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NCHER Webinar on CFPB's Registry for Nonbanks and Circular on UDAAP Violations in Consumer Financial Products and Services Contracts

On Thursday, June 27th from 2:00 to 3:30 p.m., NCHER will hold a webinar to discuss the Consumer Financial Protection Bureau's (CFPB) new final rule establishing a registry for

nonbanks that have been found to violate consumer laws and are subject to federal, state, or local government or court orders and requiring a high-ranking senior executive officer to submit an annual written statement that the company is complying with covered orders. State regulators have raised concerns that the CFPB's registry will cause industry confusion and redundant reporting, but the Bureau says that the registry is part of its ongoing focus to hold lawbreaking companies accountable and stop corporate recidivism. The CFPB also recently issued a new circular warning that the use of unlawful or unenforceable terms and conditions in contracts for consumer financial products or services may violate the prohibition on unfair, deceptive, or abuse acts or practices (UDAAP) under the Consumer Financial Protection Act, though chose not to establish a new registry covering this activity at this time.

During the webinar, industry experts will review the details of the final rule on the nonbank registry and UDAAP circular on terms and conditions in contracts, highlight the timeline and near-term requirements for both initiatives, and discuss their impact on the higher education finance industry. A question-and-answer session will follow the discussion. Members can register for the webinar on the [NCHER website](#).

Department of Education Announces New Details on the Launch of the 2025-2026 FAFSA, Delayed Timeline for Resolving Corrections for 2024-2025

Earlier this week, the U.S. Department of Education's Office of Federal Student Aid (FSA) released new [details](#) related to the launch of the 2025-2026 Free Application for Federal Student Aid (FAFSA). First, to ensure a more smooth user experience during the upcoming FAFSA cycle, FSA said that the 2025-26 FAFSA form will remain consistent with the 2024-25 form. As a result and similar to previous years when there has not been major shifts in functionality, the 2025-26 form will not be made available for public comment. However, FSA said that it will continue to focus its efforts on improving the user experience for students, families, and partners and will collect feedback to inform our efforts. Second, FSA said that it will hold a series of listening sessions to take place over the coming weeks to inform how to better support students, families, colleges, states, and other partners for a successful 2025-26 FAFSA cycle. In addition, the

Department will release a Request for Information (RFI) this summer to solicit feedback from those not able to attend the sessions. The Department will request specific feedback on ways to improve the help text on the form, student tip sheets, or other direct communication to ensure applicants and contributors can successfully complete and submit the form. The Department will also request feedback from financial aid administrators, counselors, and others on ways the agency can provide additional support to them in their work. The listening sessions and RFI will lead to the development of a new Better FAFSA Better Future Roadmap, to be released in late summer, that will outline new tools the Department is making available, such as additional trainings, webinars, counselor guides, and student tip sheets.

Finally, the Department said that it is entering the final phases of testing on two functions: processing 2024-25 paper FAFSA forms, including those submitted by confined or incarcerated students, and the ability for schools to submit corrections electronically by entering the data manually via the FAFSA Partner Portal (FPP). Those functionalities should be available by the end of June. However, batch institutional corrections, as well as paper corrections, will not be available until the first half of August. This functionality, impacting students who need a dependency override when a parent's income is not considered or whose parent lost their job requiring a FAFSA correction from their schools, is typically available when the application goes live. For additional coverage, see this article from [Inside Higher Ed](#).

House and Senate Democrats Introduce Pell Grant Preservation and Expansion Act

Today, House Education and the Workforce Committee Ranking Member Bobby Scott (D-VA) and Senate Appropriations Committee Chairwoman Patty Murray (D-WA) introduced the [Pell Grant Preservation and Expansion Act](#), which would nearly double the maximum award for the Pell Grant program, index the maximum award for inflation, make the Pell Grant funding fully mandatory, expand the program to include DREAMers, and restore lifetime eligibility for the program to 18 semesters. "The Pell Grant is the most important tool we have to help students afford college," Ranking Member Scott said. "Unfortunately, due to the rising cost of college, the purchasing power of Pell Grants has severely eroded over time. By doubling the maximum Pell award, and adjusting future

awards for inflation, the Pell Grant Preservation and Expansion Act will go a long way to restore the purchasing power and help millions of students earn a quality degree, without being forced to take on excessive debt.” For a copy of a fact sheet on the bill, click [here](#).

NCAN Releases Recommendations to Improve the 2025-2026 FAFSA Cycle

Today, the National College Attainment Network (NCAN) released new recommendations on how lawmakers, policy experts, and advocates can be ready for the 2025-2026 Free Application for Federal Student Aid (FAFSA) cycle. NCAN says that the U.S. Department of Education should confirm that it will meet the launch of the FAFSA on October 1st as it is important to students, families, and institutions. “With each passing day, the lack of a certain release date increases our concern that the coming year will be as disorganized and problematic as this one has been,” NCAN says in the recommendations. Other suggestions include:

- Streamlining the Federal Student Aid (FSA) ID process to make it easier for students from mixed status families to apply.
- Reducing hold times at the FSA call center.
- Modify the language for the “unsubsidized loan only” question on the FAFSA form. The question allows dependent students to signal that their parents will not cooperate in providing information to complete the FAFSA. NCAN says the high volume of students who chose “yes” for this question may indicate that students were misinterpreting the question.

CBO Releases Budget and Economic Outlook, Says Federal Deficit Rising to \$2 Trillion Driven by Student Loan Policies

On Tuesday, the Congressional Budget Office released its [Budget and Economic Outlook for 2024-2034](#), which includes a description of the office’s latest 10-year budget and economic projections that incorporate the effects of legislation enacted through May 2024. In the current report, CBO increased its estimate of the federal deficit to \$2.0 trillion largely as a result of the U.S. Department of Education’s federal student loan policies that it says will cost \$145 billion this year. The \$2.0 trillion figure is up from its

current estimate of \$1.6 trillion earlier this year. Four things are driving that \$400 million increase but the federal student loan relief policies are responsible, by far, for the increasing gap, including new revisions that the Department made to the estimated subsidy costs of previously issued loans as a result of income-driven repayment plans and the proposed rule to reduce many borrowers' balances on student loans through a new loan forgiveness program.

CBO also increased its longer-term forecast for the federal deficit, predicting that the budget gap will be \$24 trillion over the next decade, an increase of \$2.1 trillion from its estimate earlier this year. Interest payments on the nation's nearly \$35 trillion debt, as well as the deficit, are both "large by historical standards," CBO Director Phillip Swagel said. In addition, CBO raised its projections for the national debt over the next decade, estimating that debt held by the public would rise to 122 percent of GDP by 2034, – the highest level ever recorded. The office also predicted that economic growth would slow from 3.1 percent in 2023 to 2 percent this year amid higher unemployment and lower inflation.

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:

- [\(GENERAL-24-73\) Independence Day Federal Holiday Processing and Customer Service Hours](#)

Member News



The Kentucky Higher Education Assistance Authority (KHEAA) announced that it has received a \$977,000 award to boost efforts for college-bound students planning to apply for federal financial aid this summer. The funds were awarded by the U.S. Department of Education, in partnership with Educational Credit Management Corporation (ECMC). KHEAA will use the

funds to expand its summer outreach services including a Free Application for Federal Student Aid (FAFSA) training bootcamp for school counselors and college access providers and a stipend for college access partners hosting FAFSA tailgate events for recent high school graduates on their school campuses. Other initiatives will include advertising and additional hours dedicated to one-on-one FAFSA support from its Outreach counselors. “Our statewide outreach counselors can guide students and parents on how to submit the simplified FAFSA this summer,” said KHEAA Executive Director Jo Carole Ellis. “We appreciate the opportunity to expand our reach to Kentucky students who need additional support in this year of change.”

General News

[The Chronicle of Higher Education](#) reports that, under pressure, Federal Student Aid Chief Operating Officer Richard Cordray faced attendees at the annual conference of the National Association of Student Financial Aid Administrators in Milwaukee.

[Financial Times](#) reports that Carlyle and KKR have emerged among the final bidders for a \$10 billion student loan portfolio from Discover Financial, according to people familiar with the matter, as private investment firms step into a lending void left by the retreat of traditional banks.

[The Hill](#) reports that almost one in five respondents to a recent survey by Bankrate say that student loan debt will have a major influence on their vote for President.

[CNN](#) examines why millions of student loan borrowers will have lower payments starting in July.

[Business Insider](#) reports that former President Donald Trump called the Biden Administration's student loan relief plan "vile" and said that it will not happen if he wins the race for President.

[Fox News](#) reports that a Democratic staffer went viral for boasting that the U.S. Department of Education had canceled his federal student loan debt even as he makes over \$80,000/annually.

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