

KASRO KONNECTIONS

OFFICIAL NEWSLETTER

A Message from our President

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KASRO 2018 Spring
Conference Highlights



Hello KASRO Members!!

I am both honored and humbled to assume the role of KASRO President for the 2018/19 Membership year. A big thank you to Kim Graboskey (Past President) and the rest of the board for their continued dedication to making the organization great. I anticipate this being a great year of continued friendships, networking, and sharing of crucial student financials information.

The Organization is once again pleased to be able to offer TWO professional conferences for one membership fee. The Fall 2018-one day will be hosted by University of Kentucky in Lexington, KY on October 25th. The second conference will be in Spring 2019 and will be hosted at one of the beautiful Kentucky State Parks. More information on the Spring 2019 conference will be distributed at a later date.

KASRO continues efforts to expand by inviting neighboring communities to become active and participating members of the KASRO organization. I encourage you to share your networking experiences with others and the impact that these two conferences have had on you.

A big thank you to those of you that continue to support this organization each and every year by renewing your yearly membership. If you are not a current member please consider joining us, you will not be disappointed by your decision.

I look forward to seeing each of you at the upcoming Fall 2018 conference in Lexington, KY.

Carrie McCubbins
KASRO President

MISSION

KASRO's mission is to offer professional development and educational opportunities for University Business Officers that will enhance their post-secondary institutional mission of implementing sound financial controls and providing excellent customer service.

KASRO MEMBER NEWS



Coast Professional Inc. Donates to Geneseo Central Education Fund

Employees banded together in June and July to raise money for the fund, which helps provide local students with school supplies, emergency support dollars and assistance in paying for field trips.



Coast Professional Inc. employees raised money for a local education fund through the company's "dress down for charity program" in June and July.

In late August, Coast presented a \$13,600 check to the Geneseo Central Education Fund at the company's office in Geneseo, N.Y. Coast's donation is a result of the dress down for charity program in which employees donate \$20 or more for the option of wearing business casual attire for the month. The donations include employee contributions from the ACA International member company's Geneseo office plus the company match of up to \$500 per office per month.

For the full article please go to: <https://www.acainternational.org/news/coast-professional-inc-donates-to-geneseo-central-education-fund>

Coast Professional, Inc. gives big check to The Wellspring



In West Monroe, the accounts receivable management company Coast Professional, Inc. gave a \$5,700 check to The Wellspring Alliance for Families.

CFO and Co-Chairman of the Board of Directors for Coast Everett Stagg says "Coast is honored to be able to support such an outstanding organization in our community." The Wellspring is an umbrella organization focused on leading the community by serving people in need in the greater Monroe area.

For the full article please go to: <https://www.myarklmiss.com/news/local-news/coast-professional-inc-gives-big-check-to-the-wellspring/1308048481>

KASRO MEMBER NEWS



FIRST DAY OF FALL TERM AT UK STUDENT ACCOUNT SERVICES

New employees, Megan Grandey and Susan Stefanic, joined Student Account Services at UK in July.

The employee of the second quarter of 2018 for UFS was Tina Shanks 😊

During the fourth quarter of 2018, the department had some staff changes:

- Leslie Schlumpf transferred to a position in the Office of Philanthropy.
- Teresa Becknell retired in June after nearly 40 years at the University, the last 21 in SAS.

New Employee

Jinger Ballinger started March 12 as our new Student Account Analyst. She previously worked in the UK Veterinary Diagnostics Laboratory.

New Baby

Taye Wheat, Collection Specialist, has a new grandson, Jayce, born January 10. He weighed 7 pounds, 10 ounces, and was 19 ½ inches long.

Crista Fornash was chosen as the UFS 2017 Employee of the Year and will be recognized for her accomplishments at the upcoming Outstanding Staff Awards hosted by the Office of the President.

Here's a brief bio by Crista:



I started my UK employment over 20 years ago as a cashier in Student Account Services. Since then, I have held several different positions and been promoted to my current position of Associate Director. In my current position, I oversee collections of student account receivables, student reporting, and process technical jobs for student billing, payments and refunding.



KASRO is sad to announce that Will Cox is resigning as our organization Treasurer. He was presented with an opportunity that will allow him to shorten his commute and be closer to his home. His departure from Murray State means that he will be unable to attend the upcoming Fall conference.

President Carrie McCubbins stated in an e-mail this week "Will – We are wishing nothing but great success in your new journey and thank you for what you have contributed to the organization."

KASRO MEMBER NEWS-CONTINUED



Loretta DeToma from UK is happy to announce that her son, Gus, married Dr. Amanda Holaday on April 14, 2018 at the Red Mile Barn in Lexington, KY. Katy, the sister of the groom performed the ceremony as Gus performed her wedding last year. The happy couple reside in Lexington, KY.



Kristi Gullett was selected for a Staff Salute to Moorehead State University's Staff Congress Committee. Here Kristi is receiving her plaque.



Sharnetta Fritts has been a member of our office since 2011 and was promoted to Student Billing Counselor in April 2018. Sharnetta is a great asset to our team and does a great job assisting students! She is married and has 1 son Jaiden.

KASRO MEMBER NEWS-CONTINUED



Jennifer Schabert left Transy in mid April, she has moved back to her home state of Colorado Springs, Co to be closer to her family. She is extremely missed by everyone.

Kim Gibson-Pierce joined Transylvania in 2015 and was promoted in Mid April to Student Accounts Specialist. She is excited to meet everyone at this year's Fall conference.

Teresa Brock has been with Transylvania for 32 years has been promoted in Mid April to Student Accounting Supervisor.

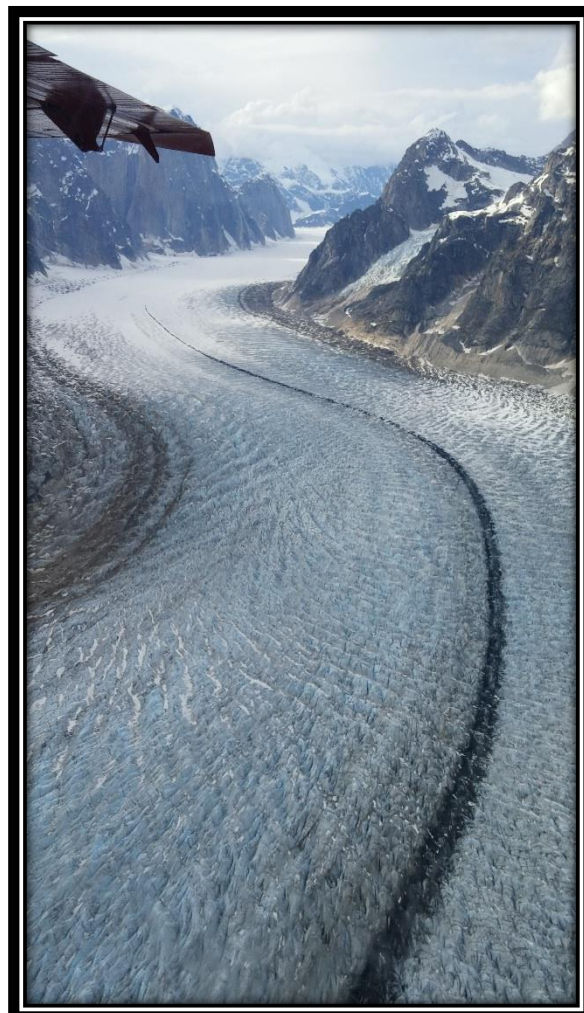
Transylvania opened the newly renovated Carpenter Academic Center this Fall. Carpenter has the latest classroom technologies and has classrooms, seminar rooms and offices for the English, foreign languages, philosophy, religion, history and political science programs.



KASRO MEMBER NEWS-CONTINUED



Anna Dunklebarger has shared pictures from her Awesome Vacation to Eilson Air Force Base, Alaska to visit her daughter & son-in-law. The pictures are from Denali National Park.



KASRO MEMBER NEWS-CONTINUED



Beth Barber, Oakland City University's CFO, announced her retirement that became effective 5/31/18. Beth has worked for OCU for 32 years and as CFO for the last 15 years. Beth continues to work 2 days a week to help until her position can be filled.

Employees held a luncheon for Beth before her official retirement date. Beth is centered in the front row.



You are encouraged to submit letters, photographs and announcements. Items of interest are welcome

Contact: Anita Miskell
amiskell@oak.edu

2018-2019 KASRO BOARD MEMEBERS

President	Carrie McCubbins	University of Louisville	cnmccu02@louisville.edu
Past President	Kim Graboskey	Northern Kentucky University	Graboskeyk1@nku.edu
President Elect	Loretta DeToma	University of Kentucky	ldetoma@email.uky.edu
VP Annual Conference	Kristy Gullett	Morehead University	k.gullett@moreheadstate.edu
VP Pub. Relations/ Membership	Reuben Harness	ConServe	rharness@conserve-arm.com
VP Professional Development	Scott Medley	Reliant Capital Solutions	smedley@reliant-cap.com
Treasurer	Will Cox	Murray State	wcox@murraystate.edu
Secretary	Anita Miskell	Oakland City University	amiskell@oak.edu
VP Technology and Social Media	Tina Shanks	University of Kentucky	tina.shanks@uky.edu

Article submitted by Jamie Hart

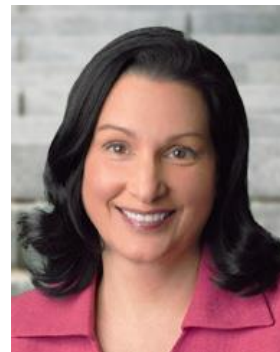
Attorney

Weltman, Weinberg & Reis Co., L.P.A.

Weltman▶

INSIGHTS Bankruptcy

Trends in Student Loan Dischargeability



By: Monette W. Cone

Has anyone not heard about the so-called “student loan crisis?” Americans owe more than \$1.48 trillion in student loan debt. That’s \$620 billion more than the national credit card debt. Those with student loans carry an average debt of \$37,172.¹ Students, parents, and politicians are clamoring for relief. But has anything changed?

First, here’s a short primer on student loan dischargeability in bankruptcy. Most student loans are not discharged in bankruptcy proceedings, meaning that the loans survive the bankruptcy and must be repaid. However, they may be found dischargeable if repayment would cause a debtor an “undue hardship.”² Undue hardship is not defined in the Bankruptcy Code, but it is defined in case law.³ The majority of courts use the so-called *Brunner* test in conducting an undue hardship analysis. It is a three-pronged test and all prongs must be met to obtain a discharge of student loans: “(1) that the debtor cannot maintain, based on current income and expenses, a minimal standard of living for herself and her dependents if forced to repay the loans; (2) that additional circumstances exist indicating that this state of affairs is likely to persist for a significant portion of the repayment period of the student loans; and (3) that the debtor has made good faith efforts to repay the loans.”⁴

A minority of courts use the “totality of circumstances” test and consider these factors: “(1) the debtor’s past and present financial resources and those the debtor can reasonably rely on in the future; (2) the reasonable necessary living expenses of the debtor and the debtor’s dependents; and (3) any other relevant facts and circumstances surrounding each particular bankruptcy case.”⁵ This test is widely considered to impose a lesser burden than the Brunner test.

Both of these tests are still being applied in full force by the courts so that it is as difficult today to discharge student loan debt as it was ten years ago. However, there is movement outside the courts to make it easier to discharge such debt.

The U.S. Department of Education (DOE) recently sought public comment on evaluating undue hardship in adversary proceedings seeking to discharge student loans.⁶ Without naming the Eighth Circuit’s “totality of the circumstances” test or setting out the three prongs of *Brunner*, the DOE requested comments on how the tests differ and how their factors should be weighed. The DOE is not a legislative body and cannot change bankruptcy law, nor can it directly affect case law, so it is unclear to what end the comments will serve.

Continued

Meanwhile, the Consumer Committee of the American Bankruptcy Institute sent Congress a memorandum on student loan dischargeability with recommendations for reform.⁷ Among its recommendations are amending local rules or the Bankruptcy Code to allow a special class for payment of student loans in Chapter 13 plans and establishing a mediation program for student loan debt that is similar to mediation programs for mortgages

Significantly, the Committee also recommends that 11 U.S.C. § 523(a)(8) be amended to allow discharge of private loans and permit discharge of government loans if repayment would present a “hardship” instead of the heightened showing of “undue hardship.” The Committee fails to recognize that private loans “made under any program funded in whole or in part by a ... nonprofit institution” have been nondischargeable since 1998⁸ and were not made newly nondischargeable under the 2005 BAPCPA amendments.

BAPCPA added § 523(a)(8)(A)(ii), which makes “an obligation to repay funds received as an educational benefit, scholarship, or stipend” nondischargeable. This Section can be read broadly to discharge all student loans, because student loans are arguably an “educational benefit.” In fact, the phrase “educational benefit” became a catchall in some courts for all loans, governmental or private, that are used in any way for an educational purpose.⁹ If a loan used for any educational purpose qualifies as an “educational benefit,” any loan used for any educational purpose could be discharged. The Committee’s recommendation may be a reaction to this line of case law.

While the *Brunner* and totality of the circumstances tests are still being applied, some courts are stepping away from using §523(a)(8)(A)(ii) to render any educational loan nondischargeable.¹⁰ If this Section was meant to make any loan used for an educational purpose nondischargeable, then the other two Sections of § 523(a)(8) are unnecessary. Those Sections render governmental loans, loan programs funded by nonprofit institutions and loans used for qualified educational expenses nondischargeable. Moreover, §523(a)(8)(A)(ii) does not use the term “loan;” it refers to an “educational benefit.” The other two Sections of § 523(a)(8) specifically use “loan” to describe what is nondischargeable.

The better interpretation is to link the phrase “educational benefit” with the other nouns in the statute: “Scholarship” and “stipend.” Scholarships and stipends are not loans, so an “educational benefit” should be seen as something similar to them and not a loan.¹¹

The vast majority of student loans, however, remain nondischargeable unless a debtor can pass the stringent tests of *Brunner* or prove by a totality of the circumstances that repayment of the loans will create an undue hardship. Change may be brewing, but it appears the only certainty is that if it happens, it will be slow to happen.

¹A Look at the Shocking Student Loan Debt Statistics for 2018, <https://studentloanhero.com/student-loan-debt-statistics/> (updated Jan. 24, 2018) (last visited April 23, 2018).

²11 U.S.C. § 523(a)(8).

³See *Brunner v. New York State Higher Education Services Corp.*, 831 F.2d 395 (2d Cir. N.Y. 1987).

⁴*Id.*, 831 F.2d, at 396.

⁵*Long v. Educ. Credit Mgmt. (In re Long)*, 322 F.3d 549, 554-55 (8th Cir. 2003).

⁶*Request for Information on Evaluating Undue Hardship Claims in Adversary Actions Seeking Student Loan Discharge in Bankruptcy Proceedings*, Federal Register - Vol. 83, No. 35, February 21, 2018, 83 FR 7460.

⁷Consumer Committee of ABI, *Student Loans and Bankruptcy*, <https://abiworld.app.box.com/s/3t5yc6n0kkz2z3lfldbwxk3igirk11r> (last visited April 23, 2018).

⁸Higher Education Amendments of 1998, P.L. 105-244, effective October 1, 1998.

⁹*Brown v. Citibank, N.A. (In re Brown)*, 539 B.R. 853 (Bankr. S.D. Cal. 2015).

¹⁰*Wiley v. Wells Fargo Bank, N.A. (In re Wiley)*, 579 B.R. 1, 8, 2017 (Bankr. D. Me. 2017).

¹¹*Essangui v. SLF V-2015 Trust (In re Essangui)*, 573 B.R. 614, (Bankr. D. Md. 2017).

For more information on this topic, contact [Monette W. Cope](#).

[Monette W. Cope](#) is an Attorney in the Chicago office who practices in Consumer and Commercial Bankruptcy, as well as Education Loan Collections and Litigation. Ms. Cope serves on the Governing Board of Directors for Rainbows for All Children, an organization dedicated to supporting youth as they navigate grief and heal from loss. She has served on the board of Chicago Financial Women since 2009, and is a current member of the American Bankruptcy Institute and the Chicago Bar Association. Ms. Cope can be reached at 312.253.9614 and mcope@weltman.com

Weltman Insights is published by Weltman, Weinberg & Reis Co., LPA. With more than 85 years of experience, Weltman, Weinberg & Reis Co., LPA is a nationally-recognized full-service creditors' rights law firm with more than 65 attorneys and 650 total employees. We represent nearly every type of creditor, including some of the largest institutions in the U.S., in bankruptcy, consumer and commercial collections, litigation, and real estate default matters, with the strictest adherence to compliance and security standards and with a premium on reputation management. To learn more about our leadership in accounts receivable management, please visit weltman.com.

REGISTER FOR 2018-2019 KASRO MEMBERSHIP TODAY

Membership runs on a fiscal year July 1st through June 30th

Institutional Membership

\$80 per school member

Annual institutional membership includes the conference fee for the fall workshop and spring conferences. All paid institutional members are granted the right to vote, serve as officers and on committees. Please complete the online registration for each member and submit payment either online or via mail.

Associate / Agency Membership

\$1,000 per member

All paid associate members of KASRO are granted the right to vote, serve as officers and on committees. Both the fall and spring conference fees for one member are included with membership. Vendors may exhibit at the Spring conference only. There are no additional fees for exhibiting. A table will be provided for all Associate Members that register for the Spring conference. Additional members attending either conference from the same company will be assessed a \$250.00 fee for conference registration. Please complete the online registration for each member and submit payment either online or via mail.

Attached below is the link to apply for membership.

<http://kasroweb.squarespace.com/member>

Please forward your payment of \$80.00 to:

Will Cox

Murray State University

200 Sparks Hall

Murray, KY 42071

We are in the mist of changing the online payment on the KASRO webpage. At this time members will need to pay this fiscal year's fee by check.

Invoices are available upon request to submit to your employer.

Please contact Will Cox at wcox@murraystate.edu

Along with opportunities for networking and building relationships, your membership includes registration to the both the Fall Workshop and the Spring Conference



Along with opportunities for networking and building relationships, your membership includes registration to the both the Fall Workshop and the Spring Conference.

KASRO Fall Workshop

October 25, 2018

**University of Kentucky
160 Avenue of Champions
Lexington, KY**

Directions to the parking structure:

<https://www.uky.edu/gattonstudentcenter/directions-and-parking>

Have you registered for KASRO Fall conference???? WE WANT YOU THERE!!!

Click the link below to register today!!!!

<http://kasroweb.squarespace.com/conference-registration-1/>

Hotel Accommodations are available at:

HAMPTON INN LEXINGTON MEDICAL CENTER

1953 Nicholasville Road
Lexington, KY 40503
(859) 313-9000

Kentucky Association of Student Receivable Officers
Fall Workshop - University of Kentucky

AGENDA

Thursday, October 25, 2018

8:00 a.m.	Conference Registration
8:30 a.m.	Welcome/Opening Remarks - University of Kentucky
8:45 a.m.	Cash Management/Compliance
9:45 a.m.	Hot Topics Panel - Cashless, TILA and 1098-T
10:45 a.m.	Networking Break
11:00 a.m.	How to Manage the Disruption in Higher Education
12:30 p.m.	Lunch
1:30 p.m.	Perkins and Liquidation/Reauthorization
2:45 p.m.	Networking Break
3:00 p.m.	Student Panel - How to Improve Communication
4:30 p.m.	Conference Ends



Please submit your ideas for the two panel workshop sessions. 1) Questions for the student panel and 2) Issues for the Hot Topics panel. Please email your suggestions to tina.shanks@uky.edu

Conference Dress is very casual.



Your are invited to a day of fun and networking at

Keeneland

**4201 Versailles Road
Lexington, KY**

October 24, 2018

**Your ticket has been purchased and are available at the
Will Call window.**

Mention that you are with the group – KASRO.

**The first race is at 1:05 pm EST.
Gates open at 11:00 am EST.**

Transportation is not provided.

Let's all meet there and spend time with your KASRO friends.

Seating is in the Grandstand area. Dress is casual.



COHEAO Update – September 26, 2018

Federal Perkins Loan Update

Now that the Perkins loan program has sunset and no further loans may be given after June 30, 2018, institutions are faced with the question of “what next?” While the program may have sunset, COHEAO is still engaged with Congressional members and other higher education organizations to ensure that institutions who have participated in the program can continue servicing the portfolio to retain more of their institutional share based on future repayments.

COHEAO worked with Senate and House leaders to include language in the appropriations packages which authorizes the Department of Education to pay institutions for the cost of servicing outstanding loans made under the now-expired Federal Perkins Loan program. Both the House and Senate included language in their respective bills, which is indicative of the bi-partisan support this language has garnered. The Senate committee report, which shows the point of view of the senators on the committee, also calls for repaying institutions their share of canceled loans, another issue COHEAO is backing.

The legislation says as follows:

“SEC. 308. Funds appropriated in this Act under the heading “Student Aid Administration” may be available for payments for student loan servicing to an institution of higher education that services outstanding Federal Perkins Loans under part E of Title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.).”

All indications are that the President will sign the funding bill which contains this language to avert a partial government shutdown on September 30th.

COHEAO will continue to work with the Appropriations Committees and the Department of Education to ensure the intent of Congress is followed so schools can receive the necessary support to service their loans.

COHEAO October Webinar – “Developing and Managing an Institutional Loan Program”

COHEAO invites you to register for our webinar, “Developing and Managing an Institutional Loan Program,” next Thursday, October 4 @2pm EDT.

The wind-down of the Perkins Loan program is leaving institutions with monies available to put to use, while at the same time, taking away a valuable lending resource for students. This panel, which includes leaders of COHEAO’s new Institutional Loan Task Force, will offer experienced, diverse perspectives on setting up and managing institutional loan programs. Though there are regulatory and financial hurdles to overcome, an institutional loan solution makes sense for many campuses, as the panelists will explain.

COHEAO continued

Speakers

Jeff Pfund, University of Wisconsin, Madison

Robert Frick, University Accounting Service

Marty Herrick, Education Loan Source

- Register Today!

Cost

COHEAO Members-\$49.00

With the application of one of your three (3) free webinar codes: \$0

Non-COHEAO Member-\$99.00

Email Greg Marak (gmarak@bosewashingtonpartners.com) with any questions.

Higher Education Act Update

The reauthorization of the Higher Education Act (HEA) was initially scheduled to be debated this year with the House majority introducing their comprehensive PROSPER Act (HR 4508) and the House minority introducing the Aim Higher Act (HR 6543). However, neither of these gained much traction as the reauthorization of the Perkins Career and Technical Education Act took precedence.

Both of the bills introduced represent the higher education priorities for the Republicans and Democrats. The House Aim Higher Act does include the revival of the Perkins Loan Program, but it is closely based on the Obama Administration's original 2009 proposal which would have created a Federal Direct unsubsidized program with terms and conditions like unsubsidized Stafford loans and servicing handled by the Direct Loan servicers. Campus loan allocations would be based on need as well as several other factors, including success in graduating Pell Grant recipients. This version includes provisions for deduction of administrative costs from the federal capital of the old Perkins program that is returned each quarter. It also allows a school to assign all loans to the Secretary who would then be required to return the institutional share to the institution as it is collected over time (with no administrative costs included). In either case, the institutional share of loan cancellation reimbursements would be included.

HEA will likely be top on the agenda regardless of who controls the Senate and House after the November elections.

ED's Plans for Next Gen Servicing Platform Targeted by Senate

The ED Office of Federal Student Aid's Next Generation federal loan servicing and collection platform, which has been under development for more than a year, is again being targeted by the Senate via its appropriation legislation for FY2019 for the Department. The bill now under consideration in the Senate would prevent, until the end of the fiscal year, ED from creating a servicing platform that only uses one servicing contractor. ED is planning to use one master contractor to manage its entire federal loan servicing, although other servicers might be used as subcontractors. A pilot program is expected to be started by the end of the year. The Senate legislation says the Department would have to use more than one billing servicer for federal student loans and specifies that the servicers would each service loans throughout their lifecycle.

COHEAO continued

The White House criticized the legislation in a Statement of Administration Policy: “The Administration also strongly opposes a provision in the bill under the Student Aid Administration heading that would constrain the Department of Education’s authority in awarding a new servicing contract. The provision would require a significant change to the Next Generation Processing and Servicing Environment procurement, increasing the discretionary cost of Federal student loan servicing, and severely restricting the Department of Education’s ability to provide a consistent and improved borrower experience.”

CFPB Student Loan Ombudsman Seth Frotman Resigns

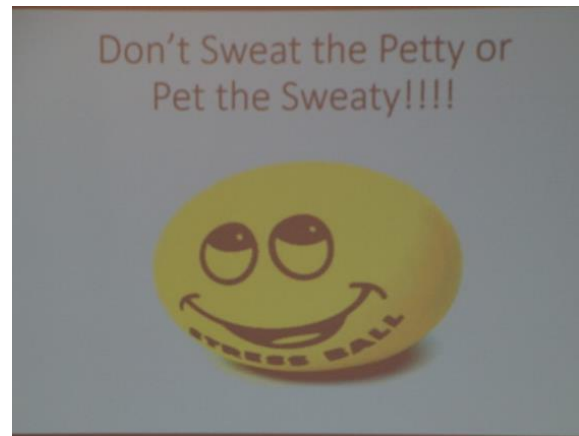
In a letter to Acting Director Mick Mulvaney, Seth Frotman resigned as Student Loan Ombudsman at the Consumer Financial Protection Bureau (CFPB).

Frotman said in his resignation letter that he resigned because the current administration “has turned its back on young people and their financial futures.” Frotman has served as ombudsman for three years. Before his current role, he started at the Bureau when it was newly established as a member of the Treasury Department’s implementation team.

His letter, first obtained by NPR, is [available here](#). Frotman’s resignation was effective September 1. In response to media inquiries regarding his departure, the CFPB said that it does not comment on personnel matters. Since the letter became public, many higher education advocacy groups in Washington have expressed concern that Frotman felt he could not fulfill his mission.

The timing comes just after the Senate Banking Committee held a contentious confirmation hearing and narrowly signed off on the nomination of a new director for the Bureau, Kathy Kraninger. Her final confirmation vote before the full Senate will likely be later this fall.

KASRO SPRING CONFERENCE 2018 LAKE CUMBERLAND STATE RESORT PARK



Brooks Harper re-energizes the group to be impassioned in our professions.



Melissa Moon & Cheryl Jonson did a presentation on **ALICE** (*Alert, Lockdown, Inform, Counter, Evacuate*). This was very intense and informative presentation on how to more proactively handle the threat of an aggressive intruder or active shooter event.



Chris Stompanato with ECSI discusses the future of institutional loans.



Attorneys Bob Schuerger & Jamie Hart answer questions on bankruptcy, CFPB, and FDCPA Collection Law

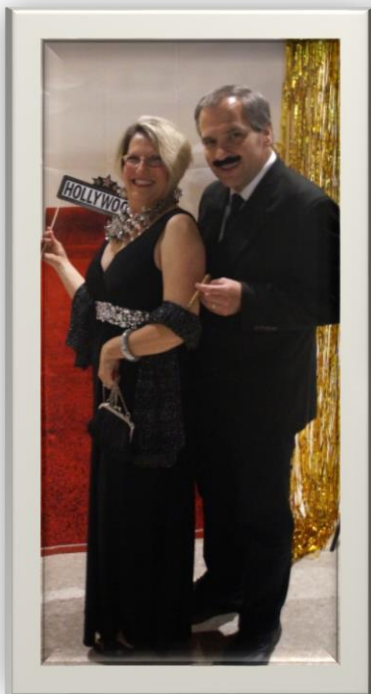


Roy Chernikoff discusses Preparing your Campus for the Next Generation of Students

NETWORKING



HOLLYWOOD COMES TO KASRO





2017-2018 KASRO OFFICERS

2018-2019 KASRO OFFICERS

THURSDAY NIGHT COOKOUT







ROCK & ROLL WITH ELVIS COCKTAIL



CONGRATULATIONS
2018 LOU DARNELL WINNER
CRISTA FORNASH



Crista was presented with the Lou Darnell Award by her good friend and coworker Tina Shanks.