



Monday, August 21, 2023

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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](#).

CFPB Seeks Public Comments on New Student Loan Survey

On Friday, the Consumer Financial Protection Bureau (CFPB) published a [notice in the Federal Register](#) seeking approval to create a new one-time survey of student loan

borrowers to understand their borrowing decisions, their experience managing their loans, and their expectations for the future. According to the notice, the survey will be sent to a random sample selected from individuals in the CFPB's new Consumer Credit Information Panel (CCIP) which is itself a sample of de-identified credit records from one of the nationwide consumer reporting agencies. The survey responses will be matched to the CFPB's CCIP data to provide a more complete picture of borrowers' financial standing. The survey will follow similar methods to the CFPB's prior Making Ends Meet and Survey of Consumer Views on Debt surveys but sample a different population of borrowers and focus primarily on student loans. The notice seeks public comments on the survey by September 18, 2023.

CBO Releases Cost Estimates for Federal Credit Programs, Finds Student Loan Programs Will Cost Taxpayers \$25 Billion in 2024

Last week, the Congressional Budget Office (CBO) released its annual [report](#) estimating the costs of federal credit programs, including federal student loan programs, for 2024. Similar to the past, the report presents two sets of estimates: the first one follows the Federal Credit Reform Act of 1990 (FCRA) procedures used for the federal budget, and a second one another using a fair-value approach that considers market risks. The report says that, using a fair-value basis, CBO estimates that the average subsidy rate for federal student loan programs in 2024 will be 28.4 percent, which means the loan programs will cost taxpayers \$25.4 billion over the life of the loans. The projected subsidy rate for the Federal Parent PLUS Loan program will amount to -2.7 percent, which means CBO still projects the federal government will make money on those loans. However, the projected subsidy rate for the subsidized Federal Stafford Loan program will amount to 38.3 percent, which means that the federal government will lose money on the loans. Compared to last year, the subsidy rate for federal student loans increased by 23.3 percent. CBO attributes the increase to the U.S. Department of Education's recent final rules expanding eligibility for Public Service Loan Forgiveness, creating the new SAVE (Saving on a Valuable Education)/Income-Driven Repayment plan, and providing more generous interest benefits to borrowers.

Politico Publishes Profile on House Education and Workforce Committee Chair Virginia Foxx

On Friday, Politico published a lengthy [profile](#) of House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC), where she discussed her priorities for the rest of this 118th Congress. Overall, Chairwoman Foxx outlined her concerns with education and labor policies and said that she is looking at every opportunity to move legislation through the committee. She specifically said that she plans to move legislation reauthorizing the Workforce Innovation and Opportunity Act (WIOA) soon. WIOA funds most of the nation's workforce development programs. She also mentioned moving legislation expanding Pell Grants eligibility to short-term programs as a possibility for bipartisan cooperation. Previously Committee Ranking Member Bobby Scott (D-VA) said that he "agrees that there's 'widespread support' for expanding Pell Grants to cover short-term programs," though there are differences between the two parties that need to be worked out.

FTC Files Complaint Against Third-Party Debt Relief Companies Promising Help Under "Biden Loan Forgiveness" Plan

Today, the Federal Trade Commission (FTC) [announced](#) that it had filed a complaint against Express Enrollment LLC (also doing business as SLFD Processing) and Intercontinental Solutions LLC (also doing business as Apex Doc Processing LLC), operated by Marco Manzi, Ivan Esquivel, and Robert Kissinger, who have targeted students seeking debt relief and collected approximately \$8.8 million in illegal advance fees in exchange for student loan debt relief services that did not exist. The FTC said that the defendants pretended to be affiliated with the U.S. Department of Education, used deceptive loan forgiveness promises, and falsely claimed they were offering relief under the "Biden Loan Forgiveness" plan to lure students and collect millions in illegal upfront fees. "During a period of uncertainty for borrowers saddled with student loan debt, these defendants bilked consumers out of millions of dollars with junk fees and phony promises of loan forgiveness and lower monthly payments," said Samuel Levine, Director of FTC's Bureau of Consumer Protection. "We are pleased that the court shut down this operation and froze its assets, and we will continue the agency's ongoing efforts to pursue scammers that target the tens of millions of Americans with student loan debt."

After the FTC filed a complaint, the U.S. District Court for the Central District of California entered a temporary restraining order on August 16, 2023.

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:

- [\(GENERAL-23-67\) Federal Student Aid Posts New School Reports to FSA Data Center](#)
 - [Comment Request: William D. Ford Federal Direct Loan Program, Federal Direct PLUS Loan Request for Supplemental Information](#)
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General News

[Inside Higher Ed](#) reports how new “change of ownership” rules from the U.S. Department of Education—aimed at protecting students and taxpayers—might result in more college closures instead.

[Higher Ed Dive](#) reports on a new bill introduced by House Education and the Workforce Committee Member Aaron Bean (R-FL) that would freeze hiring at the U.S. Department of Education.

[The New York Times](#) writes about what the end of the federal student loan payment pause will mean for Generation X, who are “staring down retirement and student loan debt.”

[The Hill](#) reports that the House Freedom Caucus laid out a series of policy demands in exchange for its support of a short-term Continuing Resolution to keep the federal government open past October 1st, the start of the federal fiscal year, setting up a potential shutdown.

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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

[MailPoet](#)