



Monday, May 20, 2024

In Today's Edition

- NCHER, Industry Trades Send Letter Providing Public Comment on Department of Education's NPRM on Federal Student Loan Forgiveness
- Democrats, Republicans Weigh in with the Department of Education on Federal Student Loan Forgiveness
- Senate Democrats Send Letter Calling for Increase in Funding for Pell Grants, Protection of Program Reserves
- CFPB Announces Action Against Western Benefits Group for Charging Advance Fees for Student Loan Debt Relief, Misrepresenting Affiliation with Department of Education
- U.S. Department of Education News
- Member News
- General News



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](#).

NCHER, Industry Trades Send Letter Providing Public Comment on Department of Education's NPRM on Federal Student Loan Forgiveness

On Friday, NCHER, Consumer Bankers Association, Education Finance Council, National Association of Student Loan Administrators, and Student Loan Servicing Alliance sent a [letter](#) to the U.S. Department of Education providing public comment on its Notice of Proposed Rulemaking on federal student loan forgiveness. In the letter, the trades expressed interest in providing targeted debt relief to struggling borrowers authorized by the Higher Education Act, though also said that certain items in the proposed rule violate the statute in material and new ways that puts it at risk of legal challenges that could result in implementation delays and possibly its complete undoing. The letter said that, without addressing the conflicts between statute and regulation in the final rule, the increased legal challenges, regardless of the final determination of legality, would subject borrowers to additional confusion. The trades urged the Department to address all potential conflicts between the Higher Education Act and the proposed rule to ensure that it complies with the law.

Democrats, Republicans Weigh in with the Department of Education on Federal Student Loan Forgiveness

Last week, Congressional Democrats and Republicans submitted letters to the U.S. Department of Education responding to the Notice of Proposed Rulemaking (NPRM) on federal student loan forgiveness. First, House Education and the Workforce Committee Ranking Member Bobby Scott (D-VA) sent a [letter](#) expressing support for the NPRM saying that it will give the most vulnerable borrowers in our country increased access to economic mobility and that it will be particularly impactful for borrowers more likely to have higher amounts of federal student loan debt, including borrowers of color. “Congressional Republicans continue to advance policies that would destabilize our higher education system and harm students struggling to afford college through legislation such as their College Cost Reduction Act, which attempts to raise the cost of attending college for students and families by restricting access to federal student aid and eliminating affordable loan repayment plans,” said Ranking Member Scott. “In stark contrast, I applaud the Department for its continued work to ensure all students are given the tools they need to participate in higher education and receive the economic benefits

that should come with it.” Ranking Member Scott also made several additional recommendations:

- Encourage the Department to explore ways to provide relief to borrowers who made significant numbers of payments without reducing their principal prior to the promulgation of the rule.
- Encourage the Department to expand the waiver regarding Federal Family Education Loans (FFEL) to consider Parent PLUS loan debt that was not used to calculate a cohort default rate (CDR). “While I appreciate the Department’s proposal to establish a waiver application process to waive the outstanding balance for borrowers with commercially-held FFEL loans if they attended an institution that lost Title IV eligibility due to its cohort default rate, I am concerned the proposal does not fully consider Parent PLUS loans. According to the NPRM, borrowers would be able to request a waiver ‘if they took out loans during the period that generated the outcomes data that led to the aid termination.’ However, as drafted, the Secretary may only waive the outstanding balance of a loan that was ‘used to calculate the cohort default rate or rates that were the basis for the loss of [Title IV] eligibility.’ PLUS loans are unfortunately not used to calculate an institution’s CDR; therefore, any PLUS loan balances for FFEL borrowers cannot be waived, even though those balances came from those same failing institutions.”
- Encourage the Department to provide clarity for borrowers with joint consolidated loans, especially for those borrowers that may experience confusion about how to navigate both processes.
- Encourage the Department to provide clarity around the treatment of Perkins loans under each proposed waiver.

Second, House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) and Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) sent a [letter](#) urging the Department to withdraw its latest attempt to provide federal student loan forgiveness saying that the proposed rule will cost hard-working Americans an additional \$147 billion and bring the total student loan debt transferred to taxpayers to as much as \$1 trillion. “The latest NPRM proposed by your Department...represents the latest in a string of reckless attempts to transfer as much as \$1 trillion of student loan debt from those who willingly borrowed to those who did not or have already repaid their loans,” the letter says. “We strongly urge you to withdraw it. This is even broader than the Department’s first attempt: at an estimated price tag of \$147 billion, taxpayers are being forced to take on the debt of nearly 28 million borrowers. In addition to the fiscally irresponsible nature of this backdoor attempt to

enact 'free' college, the administration continues to use borrowers as political pawns knowing full well these proposed actions are illegal. The Supreme Court has made it abundantly clear that there is zero authority to write-off federal student loans en masse last June when the Department's 'Plan A' was ruled unconstitutional. 'Plan B' hinges on creating these extensive regulations based on scant statutory text written in 1965. This statute has no history of broad use by any previous Secretary and was previously deemed by this administration as less likely to hold up in court than 'Plan A.'"

Finally, House Democrats sent a letter strongly supporting the NPRM but urged the Department to release its proposal on addressing borrowers experiencing hardship such as those at a high risk of default. The members also urged the Department to provide automatic "runaway interest relief for as many borrowers as possible," "relief to borrowers with loans older than 20 years on a rolling basis," and "relief to borrowers who have fallen victim to servicing failures and abuses."

Press reports indicate that the Department received more than 92,000 comments on the NPRM. For additional coverage of public comments provided to the Department, see this article from

[Inside Higher Ed.](#)

Senate Democrats Send Letter Calling for Increase in Funding for Pell Grants, Protection of Program Reserves

Last week, Senate Democrats, led by Sen. Mazie Hirono (D-HI), sent a [letter](#) to the Senate Appropriations Committee urging the members to provide an increase to the maximum award for the Pell Grant program in the upcoming Fiscal Year 2025 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act. In the letter, the senators express appreciation for the committee's work to increase the Pell Grant maximum award in recent years, but say they remain concerned that the value of the Pell Grant has steadily declined since it was first created, now covering the lowest share of the cost of attendance in its 50-year history. "Increasing the maximum award would provide a substantial investment toward reversing this decades-long decline," they say. The letter also urges the committee to protect the program's reserves that have built up over time to address future expected shortfalls and that the funds should be used to increase the maximum award, reverse prior eligibility cuts, and provide new opportunities to provide higher education to historically underrepresented students.

CFPB Announces Action Against Western Benefits Group for Charging Advance Fees for Student Loan Debt Relief, Misrepresenting Affiliation with Department of Education

Today, the Consumer Financial Protection Bureau (CFPB) [announced](#) that it had taken action against Western Benefits Group for charging illegal advance fees for student loan debt relief services and misrepresenting to consumers that advance fees would go toward paying down their loans. The CFPB found Western Benefits also misrepresented that it was affiliated with and endorsed by the U.S. Department of Education, and that the company would help consumers consolidate student loans, lower their monthly student loan payments, or obtain loan cancellation. The CFPB said that it was ordering Western Benefits to permanently cease operations, pay a \$400,000 penalty, and rescind all existing agreements with consumers. In the complaint, the Bureau said that Western Benefits Group is a nonbank telemarketer headquartered in Pleasanton, California, that has offered debt relief services since at least 2016. In January 2016, the company began to market, sell, and administer student loan debt relief services to consumers. Western Benefits used lead generators to increase its inbound telemarketing calls. The lead generators marketed debt relief services to consumers through email marketing campaigns and web campaigns.

U.S. Department of Education News

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

[FACT SHEET: Biden-Harris Administration Announces Record Over \\$16 Billion in Support for Historically Black Colleges and Universities \(HBCUs\)](#)

The following announcements were posted to Federal Student Aid's Knowledge Center:

- [\(CB-24-12\) Final 2025–26 FISAP Form, Instructions, Desk Reference, and Technical Reference](#)
- [\(GENERAL-24-60\) Summary of Department Reprocessing of 2024-25 FAFSA Records](#)
- [\(CB-24-11\) Summer 2024 Campus-Based School Testing to Report Federal Work-Study Wages](#)
- [\(EDESUITE-24-04\) Issue Alert: Verify Correct EDconnect Mailbox Settings Prior to Exporting Data for COD System Processing from EExpress](#)

- [\(COD-24-04\) 2024–2025 COD Technical Reference \(May 2024 Update\) Now Available](#)
 - [\(GENERAL-24-59\) NSLDS Professional Access – Financial Aid History \(FAH\) Response File Extract Format](#)
-

Member News



The Kentucky Higher Education Assistance Authority (KHEAA) [announced](#) that KY Saves 529, the state’s official education savings plan, is urging the state’s residents to observe 529 Day

by starting a savings account for as little as \$25. “529 Day is celebrated each May 29 to remind families of the importance of saving for children’s education expenses,” Gov. Andy Beshear said. “Using KY Saves 529, families can save for costs associated with college, trade school and K–12 education. Another benefit is that withdrawals made for qualified educational expenses are exempt from state and federal taxes.”

General News

[insideARM](#) provides answers to a few Frequently Asked Questions following last week’s decision by the U.S. Supreme Court that the funding structure for the Consumer Financial Protection Bureau did not violate the U.S. Constitution.

[The Hill](#) reports that Congress is setting the stage for another partisan fight over funding the federal government as conservatives look to chip away at a previous “side deal” struck between House Speaker Kevin McCarthy (R-CA) and the White House aimed at boosting nondefense dollars. Democrats have been sharply criticizing a recent announcement by House Appropriations Committee Chairman Tom Cole (R-OK) previewing cuts the party could seek for fiscal year 2025.

[The Chronicle of Higher Education](#) reports that colleges and universities are swimming in financial uncertainty amid the mess with the Free Application for Federal Student Aid.

[Inside Higher Ed](#) reports that Washtenaw Community College and other institutions are working with Historically Black Colleges and Universities (HBCUs) to help their students transfer, particularly in states without HBCUs.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).

Do not forward this email with this link included.

Anyone clicking on this link will unsubscribe you from the Daily Briefing distribution.

[Unsubscribe](#) | [Manage subscription](#)

Copyright © 2023

National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

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

Fax: (202) 822-2142

MailPoet