



# DAILY BRIEFING

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Monday, February 28, 2022

## In Today's Edition

- District Court Issues Opinion That Prohibition on Charging Collection Costs on Rehabilitation Loans Is Unlawful
- Sen. Warren, Other Democrats Send Letter to Education Secretary Cardona on Resumption of Federal Student Loan Payments
- Progressive Groups Release Report Finding Voters Back Another Extension of Federal Student Loan Payment Pause
- U.S. Department of Education News
- Member News
- General News



## 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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## District Court Issues Opinion That Prohibition on Charging Collection Costs on Rehabilitation Loans Is Unlawful

Last Thursday, U.S. District Court for the District of Columbia Judge Carl Nichols issued an [opinion](#) in *Ascendium v. Cardona* that granted partial summary judgement to a challenge

brought by Ascendium Education Solutions to a final rule issued by the U.S. Department of Education in 2019. The federal regulation provides that a guaranty agency may charge a borrower reasonable collection cost on a loan for which the agency paid a default claim unless, within the 60-day period after the agency sends the borrower a required initial notice, he or she enters into an acceptable repayment agreement, including a rehabilitation agreement, and honors the agreement. Ascendium claimed that the rule was inconsistent with the Higher Education Act, which provides that a borrower “shall be required to pay ... reasonable collection costs.” Ascendium also claimed that, in several ways, the rule was arbitrary and capricious, including that it created perverse incentives. The U.S. Department of Justice argued that Ascendium lacked standing to bring the case because it does not currently charge collection fees to borrowers who enter into repayment agreements. Judge Nichols agreed and dismissed this portion of the complaint. However, he agreed with Ascendium that the portion of the rule prohibiting a guaranty agency from charging reasonable costs in collecting a loan if the borrower enters into a rehabilitation agreement within the 60-day window was unlawful because the Higher Education Act requires a borrower to pay reasonable collection costs.

## Sen. Warren, Other Democrats Send Letter to Education Secretary Cardona on Resumption of Federal Student Loan Payments

Last week, Sen. Elizabeth Warren (D-MA) and Reps. Lauren Underwood (D-IL) and Colin Allred (D-TX) sent a [letter](#) to Education Secretary Miguel Cardona requesting information about actions that the U.S. Department of Education plans to take to help student loan borrowers and ensure they are adequately informed about the restart of federal student loan payments as the scheduled end of the payment pause approaches on May 1, 2022. In their letter, the lawmakers say that, while they appreciate the Biden Administration’s actions to extend the payment pause, they are concerned that with less than 70 days until the scheduled expiration, borrowers may lack clarity about the timeline associated with the resumption of payments. They say that providing additional detail is critical to ensuring that borrowers are adequately informed about the restart and that borrower harm is minimized during the upcoming transition. The lawmakers state that millions of borrowers appear to be at risk of missing out on vital information about the payment restart and cite estimates from the U.S. Government Accountability Office that roughly half of federal student loan borrowers are at increased risk of delinquency and in need of additional, targeted engagement before and after payments resume. For example, the Department selected email as its primary communication method for borrowers,

though it “was missing valid email addresses for approximately 5.5 million borrowers as of December 2021.”

The letter presses the Department for information on timing for due dates of federal student loan payments; when first payments will be due; how long borrowers who do not make payments following the May deadline have until they become delinquent; and will they be charged late fees and have negative credit reports triggered, among other things. The lawmakers ask Secretary Cardona to respond by March 9, 2022. For more coverage of the letter, see this article from [The Hill](#).

## Progressive Groups Release Report Finding Voters Back Another Extension of Federal Student Loan Payment Pause

Last week, Data for Progress and the Student Borrower Protection Center released [poll results](#) that showed more than 60 percent of likely voters would support another extension of the U.S. Department of Education pause on federal student loan payments. The survey asked about the possibility of another extension past May 1st through the end of the year, which large supermajorities of Black voters (71 percent) and Hispanic voters (82 percent) support extending again. Overall, 61 percent of likely voters surveyed said they would support a further extension of the relief put in place in March 2020. Republicans were the only group of respondents more likely to oppose pushing back the restart of loan payments again, with 51 percent opposed to an extension compared with 45 percent who supported it.

## 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:

[\(GENERAL-22-09\) Knowledge Center Issue Alert: Files Throughout Site Not Opening \(RESOLVED\)](#)

[\(GRANTS-22-02\) First Pell Grant Administrative Cost Allowance Payments for 2021–22 Award Year](#)

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## Member News



a [press release](#) offering advice to students who want to get a jump start on college - they should take advantage of available dual credit courses.

The Kentucky Higher Education Assistance Authority recently issued



Resource Group to Complete Recovery Corporation, a provider of telecommunications asset recovery services based in Salt Lake City, Utah. The sale was effective February 20, 2022.

Trellis Company [announced](#) that it has sold its for-profit subsidiary, Waypoint

American Student Assistance (ASA) [announced](#) that it is hiring for a Senior Revenue Analyst. The Senior Revenue Analyst is a critical part of the organization and is responsible for all revenue and operating activities related to the Federal Family Education Loan Program. The role works closely with senior management, the U.S. Department of Education, and ASA's third-party loan service provider, Educational Credit Management Corporation.

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## General News

[Inside Higher Ed](#) reports that every type of college or university has seen gains in

admissions according to new data from the Common Application. The largest increases were seen in underrepresented minority and first-generation applications. Underrepresented minority applications increased by 17 percent over 2019-2020, and first-generation applications increased by 21 percent in the same period.

[\*The Times Higher Education\*](#) reports that students and academics have joined civilian resistance groups, ready to fight occupying troops in the streets of Ukraine's capital city, Kyiv. Institutions of higher education across Ukraine have suspended normal operations, and many have evacuated altogether, but classes are being held to allow students to speak to each other.

[\*The Washington Post\*](#) reports that the COVID-19 pandemic has led colleges and universities to revise and improve their mental health efforts. For years, students have agitated for improved campus mental health services, such as more counselors, and greater awareness and sensitivity, and COVID-19 has sparked a conversation surrounding these services.

[\*Inside Higher Ed\*](#) reports that higher education will remain the best way for civil societies to develop talent and support equity and justice in the face of Russia's invasion of Ukraine. It can build appreciation for nuance and empathy and blunt the allure of authoritarian quick fixes.

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