



Americans for Financial Reform
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February 8, 2016

Director of the Information Collection Clearance Division
U.S. Department of Education
400 Maryland Avenue SW.
LBJ Room 2E103
Washington, DC 20202-4537

RE: Agency Information Collection Activities; Comment Request; Enterprise Complaint System (Docket ID number ED-2015-ICCD-0138)

Dear Director,

Americans for Financial Reform (“AFR”)¹ appreciates the opportunity to comment on the Department of Education (the “**Department**”)’s proposed Enterprise Complaint System (“ECS”).

We are encouraged that the Department is taking steps to develop a system that allows for complaints about not just federal aid and loans, but also the institutions that participate in the Federal Title IV Fund program. It is crucially important that students and borrowers have a centralized place to report problems and issues with their schools, loans, and loan servicing, and we commend the Department for its proposal. We have several general recommendations, detailed in Section I, and more detailed recommendations, which we have included in Section II, that we believe would greatly improve the final ECS.

I. General Recommendations

a. Complaint Transparency and ECS Information Sharing

AFR strongly supports the crucial recommendations made in the joint letter submitted by coalition of consumer and student advocacy groups (“**coalition letter**”), which AFR and over 50 other organizations signed onto.² As highlighted in the coalition letter, the ECS must be public and searchable, with optional consumer complaint narratives. While the College Scorecard has been an important new tool for

¹ Americans for Financial Reform is a coalition of more than 200 national, state and local groups who have come together to reform the financial industry. Members of our coalition include consumer, civil rights, investor, retiree, community, labor, faith based and business groups. A list of coalition members is available at <http://ourfinancialsecurity.org/about/our-coalition/>.

² Coalition Comment Letter to the Department of Education, 8 Feb. 2016, <http://ticas.org/content/pub/coalition-letter-education-department-proposed-complaint-tracking-system>.

prospective students, there is no way for students and borrowers looking to consolidate their loans to rate the performance of servicers. This is a point highlighted in a comment letter by a financial aid administrator in response to the comment period: that students are looking for advice on which consolidation servicer to choose, and they currently lack resources to make an informed choice.³ This is just one example of the many benefits a public complaint system provides. In addition, as cited in the coalition letter, the ECS must be connected to the Federal Trade Commission's ("FTC") Consumer Sentinel Network, to ensure that the information reported can be accessed by state and federal law enforcement, in order to allow law enforcement to identify patterns and trends to guide their enforcement efforts.

b. To Ensure Wide Economic Inclusion, ECS Must be Mobile Ready

It was unclear from the Enterprise Complaint System Implementation Text Baseline ("Baseline") included in the Notice whether the Department intends to make the ECS mobile ready – optimized to be viewed and used on a mobile or smartphone. A recent Pew study showed that [7% of Americans](#) are "smartphone-dependent": they only have internet access through smartphones – and do not have regular access to desktop computers.⁴ The same Pew study pointed out that this problem is even larger among minorities and low-income Americans: 13% of Americans whose annual household income is less than \$30,000 per year are smartphone-dependent; 12% of African Americans and 13% of Latinos are smartphone-dependent. Thus, it is crucial for both fair access and economic inclusion that the ECS be usable on a smartphone (including the widest possible range of mobile devices, web browsers, and desktop platforms).

In addition, the ECS should provide options for users to have a copy of their complaint emailed to them, in addition to one to print the complaint, as the population of "smartphone dependent" internet users also do not generally have access to printers.

c. Clarify Complaint Resolution Timelines and Allow Users to Dispute Resolution

It must be clear to anyone using the ECS on what timeframe they can expect a response to their complaint. Within 48 hours of complaint submission, users should be given a status update – noting where the complaint has been sent or referred to (this will depend on who the third party is), and in how long they should expect a response. For example, a user submitting a complaint about their servicer Navient should receive a notification informing them that their complaint has been received and forwarded to Navient, and that the Department has directed Navient to respond within 15 days.

We recommend that the Department give third parties 15 calendar days to respond to a complaint with information on how they will resolve the complaint. Upon receiving a response from the third party, the ECS user should be given the option to dispute the resolution, and provide additional information to the complaint if needed. Throughout the process, changes to a complaint's status should be continuously updated within ECS – so that users who submitted complaints can visit ECS any time and see the status of their complaint. The CFPB's complaint system provides a good model: companies have 15 days to

³ Sabulski, Lynn, Comment Letter to the Department of Education, 4 Feb. 2016, <http://www.regulations.gov/#!documentDetail;D=ED-2015-ICCD-0138-0012>.

⁴ Smith, Aaron, "U.S. Smartphone Use in 2015," Pew Research Center, 1 Apr. 2015, <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>.

respond to both the user making the complaint and to the Bureau, and companies are expected to be able to close nearly all complaints within 60 days.

II. Specific Recommendations

a. Directing Users to Other Systems for Out of Scope Complaints

In section 1.1 Landing Page of the ECS Baseline (“**Baseline**”) provided in the Notice, it lists the kinds of complaints handled as well as those not handled by ECS. Instead of simply pointing out that ECS does not accept complaints about private student loans, ECS should provide a link to the section of the Consumer Financial Protection Bureau (“**CFPB**”)’s complaint portal that accepts private student loan complaints.

b. Reporting Suspicious or Unlawful Activity Should be Filed as Complaints, not a Separate Category

As noted in the coalition sign on letter, the “report suspicious activity” category listed in the Landing Page should not be a separate category; instead, it should be folded into the “File Complaint” section, and it should be clearly listed that a user can report suspicious or unlawful activity through the “File Complaint” button.

c. Collect the Complaint First, User Information Second

As noted in the coalition letter, currently the proposed ECS prompts the user for their personal information at the start of the complaint process, asking them to choose if they’d like to login with their FSA ID, provide personal information, or submit a complaint anonymously. However, it would encourage users to finish their complaints if the request for personal information came instead after they’ve documented their complaint. This would also match the approach that the FTC and the CFPB have taken in their own complaint systems.

d. Improving Complaint Subcategories

In section 3.1.4. of the baseline, “Table of Complaint Subcategories,” there are several subcategories of common complaints that could use further clarification. For example, it is unclear what is meant by the “Professional Judgment,” “Administrative Capabilities” and “Documenting Extenuating Circumstances” subcategories, and the descriptions should be further refined. In addition, it is unclear from the Baseline screenshots whether or not a subcategory is a required field. If it is, it is important to include an “Other” subcategory should the user feel that their complaint does not match any of the supplied subcategories.

We appreciate the opportunity to provide feedback on the proposed ECS. We believe that a complaint system that is publicly searchable, connected with the FTC’s Consumer Sentinel Network, and mobile-ready to ensure access for users across all income levels will do much to improve the Department’s ability to ensure equal access to education.

Your consideration of these comments is appreciated. For questions, please contact Alexis Goldstein, Senior Policy Analyst at Americans for Financial Reform, at alexis@ourfinancialsecurity.org.

Sincerely,

Americans for Financial Reform

cc: The Honorable John King
Acting Secretary of Education
U.S. Department of Education
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