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February 3, 2017

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

RE: CG Docket No. 02-278

Dear Ms. Dortch:

On behalf of College Foundation, Inc., I am writing to express our support for the comments submitted by the National Council of Higher Education Resources (NCHER) in response to the Notice in the *Federal Register* on January 17, 2017, asking for responses to a petition for reconsideration filed in the Federal Communication Commission's (the "Commission") rulemaking proceeding by representatives of Great Lakes Higher Education Corporation, Navient Corp., Nelnet Servicing LLC, Pennsylvania Higher Education Assistance Agency and the Student Loan Servicing Alliance (collectively "Petitioners"), of the Commission's Report and Order released on August 11, 2016 (the "Order").

College Foundation, Inc. (the "Foundation") is an NCHER member and a 501(c)(3) nonprofit corporation, chartered in 1955 by the Governor of the State of North Carolina and two other State officials for the purpose of assisting students in defraying their education expenses in attending eligible education institutions. As agent and independent contractor for the State instrumentality known as the State Education Assistance Authority, the Foundation has served as the central loan originator and continues to serve as the servicer for the NC Federal Family Education Loan Program ("NCFFELP"). The Foundation has served as an "eligible lender" pursuant to 435(d)(1)(D) of the Higher Education Act since enactment. The Foundation acts for the State Education Assistance Authority in servicing and administering certain aspects of the NCFFELP loan portfolio. To accomplish the Foundation's goals in servicing and collecting federal student loan debt, the Foundation provides, among many resources, call centers and telephone counseling to borrowers to assist them in utilizing all of the available options, including multiple payment plans, deferment options and forbearance assistance, to avoid becoming delinquent in repayment.

The Order purports to implement the authority granted to the Commission by Section 301 of the Bipartisan Budget Act of 2015 (the "Budget Act Amendment"). The Budget Act Amendment exempts from the Telephone Consumer Protection Act's (the "TCPA") prior consent requirement those calls made to a telephone number assigned to a cellular telephone services "solely to collect a debt owed to or guaranteed by the United States." The Foundation supports NCHER's comments which focus on the impact that the Order will have on student and parent borrowers and their families, and the collection of education loans owed to or guaranteed by the United States.

Specifically, the Foundation supports the following comments and recommendations made by NCHER:

- The legislative history of the Budget Act Amendment provides the context of its purpose. It was the intent of Congress to clarify that the use of automatic dialing systems and prerecorded voice messages is allowed when contacting wireless phones in the collection of debt owed to or guaranteed by the United States, and more specifically, to enhance the effectiveness of the servicing and collecting of federal student loans.

- There is consensus that more effective servicing and collection of student loans is needed. The complexity of the federal student loan program requires that student loan collectors and guaranty agencies be able to reach and talk with struggling borrowers about repayment options, including loan rehabilitation.
- In connection with establishing more effective servicing and collection of student loans, live communication with the borrower is necessary. There are a large number of federal repayment plans and repayment options that are unknown to many student and parent borrowers. More individuals within the age groups of typical student loan borrowers are exclusively using cellular telephones. Live communication with these borrowers is critical to effectively convey this information. The restriction on the numbers of calls to borrowers makes it extremely difficult to achieve a live conversation with a borrower. The Foundation supports NCHER's and the Petitioners' request concerning the Order's limit on the frequency of calls to collect federal student loans.
- The Order makes it more difficult to communicate with Federal Direct Loan borrowers. The Order is inconsistent with the Commission's July 5, 2016 Declaratory Ruling on the Petition for Declaratory Ruling by Broadnet Teleservices, LLC, et al. As a result, subjecting federal contractors servicing Direct Loans to the prohibitions of the TCPA adversely affects their ability to service and collect Direct Loans on behalf of the federal government.
- The Order's restriction on calls to reassigned numbers renders the Budget Act Amendment meaningless. The Foundation supports NCHER's recommendation for the Commission to allow one live contact, not simply one call attempt, to constitute a reasonable opportunity to learn of a reassigned number.
- The Order is broader than the Budget Act Amendment exemption and should be reconsidered because some of its provisions lie outside the authority to craft rules granted to the Commission by Congress.
- The Foundation agrees with and supports NCHER's request that the Order make clear that Federal Family Education Loan Program ("FFELP") loans are covered by the relief granted by the Budget Act Amendment. Specifically, Congress in including the term "guaranteed by the United States" in the Budget Act Amendment specifically intended for calls made to FFELP borrowers (not just Federal Direct Loan borrowers) to be covered by the exemption.
- The Foundation agrees with and supports NCHER's request that the reconsideration cover default collections as well as servicing. Organizations collecting defaulted student loans have tools to help struggling borrowers, such as federal loan rehabilitation, which would result in the removal of a default from the borrower's credit record, among other benefits to the defaulted borrower. As is the case with student loan servicing, live communication with the borrower is critical to convey this beneficial information and help the borrower through the rehabilitation process.

Thank you for the opportunity to provide comments regarding the petition for reconsideration of the Order. College Foundation, Inc. urges the Commission to fully consider the comments and recommendations made by NCHER on behalf of its members and to modify the Order accordingly.

Sincerely,

Wendy H. McAlister
President & CEO
COLLEGE FOUNDATION, INC.