NCHER DAILY BRIEFING

Tuesday, May 17, 2022

In Today's Edition

- Politico: MSNBC Host, Former White House Aide Presses Education Secretary Cardona on Federal Student Loan Forgiveness

- CFPB Report Focuses on Mortgage Servicing as COVID-19 Forbearances End, Could Foretell Focus on Student Loans

- U.S. Department of Education News

- General News

Politico: MSNBC Host, Former White House Aide Presses Education Secretary Cardona on Federal Student Loan Forgiveness

Politico is reporting that Education Secretary Miguel Cardona recently appeared on *MSNBC* and the new show "Symone" featuring Symone Sanders, a former top aide to Vice President Kamala Harris. During the segment, Ms. Sanders specifically and repeatedly questioned Secretary Cardona on why the Biden Administration is taking so long to deliver on its campaign proposal to cancel $10,000 per borrower in federal student loan debt. "The President on the campaign trail, I was there, did make a commitment to forgive $10,000 worth of student loan debt," she said. "That has yet to happen. What is the hold-up, Mr. Secretary? What is the hold-up on the 10,000?" In response, Secretary Cardona stated, "Well, I mean, this is a pretty complex issue, right? And we have a lot of other things that the President has been fighting for that support education as well." Secretary Cardona said that he is focused on fixing existing federal student loan relief programs, such as the Public Service Loan Forgiveness Program. He said that there are "ongoing"

conversations with the White House and the U.S. Department of Education about broad student loan forgiveness but declined to provide a timeline for that decision-making process. As previously reported, President Joe Biden has said that he is considering using executive action to cancel "some" amount of federal student loan debt. The White House has indicated that it plans to decide the issue in the coming weeks. In the interview, Ms. Sanders told Secretary Cardona that "a lot of people" agree with NAACP President Derrick Johnson that all federal student loan debt should be canceled. Last week, White House Press Secretary Jen Psaki said that deciding whether to use executive action "always takes a long time" and that "there are significant policy questions" around canceling large amounts of federal student loan debt that the administration is considering. She said that the President "looks at things in terms of how they can be targeted to the people who need help the most. And I am certain that is how he will continue to look at this."

On the issue of federal student loan repayment, Ms. Sanders asked the Secretary about the upcoming expiration of the pandemic-related relief. "If folks haven't paid for two years, why should they have to start paying in August?" she asked. Secretary Cardona said that the Biden Administration was still deciding when it should resume collecting federal student loan payments, which have been paused since March 2020. "At some point, people are going to have to start paying what they can afford to pay," Secretary Cardona said. He stated, as payments resume, the Department plans to make sure the process is "respectful to the borrowers, giving them a long on-ramp with clear information."

For additional coverage, see this article from *Forbes*.

CFPB Report Focuses on Mortgage Servicing as COVID-19 Forbearances End, Could Foretell Focus on Student Loans

Yesterday, the Consumer Financial Protection Bureau (CFPB) issued a report titled, **Mortgage Servicing COVID-19 Pandemic Response Metrics: Observations from Data Reported by Sixteen Servicers for May – December 2021**, which examined the problems that mortgage borrowers face after exiting COVID-19 forbearances. NCHER is mentioning this report as it could foretell the Bureau's focus in the federal and private student loan space especially as the current federal student loan payment pauses ends later this year.

Key findings from the report include the following:

- Many borrowers did not have a loss mitigation solution in place as they exited forbearance.

- Some servicers lagged their peers in call center response times.

- Data on language preferences was limited.

According to a **press release** released by the CPFB, Director Rohit Chopra states that, while many mortgage servicers are successfully assisting borrowers to avoid foreclosure, some servicers are lagging and the Bureau "will be monitoring mortgage servicer performance to ensure that they are meeting their obligations under law."

U.S. Department of Education News

For today's *Federal Register*, click **here**.

General News

The Chronicle of Higher Education publishes a column asking the question - why does college cost so much? But the answers are not so simple.

Higher Ed Dive reports that a new report from ACT finds evidence of grade inflation in high school seniors' grade point averages between 2010 and 2021, based on analyses of high school GPAs and ACT composite scores of more than 4.3 million students from 4,783 schools.

NASDAQ includes an interview with Jeffrey Swett, Financial Advisor and Leader of The Swett Wealth Management at UBS, about the current state of financial literacy in the U.S. and the importance of learning financial wellness at a young age.

Fortune reports that Snapchat Chief Executive Officer Evan Spiegel surprised Los Angeles graduates by paying off over $10 million in their student loan debt.

Inside Higher Ed reports that thanks in part to the COVID-19 pandemic, online M.B.A. programs have gained stature and students, which is good news for accessibility and a promising model for other graduate programs.

An online version of this Daily Briefing is available to view and print from the

Daily Briefing Section of the **NCHER e-Library**.

Copyright © 2022

National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

MailPoet