is relevant and engaging to them while providing the resources at the right time to influence potential decisions. With the increased use of social media and the valid concern about sharing information from trusted sources, NCHER recommends that the Bureau research the effectiveness of various technologies. The Department of Education currently provides online and social media resources (videos, etc.) to students and their families; rather than duplicate those efforts, the Bureau should continue to complement and enhance the efforts of the other federal agencies.

Question 4

- NCHER shares the CFPB's commitment to the importance of consumer financial education and would like to work with the Bureau to share the expertise and experiences of our members so that we are able to accomplish many of the items discussed in this response. Outside of those areas identified above, the NCHER membership would like to work with the Bureau to improve the nation's financial education infrastructure and identify, enhance, and share effective practices across elementary and secondary and higher education systems. The continuum of support for consumer financial education is key to college access and success, and a major way to address the student loan debt challenge impacting our country. NCHER members have been – and continue to be – active in the consumer financial education space, and we look forward to new opportunities and partnerships to help expand the ways we can participate in the Bureau's important work, including joint research projects, broad-based research forums, and continued public awareness efforts to raise overall levels of financial wellness and capability.

Thank you for the opportunity to provide these comments on the Bureau's consumer financial education program. NCHER members look forward to playing an active role in future discussions based on the unique role that we have in our states and communities. If you have any questions or need additional information, please feel free to contact me at jbergeron@ncher.us or at (202) 822-2106.

Sincerely,



James P. Bergeron
President