



DAILY BRIEFING

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Senate Democrats Block Republican Legislation Targeting President's Authority to Cancel Federal Student Loan Debt

On Wednesday, Senate Democrats, led by Sen. Elizabeth Warren (D-MA) objected to a unanimous consent request from Sen. Rick Scott (R-FL) for the chamber to consider and pass [S.4483](#), the Debt Cancellation Accountability Act. The proposed legislation would prevent the Secretary of Education from providing class-based loan forgiveness for

federal student loans under title IV of the Higher Education Act of 1965 without the explicit appropriation of funds by Congress for such purpose. In [his floor speech](#) on the bill, Sen. Scott said, “Biden wants to spend money that Congress has not appropriated for a loan forgiveness that Congress has not authorized. It’s illegal. It’s unconstitutional. It’s a gross abuse of authority and I won’t stand for it. Congress MUST assert its authority here. We have the power of the purse. Not the President.” Sen. Warren argued that Sen. Scott’s claims that the recently announced federal student loan cancellation plan will primarily benefit “doctors and lawyers” and those who had received an Ivy League education was incorrect, and [stated](#), “Senator Scott’s bill is just one of Republicans’ desperate efforts to block cancellation for millions of Americans. Now, Republicans are happy to pass out tax breaks and regulatory loopholes for billionaires and giant corporations, but they are fighting tooth and nail to keep working families from getting a penny of relief.”

For additional coverage, see this article from *Business Insider*.

House Education and Labor Committee Holds Markup of Resolutions Related to Student Loans

Today, the House Education and Labor Committee [met in executive session](#) to consider two resolutions of inquiry related to federal student loans. As previously reported, resolutions of inquiry can be introduced by any Member of Congress and occur when the U.S. House of Representatives or U.S. Senate requests specific information from the current Administration, either the White House or an agency of the Executive Branch. The resolutions considered included [House Resolution 1295](#), which directs the Secretary of Education to transmit documents to the House related to the U.S. Department of Education’s cost estimates for the limited waiver of the Public Service Loan Forgiveness Program and the waiver of Income Driven Repayment, and [House Resolution 1296](#), which directs the Secretary of Education to transmit documents to the House related to President’s legal authority to forgive federal student loan debt.

During his opening statement, Committee Chairman Bobby Scott (D-VA) criticized the minority for introducing the resolutions, which he said were unnecessary. “So, let’s be clear: despite having no requirement or recent precedent to do so, the Biden-Harris Administration has been responsive to oversight requests from the Minority,” Chairman Scott said. “Simply because you do not like the answer you received does not mean the Department is unresponsive.” In [her opening statement](#), Committee Ranking Member

Virginia Foxx (R-NC) discussed the need for the resolutions. “When the executive branch oversteps its bounds, the only appropriate response is holding it to account,” Ranking Member Foxx said. From encouraging school shutdowns to enacting retroactive free college, the executive branch has broken free of its leash. That’s precisely why Republicans have introduced...separate resolutions of inquiry. The requested documents in these resolutions are integral to the oversight authorities of this committee and the American people deserve a transparent government.”

Following opening statements, Chairman Scott offered an amendment in the nature of a substitute to H.Res. 1295 to allow for debate on the bill. He stated that the Republican’s inquiry would bog down the Department with production requests “in the name of oversight.” Chairman Scott called the resolution of inquiry “unreasonable” and expressed his interest in reporting it to the House unfavorably. After debate on H.Res. 1295, the committee voted to approve the amendment in the nature of a substitute and reported H.Res. 1295 to the House unfavorably by a vote of 28-21. Chairman Scott then introduced an amendment in the nature of a substitute to H. Res. 1296 to make technical amendments and again allowing for debate on the bill. He stated that, on its face, the resolution of inquiry is not about oversight. He said that the U.S. Departments of Justice and Education have both produced memoranda outlining the President’s authority to cancel federal student loan debt, and reiterated his earlier point that disagreeing with the Department’s response does not mean that the agency is being “unresponsive.” After debate, the committee approved the amendment in the nature of a substitute and reported H.Res. 1296 to the House unfavorably by a vote of 28-21.

House Education and Labor Committee Democrats Introduce LOAN Act, Aims to Lower Cost of College

Today, House Education and Labor Committee Chairman Bobby Scott (D-VA) and Higher Education and Workforce Development Subcommittee Chairwoman Frederica Wilson (D-FL) [introduced](#) the Lowering Obstacles to Achievement Now (LOAN) Act, which includes provisions aimed at lowering the cost of college. According to a committee summary, the LOAN Act would double the maximum award for the Pell Grant program to \$13,000 over the next five years, improve the Public Service Loan Forgiveness (PSLF) program and codify the PSLF waiver announced by the Biden Administration last year, expand access to subsidized loans, and lower interest rates for federal student loans. “The LOAN Act is the next step we must take to confront the student debt crisis,” Chairman Scott said. “Simply put, by making loans cheaper to take out and easier to pay off, the

LOAN Act will help improve the lives of student loan borrowers—both now and in the future.” Chairwoman Wilson added: “For too many, the American dream is becoming more and more difficult to achieve – and a big reason is the life-long burdens of their student debt. We cannot expect young people to start their lives when they are saddled with debt that only seems to get larger and larger, let alone afford buy a home and send their children to college,” and the LOAN Act will help students “realize their full economic and overall potential.”

House Education and Labor Committee, House Oversight and Government Reform Committee Republicans Send Letter to White House Examining Officials Who Worked on Federal Student Loan Forgiveness

Today, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) and House Oversight and Government Reform Committee Ranking Member James Comer (R-KY) sent a [letter](#) to White House Counsel Stuart Delery requesting information to determine whether political appointees of the Biden Administration have a conflict of interest and whether they or their family members are poised to benefit from the new federal student loan forgiveness. “We are investigating whether Biden Administration officials who worked on the student loan bailout will personally benefit from this financial windfall,” wrote the lawmakers. “It is unethical for public officials to craft policies from which they stand to benefit financially. Despite reports that White House political appointees collectively owe millions in student loan debt, the Office of Government Ethics informed Committee Republicans that no White House official sought an ethics waiver to work on student loan bailout proposals. We write to request documents and information to determine whether Biden Administration officials have a conflict of interest in advocating for and enacting this massive government handout in which they or their family members would receive a financial benefit at the expense of American taxpayers.” The letter says that the White House’s loan forgiveness plan does not exempt political appointees with outstanding student loans. Reports indicate that 30 senior White House political appointees have millions in outstanding student loans. Collectively, these political appointees owe approximately \$4.7 million, an amount which does not include loans of mid-level staffers who are not required to publicly disclose their debts due to junior status or pay thresholds. On June 15, 2022, Ranking Member Foxx and Comer [wrote](#) to the Office of Government Ethics raising ethical questions about this conflict of interest.

FSA Updates FAQs on Loan Forgiveness

The U.S. Department of Education's Office of Federal Student Aid (FSA) recently updated the [Frequently Asked Questions \(FAQs\) page](#) on the White House's federal student loan forgiveness plan. While FSA is not announcing when it makes additions to the FAQs page, several new questions have been added since its original publication. One new question addresses students' eligibility for forgiveness if they made voluntary payments during the pandemic: FSA states that students will automatically receive a refund of payments made during the payment pause if they apply for and receive debt relief and if their voluntary payments during the payment pause brought their balance below the maximum debt relief amount they are eligible to receive, but did not pay off their loan in full. FSA added that other borrowers can still receive refunds on voluntary payments made after March 13, 2020 by contacting their servicer, but noted that refunded payments will increase a student's loan balance and monthly payments. FSA states on the FAQ page that "We'll continue to update this page as we have more details. At this time, our contact center agents have the same information you can read here."

FSA Releases Draft Strategic Plan for FY 2023-2027

The U.S. Department of Education's Office of Federal Student Aid (FSA) recently released its draft [Strategic Plan for Fiscal Year 2023-2027](#) for public review. According to FSA, the strategic plan outlines the federal government's efforts in the next five years to enhance customer service, advance compliance and oversight capabilities, invest in internal and expanded workforce and workplace, and bolster operational efficiencies. The draft plan will be available for public review until September 28, 2022. Both the draft plan and a form for feedback about the draft plan are available at [StudentAid.gov/strategicplan](https://studentaid.gov/strategicplan).

U.S. Department of Education News

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

General News

[Inside Higher Ed](#) reports that forgiven federal student loan debt will be taxed in Arkansas, California, Indiana, Minnesota, Mississippi, North Carolina, and Wisconsin unless lawmakers in those states change their laws.

[Diverse Issues in Higher Education](#) reports that enrollment at Historically Black Colleges and Universities is on the upswing.

[Diverse Issues in Higher Education](#) reports that a college degree will lead to upward economic mobility for young parents and families, according to a new report from the nonprofit Generation Hope.

[MarketWatch](#) reports on what student and parent borrowers will do after getting \$10,000 or \$20,000 in federal student loan debt relief.

[BankRate](#) reports on how some borrowers are paying off credit card debt in anticipation of receiving federal student loan forgiveness.

[11 Alive](#) reports that borrowers who made voluntary payments on their federal student loans that brought their balance below the maximum debt relief they are eligible for will be refunded the difference by recent guidance issued by the U.S. Department of Education.

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