



Student Loan Ombudsman Program
Biannual Legislative Report
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Student Loan Ombudsman Program Summary

Assembly Bill 383 of the 80th Nevada Legislative Session created a Student Loan Ombudsman within the Nevada State Treasurer's Office College Savings Division ("Office"). The bill was sponsored by Speaker of the Assembly, Jason Frierson and Assemblyman Howard Watts. The bill received unanimous support from both the Senate and the Assembly. The Office took a proactive role during the Legislative Session in advocating for the passage of the bill and the creation of the program and committed to funding the position through the College Savings Endowment Account.

Effective January 1, 2020, the Student Loan Ombudsman provides three general areas of assistance to Nevadans:

1. Educate current student loan borrowers on their rights and responsibilities and facilitate resolution of borrower complaints against student loan servicers;
2. Educate potential borrowers by creating and administering a borrower education course and by conducting outreach to focused populations in targeted settings; and
3. Provide recommendations for policy through research and analysis of data collected from Nevada borrowers, other states, and national policy organizations.

I. Program Implementation

A. Educational Content Creation

With Nevada having the highest rate of defaulted student loans, the Student Loan Ombudsman focused its efforts on educating parents and high school students on the different ways to finance a higher education before taking out student loans. The education events focused on the importance of applying for FAFSA, scholarships, and grants, and understanding student loan terms, the difference between federal and private student loans, and the benefits/cons related to each. Education events were conducted in person from January 2020 through mid-March 2020 and were quickly transitioned to virtual platforms due to the Covid-19 pandemic. The education programming reaches students, parents, and student loan borrowers through social media efforts, webinars, and live events. The following are the types of educational content created:

1. Understanding Loans / Know Before You Owe
2. Surviving Default or Delinquency on Federal Student Loans
3. How to Responsibly Pay for College
4. About the Student Loan Ombudsman
5. How Much to Borrow
6. Income Driven Repayment Plans

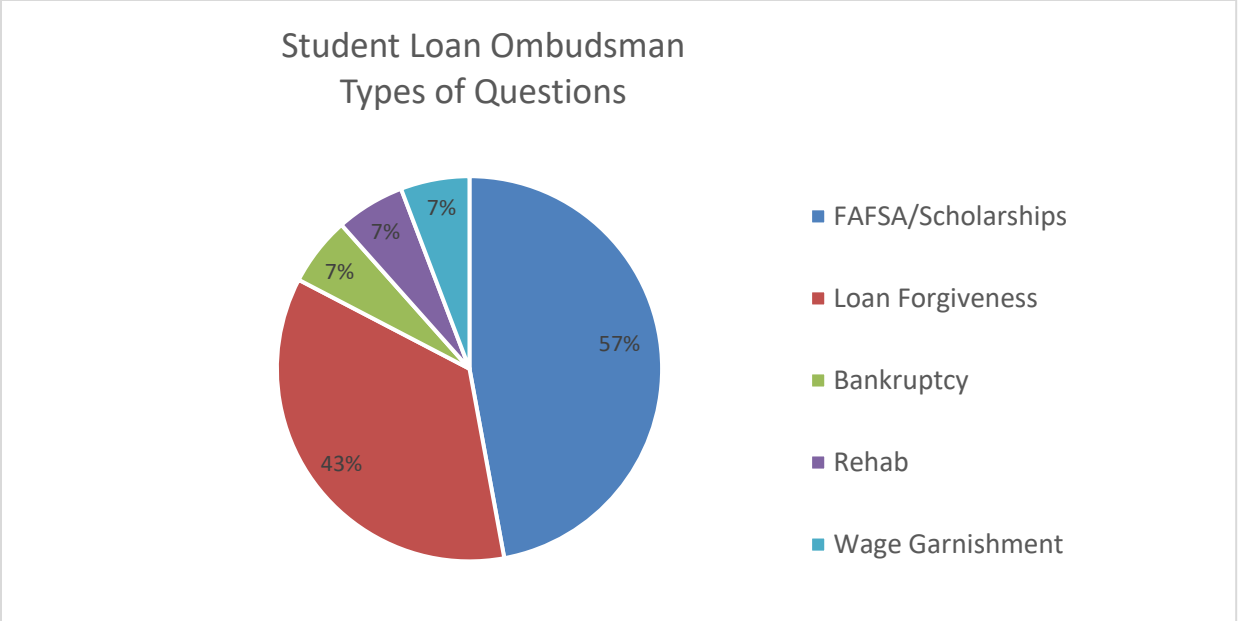
B. Program's Forms and Documents

The initiation of the program took a lot of time, planning, and organizing. The Student Loan Ombudsman not only created educational content, but also established the program process, and forms and documents that give the Ombudsman the ability to better assist Nevada residents, such as:

1. Third-party Authorization Form
2. Privacy Release Form
3. Intake Form
4. Limited Assistance Form
5. Student Loan Ombudsman Client Spreadsheet
6. HAL Form (English and Spanish)
7. What to Expect Form

C. Student Loan Complaints and Assistance

Through the pandemic, the Student Loan Ombudsman was readily available to help parents and students with questions concerning FAFSA and scholarships, but also assisted student loan borrowers with questions/complaints concerning their loans and any benefits associated with federal student loans, such as Loan Forgiveness, Loan Rehabilitation, etc. The following graph depicts the types of individual assistance the Student Loan Ombudsman has provided since the initiation of the program.



D. Outreach

Outreach efforts to-date include participating in a Spanish radio interview where the Ombudsman spoke about the program and was able to reach approximately 8,000 listeners. The Ombudsman conducted English and Spanish virtual presentations while partnering with non-profit organizations using Zoom and Facebook Live that reached thousands of Nevadans.

Most recently, the Ombudsman was interviewed on a Facebook Live event by Treasurer Zach Conine, where they discussed the program and its services. With the assistance of a third-party marketing company, a video was also created that has been shared on different social media platforms which was translated in Spanish.

E. Student Loan Ombudsman Professional Development

Professional Networking

The Student Loan Ombudsman meets every two months with other states’ ombudsmen and student loan advocates. Together, the group has collaborated to create and send letters to Secretary DeVos asking for changes in borrower relief on a federal level. The first letter was sent in March 2020 asking for relief for borrowers who are permanently and totally disabled. A second letter was sent in August 2020 asking for an extension on the assistance provided for those affected by Covid-19.

Professional Training

During the Covid-19 closure, the Student Loan Ombudsman took the opportunity to participate in virtual professional trainings with organizations such as the National Association of State Treasurers (NAST), The National Scholastic Press Association (NSPA), The National Consumer Law Center (NCLC), Federal Student Aid (FSA), and many more. These trainings will be

ongoing in an effort to keep the Student Loan Ombudsman up to date with news and changes surrounding student loans.

II. Program's Effectiveness

The Student Loan Ombudsman program is creating a path for students and parents to understand how student loans should always be their last option, but if it is their only option, the program offers education on how to responsibly borrow. The Student Loan Ombudsman is attacking the root of the problem and complete effectiveness of the program will not be seen for years to come. There remain significant barriers that do not allow the Student Loan Ombudsman to provide higher level of support to student loan borrowers in Nevada. The current limitations on in-person events and navigating through the new virtual environment has proven challenging with the advancement of the program during 2020, and efforts in 2021 will work to overcome these barriers and challenges to effectively reach all Nevada families who may be facing difficult financial decisions when discussing higher education. However, the most significant barrier of all is the lack of regulations that surround student loans. It is with high hopes that the Student Loan Bill of Rights proposed by Assemblyman Howard Watts in the 2021 legislative session passes in order to protect Nevadan student loan borrowers from unfair lending practices by student loan servicers. It is imperative that student loans remain at the top of conversations amongst Nevada leaders to lower the State's ranking as highest in default rates.