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## **Submitter Information**

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## **General Comment**

### **Items Added to the Student Survey**

We understand that NCES has already been in the process of field testing items for the latest BPS follow up, so it may be too late to add the item below. If that is the case, we strongly recommend NCES consider including it for the next follow up with students.

### **Whether Students Are Making Payments on Parent PLUS Loans**

The Technical Review Panels for this round of BPS indicate that NCES is working to add more questions to the survey instrument that ask about whether students received support from their friends and/or family while attending college. But we think there is one area where greater clarity on the form this support actually takes would be valuable—Parent PLUS Loans. In particular, we would like NCES to consider adding a question for students whose parents have one of these loans whether they or their parent(s) will be the one making payments on them.

Parent PLUS Loans are the least generous federal student loan option. They carry a higher interest rate than all other loans except for Grad PLUS and are the only type of federal student loan offered by the Department that cannot be paid down through an income-based payment plan. The rationale for these worse terms is that the loans are not being subsidized by the government to make college more accessible for students, but rather to help parents assist with financing their child's education.

But such a setup presupposes that Parent PLUS Loans are actually paid back by parents, not the students themselves. Whether that's the case, though, is unclear. Anecdotally, stories abound of Parent PLUS Loans that are actually being paid by students, even though only parents have a legal obligation on those debts.<sup>1</sup> Whether parents or students are the ones paying off Parent PLUS Loans has significant policy ramifications for how these debts should be considered. If they are actually paid off by students that may suggest the need for better institutional aid policies or greater consideration to flexibility in borrowing.

The question of who is paying back PLUS Loans becomes more important in light of other policy debates over the criteria that should or should not be in place for awarding these debts in the first place. Historically Black Colleges and Universities (HBCUs), as well as some for-profit institutions have raised concerns about the administration of the credit check to determine eligibility for these loans. The Department of Education has indicated its concerns about this issue enough to schedule a set of negotiated rulemaking sessions to address this issue.

### **Items to be added through matches to Department of Education Data**

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<sup>1</sup> See for example [http://www.huffingtonpost.com/steve-rhode/my-daughter-defaulted-on\\_b\\_4303214.html?utm\\_hp\\_ref=business&ir=Business](http://www.huffingtonpost.com/steve-rhode/my-daughter-defaulted-on_b_4303214.html?utm_hp_ref=business&ir=Business) where a parent describes how her daughter “co-signed” on a Parent PLUS loan.

We believe that the following items could be added to BPS data without needing to expand the survey instrument to students. Rather, they could be obtained from variables that are either already in the National Student Loan Data System (NSLDS) or are in the process of being added to it.

### **Income-Based Repayment Usage**

The Department of Education is working to alert borrowers about the opportunity to participate in the Income-Based Repayment Program, or its similar counterpart the Pay As You Earn (PAYE) Program. These efforts are possible due to changes in NSLDS that now capture more information about a student's repayment plan. We suggest NCEs consider matching students participating in BPS with NSLDS to retrieve this repayment plan variable and add it to the data analysis option.

When paired with the numerous other variables in BPS, adding information about a student's payment plan would generate a better understanding of the types of borrowers using different repayment options. In particular, it would make it possible to see the types of colleges, debt levels, background characteristics, and other factors that might explain why some students choose to pay off loans more quickly or end up on income-based payment plans.

### **Gainful Employment Program Flag**

The Department is undergoing a significant regulatory process to define what it means to provide gainful employment in a recognized occupation based upon various outcome measures that take into account earnings, debt levels, and student loan repayment performance. As part of this work, the Department has released for the first time information at the program level of earnings and debt levels. But these data are incomplete and tell us very little about academic experiences, the background of students, or other useful data. To improve upon this, we recommend NCEs add a flag into BPS that indicates whether the student was enrolled at a gainful employment program. Enacting this change will make it possible to generate cross-tab information about students and deepen the understanding of what it means to be in a gainful employment program.

## **NCES RESPONSE:**

### **Items Added to the Student Survey – Parent PLUS Loans**

NCES has carefully reviewed your suggestions to collect data on dependent students who repay their parents' Direct PLUS loans. The Department of Education also considers PLUS loan repayment to be an important policy consideration. As alluded to in your comments, field testing has already concluded for the current BPS:12/14 survey and adding new questions to collect information on PLUS repayment at this stage, without testing, may lead to limitations of analysis later on. With any new question in the student interview, NCEs strives to ensure that students interpret and respond to these questions in a consistent manner. The Department of Education intends to pursue these items after the appropriate field testing has been completed. NCEs will have another opportunity to ask about students' payment of parent PLUS loans during 2017, at the second follow up of this BPS student cohort.

The Education Policy Program at New America Foundation also suggested that BPS data include additional items from the National Student Loan Data System (NSLDS).

### **Income-Based Repayment Usage**

The Department of Education agrees that collecting data on students who elect income-based repayment plans is important. BPS is well-suited to include this data and NCES plans to add information from NSLDS about the type of repayment plan borrowers choose for their federal loans, a process which has been tested with a similar study. After matching to the Department of Education loan database, these items will be available with the release of the BPS:12/14 restricted-use data file. Derived variables will also be created and released on PowerStats, the NCES web tool for analysis of postsecondary studies.

### **Gainful Employment Program Flag**

The Department of Education is committed to providing information about employment outcomes for specific programs of study and the gainful employment initiative aims to bring this data to the public. However, the Department is still in the process of defining measures related to gainful employment and other details of the initiative have not yet been finalized. NCES feels it is premature to add this data element to BPS:12/14 at this time. Once the final regulations are in place, this topic will be revisited and feedback from the BPS Technical Review Panel will be used to help inform the decision to add this element to a future BPS follow up.

Thank you again for your comments and your interest in the BPS data collection.

Sincerely yours,

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