



# DAILY BRIEFING

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Monday, January 10, 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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## FSA Releases Latest Special Allowance Rates for FFELP Loans

Last week, the U.S. Department of Education's Office of Federal Student Aid released an

[Electronic Announcement](#) that includes the special allowance rates for the Federal Family Education Loan Program for the quarter ending December 31, 2021. According to the announcement:

- The Commercial Paper Rate is the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) for such 3-month period. For the quarter ending December 31, 2021, the average rate used to compute special allowance is **0.14 percent**.
- The LIBOR rate is the average of the bond equivalent rates of the quotes of the 1-month London Interbank Offered Rate (LIBOR) in effect for each of the days in such quarter as compiled and released by the British Bankers Association. For the quarter ending December 31, 2021, the average rate used to compute special allowance is **0.09 percent**.
- The Treasury Bill rate is the average of the bond equivalent rates of the 13-week Treasury bills as published by the U.S. Department of the Treasury. For the quarter ending December 31, 2021, the average of the rates is **0.06 percent**.

## House Speaker Pelosi Invites President to Give State of the Union Address on March 1

On Friday, House Speaker Nancy Pelosi (D-CA) sent a [letter](#) to President Joe Biden inviting him to give the State of the Union address on March 1, 2022. The White House announced that the President has accepted the invitation. The date would mark the latest that a President has delivered the official address to Congress in the modern era, rather than the typical timing in late January or early February. President Biden gave his first speech to a Joint Session of Congress on April 28, roughly 100 days into his presidency. The delayed speech provides the President and Congress with additional time to work out disagreements amongst Senate Democrats on the Build Back Better Act, for the spread of the omicron variant to subside, and to potentially reach an agreement between Democrats and Republicans on the federal budget (as the short-term Continuing Resolution expires on February 18th).

The White House Office of Management and Budget (OMB) has begun telling members of the House and Senate Budget Committees that it expects the President's budget for Fiscal Year 2023 to be delayed until after Congress is able to reach a bipartisan agreement on this year's budget and appropriations process and after President Biden can lay out his priorities to Congress. Typically, OMB releases the President's budget the

first week in February; however, Biden Administration officials would rather wait to see if Democrats and Republicans agree to increase federal funding and what priorities are funding through the annual appropriations process for this year.

## Federal Reserve Finds Consumer Credit Increased by 11 Percent, But Student Loan Balances Decreased in November

Last week, the Federal Reserve released its monthly [Consumer Credit - G.19 Report](#), which found that consumer credit increased at a seasonally adjusted annual rate of 11.0 percent in November 2021. Revolving credit increased at an annual rate of 23.4 percent, while nonrevolving credit increased at an annual rate of 7.2 percent. Total outstanding consumer credit stood at \$4.415 trillion at the end of November, up a robust \$39.9 billion from the previous month, with revolving credit increasing by \$17.6 billion and nonrevolving credit increasing by \$20.1 billion. Revolving credit consists mostly of credit card debt and nonrevolving debt consists mostly of auto loans and student loans. Nonrevolving debt owned by the federal government (mostly Direct Loans) actually decreased slightly (by \$0.7 billion), leaving the outstanding balance at \$1.437 trillion.

## Congressional Budget Office Releases Monthly Budget Review

Today, the Congressional Budget Office (CBO) released its [Monthly Budget Review for December 2021](#), which estimates that the federal budget deficit totaled nearly \$377 billion in the first quarter of fiscal year 2022, which is \$196 billion less than the deficit recorded during the same period last year. The projected federal deficit is slightly larger than the deficit recorded during the same period two years ago, right before the start of the COVID-19 pandemic. Federal revenues were up \$248 billion (or 31 percent) while outlays were up \$52 billion (or 4 percent) more in October through December 2021 than during the same period last fiscal year. According to the report, federal spending by the U.S. Department of Education over the three-month period increased by \$18 billion (or 86 percent) primarily because of increased spending on emergency grants through the Education Stabilization Fund to support K-12 and postsecondary education.

## U.S. Department of Education News

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

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

- [\(GENERAL-22-01\) Birthday of Martin Luther King, Jr. Federal Holiday Processing and Customer Service Hours](#)
  - [\(CB-22-02\) Reminder – Deadline for 2022–23 Underuse Penalty Waiver for the Campus-Based Programs is Feb. 7, 2022](#)
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## General News

[Higher Ed Dive](#) reports on seven trends on higher education to watch in 2022.

[Inside Higher Ed](#) provides further coverage of recent research by the National Student Clearinghouse Research Center and some states that show an unprecedented decline in college enrollment among high school graduates, especially the most underserved. The reports found that fewer high school graduates are going straight to college.

[Fox Business](#) reviews the statute of limitations on federal and private student loans, how long they typically last, and what they mean for student and parent borrowers.

[MarketWatch](#) reports that calls for federal student loan forgiveness by progressives are expected to intensify as President Joe Biden's legislative agenda stalls in Congress.

[Business Insider](#) reports that New York Governor Kathy Hochul has announced plans to protect student loan borrowers in the state.

[Pew Charitable Trusts](#) highlights its latest survey on why veterans with GI benefits still take out student loans. More than half of the borrowers used the bulk of borrowed money to cover their living expenses.

[Inside Higher Ed](#) reports that colleges and universities have varying policies on allowing admissions visits because of the current spread of the Omicron variant. Some institutions are rejecting the idea of college visits, while others are allowing students to visit their campuses - with certain precautions.

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