

Congress of the United States

Washington, DC 20515

July 21, 2020

Joseph J. Simmons
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Simmons,

We are writing regarding reports that a private company, Frank, has created and is advertising an application for students to access Higher Education Emergency Relief (HEER) emergency aid funds.¹ These funds are distributed by and at discretion of individual institutions and, thus, it is impossible to provide a legitimate, uniform application for this funding.² Nevertheless, within the first five days of the application's launch, more than 100,000 students completed the form.³ This is particularly concerning given that Frank's online application misrepresents the details of the emergency aid program in stating that aid is "first come first served" and that students can get "up to \$5,000."⁴ By creating this application, we are concerned that Frank is creating false hope and confusion for students while contributing to unnecessary extra work for financial aid administrators. We further suspect that the company may be using the data collected from misled students to make a profit by selling data to third party advertisers.⁵ Accordingly, we request that you immediately work to seek a temporary restraining order against Frank to put a stop to these deceptive practices.

As a part of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act)⁶ Congress set aside over \$14 billion for HEER emergency aid to students and institutions of higher education (institutions).⁷ Under the CARES Act, institutions are required to spend no less than 50 percent of the HEER funding received to provide direct emergency financial aid grants to students.⁸

¹ See e.g. Zack Guzman, *College students could be leaving up to \$5,000 in coronavirus stimulus money on the table*, Yahoo Finance (June 23, 2020). <https://finance.yahoo.com/news/college-students-could-be-leaving-up-to-5000-in-coronavirus-stimulus-money-on-the-table-110808246.html>.

² CARES Act: Higher Education Emergency Relief Fund, U.S. Department of Education, <https://www2.ed.gov/about/offices/list/ope/caresact.html> (last visited July 7, 2020).

³ Wesley Whistle, *Students Need Emergency Grants, But This Tool Just Gives them False Hope*, New America Foundation (July 2, 2020) <https://www.newamerica.org/education-policy/edcentral/students-need-emergency-grants-tool-just-gives-them-false-hope/>.

⁴ See <https://withfrank.org/chegg-emergency-grant/>.

⁵ The company's privacy policy for instance states that student data is shared with "nonaffiliates to market to you." See <https://withfrank.org/privacy-policy/>.

⁶ U.S. Department of Education, *Eligibility of Students at Institutions of Higher Education for Funds Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act* (Doc. No. 2020-12965) (published June 17, 2020) <https://www.federalregister.gov/documents/2020/06/17/2020-12965/eligibility-of-students-at-institutions-of-higher-education-for-funds-under-the-coronavirus-aid>

⁷ Higher Education Emergency Relief Fund, U.S. Department of Education, <https://www2.ed.gov/programs/heerf/index.html> (last visited July 7, 2020).

⁸ Frequently Asked Questions about the Emergency Financial Aid Grants to Students under Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, U.S. Department of Education, <https://www2.ed.gov/about/offices/list/ope/heerfstudentfaqs.pdf> (last visited July 7, 2020).

Most notably however, “students cannot apply for assistance directly from the U.S. Department of Education” and institutions have sole responsibility in determining, “how grants will be distributed to students, how the amount of each student grant is calculated, and the development of any instructions or directions that are provided to students about the grant.”⁹ Moreover, according to a survey conducted in early May, 96 percent of financial aid offices have distributed some CARES Act funding,¹⁰ and more than half of those have distributed between 75 and 100 percent of their allocated funds.¹¹

Despite prompting students to “Apply Now” and “Apply for up to \$5,000”,¹² Frank’s tool does not provide any actual application. Instead, filling out the form on Frank’s website only generates an email with a letter that students are told to give to their schools.¹³ This does not assist students in receiving emergency aid funds and ultimately creates additional work for financial aid offices that receive unprompted letters that do not align with the application process established by the institution for CARES emergency grants. Given that each institution has its own application, eligibility requirements, and available funding, students would be far better served contacting their institutions directly. The Frank website further presents a list of eligibility requirements that are not representative of the eligibility criteria institutions may be using in distributing emergency aid funds, further misrepresenting the availability and details of CARES-funded emergency aid and misleading students who are in desperate need of support.¹⁴

In short, this tool does not make it any easier for students to get relief funds and appears instead to be a way for Frank to mine and exploit students’ data for profit. As such, the Federal Trade Commission must take swift action to investigate this practice and ensure students are protected.

Thank you for your consideration of this request.

Sincerely,



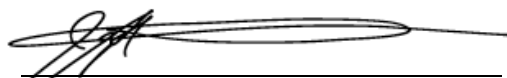
Xochitl Torres Small
Member of Congress



Lloyd Smucker
Member of Congress



Haley Stevens
Member of Congress



Jeff Van Drew
Member of Congress

⁹ CARES Act: Higher Education Emergency Relief Fund, U.S. Department of Education, <https://www2.ed.gov/about/offices/list/ope/caresact.html> (last visited July 7, 2020)

¹⁰ NASFAA Membership Poll: Coronavirus Aid, Relief, and Economic Security (CARES) Act Distribution, June 2020. https://www.nasfaa.org/uploads/documents/CARES_survey_results.pdf

¹¹ *Id.*

¹² <https://withfrank.org/chegg-emergency-grant/>

¹³ Wesley Whistle, *Students Need Emergency Grants, But This Tool Just Gives them False Hope*, New America Foundation (July 2, 2020) <https://www.newamerica.org/education-policy/edcentral/students-need-emergency-grants-tool-just-gives-them-false-hope/>.

¹⁴ *Id.*