



FOR IMMEDIATE RELEASE  
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## NCHER Releases Statement on the Dismissal of Lawsuit Challenging the Dear Colleague Letter on Collection Costs

**Washington, DC (March 23, 2017)** — Earlier this week, United Student Aid Funds and the U.S. Department of Education filed with the U.S. District Court for the District of Columbia a stipulation of dismissal of the lawsuit that United Student Aid Funds brought challenging [Dear Colleague Letter \(DCL\) 15-14](#) that the Department issued on July 10, 2015. This action followed the [Department's rescission](#) of the DCL and its interpretation of the Higher Education Act and its implementing regulations. In light of the withdrawal of the DCL and termination of the litigation, and due to the attention these events have garnered, NCHER President James Bergeron issued the following statement today:

*"In light of Tuesday's filing seeking dismissal of a federal lawsuit against the U.S. Department of Education over student loan collection fee policies, the guarantor community wishes to clarify its collection fee practices. Since the U.S. Department of Education issued a Dear Colleague Letter on July 10, 2015, student loan guarantors have not assessed collection fees on borrowers who entered into rehabilitation agreements within 60 days of default on or after July 10, 2015. Notwithstanding the Department of Education's March 16, 2017, decision, prompted by a request from a federal judge, to withdraw that Dear Colleague Letter, guaranty agencies are continuing their practice of not assessing collection costs on borrowers who enter into a rehabilitation agreement within 60 days of default and then honor that agreement."###*

*The National Council of Higher Education Resources (NCHER) is a nonprofit trade association that represents a nationwide network of higher education assistance agencies that administer education programs that make grant and loan assistance available to students and parents to pay for the costs of postsecondary education. NCHER members provide higher education access, outreach, financial literacy, and counseling programs, and service Federal Direct Loans.*