

Congress of the United States
Washington, DC 20515

April 30, 2010

The Honorable Arne Duncan
Secretary of Education
United States Department of Education
400 Maryland Ave., SW
Washington, D.C. 20202

Dear Secretary Duncan:

The Health Care and Education Reconciliation Act of 2010 imposes the most sweeping changes in the past 50 years to the nation's student aid programs. The most dramatic change is the requirement that all institutions of higher education participate in the Department of Education's Direct Loan Program by July 1, 2010. Given the abbreviated timeframe for implementation of this mandate, we have concerns about whether the Department is giving schools all the tools they need to overhaul their student loan disbursement systems and comply with the new law. We would like to ensure the Department is ready and able to assist schools with this transition as was communicated to the public prior to passage of this Act. For example, the primary website upon which schools now rely for information about the transition to Direct Loans, www.studentloans.gov, experienced numerous technical problems over the last two weeks that have caused delays for schools attempting to access the Common Origination and Disbursement (COD) functions.

We are aware that new programs often experience glitches in the initial phases of implementation, such as those that occurred recently in the Department's launch of the new Income-Based Repayment plan. In that situation, despite more than a year's preparation, the Department experienced technical problems that prevented borrowers from taking advantage of this new repayment option.

To ensure such harm to student borrowers is not repeated and schools have all the information they need to make an effective and timely transition to Direct Lending, we are hereby requesting twice monthly, bicameral briefings beginning the week of May 10th to update congressional staff on the ongoing transition. These briefings will enable Congress to be kept fully apprised of the Department's efforts, which will in turn enable us to communicate effectively with our constituents inquiring about the process. Such briefings will likewise give us the opportunity to report any problems from the higher education community's perspective that may not have been brought to the Department's attention.

We request that these briefings provide regular updates on the transition to Direct Lending, including but not limited to the following topics:

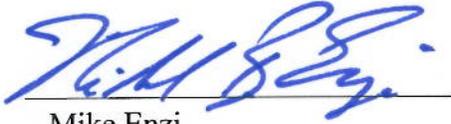
- The Department's overall plan for the transition;
- Procurement activities to assist with the transition and operation of the Direct Loan program;
- Benchmarks the Department has set for assessing the progress of the transition;
- The number of schools remaining to fully transition;
- Any contingency plans put in place by the Department in the event that the transition does not go smoothly or is incomplete on July 1;
- Information related to the technical capabilities of the Office of Federal Student Aid to handle the increased loan volume;
- The Department's implementation plan and oversight plan for the servicing agencies;
- The process for designating financial institutions for disbursement of funds to foreign institutions of higher education;
- The distribution of technical and financial assistance to institutions of higher education;
- The distribution of financial assistance to avoid job losses;
- The number of new staff, including contractor staff, hired by the Department for the transition;
- The minimum qualifications required for staff and contractors to work on the Direct Loan program;
- The staff to be reassigned within the Department to assist with the transition;
- Information related to how the schools are able to manage the reconciliation process and how frequently this process is being completed on campuses; and
- The impact of the transition on call volume to customer service centers, the wait time for callers, and any fluctuations in calls made to the Office of the Ombudsman.

Additional questions will likely emerge as this process moves forward, and we look forward to addressing these issues as they arise through this briefing process.

Thank you for your prompt attention to this request. We are certain you agree on the need to ensure a seamless transition for students now required to participate in the Direct Loan program. These briefings will facilitate much-needed congressional oversight and allow for a rapid response to implementation challenges as they occur.

If you have any questions, please contact Chris Eyler with Sen. Mike Enzi (christopher_eyler@help.senate.gov / 224-6596), or Amy Jones with Rep. John Kline (amy.jones@mail.house.gov / 226-9421).

Sincerely,



Mike Enzi
United States Senator



Lamar Alexander
United States Senator



John Kline
Member of Congress



Brett Guthrie
Member of Congress