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NCHER-EFC Send Letter to Senate Judiciary Committee Offering Comments on FRESH Start Through Bankruptcy Act

Yesterday, NCHER and the Education Finance Council (EFC) sent a letter to Senate Judiciary Committee Chairman Richard Durbin (D-IL) and Sen. John Cornyn (R-TX) offering comments on S. 2598, the FRESH Start Through Bankruptcy Act. As previously reported, the bill would maintain the current “undue hardship” test for federal student
loans during the first ten years of repayment, with standard bankruptcy rules applying thereafter. In the letter, both organizations say that recent graduates need to repay their federal or private student loans and that federal law provides struggling borrowers with several repayment options that can reduce the burden of repayment and lead to loan forgiveness. But they also recognize that student loan debt can be a burden for some borrowers and that current bankruptcy law may be ineffective in assisting the most disadvantaged borrowers after many years of good faith efforts to pay back money borrowed with those flexible options. “The introduction of S. 2598, the FRESH Start through Bankruptcy Act of 2021, begins to address, in what we believe is a reasonable manner, the needs of this small group of borrowers,” the letter says. NCHER and EFC offered several suggestions to improve the legislation such as requiring better disclosures prior to bankruptcy and, once a bankruptcy action is filed, treating all federal and private student loans the same. These important changes, the letter says, will go a long way to help students and their families make informed choices for their unique situations.

**House Democrats Express Optimism Congress Can Reach Budget Agreement Prior to Mid-February**

Earlier today, House Democrats briefed their members and reporters on the negotiations to reach a budget agreement prior to the expiration of the short-term Continuing Resolution (CR) that expires on February 18, 2022. House Appropriations Committee Chairwoman Rosa DeLauro (D-CT) said that, following the initial meeting between House and Senate Democrats and Republicans, the discussions have carried on through “constructive meetings,” and those meetings are expected to continue over the next few weeks. “The goal is Feb. 18,” Chairwoman DeLauro said. “We need to move on appropriations because of government shutdown. But, as important, is it's $1.5 trillion in public policy initiatives that address the needs of people that we represent.” House Majority Leader Steny Hoyer (D-MD) also said he is encouraged by the discussions with the House and Senate Appropriations Committees. “I think all four of those individuals are very, very hopeful that they will be able to present us with an omnibus that will be able to be passed prior to the 18th of February,” Leader Hoyer told reporters. “I am hopeful that can be done in the next two weeks.”

**Institutional and Programmatic Eligibility Rulemaking Committee Makes Key Changes to Membership**

Yesterday, the U.S. Department of Education began the first of three sessions of its
Institutional and Programmatic Eligibility Committee. The committee has been formed to review and revise federal regulations around the 90-10 rule, ability to benefit, certification procedures for participation in federal student aid programs, change of ownership and change in control of institutions of higher education, financial responsibility for colleges and universities, gainful employment, and standards of administrative capability. During the first day of the session, the committee voted unanimously to add a new negotiator to represent civil rights organizations. Mr. Johnson Tyler, representing legal assistance organizations, asked to add a civil rights negotiator and nominated Amanda Martinez, a senior education policy analyst with UnidosUS. The original rulemaking committee had two members (a primary and an alternate) representing both civil rights and consumer advocacy groups, but Ms. Martinez will strictly represent civil rights groups. The committee also voted on and rejected adding a second member representing for-profit institutions. Mr. Brad Adams, representing for-profit institutions, asked that another negotiator be added to represent smaller for-profit institutions, but the committee failed to reach consensus on the motion. The rulemaking committee, now including Ms. Martinez, will meet today through Friday.

For more information on the negotiated rulemaking sessions, including how to register to view the sessions, visit the Department’s website.

National Student Clearinghouse Data Suggests Postsecondary Transfer Enrollment Stabilized in Fall 2021

Today, the National Student Clearinghouse Research Center released a report titled, COVID-19: Transfer, Mobility, and Progress, that analyzed 12 million undergraduate students and 1.3 million transfer students finding that transfer enrollment has leveled out after a sharp decrease in fall 2020. According to the report, during fall 2021, postsecondary transfer enrollment decreased less than 1 percent, while fall 2020 saw a 9.2 percent decrease. While the decline in transfer enrollment slowed significantly, the decline in undergraduate enrollment increased compared to fall of 2020. Doug Shapiro, Executive Director of the Research Center, said, “Transfer pathways in fall 2021 show signs of students and campuses working hard to find greater latitude for navigating the pandemic. Even as total undergraduate enrollment slid further, students who have stayed enrolled are finding ways to adapt to their specific challenges through transfer and mobility.” Notably, the report found that the gender enrollment pattern was reversed from fall 2020 as transfer enrollment for men increased by 1.2 percent while enrollment for women decreased by 2.3 percent. In addition, white, Black, Latinx, and Native
American transfer enrollment numbers decreased at a lower rate than in fall 2020, while Asian student transfer enrollments fell at a higher rate than last fall. The report is the sixth installment of a series following transfer enrollment trends. The report is the sixth installment of a series following transfer enrollment trends.

**NASFAA: Department of Education Says Institutions Must Detail Annual HEERF Spending Starting in April**

The National Association of Student Financial Aid Administrators reported that the U.S. Department of Education has notified institutions of higher education that they must report on their annual usage of funds under the Higher Education Emergency Relief Fund (HEERF). HEERF funds are those provided through the three COVID-19 relief packages passed by Congress, including the Coronavirus Aid, Recovery, and Economic Security Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan Act. While the Department has not made this information public yet, it is understood that relevant institutions will be required to submit these annual reports between April 11 and May 6, 2022. Institutions that were awarded HEERF funds submit quarterly reports, but the annual report will highlight all activities funded from January 1 to December 31, 2021.

**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:

- *(LOANS-22-01) Loan Servicing Information - Temporary Closures of Federal Loan Servicing Centers Due to Hazardous Weather Conditions*
- *(VERIF-22-01) 2022-2023 FAFSA Verification-Internal Revenue Service (IRS) Tax Return Transcript Matrix*

**General News**

*The Hill* reports that President Joe Biden told reporters today that House and Senate Democrats are “probably going to have to break it up,” referring to the new plan to pass
smaller chunks of the Build Back Better Act in order to get it passed through Congress.

*The Wall Street Journal* includes an op-ed from several students who discuss proposals for canceling federal student loan debt and opine on if President Joe Biden should continue to defer student loan repayments.

*The Hill* includes an op-ed from Meredith College President Jo Allen who argues why doubling the Pell Grant should be back on the table.

*Forbes* publishes a column reporting on how student loan autopay can save borrowers money.

*CNBC* highlights how a California program will pay college students $10,000 for a year of volunteer work, and how it could be ‘replicated across the nation.’

*47 ABC News Delaware* reports that BayHealth has a student loan repayment program for qualified positions, allowing newcomers the opportunity to earn up to $30,000 towards their debt. To receive the money, qualified candidates must make a 3-year employment commitment to the organization.

*The Hill* includes an op-ed from Veterans Education Success Vice President for Veterans and Military Policy Bill Hubbard who argues that for-profit colleges prey on veterans and why the U.S. Department of Education must say ‘no more.’

The Consumer Financial Protection Bureau released a [report](#) examining diversity and inclusion efforts within the financial services sector.

*Inside Higher Ed* reports that students’ happiness with their grade, not instructional quality, is a major driver of the correlation between high grades and high student ratings of instruction, according to a new working paper.