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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](#).

Department of Education Begins Discharging Student Loans Under Income-Driven Repayment Adjustment Today

as Lawsuit Looms

Today, the U.S. Department of Education began discharging the federal student loan debt of borrowers who qualify for an account adjustment if they were enrolled and made payments under an Income-Driven Repayment (IDR) plan over the last 20 years. The agency estimates that the adjustments will speed potential forgiveness of most borrowers by three years and allow it to automatically forgive up to \$39 billion in debt for about 804,000 borrowers. Eligible borrowers had until yesterday to opt out of the adjustments.

As previously reported, the Mackinac Center for Public Policy and Cato Institute filed a [lawsuit](#) in the U.S. District Court for the Eastern District of Michigan challenging the Department's plan to provide the account adjustments. The groups say that the Department does not have the authority to adjust accounts and its announcement was an "utter disregard for federal law and the Constitution," just weeks after the Supreme Court struck down a broader federal student loan forgiveness program pushed by the Biden Administration. The lawsuit also said that the new policy violates federal law because it did not go through the negotiated rulemaking process and offer the public the opportunity to comment. "No authority allows the Department to count non-payments as payments," the suit says, adding that the decision came as "a press release that neither identified the policy's legal authority nor considered its exorbitant price tag." The lawsuit calls for the federal judge overseeing the case to declare the plan illegal and block the Department from carrying it out while the case is being decided. As of press time, the court had not yet ruled on the groups' request.

Department of Education Releases "Trends in Federal Student Loans for Graduate School" Report, Details Growth in Borrowing for Grad Programs

Last week, the U.S. Department of Education released a new report titled, [Trends in Federal Student Loans for Graduate School](#), detailing the growth of federal borrowing for graduate programs. In the report, Authors Tomás Monarrez and Jordan Matsudaira write that, from July 2021 to June 2022, the Department disbursed \$39 billion in federal student loans to graduate students, a high-water mark for the highest share of federal student loan disbursements going to graduate students in history even though graduate borrowers accounted for only 21 percent of all borrowers. While graduate degree attainment fueled by the borrowing drove and reflected new economic opportunities,

Monarrez and Matsudaira write that it is a “cause for concern.” Unlike undergraduate students, graduate students have been able to borrow up to the cost of attendance of their program of study, leading to increases in total borrowing among graduates and large increases in the fraction of borrowers completing their studies with extremely high balances. “In many graduate programs across public, private nonprofit, and private for-profit institutions, too many borrowers graduate with debt levels that are too high relative to their early career earnings,” the report says. “There is generally very little correspondence between the amount students borrow to finance their advanced degrees and their labor market outcomes.” The authors note that, if recent trends continue, graduate loans will soon comprise the majority of federal student loan disbursements.

Federal Reserve Bank of New York Issues Quarterly Report on Household Debt and Credit, Finds Student Loan Debt Fell by \$35 Billion

Last week, the Federal Reserve Bank of New York issued its [Quarterly Report on Household Debt and Credit](#). The report shows a slight uptick in total household debt in the second quarter of 2023, increasing by \$16 billion (0.1 percent) to \$17.06 trillion. The report found that student loan balances fell by \$35 billion to \$1.57 trillion while credit card balances increased by \$45 billion, auto loan balances rose by \$20 billion, and mortgage balances were largely unchanged from the previous quarter.

The report says that delinquency rates were roughly flat in the second quarter of 2023 and remained low, after declining sharply since the beginning of the pandemic. The share of debt newly transitioning into delinquency increased for credit cards and auto loans, with increases in transition rates of 0.7 and 0.4 percentage points respectively. Federal student loan payments remain suspended until October 2023, and missed payments on federal student loans will not be reported to credit bureaus until the fourth quarter of 2024. Because of these policies, less than 1 percent of aggregate student debt was reported 90+ days delinquent or in default during the second quarter of 2023.

U.S. Department of Education News

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

Press Release: [Advance Diversity and Opportunity in Higher Education: Justice and Education Departments Release Resources to Advance Diversity and Opportunity in](#)

[Higher Education | U.S. Department of Education](#)

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

- [\(APP-23-09\) 2023–24 Federal School Code List of Participating Schools \(August 2023\)](#)
 - [2023–24 Federal School Code List of Participating Schools \(August 2023\)](#)
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Member News



College Foundation, Inc. Announces Search for Vice-President, Financial Services and Vice-President, Loans and Financial Aid

College Foundation, Inc. is searching for a Vice-President, Financial Services to oversee the operations of Financial Services, Office Services, and Facilities. The VP is responsible for building and refining operations structure, processes and policies for each service area, developing and preparing analyses of financial data for the programs administered by the Foundation and operations as needed for both internal and external reporting, overseeing, in collaboration with an investment advisor and the President, the investment of funds in accordance with the Foundation's Investment Policy, examining financial records and operations to ensure compliance with federal and state statute and regulations as well as requirements set forth in various contracts and agreements, appraising the soundness and suitability of the Foundation's accounting and financial controls, ensuring accounting activities comply with Generally

College Foundation, Inc. is also searching for a Vice-President, Loans and Financial Aid to oversee the operations of Loan Services, Grant and Scholarship Programs, Residency Determination Service (RDS), and the CFNC/K12/RDS Call Centers. The VP is responsible for oversight of reporting and monitoring of performance metrics of each service area, building and refining operational structure, processes, and policies for each service area, overseeing the development and implementation of the marketing strategies for the NC Assist Loan Program, identifying ways to leverage operational strengths to take advantage of new education loan origination and servicing opportunities, working with the Marketing Manager to create an annual recommendation for the NC Assist marketing and media budget and monitoring the budget to ensure maximum results given available resources, participating in senior-level managerial activities and strategic planning for the Foundation, and representing the Foundation at meetings related to the Loan, Grant and Scholarship Programs, RDS, and CFNC/K12/RDS Call Centers. This is a hybrid position with a minimum of 2 days onsite weekly. Minimum BS/BA degree with at least 10 years of experience in program operations, loan origination and servicing, call center operations, and/or grant, scholarship or residency program administration and 5 years of

Accepted Accounting Principles (GAAP), preparing annual filings, including various Forms 990 and 5500, assisting internal and external auditors/reviewers or consultants, coordinating and managing the annual budget process, and monitoring the annual budget throughout the year. This is a hybrid position with a minimum of 2 days onsite weekly. Minimum BS/BA degree with at least 5 years of experience in accounting or finance and an active CPA license; minimum of 3 years of management experience. Respond with a resume to human.resources@cfi.org.

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General News

[Business Insider](#) reports that federal student loan borrowers keep running into hurdles as the Biden Administration's debt relief promises are piling up in court.

[Forbes](#) publishes an article examining whether borrowers should change their federal student loan repayment plans.

[CNBC](#) reports on a new survey from Credit Karma suggesting that, when federal student loan payments resume, 56 percent of borrowers say they will have to choose between their debt and buying groceries.

[WalletHub](#) publishes the results of its analysis of states with the most and least student loan debt. The company compared the 50 states and the District of Columbia on 12 key measures of indebtedness and earning opportunities. It found Pennsylvania, Delaware, Mississippi, West Virginia, and South Dakota had the lowest scores when balancing student loan indebtedness and grant and student work opportunities.

[Higher Ed Dive](#) reports on Massachusetts Gov. Maura Healey recently signed the state's fiscal year 2024 budget that authorized \$50 million for tuition-free community college, including a program specifically for students ages 25 and older.

[Roll Call](#) reports that there is no sign of bipartisan talks that resulted in legislation raising the nation's debt ceiling as the budget and appropriations process looms. Former House Majority Leader Eric Cantor (R-VA) says that a shutdown of the federal government is looking increasingly likely without a surprise deal akin to "debt limit 2.0."

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