NCHER
DAILY BRIEFING

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In Today's Edition

Department of Education Continues Second Sessions of Negotiated Rulemaking on Student Aid

Today, the U.S. Department of Education held the third day of the second series of negotiated rulemaking sessions for its Affordability and Student Loans Committee, which has been formed to review and revise federal regulations around total and permanent disability (TPD) discharge, closed school discharge, interest capitalization, the Public Service Loan Forgiveness (PSLF) Program, the borrower defense to repayment process, Pell Grants for Prison Education programs, and income-driven repayment.
During today's session, committee members began the discussion about the proposed language around borrower defense to repayment. For example, the committee debated various definitions put forth by the Department such as "aggressive recruiting" and "job

placement rates." The legal affairs representative also raised concerns that the Department's language excludes non-governmental organizations from filing borrower defense claims, though the Department said that such organizations can join claims filed by Attorneys General. Due to the complexity and scope of the proposed changes to the borrower defense to repayment regulations, several 'temperature checks' were taken throughout the day on various sections. Committee members only reached consensus at the conceptual level of the proposals and there was no consensus when those 'temperature checks' included any of the specific proposed regulations. The Department expressed concern that the committee has not reached consensus on several issues on Day 3 while acknowledging that there were a lot of issues remaining to cover, saying that the agency will publish those rules "as they see fit." The borrower defense to repayment discussion will continue tomorrow.

The next committee meeting will take place tomorrow from 10:00 a.m. – 12:00 p.m. and 1:00 p.m. – 4:00 p.m. with a public comment period from approximately 3:30 p.m. – 4:00 p.m. Those who are interested in attending the sessions are required to register separately for each day. To register as a participant, click **here**.

Senate Democrats Write Letter to Education Secretary Cardona Urging Him to Simplify and Expand Student Loan Discharge Options

Earlier this week, Sens. Richard Durbin (D-IL), Patty Murray (D-WA), Sherrod Brown (D-OH), Elizabeth Warren (D-MA), Tammy Baldwin (D-WI), Mazie K. Hirono (D-HI), and Edward Markey (D-MA) wrote a **letter** urging Secretary of Education Miguel Cardona to consider additional measures to simplify and expand student loan discharge options and repayment plans as the U.S. Department of Education continues the negotiated rulemaking process regarding student loans. In their letter, the senators offered three changes for the Department to consider: streamlining income-driven repayment into a single plan that expands relief for borrowers, speeding up the processing of borrower defense to repayment claims and expanding protections for students, and eliminating any restriction on closed school discharge related to whether a student transferred to another institution.

Progressive Organizations Send Letter to President Biden Urging Student Loan Forgiveness

Last week, over 100 progressive organizations wrote a **letter** to President Joe Biden urging him to either cancel all federal student loan debt before payments resume in February or extend the payment pause. The letter highlights several ways that canceling student loan debt would benefit borrowers, improve the economy, and advance racial justice issues. It also argues that operational challenges at the U.S. Department of Education make anything less than broad cancellation "impractical to implement," given the "history of servicing errors" at the Department.

Federal Open Market Committee Concludes Two-Day Meeting, Begins to Reduce Asset Purchases

Today, the Federal Reserve's Federal Open Market Committee (FOMC) completed its two-day meeting to discuss the nation's monetary policy. In a **statement** issued following the meeting, the committee said that it had agreed to keep the target range for the federal funds rate at 0 to ¼ percent, but decided to reduce the monthly pace of its net asset purchases by $10 billion for Treasury securities and $5 billion for agency mortgage-backed securities. This means that, for November 2021, the FOMC will increase its holdings of Treasury securities by $70 billion (down from $80 billion) and its holding of agency mortgage-backed securities by $35 billion (down from $40 billion). If this pattern were to continue, the Fed's net purchases, or quantitative easing, would wind down by the middle of next year. Compared to the previous statement, this month's FOMC statement focused on supply and demand imbalances, which the committee members say have contributed to sizable price increases in some sectors. "Progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation," the statement read. Overall, the central bank indicated that it expects to maintain an accommodative stance on monetary policy until its goals of maximum employment and a 2 percent inflation are achieved.

During a press release following the meeting, Federal Reserve Chairman Jerome Powell said that the economy, after growing at 6.5 percent in the first half of the year, slowed in the third quarter. He said the slowdown was concentrated in leisure, hospitality, and education (which had not been singled out previously). He indicated that supply bottlenecks are likely to continue into next year. Chairman Powell said the "substantial further progress test" for tapering asset purchases had been met, but that the more stringent test for raising rates had not been met. He dodged a question as to whether there would be increases in the federal funds rate next year, and said that the nation is currently not at full employment or price stability and hopes for more clarity on the economy next year.

The next meeting of the FOMC is scheduled for December 14-15, 2021. For further coverage, see this article from ***The Wall Street Journal***.

U.S. Department of Education News

For today's *Federal Register*, click **here**.

General News

Diverse Issues in Higher Education reviews where higher education funding stands in the latest version of the Build Back Better Act, the social spending bill currently pending in Congress.

Higher Ed Dive reports on how lottery admissions at selective colleges and universities would change their student bodies.

The Hill includes an op-ed by The Century Foundation Senior Policy Associate Peter Granville who argues that there is no more kicking the can down the road on free community college.

Inside Higher Ed reports that a new survey from the National Association of Colleges and Employers found that graduates from historically marginalized populations benefited from virtual job recruiting but were still less likely to get paid internships or jobs.

Yahoo reports that college students are prioritizing their mental wellness and stress and anxiety levels are declining, according to a new nationwide survey.

Fox Business reports that 7 in 10 parents spent more on college tuition and fees than they expected, according to a new survey.

U.S. News and World Report reviews five tips that students and families can take to complete college applications on time.

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