October 4, 2019

Mr. Rodney Cheyney
Superintendent
Ashland County - West Holmes Career Center - Adult Education
D/B/A Ashland County - West Holmes Joint Vocational School District
1783 State Route 60
Ashland, OH 44805-0000

UPS Tracking # 1ZA879643595820170

RE: **Final Program Review Determination**
OPE ID: 03117000
PRCN: 201740729719

Dear Mr. Cheyney:

The U.S. Department of Education's (Department's) Third Party Servicer Oversight Group (TPSOG) issued a program review report on May 8, 2019, covering Wright International Student Services' (WISS') and Ashland County – West Holmes Career Center's (Ashland's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The institution's final response was received on July 15, 2019.

The Department has reviewed Ashland's response to the Program Review Report. A copy of the program review report (and related attachments) and Ashland's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by Ashland upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

The purpose of this letter is to discuss the Department's final determination of the outstanding finding and to close the review.

During the review, the following area of noncompliance was noted.

Finding 1. Inadequate Written Policies and Procedures

Noncompliance:

An institution is eligible to enter into a written contract with a third-party servicer for the administration of any aspect of the institution's participation in any Title IV, HEA program. 34 C.F.R. § 668.25(a). While an institution can enter into a written contract with a third-party servicer to perform one or more functions on behalf of the institution, the institution cannot contract out its fiduciary responsibilities and obligations under the Higher Education Act. The institution must ensure that its third-party servicers comply with applicable Title IV, HEA regulations and program requirements and must ensure that all third-party servicer contracts contain the required language outlined under 34 C.F.R. § 668.25(c).

When an institution contracts with a servicer to administer any aspect of the Title IV, HEA programs, both the institution and the servicer act in the capacity of a fiduciary and are subject to the highest standard of care and diligence in administering the programs and accounting to the Department for any funds administered. 34 C.F.R. §§ 668.82(a),(b)(2). An institution's responsibility with regard to its compliance with Title IV, HEA requirements does not terminate with the execution of a servicing contract. Rather, the institution and the servicer become partners with the shared responsibility of ensuring that all aspects of Title IV compliance are met. The institution and the servicer are also jointly liable for any liabilities owed to the Department resulting from actions taken by a servicer when performing a contracted Title IV function. 34 C.F.R. § 668.25(c)(3). An institution cannot meet its joint responsibilities if it fails to ensure that the policies and procedures used by its servicer, and the activities conducted by that servicer, are consistent with all laws and Title IV requirements.

During the course of its review of Ashland and WISS, the Department found that Ashland and WISS failed to adhere to a fiduciary standard of conduct and failed to comply with the Title IV, HEA standards of administrative capability. Neither Ashland nor WISS maintain a comprehensive written policy and procedure manual that incorporates the functions that Ashland performs and those that WISS performs on behalf of the institution. Staff at Ashland could not describe the specific procedures performed by WISS to correspond with students and/or to lower the institution's cohort default rate. Interviews conducted with senior staff members at WISS revealed that WISS intentionally does not share its policies and procedures with the institutions it contracts with. In fact, the owner specifically said, "Our job is to lower default rates, it is not the institutions' business how we do it. We have the lowest default rates in the industry."

Absent comprehensive policies and procedures, Ashland cannot ensure that WISS is properly performing default prevention/aversion activities on behalf of the institution or serving the best interest of its students.

Directives from Program Review Report:

Ashland was required to develop and maintain comprehensive written policies and procedures for the default prevention/aversion activities performed by Ashland and those performed by WISS. In order to develop these procedures, Ashland was required to obtain copies of all forms and letters sent to students/borrowers, as well as copies of all call scripts utilized to discuss student loan options or a student's/borrower's loan status with borrowers and/or Department loan servicers.

The procedures were required to:

1) Clearly designate the functions and responsibilities that Ashland performs and those performed by WISS;
2) Explain how and when each of the documents provided are used by WISS in performing its default management functions;
3) Outline how Ashland and WISS protect student information, including how the information is safeguarded when it is being transmitted between parties;
4) Outline how the parties report security breaches to students and the Department;
5) Explain how Ashland verifies its third-party servicer's policies, procedures, and practices are compliant with applicable regulations; and
6) Explain how WISS safeguards student information received and transmitted to the school and other parties.

A copy of these policies, procedures, forms, and call scripts were required to accompany Ashland's response to the program review report.

In addition, it was recommended that Ashland review and revise all third-party servicer contracts to ensure the contracts accurately and specifically detailed the functions its servicers perform on behalf of Ashland, and any responsibilities the institution retains. Ashland was required to ensure that all contracts comply with Title IV requirement and ensure that there are sufficient policies and procedures in place relevant to those contracts to provide clear guidance, for both the institution and the servicer, regarding proper Title IV administration for any function performed.

Final Determination:

In its response, Ashland stated that it had developed comprehensive written policies and procedures in conjunction with WISS to clearly define the default prevention/aversion functions performed by WISS and which are performed by Ashland.

Included in this policy manual, Ashland indicated WISS and Ashland developed detailed policies and procedures regarding the protection and safeguarding of student information, including the use of an internal site (http://cohortprt.com/BrowseReport/ReportTree) for transmission of invoices or other documents with Personal Identifiable Information (PII). As part of its newly developed procedural manual, Ashland indicated it incorporated Policy 8305 (Information

Security) and 8351 (Security Breach Confidential Databases from School Board Policy Manual, Data Breach, or Suspected Data Breach Response Procedures) into its policies regarding the security and confidentiality of customer information, describes how the institution protects against any anticipated threats or hazards to the security or integrity of such information and how the institution protects against unauthorized access to or use of such information that could result in substantial harm or inconvenience. As part of its compliance efforts, Ashland contracted its firewall security services to an outside entity who is in charge of administration, maintenance, and support of the firewall to ensure student/borrower information is protected.

Finally, Ashland advised the Department that it had obtained a copy of WISS's Default Management Solutions Direct Loan manual which included copies of all forms and letters sent to students/borrowers as well as copies of call scripts utilized by WISS to discuss student loan options or a student/borrower's loan status with borrowers and/or Department loan servicers to ensure the institution was aware of communication which was occurring between WISS and Ashland's students.

The Department reviewed Ashland's response and noted that Ashland made a significant number of revisions to its policies and procedures to comply with the required actions outlined in the Program Review Report. The Department also identified areas of concern that require additional revisions.

Ashland must ensure that the institution and its third-party servicers provide accurate and complete information regarding a student's options for repaying his or her student loans and/or alternative options if a student is having difficulty making monthly payments. Ashland should implement a quality control process to request copies of correspondence a third-party servicer sends to its students via mail, text, and e-mail. Ashland should request voice recordings of conversations that its third-party servicer has with students to ensure the information provided is accurate and complete. Ashland should ensure that correspondence properly identifies the institution and the third-party servicer by name and provides contact information for Ashland should the student have questions or concerns. Ashland must ensure that any correspondence provided to a student does not misrepresent the options available to the student or omit information necessary for a student to understand the benefits or consequences of the options presented.

Ashland must prohibit third-party servicers from implying that correspondence sent to a student is from or endorsed by the Department or other government entity. When communicating with the Department or Department's loan servicers, Ashland must require its third-party servicers to properly identify themselves and prohibit third-party servicers from presenting themselves as the school to gain access to student account information.

Ashland must ensure that its third-party servicers do not alter OMB approved forms in anyway. No information can be added to the front or back of an OMB approved form. The complete OMB form must be provided to students/borrowers, including the instructions, definitions, Privacy Act Notice, and Paperwork Reduction Act Notice. OMB approved forms cannot be pre-

populated, except for the borrower's information preprinted in the white space of Section 1 of the OMB Approved Forms for Forbearance, Deferment, or Income-Driven Repayment (IDR) Plan Request.

Ashland must prohibit its employees and third-party servicers from instructing students/borrowers to submit documents that contain personally identifiable information via unsecure methods of data exchange (via unencrypted text, e-mail, fax, etc.). Students/borrowers should never be instructed to send personal information to an employee's personal cell phone or e-mail.

The Department reminds Ashland that the Department considers any breach in the security of student records and information to be a demonstration of a potential lack of administrative capability. This includes when there is a breach of security of student records and information at any entity that the institution contracts with to perform work on behalf of the institution and/or the institution discloses or provides authorization for an entity to access student information.

At a minimum, the institution should require its third-party servicers to develop and maintain an information security program that is as strict or stricter than its own. The program must comply with the Gramm Leach Bliley Standards for Safeguarding Customer Information, the Red Flag Rules issued by the Federal Trade Commission, as well as the Department's security protocols.

Ashland's SAIG Agreements includes a provision that the school must immediately notify the Department at CPSSAIG@ed.gov when there is a breach of security of student records and information. Ashland must require its third-party servicers to notify the institution and the Department immediately whenever there is a breach or suspected breach of security of student records and information.

In its reports to the Department, schools and servicers should include the following:

- Date of breach (suspected or known)
- Impact of breach (# of records, etc.)
- Method of breach (hack, accidental disclosure, etc.)
- Information Security Program Point of Contact (e-mail and phone details)
- Remediation Status (complete, in process - with detail)
- Next steps (as needed)

As part of its yearly security assessment review, Ashland should require its third-party servicers to provide documentation to validate that all operating systems and software utilized by the third-party servicer have been properly updated with all security patches applied; the third-party servicer has conducted security audits to identify weaknesses and update/patch vulnerable systems; the third-party servicer ensured proper audit logs were created and reviewed routinely for suspicious activity; and any entity or subcontractor that houses student documents on behalf of the third-party servicers (i.e. PandaDoc) is compliant with the Gramm Leach Bliley Standards

for Safeguarding Customer Information, the Red Flag Rules issued by the Federal Trade Commission, as well as the Department's security protocols.

Ashland should carefully review and test all websites and portals that its third-party servicers require the institution or its students to submit student records and information into. The institution must ensure it never transmits student data via unprotected portals. The institution is reminded that just because a website requests a username and password does not mean it is a secure site. If a portal is accessed via a browser, the user should see "https" at the beginning of the address, indicating that the connection is secure.

An institution's use of a third-party servicer does not alter the institution's responsibility for compliance with applicable rules and regulations. Although a third-party servicer may be held jointly and severally liable with the institution for any violation by the servicer of any statutory provision of or applicable to the Higher Education Act, the institution is ultimately responsible for providing oversight and for ensuring the institution and its third-party servicer's processes and procedures are compliant with applicable regulations.

Although Ashland may consider this program review to be closed, failure to implement the additional corrective action outlined in this final determination or should the institution be cited in the future for failure to provide proper oversight of its third-party servicer(s) may result in a referral to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application.

Record Retention

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loans, claims or expenditures questioned in the program review or the end of the retention period applicable to the record. 34 C.F.R. §§ 668.24(e)(1), (e)(2),(e)(3)(i).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please contact Ms. Kathy Feith at (816) 268-0406.

Sincerely,

[redacted]

Dvak Corwin
Division Director

Enclosure: Program Review Report
Ashland's Response to the Program Review Report

cc: Ms. Vicki Loucks, Financial Aid Officer
Council on Occupational Education
Ohio Department of Higher Education
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Final Program Review Determination
PRCN #: 201740729719

Ashland County—West Holmes Career Center
Program Review Report

Prepared for

Ashland County – West Holmes Career Center

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of the AMERICAN MIND™

OPE ID: 03117000
PRCN: 2017 4 07 29719

Prepared by
U.S. Department of Education
Federal Student Aid
Third Party Servicer Oversight Group

Program Review Report

May 8, 2019

1010 Walnut Street, Suite 336, Kansas City, MO 64106-2147
Fsapc3rdpartyserviceroversight@ed.gov

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Institutional Information

Ashland County - West Holmes Career Center - Adult Education
D/B/A Ashland County - West Holmes Joint Vocational School District
1783 State Route 60
Ashland, OH 44805-0000

Type: Public

Highest Level of Offering: Non-Degree 1 Year (900-1799 hours)

Accrediting Agency: Council on Occupational Education

Third Party Servicers: Wright International Student Services, Inc.

Default Rate DL:	2015: 4.8%
	2014: 5.4%
	2013: 5.5%

Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Wright International Student Services, Inc. (WISS) to determine Ashland County – West Holmes Career Center's (Ashland's) and WISS' compliance with the statutes and federal regulations as it pertains to the administration of Title IV, HEA processes WISS performed on behalf of Ashland by performing default prevention/aversion activities. The review consisted of, but was not limited to, an examination of contracts, policies and procedures, marketing materials, the institution's Default Management Plan, notification notices for students who graduated, dropped to less than half time status, or who officially/unofficially withdrew, billing invoices, as well as systems utilized for the protection and safeguarding of personally identifiable information, to ensure compliance with applicable Title IV, HEA regulations.

A sample of nine Title IV, HEA eligible institutions that contracted with WISS were identified for inclusion in the review. The Department requested copies of contracts between WISS and each institution included in the sample, as well as written policies and procedures pertaining to default prevention/aversion activities. The Department conducted off-site interviews at all nine institutions included in the sample.

Ashland was selected as one of the nine institutions included in the scope of the program review conducted at WISS. As part of the process, the Department conducted an off-site entrance conference and interview with the institution. The Department analyzed WISS' activities related to students contained in the default cohorts for fiscal years 2013-2015. Although the review conducted at Ashland and WISS was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Ashland's or WISS' specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Ashland or WISS of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings attributable to Ashland that were identified during the program review conducted at WISS. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

Regulatory Background

To begin and continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program. The Secretary considers an institution to have administrative capability if the institution administers the Title IV, HEA programs in accordance with all statutory provisions of or applicable to Title IV of the HEA, all applicable regulatory provisions prescribed under that statutory authority, and all applicable special arrangements, agreements, and limitations entered into under the authority of statutes applicable to Title IV of the HEA. 34 C.F.R. § 668.16(a). As relevant here, an institution meets the standards of administrative capability if its cohort default rates are less than 30 percent for at least two of the three most recent fiscal years during which

the Secretary has issued rates for the institution under Subpart N. 34 C.F.R. § 668.16(m)(1)(ii). An institution loses its ability to participate in the Title IV, HEA programs if the institution's most recent cohort default rate is greater than 40 percent, or the default rate exceeds 30% for three consecutive fiscal years. 34 C.F.R. § 668.206(a). This loss of eligibility is in effect for the remainder of the fiscal year in which the institution was notified of the loss and for the next 2 fiscal years. 34 C.F.R. § 668.206(b).

A third-party servicer is an entity or individual that administers any aspect of an institution's participation in the Title IV, HEA programs. 34 C.F.R. § 668.2 (definition of a third-party servicer). This includes services and functions necessary for the institution to remain eligible to participate in the Title IV, HEA programs, such as performing default prevention/aversion activities. Eligible Title IV, HEA institutions often enter into contracts with entities to perform default prevention/aversion activities, such as contacting student loan borrowers to discuss repayment options or borrower account history, assisting with completion and/or collection of borrower deferment or forbearance forms, performing entrance/exit loan counseling, implementation and oversight of a written default management plan, and /or accessing borrower information contained in Department systems.

WISS Default Management Solutions

WISS contracts with eligible Title IV, HEA institutions to perform default prevention/aversion activities. WISS began partnering with Title IV, HEA eligible institutions in May of 1995. In general, the WISS contract provides for an institution to pay five dollars for each student account loaded and updated on the WISS system for tracking. Institutions must pay an additional eighty dollars for each student deferred, forborne, or brought current. During its review of WISS, the Department gathered documentation and conducted staff interviews in order to understand how the company performs default management functions on behalf of Title IV institutions. The documentation reviewed included copies of training materials, personnel memos, call scripts, forms, checklists, and other correspondence between WISS and student loan borrowers.

As part of WISS' default management solutions, WISS representatives are assigned student accounts that are past due for resolution. According to WISS management and marketing materials, the WISS representative is responsible for contacting the student to bring the account current by providing the student with alternative options, such as deferment, forbearance, and/or repayment options. Once a decision has been made, the WISS representative initiates a conference call between the student, the student's loan servicer, and the WISS representative. During this call, the WISS representative requests the student's loan servicer to provide the student with the proper forms to begin the process for the option selected. In many cases, the WISS representative receives the completed forms and submits them to the student's loan servicer on behalf of the student. For students who do not complete the proper forms and/or whose account still shows as past due, the WISS representative will continue to reach out to the student by mail and/or phone. Once a student's account has been resolved, WISS notifies the institution that the student's account is current.

Although the Department is still analyzing the information obtained during its review of WISS, it has become apparent that WISS' default management processes described above were not always conducted with the students' best interest in mind. Further, it is clear that the institutions, including Ashland, failed to monitor the default prevention activities that WISS was conducting on their behalf. This failure could result in harm to both an institution's former students and the Department.

Findings

During the review, the following area of noncompliance was noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Ashland and/or WISS to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Inadequate Written Policies and Procedures

Noncompliance:

As outlined above, an institution is eligible to enter into a written contract with a third-party servicer for the administration of any aspect of the institution's participation in any Title IV, HEA program. 34 C.F.R. § 668.25(a). While an institution can enter into a written contract with a third-party servicer to perform one or more functions on behalf of the institution, the institution cannot contract out its fiduciary responsibilities and obligations under the Higher Education Act. The institution must ensure that its third-party servicers comply with applicable Title IV, HEA regulations and program requirements and must ensure that all third-party servicer contracts contain the required language outlined under 34 C.F.R. § 668.25(c).

When an institution contracts with a servicer to administer any aspect of the Title IV, HEA programs, both the institution and the servicer act in the capacity of a fiduciary and are subject to the highest standard of care and diligence in administering the programs and accounting to the Department for any funds administered. 34 C.F.R. §§ 668.82(a),(b)(2). An institution's responsibility with regard to its compliance with Title IV, HEA requirements does not terminate with the execution of a servicing contract. Rather, the institution and the servicer become partners with the shared responsibility of ensuring that all aspects of Title IV compliance are met. The institution and the servicer are also jointly liable for any liabilities owed to the Department resulting from actions taken by a servicer when performing a contracted Title IV function. 34 C.F.R. § 668.25(c)(3). An institution cannot meet its joint responsibilities if it fails to ensure that the policies and procedures used by its servicer, and the activities conducted by that servicer, are consistent with all laws and Title IV requirements.

During the course of its review of Ashland and WISS, the Department found that Ashland and WISS failed to adhere to a fiduciary standard of conduct and failed to comply with the Title IV, HEA standards of administrative capability. Neither Ashland nor WISS maintain a comprehensive written policy and procedure manual that incorporates the functions that Ashland

performs and those that WISS performs on behalf of the institution. Staff at Ashland could not describe the specific procedures performed by WISS to correspond with students and/or to lower the institution's cohort default rate. Interviews conducted with senior staff members at WISS revealed that WISS intentionally does not share its policies and procedures with the institutions it contracts with. In fact, the owner specifically said, "Our job is to lower default rates, it is not the institutions' business how we do it. We have the lowest default rates in the industry."

Absent comprehensive policies and procedures, Ashland cannot ensure that WISS is properly performing default prevention/aversion activities on behalf of the institution or serving the best interest of its students.

Required Action:

Ashland must develop and maintain comprehensive written policies and procedures for the default prevention/aversion activities performed by Ashland and those performed by WISS. These procedures must clearly designate the functions and responsibilities that Ashland performs and those performed by WISS. In order to develop these procedures, Ashland must obtain copies of all forms and letters sent to students/borrowers, as well as copies of all call scripts utilized to discuss student loan options or a student's/borrower's loan status with borrowers and/or Department loan servicers. The procedures should explain how and when each of these documents are used by WISS in performing its default management functions. These procedures must also outline how Ashland and WISS protect student information, including how the information is safeguarded when it is being transmitted between parties, and how the parties report security breaches to students and the Department. In addition, the procedures must include how Ashland verifies its third-party servicer's policies, procedures, and practices are compliant with applicable regulations, as well as how WISS safeguards student information received and transmitted to the school and other parties. A copy of these policies, procedures, forms, and call scripts must accompany Ashland's response to this report.

In addition, it is recommended that Ashland review and revise all third-party servicer contracts to ensure the contracts accurately and specifically detail the functions its servicers perform on behalf of Ashland, and any responsibilities the institution retains. Ashland must ensure that all contracts comply with Title IV requirements. Ashland should also ensure that there are sufficient policies and procedures in place relevant to these contracts to provide clear guidance, for both the institution and the servicer, regarding proper Title IV administration for any function performed.

Recommendation

The following is a recommendation based upon observations made by the review team during the program review. The review team believes that adoption of this recommendation will assist Ashland and WISS in its administration of Title IV, HEA funds.

During the on-site program review at WISS, the program reviewers documented that WISS employees utilized personal cell phones and social media accounts to interact and correspond with students/loan borrowers. WISS employees frequently interacted with students/loan borrowers by text and instructed students/loan borrowers to text documents as photographs to the employees' personal cell phone. In addition, WISS management stated that it did not have written procedures to report suspected or actual data breaches to an institution and/or to the Department.

Postsecondary educational institutions participating in the Title IV, HEA programs are subject to the information security requirements established by the Federal Trade Commission (FTC) for financial institutions. These requirements apply to all customer information in an institution's possession, regardless of whether such information pertains to students, parents, or other individuals with whom the institution has a customer relationship, or pertains to the customers of other financial institutions that have provided such information to the institution. Customer information is any record containing nonpublic personal information about a customer of a financial institution, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of the institution or its affiliates. As a financial institution covered under these information security requirements, an institution must develop, implement, and maintain a comprehensive information security program.

The information security program must be written in one or more readily accessible parts and contain administrative, technical, and physical safeguards that are appropriate to the size and complexity of the school, the nature and scope of its activities, and the sensitivity of any customer information at issue.

The safeguards shall be reasonably designed to achieve the following objectives:

(a) Insure the security and confidentiality of customer information,
(b) Protect against any anticipated threats or hazards to the security or integrity of such information, and
(c) Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

An institution must designate an employee or employees to coordinate its information security program. An institution must identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information and assess the sufficiency of any safeguards in place to control these risks.

At a minimum, the school's risk assessment should include consideration of risks in each relevant area of the institution's operations, including:

(a) Employee training and management,
(b) Information systems, including network and software design, as well as information processing, storage, transmission, and disposal, and
(c) Detecting, preventing, and responding to attacks, intrusions, or other systems failures.

An institution must design and implement information safeguards to control the risks identified through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.

An institution must evaluate and adjust its information security program in light of the results of the required testing and monitoring, as well as for any material changes to your operations or business arrangements or any other circumstances that it has reason to know may have a material impact on an institution's information security program. See 15 U.S.C. §§ 6801(b), 6805(b)(2); 16 C.F.R. §§ 313.3(n), 314.1–5; Gramm-Leach-Bliley Act: Sections 501 and 505(b)(2); see also *2018-2019 Federal Student Aid Handbook, Volume 2 at 201-205.*

A service provider is any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through its provision of services directly with an institution. Institutions must take reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue and require service providers by contract to implement and maintain such safeguards.

Ashland should review its information security program to ensure the institution and its third-party servicers are in compliance with requirements established by the Federal Trade Commission (FTC).