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June 9, 2017

The Honorable Betsy DeVos  
Secretary  
Department of Education  
400 Maryland Ave, SW  
Washington, DC 20202

Dear Secretary DeVos:

On May 24, the Department of Education (Department) announced the resignation of James Runcie as chief operating officer for the Office of Federal Student Aid (FSA). Reports indicate his resignation was an outcome of his refusal to testify in a U.S. House Committee on Oversight and Government Reform (OGR) hearing examining improper payments related to student financial aid. The Department should take full advantage of this opportunity to install strong, accountable leadership to an agency that holds great importance in delivering, managing, and conducting oversight of federal student aid.

In recent years, the Committee on Education and the Workforce (Committee), Congress, the Department's Inspector General (IG), and other federal entities have observed declining performance and an increase in deficiencies at FSA. A November 2015 joint hearing between the Committee and OGR titled "Federal Student Aid: Performance-Based Organization Review" highlighted many of the management and oversight shortfalls experienced by FSA under Mr. Runcie's leadership. During the hearing, the IG testified that FSA needed to improve its oversight of federal student aid programs, showed significant weaknesses in the program review process, carried out poor oversight and management of vital contracts and contractors, and was susceptible to improper payments. The Government Accountability Office (GAO) also testified that certain actions and decisions made by staff at FSA, such as providing unclear guidance, resulted in poor services to borrowers.

When FSA does not act appropriately, borrowers and hardworking taxpayers are harmed. Most recently, this has been evident in the suspension of the Data Retrieval Tool (DRT) and the ongoing student debt collection contracting process. With the DRT suspension, student borrowers and families have experienced increased burdens when applying for federal student aid and some taxpayers have been harmed by the fraudulent behavior that led to the suspension.

The Honorable Betsy DeVos

June 9, 2017

Page 2

FSA is also in the midst of a contract procurement process for defaulted student loan collections that has spanned four years without a conclusion. Coupled with a current injunction from the U.S. Court of Federal Claims, thousands of borrowers currently in default cannot get the needed assistance to begin the rehabilitation of their loans.

Many of these problems are emblematic of the unaccountable leadership the agency carried-over from the previous administration. The time has come for the Department to fully address mismanagement at FSA. The Committee looks forward to your choosing a well-qualified individual capable of carrying out the important functions charged to FSA to better serve borrowers and improve the stewardship of federal taxpayer funding.

Sincerely,

A handwritten signature in blue ink that reads "Virginia Foxx". The signature is written in a cursive, flowing style.

Virginia Foxx  
Chairwoman