



# DAILY BRIEFING

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Tuesday, May 3, 2022

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## NCHER Annual Conference: Five Important Reasons to Attend

The NCHER Annual Conference is scheduled for June 6-8, 2022 at The DeSoto in Savannah, Georgia. While there are plenty of reasons to attend this important conference, here are just five worth repeating:

- 5 - Hear informative and timely updates on what is happening at the federal and state levels, the economic outlook for 2021, and enrollment trends for postsecondary education.
- 4 - Learn from industry experts on hot topics and trends impacting the higher education finance industry.
- 3 - Plenty of opportunities to network with old friends and make new ones.
- 2 - There is a 50 percent discount for more than two registrations from the same organization so bring your work colleagues
- 1 - Explore the city's historic sites and beautiful scenery! Here's a [list](#) of 10 things to do in Savannah.

Similar to past conferences, NCHER hopes that the program agenda will provide all of the information that you will need to do your job effectively - whether you are a Chief Executive Officer or in Program Operations and whether you are in the federal legacy program or hoping to be a new federal student loan subcontractor, third-party servicer, or

private education loan provider. So [register](#) today and take advantage of the Early Bird registration rate that expires this Friday. Also, be sure to make your hotel reservations [online](#) or by calling (800) 239-5118. When calling the hotel, be sure to mention the NCHER 2022 Annual Conference to guarantee a room rate of \$182 per room, per night. We look forward to seeing you in-person in Savannah!

## White House Confirms Weighing Income Limits for Federal Student Loan Forgiveness

Today, the White House confirmed that it is looking at limiting any federal student loan debt cancellation to borrowers making less than \$125,000 per year. Last week, President Joe Biden indicated to reporters that he was considering taking executive action to cancel “some” amount of federal student loan debt, though he ruled out forgiving \$50,000 per borrower that many progressives have been pushing for more than a year. “The President talked back on the campaign about taking steps, or looking at steps, to help people making less than \$125,000 a year,” White House Press Secretary Jen Psaki said during a press briefing aboard Air Force One. “So that is the frame through which he's considering making considerations at this point.” She also said that the President wanted to see any student loan forgiveness “targeted to those graduates who have the greatest need.” Over the last few days, several media reports have indicated that Biden Administration officials are examining proposals that would limit the relief to people who earned less than either \$125,000 or \$150,000 as individual filers and around \$250,000 to \$300,000 for couples who file their taxes jointly. The officials have also discussed limiting forgiveness to undergraduate loans, excluding those who had taken out loans for professional degrees in fields such as law and medicine.

## Republicans Step Up Attacks on Federal Student Loan Forgiveness, Heritage Foundation Sends Letter to White House Urging Halt to Plan

Over the last week, House Republicans have stepped up their attacks on the White House for its plan to provide widespread federal student loan forgiveness, linking the effort to inflation and calling it a transfer of wealth to elites. House Minority Leader Kevin McCarthy (R-CA) has led the charge saying that it is an “absurd fiscal policy that will make inflation worse” and shows Democrats have “prioritized the demands of the liberal elite” over working Americans. House Budget Committee Ranking Member Jason Smith (R-MO) said that the policy is a “gross attack on hardworking Americans that did not attend

college or saved to pay back their loans.” He calls it a “bailout” to the wealthiest 20 percent of households that have “graduate degrees, six-figure incomes, and high lifetime earnings.” House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) said that the President is trying to “buy votes and save his party from catastrophe in November.” The ramped-up rhetoric underscores the Republican effort to bring the issue to working-class voters, a group that will be vital to House and Senate elections in 2022. The White House, for its part, is hoping that executive action on federal student debt cancellations will rally its base to the polls at a time when polls show Democrats are deflated with what their leaders have achieved since assuming office.

Separately, yesterday, the Heritage Foundation released a [letter](#) urging President Joe Biden to halt any tentative plans to cancel federal student loan debt. In the letter, Heritage Foundation President Kevin Roberts stated that doing so would improperly force the debt of college graduates onto all Americans, including those who never went to college. “This will punish working-class Americans - who already have a harder time purchasing most goods and services thanks to Bidenflation - by injecting more than \$100 billion in new dollars into the economy every year, which even Democrats say will drive up inflation,” the letter said. “Biden is rewarding college graduates with a free or significantly discounted degree - even though they are more likely to earn a higher salary than Americans without a college degree. These students knowingly and voluntarily took out these student loans and have an obligation to repay them - not foist them onto taxpayers. Canceling this debt would force Americans who have either responsibly paid off their college loans or decided not to attend college, to pay for these loans through higher taxes and increased inflation.” Mr. Roberts closed out the letter by saying that canceling federal loan student debt is unfair to Americans who already repaid their loans or decided not to attend college and it will also incentivize academia to hike tuition even higher in anticipation of more student loan forgiveness going forward, creating an ever-vicious cycle.

For more coverage, see this article from [The Hill](#).

## Sen. Warren Releases Analysis Showing Benefits of Student Loan Debt Cancellation

Today, Sen. Elizabeth Warren (D-MA) released an [analysis](#), which purports to show the benefits of federal student loan debt cancellation. The analysis was prepared by Dr. Charlie Eaton, Assistant Professor of Sociology, at the University of California Merced, along with co-authors from UC Merced and Princeton University. “Our new analyses

show that every level of student debt cancellation will provide relief to millions of borrowers who have experienced financial distress from their student loans,” Dr. Eaton said. “But bigger is better with higher levels of cancellation completely zeroing out debts for most of these borrowers, a disproportionate share of whom are Black and lack inherited household wealth.”

The analysis estimates how much relief reaches different types of borrowers when cancellation is increased by \$10,000 increments from \$10,000 to \$50,000. These estimates exclude borrowers with more than \$150,000 in annual income, in line with thresholds that are reportedly under consideration by the Biden Administration. The topline findings of the analysis show:

- **All amounts of proposed cancellation would reduce loan balances for large shares of borrowers. For each \$10,000 increment of maximum cancellation per borrower:**
  - \$10,000 zeroes out balances for 32 percent of borrowers (13 million in total)
  - \$20,000 zeroes out 50 percent of borrowers (20 million in total)
  - \$30,000 zeroes out 61 percent of borrowers (24 million in total)
  - \$40,000 zeroes out 71 percent of borrowers (28 million in total)
  - \$50,000 zeroes out 76 percent of borrowers (30 million in total)

The analysis also states that cancellation overwhelmingly benefits low-wealth borrowers because rich people rarely borrow and pay off debt quickly when they do, cancellation closes racial gaps in student debt associated with the racial wealth gap, and cancellation provides substantial relief to those unable to repay debts because of inequalities in wealth and income that particularly impact Black borrowers. It also said that cancellation would provide substantial relief for borrowers who have experienced default or a 91+ day delinquency and cancellation would reduce racial disparities in negative net worth that are amplified by student debt.

## U.S. Department of Education News

For today’s *Federal Register*, click [here](#).

The following announcement was posted to the Federal Student Aid’s Knowledge Center Website:

- [\(GENERAL-22-25\) Volume 4 – Processing Aid and Managing FSA Funds \[2022-2023 Federal Student Aid Handbook\]](#)
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## Member News



The Kentucky Higher Education Assistance Authority recently released its [Money Tip for Students – May 2022](#), which states that Kentuckians who have borrowed federal student loans and are finishing their schooling must take exit

counseling. “The federal government requires student loan borrowers to take exit counseling so they will understand their obligations and options,” Gov. Andy Beshear said. “During their counseling session, they will learn how to ensure that they make their payments on time and whether they can qualify for a deferment or forbearance.”

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## General News

[CNBC](#) reports that federal student loan debt continues to tick higher as the future of loan forgiveness remains uncertain.

[Fox News](#) reports on comments made by ‘How America Works’ host Mike Rowe who discusses his views on the President’s possible executive order to forgive \$10,000 in federal student loan debt. Mr. Rowe says that the idea of canceling student loan debt ‘makes me crazy.’

[WCNC](#) examines whether student loan refinancing is worth it and discusses the pros and cons.

[Inside Higher Ed](#) includes a blog post which says that policymakers should not means-test federal student loan cancellation – instead, age test it.

[Money](#) reports that more colleges and universities are going ‘no loan’ to help students graduate debt-free.

[University Business](#) reports that new 'unbiased' ratings from Academic Influence show which colleges and universities are most affordable in their states. The ratings include breakdowns among 10 categories, including top community colleges, graduate schools, online-only institutions, publics and privates, small colleges, research universities, Christian colleges, and the most affordable colleges.

[Higher Ed Dive](#) reports that training certificates, course completion certificates, industry or professional certifications, and other types of alternative credentials can help employers further their hiring diversity, equity, and inclusion goals as well as bolster career development according to a report from the Society for Human Resource Management.

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