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July 18, 2016

The Honorable Tom Wheeler  
 Chairman  
 Federal Communications Commission  
 445 12<sup>th</sup> Street, SW  
 Washington, D.C. 20554

Dear Chairman Wheeler:

I am writing in response to the Federal Communication Commission's (Commission) proposal to implement Section 301 of the *Bipartisan Budget Act of 2015* (Budget Act). Building on a proposal outlined in the President's fiscal year 2015 budget request, Section 301 requires the Commission to provide a regulatory exception to the *Telephone Consumer Protection Act of 1991* (TCPA)<sup>1</sup> that allows for calls to cellular devices using any automatic telephone dialing system or prerecorded voice to "collect a debt owed to or guaranteed by the United States."<sup>2</sup> We are concerned the Commission is implementing these bipartisan reforms in a way that will be detrimental to taxpayers and student loan borrowers.

The Budget Act also amends the TCPA to give the Commission the authority to "restrict or limit the number and duration of calls made to a telephone number assigned to a cellular telephone service to collect a debt owed to or guaranteed by the United States."<sup>3</sup> These provisions — passed with bipartisan support in Congress and signed into law by the President — balance the federal government's responsibility to collect its debts while respecting individuals' right to privacy.

Entities working to collect federal debt on behalf of the federal government should be able to use appropriate tools to collect that debt, including federal student loan debt. According to the Office of Federal Student Aid, the current total student loan debt is \$1.22 trillion,<sup>4</sup> which has grown at a steady increase over the last 10 years. Furthermore, 71 percent of the total U.S. population now own smartphones, and according to the National Center for Health Statistics, the number of

<sup>1</sup> Bipartisan Budget Act of 2015, Pub. L. No. 114-74, 129 Stat. 584 (Budget Act).

<sup>2</sup> Budget Act § 301(a)(1)(A).

<sup>3</sup> Budget Act § 301(a)(2)(C) (amending 47 U.S.C § 227(b)(2)(G)(ii))

<sup>4</sup> <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>

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homes that rely on wireless telephones continues to grow, with 41 percent of American homes using only wireless devices.<sup>5</sup>

Given the significant amount of loan debt and the significant decrease of landlines in American homes, it is imperative the Commission allow for loan servicing calls to cellular devices both before and after delinquency. Allowing loan servicers to contact borrowers is a proven way to prevent borrowers from defaulting on their loans. This is not only good for American taxpayers, it also benefits borrowers by protecting their credit histories and decreasing collection fees.

Additionally, the Commission should consider increasing the number of allowable phone calls from the proposed limit of three calls per month. It takes several calls to simply hold a live conversation with a borrower. Increasing the number of allowable calls would increase the chance of a live connection. Furthermore, when live contact is reached, the servicer should be able to make future contact as necessary and as agreed upon by the borrower. These changes will improve the ability of servicers to connect with borrowers and provide assistance on meeting their student loan obligations, while also protecting borrowers' rights under the TCPA.

Furthermore, the Commission should consider giving federal student loan servicers enough time to interact with the borrower and not place extreme limits on the length of the call. In fact, if the FCC is going to consider placing duration limits, these limits should apply only to voicemails and/or the lengths of text messages. For live connections, the duration of the call should be entirely the decision of the borrower, who is free to end a call at any time. It is perfectly reasonable to allow enough time for borrowers to be properly informed of the many repayment options and other assistance available to manage their student loans. Allowing servicers adequate time to do their jobs is, again, beneficial to both the student loan borrower and the taxpayer.

As the Commission moves forward with the implementation process, the agency must preserve the unique relationship between the student borrower and the loan servicer. Federal regulations should not interfere with the ability of servicers to help students stay current and repay their loans. Doing so would be contrary to the bipartisan intent of Congress and would not be in the best interests of borrowers and taxpayers.

If you have any questions, please contact Emmanuel Guillory ([emmanuel.guillory@mail.house.gov](mailto:emmanuel.guillory@mail.house.gov)) or Clint Raine ([clint.raine@mail.house.gov](mailto:clint.raine@mail.house.gov)) with the House Committee on Education and the Workforce at (202) 225-6558.

Sincerely,



JOHN KLINE  
Chairman

Committee on Education and the Workforce

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<sup>5</sup> <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201407.pdf>