



# DAILY BRIEFING

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Tuesday, July 5, 2022

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## *NCHER Daily Briefing Publishing on Abbreviated Schedule This Week*

The NCHER Daily Briefing will be published on an abbreviated schedule consisting of today and Thursday as the U.S. House of Representatives and U.S. Senate are in recess for the July 4th holiday. We will resume our regular publication when Congress returns to legislative business next Monday, July 11, 2022.

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## Weekly Rundown

The NCHER Weekly Rundown, which includes the latest information on important events in Washington, DC, is available today and can be downloaded from the [NCHER website](#).

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## NCHER Welcomes New Officers, Board of Directors for Fiscal Year 2022-2023

Today, NCHER welcomes its new leadership as well as new and returning members to the Board of Directors for Fiscal Year 2022-2023. Christiana Thornton (The New Hampshire Higher Education Assistance Foundation) continues her service as Board Chair, Angela Baier (CollegInvest / College Assist) becomes Chair-Elect, Scott D. Giles (Missouri Higher Education Loan Authority) will serve as Immediate Past-Chair, and Wendy McAlister (College Foundation Inc.) continues her service as the organization's Treasurer. Directors at-Large include: Bryan Ashton (Trellis Company), Diana Barber (Kentucky Higher Education Assistance Authority), Jim Farha (Oklahoma Student Loan Authority), Dan Fisher (ECMC Group), Ron Gambill (Education Loan Finance Inc.), Scott A. Giles (Vermont Student Assistance Corporation), Nathan Hench (Pennsylvania Higher Education Assistance Agency), Ray Jones (South Carolina Student Loan), Melissa Neal (Oklahoma College Assistance Program), and Jimmy Parker (Panhandle-Plains Higher Education Foundation). Rob Lavet (SoFi) will continue to serve as the Private Lender Liaison to the Board. NCHER extends its appreciation to all of the current Board members and looks forward to a productive and successful year! The complete listing of the 2022-2023 NCHER Board of Directors can be found on the [NCHER Website](#).

## White House Approves Borrower Defense to Repayment Regulations, NPRM Slated for Release Tomorrow

The White House Office of Management and Budget (OMB) recently [approved](#) federal regulations released by the U.S. Department of Education on borrower defense to repayment, Public Service Loan Forgiveness, Total and Permanent Disability (TPD), closed school discharge, false certification discharge, and interest capitalization. With the approval process completed, the U.S. Department of Education plans to release the Notice of Proposed Rulemaking or NPRM detailing the specifics regulations tomorrow

and then publish them in the *Federal Register* for public comment soon. Last year, the Department created a negotiated rulemaking committee with the aim of making it easier for borrowers to receive loan forgiveness based on the misconduct of their colleges and universities and other changes to the federal student loan program. The committee reached consensus on three topics: eliminating non-statutory interest capitalizing events, improving the TPD process, and streamlining the processes for false certification discharges. But the committee did not reach consensus on the remaining issues, meaning that the Department was able to draft its own regulatory approach.

## CFPB Releases Advisory Opinion Addressing Convenience Fees Charged by Debt Collectors

Last week, the Consumer Financial Protection Bureau (CFPB) issued an [advisory opinion](#) affirming that federal law often prohibits debt collectors from charging “pay-to-pay” or “convenience/junk fees,” such as fees for making a payment online or by phone. In a [press release](#) announcing the advisory opinion, CFPB Director Rohit Chopra said: “Federal law generally forbids debt collectors from imposing extra fees not authorized by the original loan. Today’s advisory opinion shows that these fees are often illegal, and provides a roadmap on the fees that a debt collector can lawfully collect.” The advisory opinion, which is a form of interpretive rule, is based on Section 808(1) of the Fair Debt Collection Practices Act (FDCPA), which prohibits debt collectors from “collecting...any amount (including any interest, fee, charge, or expenses or incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or permitted law.” Earlier this year, the CFPB provided the following example of what it considers a junk fee: “Banks commonly charge fees to accept payments on your bill, such as the ability to transfer payments, conduct a foreign transaction, or even pay bills online. These are sometimes called ‘convenience fees.’”

## Department of Education OIG Issues Report Finding Agency Failed to Meet Compliance Reporting Requirements

Last week, the U.S. Department of Education’s Office of Inspector General (OIG) released an [audit](#) that found the agency was not in compliance with the reporting requirements outlined in the Payment Integrity Information Act of 2019 aimed at reducing improper payments for Fiscal Year 2021. The OIG report said that the improper payment rates for

Pell Grants and the William D. Ford Federal Direct Loan fell below targets set by the Office of Federal Student Aid, but those calculations were unreliable because the sampling and estimation plan for both programs included non-random student-level sampling. This reportedly affects the appropriateness and accuracy of the confidence intervals. OIG also reviewed previous collective action plans and found them to be inadequate and ineffective in addressing the true root cause of the reported improper payments.

## U.S. Department of Education News

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

The following announcements were posted to the Federal Student Aid's Knowledge Center Website:

- [\(GENERAL-22-40\) Volume 6 – The Campus-Based Programs \[2022-2023 Federal Student Aid Handbook\]](#)
- [\(COD-22-05\) Additional COD System Implementation for 2022–23 Award Year \(July 2022\)](#)
- [Comment: FFEL/Direct Loan/Perkins Military Service Deferment/Post-Active-Duty Student Deferment Request](#)
- [Federal Stafford, Federal PLUS, Federal SLS, and Federal Consolidation Interest Rate Calculations for the Period July 1, 2022 – June 30, 2023 \(Updated July 1, 2022\)](#)

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## Member News



The Pennsylvania Higher Education Assistance Agency [announced](#) the competitive 2022-23 interest rates for PA Forward undergraduate, graduate and parent borrowers.



Western Governors University (WGU) is a private, online, nonprofit, accredited higher education institution with over 130,000 students in all 50 states.

The PA Forward Student Loan Program is a suite of borrower-friendly, Pennsylvania-based, private student loan products allowing students and families to borrow up to the total cost of attendance with competitively low interest rates and a variety of upfront and repayment benefits. Additional benefits include no application or origination fees, flexible repayment options, and biweekly payment options that can pay off a loan sooner, saving borrowers even more money in interest.

WGU is announcing a Request For Information (RFI) to identify potential preferred lending providers. **The first round of RFI responses will be evaluated starting on August 8, 2022.** To obtain the complete RFI, please make a request via e-mail to WGU's Procurement Department at [wgubidbox@wgu.edu](mailto:wgubidbox@wgu.edu); ensure the subject line references **"RFI # MT [PRC0002129](#) - Preferred Lender"**. After August 8, 2022, responses will be periodically reviewed on a rolling basis.



The Kentucky Higher Education Assistance Authority recently released its [Financial Aid Tip for Students – July 2022](#), which states that some colleges require high school seniors to submit an

essay as part of the admissions process. That essay may also help when it comes to paying for college. “The quality and thoughtfulness of a college admissions essay can play an important part in a student’s acceptance to their preferred school,” Gov. Andy Beshear said.

“Students should take the extra time to proofread and revise their essay several times, if necessary, and have a teacher, school counselor or parent review the essay before they submit it.”

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## General News

[Forbes](#) publishes a column reviewing the new interest rates on federal student loans that went into effect last Friday.

[The Hill](#) publishes an op-ed from University of Pennsylvania Wharton Business School Assistant Professor of Finance Sylvain Catherine and University of Chicago Booth School of Business Assistant Professor of Finance Constantine Yannelis who argue that cancelling federal student loan debt for everyone is bad policy and bad economics.

[Higher Ed Dive](#) reports that the U.S. House Appropriations Committee is urging the U.S. Department of Education to no longer allow colleges and universities to have tuition-sharing agreements with for-profit companies that help them run and recruit students into online programs.

[The Hill](#) includes an op-ed by American Council on Education President Ted Mitchell who argues that canceling federal student loan debt is just the start. “One thing is certain though: while this will benefit millions of borrowers, it will not fix our broken student loan system.”

[Inside Higher Ed](#) reports that Moody’s Investors Service recently found good news and some risks in a new report on public college and university finances. “Improved state

support and one-time federal pandemic relief along with expense cuts underpinned stronger operating performance for public universities in fiscal 2021,” according to Moody’s.

[Higher Ed Dive](#) includes an op-ed by National College Attainment Network Chief Executive Officer Kim Cook and ACT Chief Executive Officer Janet Godwin who argue that it is time for schools, colleges, companies, and policymakers to clear the path to postsecondary education. Fewer students are getting the information they need to find the right college for them.

[Inside Higher Ed](#) reports that colleges and universities have increasingly emphasized the importance of diversity, equity, and inclusion in recent years but not necessarily in the firms managing their assets, according to a new study from the Knight Foundation.

[Forbes](#) continues its coverage of federal student loan forgiveness and the federal student loan payment and collections pause, and their impact on borrowers.

[Roll Call](#) reports that Senate Appropriations Committee Chairman Patrick Leahy (D-VT) fell at his home on Wednesday and is recovering from hip replacement surgery, complicating the legislative agenda of Democrats in the closely-divided U.S. Senate.

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