



DAILY BRIEFING

Thursday, March 24, 2022

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Senate HELP Committee Chair Murray Reiterates Support for Extending Federal Student Loan Payment Pause

Yesterday, Senate Health, Education, Labor, and Pensions Committee Chairwoman Patty Murray (D-WA) spoke to reporters where she reiterated her support for the White House and the U.S. Department of Education to extend the federal student loan payment pause until 2023. “I’ve been very clear to the administration, to the Department of Education... that we need to put a pause on all of this till at least 2023, till we actually fix the student loan issues that are in front of us,” she said. In addition to calling for an extension of the student loan payment pause, Chairwoman Murray also voiced support for the cancellation of some student loan debt for all borrowers, the expansion of the Public Service Loan Forgiveness program, and the expansion of income-based repayment plans. She added that all of these asks can be accomplished at the administrative level, which she said is the quickest way to get moving on student loan policy. Last week, Chairwoman

Murray issued a [statement](#) calling on the Biden Administration to extend the student loan payment pause.

Senate and House Democrats Send Letter to Education Secretary Cardona to Expedite Borrower Defense Claims

Earlier this week, Senate and House Democrats, led by Sen. Elizabeth Warren (D-MA), sent a [letter](#) to Education Secretary Miguel Cardona criticizing the U.S. Department of Education for falling behind in processing borrower defense to repayment claims in the case against Corinthian Colleges. In the letter, the lawmakers say that the Department found that Corinthian Colleges engaged in misrepresenting job placement rates, lying to students about guaranteed employment, and misrepresenting the transferability of credits. The Department stated that it would discharge the loans of borrowers who are able to assert these claims, but the letter asserts that the agency has fallen “woefully behind” in processing these claims and providing relief to borrowers, and that the Department “has chosen to provide borrowers with relief in a complex and piecemeal fashion, placing the burden on mistreated individuals to apply for the relief they are entitled to under the law and insisting on separate, borrower-by-borrower findings of fraud despite ED’s own clear evidence of widespread wrongdoing.”

In a statement, a Department spokesperson said the agency had been “working diligently to reinvigorate a borrower defense process after the past administration didn’t approve a single set of new findings for the entire four years.” The Biden administration has “approved the most borrower defense claims of any administration,” the spokesperson said. The spokesperson said that Department officials are “continuing to review the options around group discharges for borrower defense claims and recognize that is a crucial area for future action.”

ARRC Holds Meeting to Discuss SOFR Momentum

Yesterday, the Alternative Reference Rates Committee (ARRC) held a meeting where its members welcomed passage of the Consolidated Appropriations Act, 2022, which provides a targeted solution for financial contracts that mature after the mid-2023 cessation of the London Interbank Offered Rate (LIBOR) and have no effective means to replace LIBOR upon its cessation (“tough legacy contracts”). In the [meeting readout](#), ARRC members noted that the transition away from LIBOR to the Secured Overnight Financing Rate (SOFR) continues to progress strongly in both the cash and derivatives

markets. In the derivatives market, SOFR swaps now account for around 80 percent of interest rate risk traded in the linear swaps market. Separately, Hawkins Delafield & Wood published an [Advisory](#) that discusses the LIBOR phase-out provision in the Consolidated Appropriations Act. The Hawkins Advisory states that the Adjustable Interest Rate (LIBOR) Act provides important context to inform market participants' considerations of their current USD LIBOR variable-rate exposures and of potential active and passive approaches for transitioning to other reference rates. NCHER thanks Ken Roberts with Delafield & Wood for making the advisory available.

U.S. Department of Education News

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

The following announcement was posted to the Federal Student Aid's Knowledge Center website:

- [\(GENERAL-22-17\) Volume 3 – Calculating Awards and Packaging \[2021-2022 Federal Student Aid Handbook\]](#)

General News

[The Hill](#) publishes an article examining how federal student loan debt became a crisis. As President Joe Biden is under increasing pressure to issue blanket student loan forgiveness, the rising cost of college tuition remains a glaring issue.

[CNBC](#) reports that House and Senate Democrats and advocates have called on President Joe Biden to cancel federal student loan debt via executive order. Yet there might be another way the White House can cancel student debt, according to a recent analysis by expert Mark Kantrowitz. Mr. Kantrowitz argues that federal student loans could be forgiven through regulatory changes established by the executive branch. Specifically, he argues that one popular federal program, known as the Income-Contingent Repayment Plan, can be amended to distribute broad cancellation.

[Saving For College](#) publishes a column reviewing the eight mistakes that parents should avoid when opening a new 529 college savings account.

[The Chronicle of Higher Education](#) continues its coverage of the recent announcement by the U.S. Department of Education that it says will help protect taxpayers from the heavy

cost of loan forgiveness when colleges either shut down or are found to have misled or defrauded students. A 2019 analysis found that college closures can have devastating impacts on displaced students. Over a five-year period, about half a million students were displaced from more than 1,200 shuttered campuses, and 88 percent of those campuses were operated by for-profit colleges.

[*Higher Ed Dive*](#) reports that students from high-income households are overrepresented in medical schools, regardless of their race and ethnicity, according to a new study from University of Minnesota researchers.

[*Inside Higher Ed*](#) reports that the California State University system will completely eliminate use of the ACT and SAT tests at all 23 of its campuses.

[*SCOTUSblog*](#) reports that Supreme Court nominee Ketanji Brown Jackson announced that she will recuse herself from Harvard University's high-profile affirmative action case, which the court is expected to hear next fall. Ms. Brown is an alumna of Harvard and also sits on the university's Board of Overseers.

[*University Business*](#) reports on how the COVID-19 pandemic has changed what and where college students want to study. Artificial intelligence, digital marketing, and cybersecurity are seeing increasingly high demand from students.

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