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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](#).

U.S. House Returns from Month-Long Recess With Mounting Challenges For Speaker McCarthy

The U.S. House of Representatives returns from its month-long summer recess today, with several major challenges looming. First, the chamber must pass a short-term Continuing Resolution (CR) to keep the federal government open past the start of the

federal fiscal year on October 1st, roughly three weeks to come to a consensus before the shutdown deadline. But the details of that CR remain unknown. House and Senate Republican and Democratic leaders have said that they would like a CR to last a few weeks or months, though House Speaker Kevin McCarthy (R-CA) said that he does not want a stopgap bill that pushes up against the Christmas holidays. Asked last month about the length of a CR during Fox News's "Sunday Morning Futures," Speaker McCarthy said, "I want to make sure we're able to set this where it's not by a holiday, that it's just enough time that, if we can do more of our work now, that we could be in conference with the Senate." But the House Freedom Caucus said last month that its members will not support a CR unless it addresses the situation at the southern border, investigations being conducted by the U.S. Department of Justice and social priorities being implemented at the Pentagon.

It is also currently unclear how the House and Senate will address the \$40 billion in supplemental funding that the White House unveiled last month, including additional funding for the Office of Federal Student Aid. Senate leaders from both parties have discussed passing the full supplemental this month, but Speaker McCarthy is reportedly looking at breaking up the request. The current thinking involves attaching the disaster funding to a CR and then pairing additional funding for Ukraine with border policies in a separate package. The leadership is not sure if hard-line conservatives will accept that game plan.

This week, the House is scheduled to take up the Department of Defense Appropriations Act. If passed, it will be the second appropriations bill the lower chamber has cleared. Before breaking for the recess, the House approved the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, but the Republican leadership had to punt a vote on another bill amid internal disagreements over spending levels. Some conservatives, however, have signaled that they will not support any appropriations bills unless they review the total spending across all 12 measures – a request they have been making for months.

For further coverage, see these articles from [Politico](#) and [The Hill](#).

Department of Education Seeks Public Comments on Information Collection Requests Related to Loan Forgiveness Programs

Last week, the U.S. Department of Education's Office of Federal Student Aid (FSA) published two notices in the Federal Register related to federal student loan forgiveness programs. In the [first notice](#), FSA is seeking emergency approval to renew the revision of information collection implementing the final regulations on Public Service Loan Forgiveness (PSLF) that took effect on July 1, 2023. Concurrent with these new regulations, the Department implemented the ability for a borrower and his or her employer to digitally sign and submit the PSLF Form electronically through the Digital Platform. The PSLF form was redesigned to encourage the use of the new signature options and align the instructions on the form to mimic the user experience connected to the online submission. In the [second notice](#), FSA is requesting an extension of a currently approved information collection method that provides teacher loan forgiveness to both Direct Loan and Federal Family Education Loan program borrowers. Current regulations require borrowers to provide their loan holders with documentation establishing their eligibility for teacher loan forgiveness and for teacher loan forgiveness forbearance. The Department is requesting an extension of the currently approved forms with updated language related to the capitalization of unpaid interest that accrues during periods of forbearance. The Department requests public comments on both notices.

Congressional Budget Office Releases Monthly Budget Review

Today, the Congressional Budget Office (CBO) released its [Monthly Budget Review - August 2023](#), which found that the federal budget deficit was \$1.5 trillion in the first 11 months of Fiscal Year (FY) 2023 – \$600 billion more than the deficit recorded during the same period last year. In the report, CBO said that federal revenues were 10 percent lower and outlays were 3 percent higher from October through August than they were during the same period in FY 2022.

The report says that the federal deficit was larger than originally reported in 2022 and smaller in 2023 by amounts that are largely offsetting because of actions related to the U.S. Department of Education's planned cancellation of outstanding federal student loans. The cancellation was never implemented because of the U.S. Supreme Court's June 2023 decision prohibiting it. In September 2022, the Department recorded outlays of \$379 billion to reflect its estimate of the long-term costs of the debt cancellation, which increased the deficit in FY 2022. In August 2023, the Department recorded a roughly \$330 billion reduction in outlays for the student loan program to reflect the Supreme Court's decision. That action reduced the deficit for this fiscal year. The savings recorded in August 2023 are less than the cost recorded in September 2022, primarily because of

the new income-driven repayment plan, which increases the cost of outstanding federal student loans.

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: Federal Direct Loan Program and Federal Family Education Loan Program Teacher Loan Forgiveness Forms](#)
- [Comment Request: Application and Employment Certification for Public Service Loan Forgiveness](#)

General News

[The Wall Street Journal](#) publishes an opinion piece arguing that the student loan debt bubble has created a housing bubble as Fannie and Freddie Mac ignore much of what borrowers owe, allowing them to qualify for huge mortgages.

[The St. Louis Post-Dispatch](#) reports that Washington University plans to join a list of elite campuses that have eliminated federal student loans from their financial aid packages.

[CNN](#) reports that some student loan borrowers are frustrated with their federal servicers ahead of the payment restart scheduled for October.

[MarketWatch](#) says that the federal student loan repayment on-ramp will let borrowers delay their payments for another year, but there are consequences and some alternatives.

[Business Insider](#) reports that student loan borrowers' biggest defender - the Consumer Financial Protection Bureau - is in jeopardy as the U.S. Supreme Court prepares to hear a challenge to its funding structure.

[Reuters](#) reports that a federal judge has ruled that the Consumer Financial Protection Bureau (CFPB) does not have broad authority to tackle discriminatory banking practices, handing a win to financial industry groups that sued the regulator. The American Bankers Association, the U.S. Chamber of Commerce, and several other industry groups filed a

lawsuit in federal court in Texas in September arguing that Congress had not authorized the agency to root out discrimination.

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