



# DAILY BRIEFING

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Monday, July 25, 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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## Department of Education Confirms Delay of Proposed Rule

## on New IDR Plan

Last week, the U.S. Department of Education confirmed that the proposed rule on implementing a new income-driven repayment (IDR) plan will not be included in the upcoming negotiated rulemaking package expected over the next few days, but will be released in the “near future.” As previously reported, the White House Office of Management and Budget (OMB) recently completed its review of a Notice of Proposed Rulemaking (NPRM) that included proposals expanding the Pell Grant program for incarcerated students, expanding restrictions on for-profit colleges through the 90/10 rule, and formulating new rules pertaining to change in ownership of institutions. The package originally went to OMB with a Department proposal to create a new IDR plan that was subject to negotiated rulemaking. Now, the Department does not plan to release the IDR plan until later this year. The reason for the delay is not clear at this time. For additional coverage, see these articles from [Higher Ed Dive](#) and [Business Insider](#).

## CFPB Publishes Blog on Limited Waiver for Public Service Loan Forgiveness, Urges Loan Servicers to Reach Out to Military Borrowers

Today, the Consumer Financial Protection Bureau (CFPB) published a blog titled, [Time is running out for student loan servicers to help servicemembers with student loans get debt relief](#), which urges loan servicers to ensure that servicemembers have access to information for the limited-waiver for Public Service Loan Forgiveness (PSLF) in order to take advantage of the program. The CFPB cited that, according to a report by the U.S. Government Accountability Office, 176,906 active-duty servicemembers held federal loans that could be eligible for the PSLF program, but only 124 servicemembers had received forgiveness by 2020. The Bureau went on to note that servicemembers with Perkins or Federal Family Education Loans must consolidate their loans into the Direct Loan program before submitting their PSLF application in order to benefit, and this must be done by October 31, 2022. The blog post encourages student loan servicers to conduct outreach to military borrowers to share this information and provide steps on how to consolidate their loans.

## House Education and Labor Committee Ranking Member Foxx Pens Open Letter on Federal Student Loan Policy

Last week, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC)

penned an [open letter](#) to the American public discussing some of the Biden Administration's recent actions on federal student loan policy. In the letter, Ranking Member Foxx says that President Joe Biden has forgiven millions of dollars in federal student loans, ignoring the will of Congress and the best interest of taxpayers. She says that the U.S. Department of Education's strategy is to enact free college proposals through loan forgiveness through an expansion of the federal student loan payment pause, expansions of the Public Service Loan Forgiveness Program, and new proposed rules around borrower defense to repayment that would cost taxpayers more than \$85 billion. "Reform takes commitment from all parties and a willingness to reach a common goal of fixing a very broken system," the letter concludes. "Reform is not accomplished when the executive branch enacts sweeping policies that will upend our college financing system with the 'stroke of a pen.' Simply put, the President is giving a handout to those who least need it. All the while harming borrowers' credit potential, enabling schools to continue increasing their prices, and further burdening the middle class. It is time to retire the executive pen...It is time for Congress to stop deferring to the President and get to work."

## Senate and House Democrats Introduce Bill to Codify PSLF Waiver

Sen. Bob Menendez (D-NJ) and Rep. Donald Norcross (D-NJ) introduced [S. 4581 / H.R. 8474, the Second Chance at Public Service Loan Forgiveness Act](#), which aims to codify the current time-limited waiver for the Public Service Loan Forgiveness (PSLF) program. The bill would also allow public servants with loans prior to 2007 to qualify and replace the 120-payment requirement with 10 years of public service, ensure that Parent PLUS loans qualify for the program, specify that employees who work 30 hours a week are eligible for PSLF, and provide additional definitions for types of public service employment. Sen. Menendez explained that this bill would also increase recruitment and retention of public service employees in key fields, according to a [press release](#).

## Third Way Updates its Economic Mobility Index, Proposes New Higher Education Rating System

Third Way recently published a blog titled, [A New Way of Rating Institutions of Higher Ed: Upgrading the Economic Mobility Index](#), which provides updates to its economic mobility index originally published by the organization earlier this year. Third Way is using the new index to introduce a new way to rate the performance of institutions of higher

education, with a focus on defining value based on how well colleges and universities serve their low-income students. The organization found that traditionally highly ranked schools, such as Ivy League schools, actually offer very little economic mobility, while Hispanic-Serving Institutions offer the most economic mobility for low-income students. The updates to Third Way's index include an interactive map, a tiered ranking system, and a feature that incorporates the amount of financial aid that an institution receives from the federal government. Third Way found that most federal financial aid goes toward institutions that provide substantial economic mobility to enrolled students. The report breaks institutions up into tiers, where Tier 1 institutions rate within the top 20 percent of economic mobility rankings. Tier 1 institutions receive \$25.4 billion in annual federal student aid, with 40.2 percent of students being Pell Grant recipients and a price-to-earnings premium of 2.2 years. "Taxpayers contribute a substantial amount to higher education every year," said Michael Itzkowitz, a higher education senior fellow at Third Way. "So, we wanted to see whether or not that's actually lifting students up and which tiers of economic mobility that's flowing to. The promising news is that's actually mostly flowing to schools that do a really good job on providing economic mobility for students who enroll."

For additional coverage, see this article from [Inside Higher Ed](#).

## U.S. Department of Education News

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

The following announcement was posted to Federal Student Aid's Knowledge Center website:

- [\(GENERAL-22-47\) NSLDS Professional Access – Modernized Website Now Available](#)

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## General News

House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) released a [blog post](#) highlighting a recent roundtable held by the Committee's Republicans examining how institutions of higher education have more skin in the game and partner with the private sector to improve student outcomes.

[Inside Higher Ed](#) reports that the uncertainty around whether the Biden Administration will extend the federal student loan payment and collections pause past August 31st has experts worried about borrowers being unprepared for loan repayments to begin. A source says loan servicers have been told by the U.S. Department of Education not to send statements to borrowers about the deadline. Related, [MarketWatch](#) reports on preparations for the end of the student loan pause.

[The Hill](#) includes a column from Nexstar Media Wire reviewing the latest on federal student loan forgiveness and whether Parent PLUS loans can be forgiven.

[The Chronicle of Higher Education](#) examines how many contingent faculty members would qualify to have their federal student loans forgiven under changes that the U.S. Department of Education has proposed in the Public Service Loan Forgiveness Program.

[Higher Ed Dive](#) reports that more than half of college employees reported they are likely to leave their jobs in the next year, according to a new survey from the College and University Professional Association for Human Resources, CUPA-HR. The most common reason that workers gave for seeking new employment was the prospect of higher pay, followed by an opportunity to work remotely and more flexible work hours.

[CNN](#) reports that a recent decision by the U.S. Supreme Court limiting the Environmental Protection Agency's ability to fight the climate crisis could also hamstring the White House's authority to cancel federal student loan debt. The ruling, which curbed the agency's authority to set certain climate change regulations, could now add another factor to the Biden Administration's decision-making process.

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