

Congress of the United States
Washington, DC 20510

June 4, 2019

Matthew Simms
Executive Director
United States Collegiate Athletic Association
150 Boush Street, Suite 603
Norfolk, Virginia 23510

Dear Mr. Simms:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

We are concerned about ISAs because, like private student loans and many other types of debt, the terms of ISA contracts can be predatory and dangerous for students, and ISAs have received little federal oversight. ISAs carry many common pitfalls of traditional private student loans – with the added danger of opaque terms and conditions that allow deceptive rhetoric and marketing that can obscure their true nature. ISAs can also include some of the most exploitative terms in the private student loan industry, including mandatory arbitration agreements and class action bans.² Not to mention, given that most federal student loans are eligible for loan cancellation after 20 or 25 years, borrowers of ISA-structured loans can pay much more over the term of the loan than they would with a federal student loan.

Given these risks to student borrowers, we hope that colleges are taking the appropriate steps to evaluate whether ISAs are in the best interest of students, and write to seek documents and information about your efforts to do so for your students. We, therefore, request the following documents and answers by June 24, 2019:



1. Please provide a summary of your ISA program, including information on:
 - a. The history of the program at your institution.
 - b. The number of students taking part in the ISA program.
 - c. A summary of the terms and conditions of the program.
2. Please provide a copy of all of your institution’s ISA contracts with students.

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3. Please provide all contracts between your institution and any funders, investors, servicers, or companies related to the ISA program, including any contracts with private entities to administer the ISA program or service the ISAs.
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6. Has your institution conducted any analysis of the program's benefit and risk to students? If so, please provide any analysis.
7. Please provide copies of all promotional materials targeted to students regarding the ISA program.
8. Has your institution had discussions or communications with the Department of Education regarding the use of federal programs to conduct experiments with ISAs? If so, please describe these communications, and provide a copy of any electronic communication, memoranda, or other document sent to or from Department officials or Department contractors.

Sincerely,


Elizabeth Warren
United States Senator
Ayanna Pressley
Member of Congress

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Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Kevin James
Chief Executive Officer
Better Future Forward
20711 Holt Avenue
P.O. Box 1063
Lakeville, Minnesota 55044

Dear Mr. James:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

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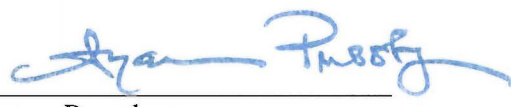
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Elizabeth Warren
United States Senator



Ayanna Pressley
Member of Congress

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Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Kim S. Phipps
President
Messiah College
One College Avenue
Mechanicsburg, Pennsylvania 17055

Dear President Phipps:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

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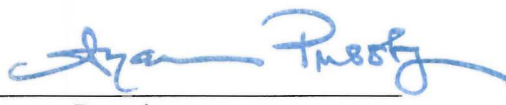
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Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Anthony G. Collins
President
Clarkson University
8 Clarkson Avenue
Potsdam, New York 13699

Dear President Collins:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

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Sincerely,



Elizabeth Warren
United States Senator



Ayanna Pressley
Member of Congress

Katie Porter

Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Dr. Carrie Hauser
President
Colorado Mountain College
802 Grand Avenue
Glenwood Springs, Colorado 81601

Dear President Hauser:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

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Sincerely,


Elizabeth Warren
United States Senator
Ayanna Pressley
Member of Congress

Katie Porter

Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Mitchell E. Daniels, Jr.
President
Purdue University
601 Purdue Mall
Hovde Hall, Room 200
West Lafayette, Indiana 47907

Dear President Daniels:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

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Katie Porter

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Congress of the United States
Washington, DC 20510

June 4, 2019

Ruth Watkins
President
University of Utah
201 Presidents Circle, Room 203
Salt Lake City, Utah 84112

Dear President Watkins:

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Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Mark Volk
President
Lackawanna College
51 Vine Street
Scranton, Pennsylvania 18509

Dear President Volk:

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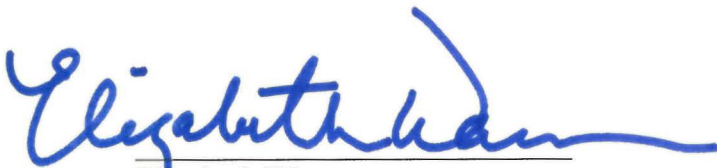
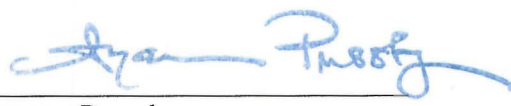
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 - g. Under what conditions are students relieved of all obligations to repay the ISA funder?
5. Does your ISA program have different terms and conditions for differing programs of study or other student characteristics? If so, please describe these differences.
 - a. If so, has your institution conducted any analysis of whether ISAs comply with federal civil rights and anti-discrimination laws, including the Equal Credit Opportunity Act, Title IX of the Education Amendments Act of 1972, the Civil Rights Act of 1965, or any other relevant federal civil rights and anti-discrimination law? If so, please provide any relevant analysis.
6. Has your institution conducted any analysis of the program's benefit and risk to students? If so, please provide any analysis.
7. Please provide copies of all promotional materials targeted to students regarding the ISA program.
8. Has your institution had discussions or communications with the Department of Education regarding the use of federal programs to conduct experiments with ISAs? If so, please describe these communications, and provide a copy of any electronic communication, memoranda, or other document sent to or from Department officials or Department contractors.

Sincerely,


Elizabeth Warren
United States Senator
Ayanna Pressley
Member of Congress

A handwritten signature in blue ink that reads "Katie Porter". The signature is fluid and cursive, with the first name "Katie" and last name "Porter" clearly distinguishable. A horizontal line is drawn beneath the signature.

Katie Porter
Member of Congress

Congress of the United States
Washington, DC 20510

June 4, 2019

Pradeep Khosla
Chancellor
University of California, San Diego
9500 Gilman Drive
La Jolla, California 92093

Dear Mr. Khosla:

Following reports indicating that the U.S. Department of Education (“the Department”) is exploring a federal experiment with Income Share Agreements (ISAs) in federal higher education programs, we are writing to learn more about your institution’s ISA program and any evaluations you have undertaken to determine whether these plans are in the best interest of students.¹

We are concerned about ISAs because, like private student loans and many other types of debt, the terms of ISA contracts can be predatory and dangerous for students, and ISAs have received little federal oversight. ISAs carry many common pitfalls of traditional private student loans – with the added danger of opaque terms and conditions that allow deceptive rhetoric and marketing that can obscure their true nature. ISAs can also include some of the most exploitative terms in the private student loan industry, including mandatory arbitration agreements and class action bans.² Not to mention, given that most federal student loans are eligible for loan cancellation after 20 or 25 years, borrowers of ISA-structured loans can pay much more over the term of the loan than they would with a federal student loan.

Given these risks to student borrowers, we hope that colleges are taking the appropriate steps to evaluate whether ISAs are in the best interest of students, and write to seek documents and information about your efforts to do so for your students. We, therefore, request the following documents and answers by June 24, 2019:


1. Please provide a summary of your ISA program, including information on:
 - a. The history of the program at your institution.
 - b. The number of students taking part in the ISA program.
 - c. A summary of the terms and conditions of the program.
2. Please provide a copy of all of your institution’s ISA contracts with students.

¹ Inside Higher Ed, “Education Department May Offer Income-Share Plans,” Andrew Kreighbaum, April 12, 2019, <https://www.insidehighered.com/quicktakes/2019/04/12/education-department-may-offer-income-share-plans>

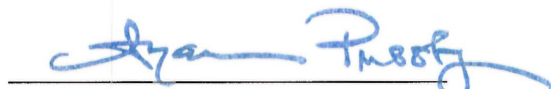
² Purdue University, “Back A Boiler – ISA Fund,” <https://www.purdue.edu/backaboiler/>

3. Please provide all contracts between your institution and any funders, investors, servicers, or companies related to the ISA program, including any contracts with private entities to administer the ISA program or service the ISAs.
4. What protections are in place for students at your institution that participate in ISAs?
 - a. What information is provided to students regarding the terms and conditions of the ISA?
 - b. Do ISA contracts have mandatory arbitration clauses?
 - c. Do ISA contracts have class action lawsuit bans?
 - d. What are the contractual stipulations of your ISAs regarding students who file for bankruptcy?
 - e. What happens to students who default on their ISAs?
 - f. What happens to students who wish to exit their ISA early?
 - g. Under what conditions are students relieved of all obligations to repay the ISA funder?
5. Does your ISA program have different terms and conditions for differing programs of study or other student characteristics? If so, please describe these differences.
 - a. If so, has your institution conducted any analysis of whether ISAs comply with federal civil rights and anti-discrimination laws, including the Equal Credit Opportunity Act, Title IX of the Education Amendments Act of 1972, the Civil Rights Act of 1965, or any other relevant federal civil rights and anti-discrimination law? If so, please provide any relevant analysis.
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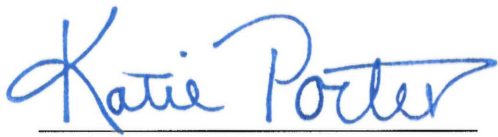
Sincerely,



Elizabeth Warren
United States Senator



Ayanna Pressley
Member of Congress

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Katie Porter
Member of Congress