



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors  
National Student Clearinghouse  
Herndon, Virginia

We have examined management of National Student Clearinghouse and Affiliate's (the Clearinghouse) assertions that the Clearinghouse has complied with the Reporting, Servicer Eligibility; Servicer's Systems and Internal Control requirements described in Chapter 4 of the 2016 edition of the U.S. Department of Education's Guide, *Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs* (Guide) relative to the Clearinghouse's participation in the Federal Student Financial Assistance Programs during the year ended June 30, 2017. Management is responsible for the Clearinghouse's compliance with the specified requirements. Our responsibility is to express an opinion on the Clearinghouse's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clearinghouse complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Clearinghouse complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Clearinghouse's compliance with the specified requirements.

In our opinion, the Clearinghouse complied, in all material respects, with the specified requirements referred to above during the year ended June 30, 2017.

The purpose of this report on compliance is solely to describe the scope of our examination of compliance and the results of that examination is based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Baltimore, Maryland  
October 6, 2017

# NATIONAL STUDENT CLEARINGHOUSE

2300 Dulles Station Boulevard, Suite 300, Herndon, Virginia 20171 ~ 703-742-4200 ~ [www.studentclearinghouse.org](http://www.studentclearinghouse.org)

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October 6, 2017

U.S. Department of Education  
Case Management & Oversight Data Management & Analysis Division  
Document Receipt & Control Center  
830 First Street, NE Room 7111  
Washington, DC 20002-5402

We are providing you with the following assertions relating to our compliance with specified compliance requirements regarding Reporting, Servicer Eligibility and Servicer's Systems and Internal Control listed in Chapter 4 of the 2016 edition of the U.S. Department of Education's Guide, Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs (Guide), relative to the participation in the Federal Student Financial Assistance Programs during the year ended June 30, 2017. The National Student Clearinghouse is required to comply with the requirements that govern student financial assistance programs and that relate to the compliance categories denoted as "Responsibility of the National Student Clearinghouse" in the assertions below.

The following assertions are made to you in order to comply with the reporting requirements of the 2016 edition of the Guide. These assertions are based on regulations of the programs which are contained in 34 CFR 668 as referenced within the Guide.

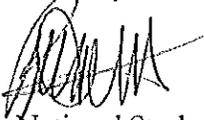
1. It was the responsibility of our institutional clients to comply with the Institutional Eligibility and Participation compliance requirements included in Chapter 4, Section C of the Guide, as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements listed in Chapter 4, Section C.
2. We complied with the reporting requirements over Enrollment Reporting Roster Files included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. It was the responsibility of our institutional clients to ensure that the information given to us for reporting was reliable as of June 30, 2017, and for the year then ended. It was our responsibility to ensure that Enrollment Reporting Roster Files information received remained reliable and was presented in accordance with the terms of applicable agreements, with which we complied.
3. It was the responsibility of our institutional clients to comply with the Student Eligibility compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional client to maintain effective internal control over compliance with those Guide requirements included in Chapter 4, Section C.
4. It was the responsibility of our institutional clients to comply with the Disbursements compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements included in Chapter 4, Section C.

5. It was the responsibility of our institutional clients to comply with the Return of Title IV Funds compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements included in Chapter 4, Section C.
6. It was the responsibility of our institutional clients to comply with the G5 and Cash Management compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements included in Chapter 4, Section C.
7. It was the responsibility of our institutional clients to comply with the Perkins Loan Program compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements included in Chapter 4, Section C.
8. It was the responsibility of our institutional clients to comply with the Close Out compliance requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements listed in Chapter 4, Section C.
9. It was the responsibility of our institutional clients to comply with the Administrative Requirements included in Chapter 4, Section C of the Guide as of June 30, 2017, and for the year then ended. As such, it was the responsibility of our institutional clients to maintain effective internal control over compliance with those Guide requirements listed in Chapter 4, Section C.
10. We complied with the Servicer Eligibility compliance requirements listed in Chapter 4, Section C of the Guide. In so complying, we assert that, under the proceedings of 34 CFR 668.25(d) :
  - a. We have not been limited, suspended, or terminated by the Secretary as of June 30, 2017, or within the preceding five years.
  - b. We have not, during the two most recent audits, had a finding that resulted in the Clearinghouse being required to repay an amount greater than five percent of the funds that Clearinghouse administered under Title IV programs, for any award year.
  - c. We have not been cited as of June 30, 2017, or during the preceding five years for failure to submit required audit reports in a timely fashion.
  - d. We have not been subject to a termination action and neither we, nor one or more persons or entities that exercise substantial control over the Clearinghouse, nor both:
    - i. Failed to submit financial guarantees in an amount determined to be sufficient to satisfy potential liabilities arising from Clearinghouse's administration of Title IV, Higher Education Act of 1965 (HEA) programs, and
    - ii. Failed to agree to be jointly and severally liable for any liabilities arising from the Clearinghouse's administration of the Title IV, HEA programs and civil and criminal monetary penalties authorized under Title IV of the HEA.
11. In contracts with our institutional clients, we have agreed:

- a. To comply with all statutory or regulatory provisions, and special arrangements, agreements, limitations, suspensions, and terminations entered into under Title IV, HEA programs.
  - b. To refer to the ED Office of Inspector General for Investigations any information indicating there is reasonable cause to believe either of the following:
    - i. Our institutional clients might have engaged in fraud or other criminal misconduct in connection with the institution's administration of any Title IV, HEA program.
    - ii. An applicant for Title IV, HEA program assistance might have been engaged in fraud or other criminal misconduct in connection with his or her application.
  - c. To be jointly and severally liable with our institutional clients for any violation by the Clearinghouse of any statutory or regulatory provisions, and special arrangements, agreements, limitations, suspensions, and terminations entered into under Title IV, HEA programs.
12. There were no terminated contracts with institutional clients, for which the Clearinghouse was required to return to the institutional clients all records in the Clearinghouse's possession pertaining to the institution's participation in the program or programs for which services are no longer provided.
13. The Clearinghouse has established systems with Internal Control, which assure compliance with requirements included in Chapter 4, Section C of the Guide for those services, which it provided as of June 30, 2017, and for the year then ended.

To the best of our knowledge and belief, the foregoing assertions are true and accurate. Management of the National Student Clearinghouse recognizes that it is responsible for compliance with the aforementioned requirements.

Sincerely,



National Student Clearinghouse  
Ricardo Torres  
Chief Executive Officer

**National Student Clearinghouse and Affiliate  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

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None noted for fiscal year ended June 30, 2017.

**Note:** Summary schedules A, B and C have not been submitted as they do not apply to the Clearinghouse.

The definition of material noncompliance is as follows:

Reporting – findings in the sample resulting in an error in reporting would be considered a material instance of noncompliance,

Servicer Eligibility – any finding for this attribute would be considered an instance of material noncompliance, and

Servicer's Systems and Internal Control – findings encountered with internal control requirements would be considered material instances of noncompliance.

**National Student Clearinghouse and Affiliate  
Summary Schedule of Prior Findings and Questioned Costs  
Year Ended June 30, 2017**

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There were no prior findings in the immediate prior audit/compliance attestation engagement report issued in accordance with the preceding Guide and other pertinent audits/attestation engagements or reviews.

**National Student Clearinghouse and Affiliate  
Corrective Action Plan  
Year Ended June 30, 2017**

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There were no prior findings in the immediate prior audit/compliance attestation engagement report issued in accordance with the preceding Guide and other pertinent audits/attestation engagements or reviews.

There were no findings in the current period.



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Ricardo Torres  
Chief Executive Officer

703.742.4200