



Thursday, October 5, 2023

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## NCHER Offices Closed on Monday

The NCHER offices will be closed on Monday, October 9th, in commemoration of Columbus Day and Indigenous Peoples Day. We will reopen and the NCHER Briefing will return to its regular publishing schedule on Tuesday, October 10, 2023. Have a great weekend!

## U.S. House Removes Kevin McCarthy As Speaker, Scalise and Jordan Announce Campaigns to Lead Republicans

On Tuesday, the U.S. House of Representatives voted to remove Kevin McCarthy as Speaker by a vote of 216-210. Rep. Matt Gaetz (R-FL) filed a motion to vacate the chair because of McCarthy's decision to bring a short-term Continuing Resolution (CR) to the floor last week to keep the federal government open that received more votes from Democrats than Republicans.. In the end, eight Republicans and all Democrats voted to remove the Speaker following a failed vote to table the motion to vacate. Following the vote, Rep. Patrick McHenry (R-NC) was announced as the Speaker pro tempore until the House can elect a new leader; Rep. McHenry announced that he would hold a candidate forum on Tuesday with a vote for Speaker possibly coming on Wednesday. Until a Speaker is elected, it is unlikely that the House will be able to move any substantive legislation, including appropriations measures that members had hoped to move through the process before the next CR runs out on November 17th.

Later in the week, both Rep. Jim Jordan (R-OH), Chairman of the House Judiciary Committee, and House Majority Leader Steve Scalise (R-LA) announced their candidacy for Speaker. They are expected to be joined by Rep. Kevin Hern (R-OK), Chair of the Republican Study Committee, the largest contingent of Republicans in the lower chamber. In a Dear Colleague Letter announcing his candidacy, Leader Scalise said that Republicans know his leadership style. "I know the coming weeks ahead will be some of the most arduous times we will face together, but this Conference is worth fighting for – we cannot lose sight of our shared mission," he wrote. "Now, more than ever, we must mend the deep wounds that exist within our Conference and focus on our objectives so we can get back to work for the millions of people who are counting on us." In his own Dear Colleague Letter, Chairman Jordan said that Republicans need to address crime, the southern border, and address the national debt. "We are at a critical crossroads in our nation's history," he wrote. "Now is the time for our Republican conference to come together to keep our promises to America. The problems we face are challenging, but they are not insurmountable." It is currently unclear if any of the current candidates have the necessary 218 votes to become Speaker.

For additional coverage and next steps, see the following articles:

[McCarthy's out. Now what? - Politico](#)

[Scalise, Jordan running for speaker, but may get company - Roll Call](#)

[Some House Republicans demand rule change to prevent another speaker ouster - Roll Call](#)

[GOP senators: McCarthy's collapse will lead to turmoil, shutdown - The Hill](#)

## Department of Education Announces Additional \$9 Billion in Federal Student Loan Discharges

On Wednesday, the U.S. Department of Education [announced](#) that an additional 125,000 borrowers were approved for \$9 billion in federal student loan forgiveness through changes made to the Income-Driven Repayment (IDR) Plan, the Public Service Loan Forgiveness (PSLF) Program, and automatic relief for borrowers with total and permanent disabilities. The Department said that it had approved \$5.2 billion in additional debt relief for 53,000 borrowers under PSLF and approximately \$2.8 billion in new debt relief for nearly 51,000 borrowers through changes to IDR plans. The Department noted that these borrowers have been in repayment for 20 or more years, but never received relief. The agency said that it had also provided \$1.2 billion in debt forgiveness for nearly 22,000 borrowers who have a total or permanent disability and have been identified and approved for discharge through a data match with the Social Security Administration. "For years, millions of eligible borrowers were unable to access the student debt relief they qualified for, but that's all changed thanks to President Biden and this Administration's relentless efforts to fix the broken student loan system," said Secretary of Education Miguel Cardona. "The Biden-Harris administration's laser-like focus on reducing red tape, addressing past administrative failures, and putting borrowers first have now resulted in a historic \$127 billion in debt relief approved for nearly 3.6 million borrowers."

For additional coverage, see this article from [CNN](#).

## AGs Send Letter to President Biden and Education Secretary Cardona Expressing Concern About Federal Student Loan Repayment Problems

Last month, a group of 19 State Attorneys General (AGs) sent a [letter](#) to President Joe Biden and Secretary of Education Miguel Cardona expressing their concerns about the challenges faced by borrowers as they return to payment on their federal student loans this fall. "Unprecedented volumes of borrowers must now navigate a complex system, many for the first time, with new servicers that have little to no experience with such volumes and do not appear to be sufficiently staffed to respond to them," the AGs wrote.

“Compounding this, the historic number of loans that transferred to new servicers during the COVID-19 payment pause has created the potential for significant and widespread account errors. Simultaneously, servicers appear to be struggling to operationalize some of the recent and necessary improvements that the Department made to the federal loan repayment system.” The AGs said that, due to the concerns about account management and call volume, borrowers should not be required to make payments until these issues are resolved and called on the Department to instruct its federal student loan servicers to place affected borrowers in non-interest-bearing administrative forbearances while account problems are addressed.

## Consumer Groups Submit Petition Urging CFPB to Ban Pre-Dispute Arbitration

Last week, a group of consumer advocate organizations led by the National Association of Consumer Advocates filed a [Petition for Rulemaking](#) with the Consumer Financial Protection Bureau (CFPB) that would prohibit the use of pre-dispute arbitration clauses in consumer contracts in favor of arbitration clauses that would permit consumers to choose between arbitration and litigation only after a dispute has arisen. It is unclear when the Petition will be published in the Federal Register or what the deadline for submitting comments to the CFPB will be. On November 1, 2017, President Donald Trump signed a joint resolution passed by Congress disapproving the final rule banning arbitration agreements using the procedures under the Congressional Review Act (CRA). Pursuant to the joint resolution, the rule has no force or effect, and the Bureau is prohibited from issuing a substantially similar rule in the future.

Several experts believe that the CFPB is exploring ways to respond favorably to the Petition. For example, it is possible that, before publishing a new Notice of Proposed Rulemaking (NPRM) in response to the Petition, the CFPB would conduct a new study examining pre-dispute arbitration as mandated under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The prior study, released by the CFPB in 2015, indicated that arbitration agreements restrict consumers’ relief for disputes with financial service providers by limiting class actions and was the underlying basis for the prior rule. The new study would allow the Bureau to make the case that a new NPRM is not substantially the same as the former rule struck down by the CRA.

## U.S. Department of Education News

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

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

- [\(FS-2023-01\) FSA Training for Foreign Schools for 2023-24](#)

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## Member News



## **Edfinancial Services: Position Opening for Chief Compliance Officer (CCO)**

The CCO is responsible for the administration of Edfinancial's compliance management program which includes the primary components of written policies and procedures, training, monitoring and corrective action, the goal of which is compliance with all applicable federal and state laws and regulation. The CCO reports directly to the Chief Executive Officer. Collaboration with other company departments is necessary to direct compliance issues to appropriate channels for investigation and resolution and will work with General Counsel as needed to resolve difficult legal compliance issues. The CCO communicates directly with the U.S. Department of Education and leads various projects for the Company. Various other responsibilities of the CCO and the compliance department include, but are not limited to:

- Act as an independent review and evaluation body to ensure that compliance issues/concerns within the organization are being

- Conduct surveys, inspections, audits, and investigation periodically to assess staff readiness and to identify where corrections are needed.
- Re-evaluate areas of previous deficiency to identify improvements.
- Present evaluations and reports to the CEO monthly and to Senior Management at least annually but typically quarterly.
- Investigate complaints and coordinate action plans with other departments.
- Utilize knowledge of the company's purpose and applicable statutes, rules and regulations, procedures, and practices, to respond to other departments and external requests for assistance or information.
- Track all developments in connection with new laws and regulations issued by federal and state governments, particularly those directly related to student loan servicers.

Edfinancial is looking to hire a new CCO to start as soon as possible. Interested parties should send their resume to Wanda Hall, CCO, via email at [whall@edfinancial.com](mailto:whall@edfinancial.com).

appropriately evaluated,  
investigated, and resolved.

- Coordinate external and internal quality assurance, compliance and audit reviews, and monitoring activities.
  - Access records relevant to compliance and monitoring activities and report findings.
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## General News

Ballard Spahr's [Consumer Finance Monitor](#) provides a rundown of the U.S. Supreme Court's oral arguments challenging the constitutionality of the Consumer Financial Protection Bureau's funding structure.

[The Wall Street Journal](#) reports on what happens when parents and their children both have federal student loans and how college debt compounds the unease families share about their financial future.

[Inside Higher Education](#) reports that the national cohort default rate hit zero percent according to data released by the U.S. Department of Education last week. The data shows how the pause in federal student loan payments affected one of the federal government's main accountability measures.

[CBS News](#) reports on how federal agencies are warning borrowers about scammers as federal student loan payments resume this month.

[Higher Education Dive](#) examines how Assumption University in Massachusetts has locked in financial aid early to offset the delay in the release of the Free Application for Federal Student Aid by the U.S. Department of Education.

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