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## In Today's Edition

- Weekly Rundown
- House Republicans Send Letter to Education Secretary Cardona Questioning Change in Self-Certification for IDR Plans, Opens Door to Fraud
- Mackinac Center for Public Policy Files Motion for Preliminary Injunction to Overturn Federal Student Loan Payment Pause
- Federal Reserve Bank of New York Releases First Quarter 2023 Household Debt and Credit Report, Student Loan Balances Increase Slightly
- New America Releases Report Showing Vulnerable Borrowers At Risk of Missing Out on Income-Driven Repayment Plans
- U.S. Department of Education 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](#).

## House Republicans Send Letter to Education Secretary Cardona Questioning Change in Self-Certification for IDR

## Plans, Opens Door to Fraud

Last week, House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC), House Oversight and Accountability Committee Chairman James Comer (R-KY), and House Government Operations and the Federal Workforce Subcommittee Chairman Pete Sessions (R-TX) sent a [letter](#) to Education Secretary Miguel Cardona questioning a recent decision by the U.S. Department of Education to waive income verification requirements for borrowers who enroll in income-driven repayment plans. In the letter, the lawmakers say that they are concerned individuals may fraudulently misrepresent their income to reduce their loan payments and ultimately have their student loans transferred to taxpayers. The letter requests a staff-level briefing no later than May 19, 2023, about the following points: (1) the Department's specific legal authority to waive income verification requirements; (2) a detailed explanation of when and why the decision to relax income verification was made; and (3) the Department's internal controls and procedures used to prevent fraud in student loan repayments.

## Mackinac Center for Public Policy Files Motion for Preliminary Injunction to Overturn Federal Student Loan Payment Pause

Last Thursday, the Mackinac Center for Public Policy filed a [motion](#) in the U.S. District Court for the Eastern District of Michigan for a preliminary injunction as part of its lawsuit challenging the U.S. Department of Education's federal student loan payment pause. According to the filing, the federal loan pause costs taxpayers \$5 billion a month and has harmed the nonprofit's ability to recruit employees. The organization wrote that the payment pause undermines the Public Service Loan Forgiveness (PSLF) program, which discharges debt for borrowers who work in public service jobs for 10 years. "Government actions that take away these PSLF subsidies necessarily injure public-service employers like plaintiff by increasing their labor costs and undermining recruitment," the filing states. "With each passing month, this injury grows as the moratorium further erodes PSLF subsidies by erasing another \$5 billion of student-loan debt."

## Federal Reserve Bank of New York Releases First Quarter 2023 Household Debt and Credit Report, Student Loan Balances Increase Slightly

Today, the Federal Reserve Bank of New York released the [Household Debt and Credit Report](#) for the first quarter of 2023. According to the report, total household debt rose by \$148 billion, or 0.9 percent, to \$17.05 trillion in the first quarter of 2023. Credit balances now stand \$2.9 trillion higher than at the end of 2019, before the pandemic recession. The report shows that student loan balances slightly increased, up \$9 billion from the previous quarter, and now stand at \$1.604 trillion. Mortgage balances rose modestly by \$121 billion in the first quarter of 2023 and stood at \$12.04 trillion at the end of March. Credit card balances were flat in the first quarter, at \$986 billion. Auto loan balances increased by \$10 billion in the first quarter, bucking the typical trend of balance declines in first quarters. Other balances, which include retail cards and other consumer loans, increased by \$5 billion. In total, non-housing balances grew by \$24 billion.

The report shows that less than 1 percent of aggregate student loan debt was 90+ days delinquent or in default in the first quarter 2023, a small decline from the previous quarter. Delinquency rates fell substantially in the previous quarter due to the implementation of the Fresh Start program, which made previously defaulted loan balances current.

## New America Releases Report Showing Vulnerable Borrowers At Risk of Missing Out on Income-Driven Repayment Plans

New America recently released a report titled, [Best Laid \(Repayment\) Plans](#), which says that student loan borrowers who would stand to benefit the most from income-driven repayment (IDR) plans are less likely to know about them. The report highlights the challenges that borrowers face in navigating the repayment process, noting that the current system of student loan repayment is overly complex and lacks transparency leaving many borrowers struggling to repay their loans. According to New America, around two in five student loan holders earning less than \$30,000 a year reported being unfamiliar with current repayment plans and just under half of all borrowers in default had not heard of IDR plans, despite the plans offering a pathway to becoming current on their loans. Under the proposed IDR plan from the U.S. Department of Education, the minimum monthly loan payments for low-income earners could drop to \$0. The report argues that the current system is failing borrowers and is in need of significant reform.

## 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:

- [Comment Request: Application and Employment Certification for Public Service Loan Forgiveness](#)
  - [Comment Request: Federal Family Educational Loan Program \(FFEL\)- Administrative Requirements for States, Not-For-Profit Lenders, and Eligible Lenders Trustees](#)
  - [\(GENERAL-23-35\) FBI/CISA RELEASE JOINT ADVISORY on Active Exploitation of a PaperCut Vulnerability Against Educational Facilities](#)
  - [\(GENERAL-23-34\) Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with the 2024-25 FAFSA Processing Cycle](#)
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## General News

[The Hill](#) reports that the President and Congressional leaders are slated to meet again this week as the move to raise the nation's debt limit remains at a stalemate.

[Inside Higher Ed](#) discusses how the new FAFSA [Free Application for Federal Student Aid] could help homeless students access college aid more easily.

[The Hill](#) publishes an article that the public should forget about a \$90,000 sticker price because college costs are actually dropping.

[USA Today](#) reports that the college-going gap between Black and white Americans was always bad, but it is now getting worse.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).

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