

SERVICER INFORMATION SHEET

NATIONAL STUDENT CLEARINGHOUSE AND AFFILIATE

HERNDON, VIRGINIA

Servicer Information

PRESIDENT	<u>Ricardo D. Torres</u>
CONTACT PERSON and	<u>George Levathes</u>
TITLE	<u>Vice President</u>
Telephone Number	<u>(703) 742-7791</u>
Fax Number	<u>(703) 742-7792</u>
Servicer Auditor Information	
Audit Firm	<u>Grant Thornton LLP</u>
Partner In Charge	<u>Lisa Lipsky</u>
Firm Address	<u>1 South Street, Suite 2400</u>
City, State	<u>Baltimore, MD</u>
Lead Auditor	<u>Lisa Lipsky</u>
Email Address	<u>Lisa.Lipsky@us.gt.com</u>
Telephone Number	<u>(410) 528-2020</u>
Fax Number	<u>(410) 837-0587</u>
Last Compliance Attestation	<u>October 6, 2016</u>
Engagement Period	<u>July 1, 2016 – June 30, 2017</u>
Dates of Field of Work	<u>08/08/2017 – 09/20/2017</u>

Compliance Requirement	Performed by School	Performed by National Student Clearinghouse and Affiliate	Explanation of Divided Performance
1. Institutional Eligibility and Participation			
A. Participation agreement/ECAR	X		
B. Legal authorization	X		
C. Approved locations	X		
D. Eligible programs	X		
E. Accreditation	X		
F. Bonuses, commissions and other incentives payments	X		
G. Student recruiting and admissions	X		
H. Zone alternative	X		
I. TEACH grant eligibility and administration	X		
J. Calculation of 90/10 ratio	X		
K. Calculation of other institutional eligibility ratios	X		
2. Reporting			
A. Enrollment reporting roster file ⁶⁸ :			
i. Completion		X	
ii. Changes in enrollment status	X		
B. FISAP	X		
C. Gainful Employment Reporting	X		

Compliance Requirement	Performed by School	Performed by National Student Clearinghouse and Affiliate	Explanation of Divided Performance
3. Student Eligibility			
A. Determining eligibility	X		
B. Regular student	X		
C. Enrolled in eligible program	X		
D. Citizenship	X		
E. Social security number	X		
F. Not in overpayment or default status	X		
G. Selective service	X		
H. Academic credentials	X		
I. SAR/ISIR	X		
J. Verification	X		
K. Prior degrees	X		
L. Incarcerated students	X		
M. Maintaining satisfactory academic progress	X		
N. Professional judgment decisions	X		
O. Dependency overrides	X		
P. Financial need	X		
Q. Calculating the Pell	X		
R. Calculating loan amounts	X		
S. Master promissory note confirmation process	X		
T. PLUS loan amounts and confirmation process	X		
U. TEACH grant	X		
V. IASG	X		
W. Attendance in distance education program	X		
X. Student Confirmations	X		
4. Disbursements			
A. Confirming student eligible for each disbursement	X		
B. Valid ISIR/SAR on file	X		
C. Determining payment period	X		
D. Entering COD data	X		
E. Early disbursements	X		
F. Verification is complete	X		
G. Notices	X		
H. Transfer students	X		
I. FWS	X		
J. Initial counseling	X		
K. Exit counseling	X		
L. Delivering credit balances and authorizations	X		
M. If applicable, maintaining subsidiary ledger for students with credit balance	X		
5. Return of Title IV Funds			
A. Policy	X		
B. Determining date of withdrawal	X		
C. Post-withdrawal disbursements	X		
D. Return calculations	X		
E. Overpayment calculations	X		
F. Allocation of return of Title VI funds	X		
G. Timing of return of Title IV funds	X		
H. Notifying borrowers of returns of loan proceeds	X		

Compliance Requirement	Performed by School	Performed by National Student Clearinghouse and Affiliate	Explanation of Divided Performance
6. G5 and Cash Management			
A. Forecasting cash needs	X		
B. Withdrawing Federal funds	X		
C. Disbursing funds			
i. Posting credits to student accounts	X		
ii. Making the funds available to the student	X		
D. Returning excess funds	X		
E. Accounting for and returning interest earnings	X		
F. Performing monthly Direct Loan reconciliations	X		
7. Perkins Loan Program			
A. Approving and maintaining deferment, loan cancellation, and discharge for death or disability documentation	X		
B. Perkins master promissory notes	X		
C. Loan status and loan balances in NSLDS	X		
D. Deferment of loan payments	X		
E. Billing and collections	X		
F. Liquidation	X		
8. Administrative Requirements			
A. Written procedures	X		
B. Direct Loan quality assurance system	X		
C. Satisfactory academic progress measurements	X		
D. Reporting change in ownership	X		
E. Reporting possible illegal conduct	X		
F. Perkins Loan and grant overpayments	X		
G. Annual security and fire safety reports	X		
H. Completion, graduation, and transfer-out rates	X		
I. Prospective student disclosures for gainful employment programs	X		
J. Student Warnings for gainful employment program eligibility	X		
9. Close Out Audit (If Applicable)			
A. Retaining and storing of records	X		
B. Collection of outstanding Perkins Loans	X		
C. Continuing to comply with withdrawal calculations during “teach-out”, if applicable	X		
D. Returning unexpended Title IV funds to ED	X		
E. Returning to Direct loan proceeds received but not delivered or credited to student accounts	X		
F. Disbursements after participation ends	X		



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
1 South Street, Suite 2400
Baltimore, MD 21202-7304
T 410.685.4000
F 410.837.0587
www.GrantThornton.com

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.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Baltimore, Maryland
October 6, 2017