



DAILY BRIEFING

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NCHER Daily Briefing Publishing on Abbreviated Schedule This Week

The *NCHER Daily Briefing* will publish on an abbreviated schedule consisting of today and Thursday while most of Congress is in recess. We will resume our regular publishing schedule next week.



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](#).

Senate Passes Short-Term Increase in Debt Limit, House Votes Today

Last week, the U.S. Senate passed legislation to increase the nation's debt limit, by a 61-38 vote. The legislation, agreed to by Senate Democrats and Republicans, allows the debt ceiling to increase by \$480 billion, a sum that the U.S. Department of Treasury estimates will allow it to pay bills until December 3, 2021. The current national debt totals \$28.4 trillion and would be permitted to rise to about \$28.8 trillion.

The U.S. House of Representatives, which had planned to be in recess this week, plans to return to legislative business today to pass this legislation. Passage of the short-term debt limit increase will allow the United States to pay its financial obligations, but also sets up another fight to increase the debt at the same time that the Continuing Resolution, which is in effect to keep the federal government in operation, expires in early December. For more coverage, see this article from [CNBC](#).

Department of Education Completes First Negotiated Rulemaking Session, Covers Remaining Issue Papers

Last week, the U.S. Department of Education held the first full session of its Affordability and Student Loans Committee, which has been formed to review and revise federal regulations around total and permanent disability, closed school discharge, interest capitalization, the Public Service Loan Forgiveness Program, the borrower defense to repayment process, Pell Grants for Prison Education programs, and income-driven repayment. During Friday's session, Persis Yu from the National Consumer Law Center began the day by calling for a caucus with interested parties to discuss its proposal to provide additional tools to help borrowers exit default. Following the caucus, Department officials said that they share the concerns about defaulted borrowers and share the desire that defaulted borrowers can make payments within their means. The agency has already added the issue around debt collection to its regulatory agenda, outside of the

negotiated rulemaking process. The committee then continued its discussion on the proposal to create a new income-driven repayment plan for Direct Loan borrowers. During the discussion, committee members talked about the need for automation to ensure ease and simplicity around repayment, including allowing borrowers to recertify their income annually. The Department said that it is working with the Internal Revenue Service on implementation of the FUTURE Act and Congress needs to approve other cross-agency data sharing to automate various aspects of the federal student loan repayment system. The committee then moved to consider the proposal around Pell Grant restoration, followed by proposed changes to false certification discharge.

The second of the three sessions will take place from November 1-5, 2021. For more information on the neg-reg sessions, click [here](#). For more coverage, see this article from [Inside Higher Ed](#).

Department of Education Announces New Office of Enforcement Within FSA

Last week, the U.S. Department of Education [announced](#) the creation of a new Office of Enforcement within Federal Student Aid (FSA), which will report directly to Chief Operating Officer Richard Cordray. According to the announcement, the office will proactively identify and address major problems across institutions of higher education that pose widespread risks to students and taxpayers and will be comprised of four divisions: (1) Administrative Actions and Appeals Services Group; (2) Borrower Defense Group; (3) Investigations Group; and (4) Resolution and Referral Management Group. The office will also coordinate with other state and federal partners such as the Federal Trade Commission, the U.S. Department of Justice, the Consumer Financial Protection Bureau (CFPB), and state attorneys general. The Department also announced that Kristen Donoghue will lead the Office of Enforcement. Ms. Donoghue joined FSA in July 2021 as a senior adviser to COO Cordray, and previously served as the Director of Enforcement at the CFPB. For more coverage, see this article from [Inside Higher Ed](#).

Progressive Democrats Pressure White House to Release Student Debt Memo

Last week, Rep. Ilhan Omar (D-MN) and other progressive Democrats sent a [letter](#) to President Joe Biden and Secretary of Education Miguel Cardona urging them to release the memo that the White House requested on the administration's authority to broadly cancel student loan debt. In April, White House Chief of Staff Ron Klain told reporters

that the President had directed the U.S. Department of Education and the U.S. Department of Justice to review whether the administration had such authority and that the memo would be released in a matter of weeks. In the letter, the progressive lawmakers say that over six months have passed since that statement. “Decades ago, Congress voted to authorize the executive branch to cancel federal student loans,” the letter says. “Federal student debt can be canceled with the ‘flick of your pen.’ This authority is already being put to use, as it is currently being used to cancel the interest owed on all federally held student loans. Now it is time for you to honor your campaign pledge and use this authority to cancel all student debt.” The letter goes on to say that the expiration of the repayment pause on federally held student loans will impact millions of borrowers. “Forty-five million student debtors collectively owe \$1.8 trillion of student debt, a sum almost equivalent to the \$1.9 trillion the world’s billionaires made in 2020 alone,” the letter concludes. “While the rich have gotten richer, the economic harm of the pandemic has not subsided for ordinary Americans. Unemployment insurance has been cut off and millions are living under threat of eviction.”

The letter is signed by Reps. Ayanna Pressley (D-MA), Yvette Clarke (D-NY), Adriano Espaillat (D-NY), Danny Davis (D-IL), Jahana Hayes (D-CT), Rashida Tlaib (D-MI), Cori Bush (D-MO), Jesús “Chuy” García (D-IL), Eleanor Holmes Norton (D-DC), Alexandria Ocasio-Cortez (D-NY), Nydia Velazquez (D-NY), Bonnie Watson Coleman (D-NJ), Frederica Wilson (D-FL), Jimmy Gomez (D-CA), Pramila Jayapal (D-WA), Earl Blumenauer (D-OR), Al Green (D-TX), and Carolyn Maloney (D-NY).

For more coverage, see this article from [USA Today](#).

House Budget Committee Chair Yarmuth Announces Retirement

Today, House Budget Committee Chairman John Yarmuth (D-KY) announced that he will not seek reelection after 15 years in Congress. Rep. Yarmuth, the sole Democrat in the Kentucky delegation, said that he will step aside to spend more time with family. He will be 75 years old when his term ends in January 2023. “The truth be told, I never expected to be in Congress this long,” he said in a video posted on his Twitter account. “Candidly, I have found new and incomparable joy in spending time with my young grandson.”

Rep. Yarmuth is the fifth House Democrat to announce his retirement ahead of what is expected to be a brutal midterm election for the party. As Chair of the House Budget Committee, he has helped to shepherd key parts of President Joe Biden's agenda through

the House and has played a major role in trying to reach an agreement on the Build Back Better Act, the party's multitrillion-dollar social spending plan.

It's unclear who will seek the top Democratic spot on the Committee after Chairman Yarmuth steps down. House Democratic Caucus Chair Hakeem Jeffries (D-NY) is next in line, but is said not to have interest in the role.

Sen. Murkowski, Reed Reintroduce State-Based Education Loan Awareness Act

Last week, Sens. Lisa Murkowski (R-AK), Jack Reed (D-RI), Mike Braun (R-IN), and John Hoeven (R-ND) reintroduced [S.2984, the State-Based Education Loan Awareness Act](#). The bill would exclude state-based private education loan programs from meeting certain preferred lending requirements that prevent colleges and universities from talking to student and families about the various loan options available to them to pursue postsecondary education. Sen. Murkowski also reintroduced [S.2976, the Student Loan Repayment Freedom Act](#), which would allow a federal student loan borrower to terminate his or her income-based repayment plan and repay such loan under any other repayment plan. Both bills have been referred to the Senate Health, Education, Labor, and Pensions Committee for additional consideration.

U.S. Department of Education News

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

General News

[Diverse Issues in Higher Education](#) examines what will happen when federal student loan payments restart on February 1st.

[Forbes](#) continues its coverage of President Joe Biden's cancellation of federal student loans and what it means for loan forgiveness.

[Student Loan Hero](#) reports that, according to a recent survey 73 percent of parents plan to help their kids pay off their student loans following graduation.

[Inside Higher Ed](#) reports that public and private colleges and universities in New Jersey as

of this fall must provide all students with an annual “shopping sheet,” outlining college costs, loan options, and estimated student loan debt under a new law passed by the state legislature.

[*Diverse Issues in Higher Education*](#) reports that California Gov. Gavin Newsom signed an ambitious \$47.1 billion higher education package that tackles affordability and access issues in the state. Among the biggest reforms are two bills that simplify the complicated transfer process for community college students to reach four-year institutions and earn a bachelor’s degree.

[*The Chronicle of Higher Education*](#) reports on last fall’s winners and losers in undergraduate enrollment.

[*Newsweek*](#) reports that a petition calling on President Joe Biden to cancel \$10,000 in federal student loan debt has hit 77,000 signatures.

[*Bankrate*](#) reports on the impact of student loans on mental health.

[*The Chronicle of Higher Education*](#) reports on the fastest growing colleges from 2009-2019.

[*Yahoo*](#) reports that a California woman with more than \$350,000 in student loan debt served as her own lawyer in a personal bankruptcy case and saw 98 percent of her loans discharged in the latest case in a growing trend.

[*Business Insider*](#) reports that, in 2020, a bankruptcy judge granted a Navy veteran \$221,000 in student loan discharge. But, a year later, a federal judge reversed that decision, leaving the borrower on the hook for his debt. It comes down to complexities in bankruptcy law that keep many borrowers with student debt.

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