



November 30, 2007

Committee on Education and Labor  
U.S. House of Representatives  
Washington, D.C. 20515

**RE: Impact of the Definition Change for Cohort Default Rates**

Dear Representative:

I write in concern over the inclusion of the Amendment to H.R.4137 offered by Mr. Grijalva of Arizona and Mr. Bishop of New York that changes the definition of a cohort default rate from 2 years to 4 years. The impact of this legislation will adversely affect all sectors of education, especially if there is not a "phase in" of the criteria.

Champion College Solutions has provided borrower education and student loan debt counseling for Federal Student Loans for 18 years with remarkable results. We are paid a flat rate to provide these services to those students who attend our client schools; primarily high-risk students. On average, we have cut default rates for our clients in half. I am in this business because I passionately believe that education is the vehicle for making dreams come true.

For your consideration, we have completed an analysis of the impact of this legislation on all sectors of higher education. Currently, there is no exemption for any schools affected. Please, find enclosed the [Report on the Impact of Change in the Cohort Default Rate Definition](#).

Additionally, there are many socio-economic conditions totally unrelated to the quality of education that affect long-term default rates. There is also the impact of graduated payment schedules, primarily offered to public school students, with consolidated loans that affect default rates in the 4<sup>th</sup> year of repayment – when the payment goes up and they can't afford the increase, they default. The number of high-risk students attending traditional institutions has increased; thus, decreasing the number of institutions who have historically qualified for participation rate index exemptions.

Ultimately, we believe that this language should be completely removed. In the very least, changes need to be made to allow for a phase in time for schools to implement processes that can insure future program integrity and access for those students whom the Higher Education Act was written in the first place.

We greatly appreciate your time and consideration. Please, don't hesitate to contact us with any questions or concerns.

Best Regards,

  
Mary Lyn Hammer  
President and CEO

*Attachments*

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