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House Passes Joint Consolidation Loan Separation Act, Heads to President for Signature

This afternoon, the U.S. House of Representatives passed [S.1098, the Joint Consolidation Loan Separation Act](#) by a vote of 232-193. The bill now heads to the White House for the President's signature. As previously reported, S. 1098 amends the Higher Education Act to allow borrowers with joint consolidation loans under the Federal Family Education Loan Program 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.

Federal Reserve Completes Two-Day Meeting, Raises Rates by 75 Basis Points for Third Meeting

Today, the Federal Reserve completed a two-day meeting of its Federal Open Market Committee (FOMC) where it voted to raise the target range of its federal funds rate by 75 basis points. This is the third meeting in a row that the committee has taken the unusual action of raising the range by 75 basis points; the federal funds target rate range stands at 3 to 3 ¼ percent. In a [statement](#) released following the meeting, the FOMC said that recent economic indicators point to modest growth in spending and production, as well as robust job gains and low unemployment. Inflation remains elevated due to supply and demand imbalances. The statement indicates that the FOMC is “strongly committed to returning inflation to its 2 percent objective” and that “ongoing increases in the target range will be appropriate.” The statement also says that the Fed will continue to reduce its holdings of Treasury securities and agency mortgage-backed securities, as described in plans issued in May. Today’s statement was approved unanimously by the committee members.

In conjunction with the statement, the FOMC released the [economic projections](#) of its members, which reveal that the participants believe the federal funds rate will be 4.4 percent at the end of 2022 and 4.6 percent at the end of 2023, up from 3.4 percent and 3.8 percent, respectively, from projections released in June. The projections also show that the participants predict Gross Domestic Product growth this year will only be 0.2 percent, down from 1.7 percent in June, with unemployment coming in at 3.8 percent for 2022, up slightly from June. The projections also reveal that participants believe inflation will come in at 5.4 percent this year and 2.8 percent next year.

During a press conference following the release, Federal Reserve Board of Governors Chairman Jerome Powell stated that, without price stability, the economy will not work for anybody. He said that the federal funds rate needs to be at a restrictive level, but that it will be appropriate to slow the pace of increases at some point and that the Fed’s actions represent a forceful step to moderate demand that will lead to below trend growth. He said that the central bank is strongly committed to bringing inflation back down, and that the country has not yet seen the effect of higher rates approved by the Fed over the last few months. He said the Fed is aiming for a soft landing and that higher rates do not have to trigger a recession. In his view, the country is not in a recession now.

The next meeting of the FOMC is scheduled for November 1-2, 2022.

Joint Center for Political and Economic Studies Finds Steep Decline in Community College Enrollment for Black Students

The Joint Center for Political and Economic Studies recently published a new report titled, [The State of Black Students at Community Colleges](#), which used data from the U.S. Department of Education to analyze the characteristics and outcomes of Black students who attended community colleges. The report's most significant finding was that Black student enrollment at community colleges has been in decline, and worsened during the pandemic. The center found that, between 2019 and 2021, community college enrollment for all Black students decreased by 18 percent. It also found that Black community college students experienced the lowest graduation rates when compared to their peers of other races and ethnicities – the gap between Black and white graduation rates increased from 4 percent in 2007 to 11 percent in 2020. In terms of earnings, the report found that, on average, Black community college graduates earn \$20,000 less per year than their classmates. The center highlighted that 67 percent of Black students borrowed money to attend community colleges compared to 51 percent of white students and 36 percent of Hispanic students. Twelve years after graduating, the report found, Black community college students owe 123 percent of the original amount they borrowed to attend community college. "Community colleges are extremely important," the center's Director of the Workforce Policy Program Alex Camardelle. "They're proximal to communities, they're in our backyards, they provide very unique career training opportunities. And I don't want us to think that they are failing as a result of anything other than bad policy choices and underinvestment. We have to put the onus on the folks that are making those decisions, which are the policy makers, the legislators and system leaders."

U.S. Department of Education News

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

General News

The Consumer Financial Protection Bureau released a [blog post](#) saying that it has adopted a mobile-first approach strategy to communicating with its stakeholders. "Most

people who visit consumerfinance.gov are using a mobile device or smartphone, matching a nationwide trend of how people view websites. We'll be taking several actions to ensure that the experience of those we serve is front and center, including: designing our mobile experiences first, creating an experience that works well on any screen, regardless of the device, conducting usability testing to make sure our products work well on every display type, taking a data-driven approach to our work, by reviewing and responding to our sitewide analytics, and prioritizing site performance to ensure quick speeds on mobile connections.

[*Inside Higher Ed*](#) reports that Terry Hartle, who has led for three decades the lobbying efforts of higher education's most visible association, the American Council on Education, has announced that he will retire at the end of this year.

[*PBS*](#) reports on how student and parent borrowers could receive a refund on their federal student loans if they paid during the pandemic.

[*NPR*](#) reports on the role of states in contributing to the student loan debt crisis.

[*Fox Business*](#) includes an op-ed by Amerivet Securities Non-Executive Chairman Elton Johnson, Jr. who argues that the White House's federal student loan forgiveness plan is a slap in the face to combat vets like him.

[*Audacy*](#) reports that a recent *NBC News* poll has found that voters do not support the President's recent decision to forgive federal student loans, as 43 percent said they are in favor, but 44 percent said it was a bad idea.

[*Higher Ed Dive*](#) reports that information technology certifications are easing job access as employers lower their degree requirements. The tech talent crunch has companies looking beyond academic credentials to meet workforce demand.

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