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December 4, 2017

A. Wayne Johnson
Chief Operating Officer
Federal Student Aid
U.S. Department of Education
830 First Street, NE
Washington, DC 20002

Dear Dr. Johnson:

On behalf of the National Scholarship Providers Association (NSPA), and the undersigned members, I am writing to address our members' concern regarding recent guidance issued by the Privacy Technical Assistance Center (PTAC) at the U.S. Department of Education. This guidance impacts the ability of private scholarship providers to access critically important financial aid data from institutions of higher education for the purposes of awarding, disbursing and administering college scholarships.

The NSPA is a non-profit membership association that brings together private foundations, public charities, colleges and universities, corporate giving programs, and government agencies from across the United States that provide scholarships for higher education. NSPA's mission is to advance the collective impact of scholarship providers and the scholarships they award. NSPA supports more than 400 member organizations by offering professional development opportunities, sharing best practices, advancing research about scholarships and engaging in policy advocacy. NSPA members collectively award over 2 billion dollars in scholarships annually.

The U.S. Department of Education's Privacy and Technical Assistance Center (PTAC) issued guidance earlier this year that prohibits the release of data from the Free Application for Federal Student Aid (FAFSA) to private scholarship providers, even with a student's written authorization. PTAC's guidance concerning the sharing of FAFSA data with private scholarship providers appears on page 9 of the report, [Guidance on the Use of Financial Aid Information for Program Evaluation and Research](#), which was published in January 2017:

Can a financial aid office share FAFSA/ISIR data with an outside non-state scholarship organization?

No, the HEA only permits disclosure of student aid data for the purposes of application, award, or administration of aid



awarded under federal student aid programs, state aid programs, or aid awarded by eligible institutions. Since the scholarship organization is not operating one of these programs, the institution may not disclose students' FAFSA/ISIR data, including award eligibility information, to the organization. Since the institution is not obtaining student financial aid data directly from a Department system of records, the Privacy Act does not apply to the institution in this scenario.

PTAC recently confirmed this guidance to the National Association of Student Financial Aid Administrators (NASFAA) in September 2017. PTAC has also indicated that the ban on the release of FAFSA data includes derived values, such as the expected family contribution (EFC), demonstrated financial need and award amounts, and applies even if the student has signed a Family Education and Privacy Act (FERPA) waiver.

As a result of this guidance, many colleges and universities have now stopped sharing financial aid award letters and EFC data with private scholarship providers, ending a long-standing partnership that has been in place for decades. The guidance issued by PTAC has begun to negatively impact the ability of entire scholarship providers industry to effectively and efficiently allocate scholarship awards to students based on demonstrated financial need. This is problematic for scholarship providers for several reasons:

- Scholarship programs that are “last dollar” awards require the student’s financial aid data to determine the student’s remaining financial need after all other financial aid has been awarded.
- Scholarship programs that aim to eliminate or replace a student’s work and/or loan burden need to see the financial aid data to determine the scholarship amount that is awarded to the student.
- Scholarship providers that provide counseling to their students need to see the financial aid data to help the students understand their award information, which is not standardized among colleges and often confusing.
- Scholarship providers need to review the financial aid data to help students optimize the use of their scholarships and minimize scholarship displacement.

Since the statute at 20 U.S.C. 1090(a)(3)(E) allows the U.S. Department of Education to designate other entities as eligible to receive FAFSA

data, the National Scholarship Providers Association (NSPA) is petitioning the U.S. Department of Education to designate scholarship providers as eligible to receive FAFSA data – subject to reasonable restrictions, such as limiting to the receipt of FAFSA data to tax exempt, charitable organizations, such as 501(c)(3) and 501(c)(6) organizations, that agree to safeguard the FAFSA data to the same standards required of eligible colleges and universities.

On behalf of the NSPA and our members, we ask for your consideration of these issues. Feel free to contact Julie Kim, NSPA Board of Directors and Chair of the NSAP Research and Advocacy Committee, at [\(202\) 810-0303](tel:2028100303) if you have any questions on this matter.

Thank you for your attention to this issue.

Sincerely,



Larry Sparkman
President, NSPA Board of Directors



Jackie Bright
Executive Director

The 67 members listed below have all signed and endorsed the letter from NSPA to the U.S. Department of Education:

10,000 Degrees
Amarillo Area Foundation
American Indian College Fund
American Indian Graduate Center
Asian & Pacific Islander American Scholarship Fund
Bellevue University
Blue Grass Community Foundation
Borough of Manhattan Community College

Bright Foundation
Cal Alumni Association - Alumni Scholars Program
Cal Alumni Association - UC Berkeley
CampusLogic
Carol H. And Kevin W. Education Foundation
Central Scholarship
Coca-Cola Scholars Foundation
College Now Greater Cleveland
Colorado Mountain College Foundation
Cooperman College Scholars
Corvias Foundation
Denver Scholarship Foundation
Design Group International
EducationQuest Foundation
Findlay-Hancock County Community Foundation
Grand Haven Area Community Foundation
Grand Rapids Community Foundation
Hagan Scholarship Foundation
Holmes County Education Foundation
Jeannette Rankin Women's Scholarship Fund
Johnson County Community College
Latin American Educational Foundation
Logos Charter School
Maine Community Foundation
Marine Corps Scholarship Foundation
Mat-Su Health Foundation
National Indian Education Association
Office of Scholarship Services, University of South Alabama
Office of Student Access and Completion, Oregon Higher
Education Coordinating Commission
Pedrozzi Scholarship Foundation
Rogue Community College Foundation
Scholarship America
Scholarship Foundation of Santa Barbara
Scholarships, Inc.
Terry Foundation
Texas State University
The Denver Foundation
The Ford Family Foundation
The Luckyday Foundation Citizenship Scholars Program

The Oregon Community Foundation
The Richard E. and Nancy P. Marriott Foundation
The Scholarship Lady
The Suder Foundation
The University of Illinois at Urbana-Champaign
The University of Michigan, College of Literature, Science and the Arts
Trinity Education Foundation
United Negro College Fund, Gates Millennium Scholars Program
University of Arizona
University of Colorado Boulder
University of Nevada, Reno
University of Wisconsin- Milwaukee
University Texas – Dallas
Wentcher Foundation
Western Colorado Community Foundation
Westminster Public Schools Foundation
Women's Independence Scholarship Program, Inc.
Worthington Scholarship Foundation
Yellow Brick Road Benefit Shop