NCHER

DAILY BRIEFING

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In Today's Edition

House Completes Debate, Sets Up Final Vote on Joint Consolidation Loan Separation Act

Today, the U.S. House of Representatives completed debate on S. 1098, the Joint Consolidation Loan Separation Act, which amends the Higher Education Act to allow borrowers with joint consolidation loans under the Federal Family Education Loan Program (FFELP) to submit an application to the U.S. Department of Education to separate their consolidated loan into two new Direct Consolidation Loans. The bill applies to all joint consolidation loans, but envisions assisting borrowers who are experiencing domestic or economic abuse to apply for their loans to be separated from their partner's loans and have the other borrower be solely responsible for the remaining balance of the loan.

In his **remarks** on the House floor in support of the legislation, House Education and Labor Committee Chairman Bobby Scott (D-VA) said that the Joint Consolidation Loan Separation Act would provide much-needed relief for individuals who previously consolidated their federal student loans with their spouse and, although Congress eliminated the joint consolidation loan program in 2006, it did not provide a way for borrowers to sever existing loans, even in the event of domestic violence, economic abuse, or unresponsiveness from a former partner after divorce. "Student loans should provide a pathway to opportunity—not saddle borrowers with a lifetime of burdensome debt, especially if the loans do not even belong to them," he said. "Regrettably, many borrowers' financial well-being has been made worse by student loans jointly held by their spouse or former spouse. According to the most recent data from the Department of Education, there are at least 13,500 borrowers with federally held joint consolidation loans." In her **remarks**, Committee Ranking Member Virginia Foxx (R-NC) criticized the bill because of its inability to provide borrowers with joint consolidation loans with immediate relief and failure to protect taxpayers. "While I fully support the underlying intent of S. 1098, the Joint Consolidation Loan Separation Act, I have concerns about the bill as drafted," Ranking Member Foxx said. "…the Department of Education has stated that it will take 12 to 18 months to implement this bill. Given the urgency of the situation that many borrowers are in, this kind of delay is unacceptable. We need to provide these borrowers with a quicker way out of their joint consolidation loan. Yet Democrats rejected the Republicans' solution that will give these borrowers an almost immediate separation without unnecessary paperwork that will bog down the process. Further, I am concerned that this bill could be used by the Secretary of Education to stage an even broader takeover of student loans. It would be simpler and more straightforward to allow these loans, once separated, to remain with their current holder, but instead, this legislation attempts to drive as many of these loans as possible into the government-run Direct Loan program." Ranking Member Foxx said that she recently introduced **H.R. 8909, the Simplified Joint Consolidation Separation Act**, which would allow student loan servicers to separate joint consolidation loans almost immediately, instead of having to wait over a year to receive relief. "Our solution is a commonsense and practical way to accomplish the same goal as this legislation, but more quickly and efficiently." She urged her members to oppose the legislation and support H.R. 8909. For a summary of the Republican alternative, click **here**. For a fact sheet on the legislation, click **here**.

After debate concluded, the House postponed further proceedings on the legislation, including a vote on final passage, until tomorrow. The legislation passed the U.S. Senate by voice vote in June, meaning that it will soon head to the White House for the

President's signature.

White House Releases State-by-State Impact of Federal Student Loan Forgiveness

Today, the White House released a **Fact Sheet** that includes state-by-state data on student and parent borrowers that it believes will be eligible for the federal student loan forgiveness plan in the coming months. The analysis includes the estimated number of borrowers that will be eligible for debt cancellation and the estimated number of borrowers who received a Pell Grant during their postsecondary enrollment. In total, the Biden Administration is estimating that 42.4 million borrowers will qualify for some amount of forgiveness. The relief is available only to borrowers earning under $125,000 a year as an individual or under $250,000 a year as a family. The fact sheet says that more than 60 percent — about 26.1 million — of eligible borrowers could receive $20,000 because they previously received a Pell Grant while the remaining borrowers are expected to qualify for up to $10,000.

According to the fact sheet, the states with some of the largest populations have the most borrowers who are eligible for some amount of forgiveness: California (3.5 million borrowers), Texas (3.3 million), Florida (2.4 million), New York (2.3 million), and Ohio (1.7 million). The fact sheet also shows that the additional relief based on Pell Grant receipt breaks down differently in states based on the share of borrowers who received the benefit. For example, in Massachusetts and New Hampshire, just below half of residents who are eligible for federal student loan forgiveness are expected to qualify for the higher amount. But in other states, large majorities of borrowers previously received a Pell Grant. Puerto Rico has the highest share — more than 80 percent — of borrowers who are expected to qualify for the $20,000 relief. It is followed by Mississippi where more than three-quarters of borrowers are projected to receive the higher amount. The data included in the fact sheet is based largely on statistical data on household income that was compiled by the U.S. Census Bureau and analyzed by staff of the U.S. Department of Education.

White House Initiative on Historically Black Colleges and Universities Convenes Annual Conference This Week

This week, the U.S. Department of Education is hosting a meeting of the White House Initiative on Advancing Educational Equity, Excellence and Economic Opportunity through Historically Black Colleges and Universities (HBCUs), and its annual national conference that will pay tribute to the monumental contributions of HBCUs to the country and the critical role that the institutions play in advancing the nation's global competitiveness. The conference coincides with the celebration of National Historically Black Colleges and Universities Week. "HBCUs have a proud legacy of creating doors of opportunity where none previously existed and providing students of color with an education grounded in affirmation, inclusion, and excellence," Secretary of Education Miguel Cardona said in a **press release**. "This week is an opportunity for higher education leaders, federal officials, and private sector leaders and advocates to celebrate the contributions of our HBCUs and set the stage for even greater success. According to the Department, more than 2,000 in-person participants and 1,500 virtual attendees, including HBCU Presidents and Chancellors, are registered to attend this year's event—the first in-person conference since 2019. Additionally, more than 25 federal agencies are participating the event. The conference is designed to provide practical solutions to barriers that HBCUs face while seeking opportunities to contribute to the challenges and possibilities in America. During the conference, the HBCU community will engage with key leaders, federal agency officials, private sector executives, and financial aid experts. The Department of Education and its partners will provide technical assistance for HBCUs on Project SERV applications and share best practices through workshops and networking opportunities. The conference will also include a hybrid career fair with over 126 employers representing public and private sectors.

Common Application Announces Significant Increase in Minority Applicants

The Common Application recently released a **report** stating that, over the last eight years, the Common App has experienced a significant increase in applications from minority students. Over the time period, the total number of applications grew by 72 percent while underrepresented minority applications grew by 131 percent. Over the last eight years, the number of underrepresented minority applicants reached 337,904, including 139,588 Black applicants (up 138 percent) and 193,851 Latino applicants (up 129 percent). The increase in applicants over the period was greater for first-generation students (up 90 percent) than continuing-generation students (up 65 percent). There was also greater growth for the Common App among students who requested fee waivers than those who did not request a fee waiver. The Common App report stated, "our analyses indicate that this transformation is very closely associated with a dramatic shift in the population of students using the platform. In addition to its efforts to reduce complexity and burden in the application process, and to pilot various interventions to eliminate barriers in the application process, Common App considers its membership expansion strategy to be central to its mission to expand access and equity in college admissions."

For additional coverage, see this article from ***Inside Higher Ed***.

U.S. Department of Education News

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

General News

House Education and Labor Committee Chair Bobby Scott (D-VA) sent out a **press release** highlighting support from various higher education groups for the Lowering Obstacles to Achievement Now (LOAN) Act, which aims to lower the cost of college for current and future students and their families.

CNBC reports that the federal student loan forgiveness plan announced by the Biden Administration will only make a dent in many borrowers' balances, experts say. But broader changes could help prevent people from falling into serious debt in the first place.

AP News reports on how student and parent borrowers can get a refund if they paid on their federal loans during the pandemic.

Axios reports that the Job Creators Network — a right-leaning small business group that has advocated for lower taxes and fewer regulations — is preparing to file a lawsuit once the U.S. Department of Education unveils the website where borrowers can apply for federal student loan forgiveness.

The Chronicle of Higher Education reports that the nation's labor market is hot, but not for new college graduates.

University Business reports on the 20 colleges and universities with the most ultra-wealthy alumni.

The Center Square includes an op-ed by *U.S. News & World Report* former columnist Peter

Roff and Mount Liberty College faculty member Gordon Jones who argue that student debt is not the problem – the problem is the higher education cartel.

An online version of this Daily Briefing is available to view and print from the **Daily Briefing Section** of the **NCHER e-Library**.

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