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NCHER Offices Closed for Independence Day, Briefing Resumes Publication Next Monday

The NCHER offices will be closed on Thursday, July 4th, in observance of Independence Day. The offices will reopen on Friday, July 5, 2024. The NCHER Briefing will take a brief break and resume publication on Monday. Have a safe holiday!



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 Welcomes New Officers, Board of Directors for Fiscal Year 2024-2025

Today, NCHER welcomes its new leadership as well as new and returning members to the Board of Directors for Fiscal Year 2024-2025. Diana Barber (Kentucky Higher Education Assistance Authority) becomes the new Chair of the NCHER Board of Directors. Scott D. Giles (Missouri Higher Education Loan Authority) becomes Chair-Elect, Angela Baier (CollegelInvest / College Assist) will serve as Immediate Past-Chair, and Ron Gambill (Education Loan Finance Inc.) will serve as the organization's Treasurer. Directors at-Large include: Chris Chapman (AccessLex Institute), Jim Farha (Oklahoma Student Loan Authority), Scott A. Giles (Vermont Student Assistance Corporation), Ray Jones (South Carolina Student Loan), Melissa Neal (Oklahoma College Assistance Program), and Jimmy Parker (Panhandle-Plains Higher Education Foundation). Liaisons on the Board include: Bob Collins (Western Governors University), Kelly Lipinski (McGlinchey Stafford), and Joe Santoro (BofA Securities, Inc.; Bank of America). NCHER extends its appreciation to all of the current Board members and looks forward to a productive and successful year! The complete listing of the 2024-2025 NCHER Board of Directors can be found on the [NCHER website](#).

Tenth Circuit Court of Appeals Lifts Injunction Blocking Payment Reduction Portion of SAVE Plan

Last night, the U.S. Court of Appeals for the Tenth Circuit issued a decision staying the preliminary injunction issued by the U.S. District Court for the District of Kansas blocking the monthly repayment reduction portion of the U.S. Department of Education's Saving on a Valuable Education (SAVE) Plan. In the order, the judges said that the U.S. Department of Justice made a strong showing that its arguments will likely succeed on the merits and that it will suffer irreparable injury absent a stay. The stay will be in effect as the case is under appeal.

Prior to the court's decision, the U.S. Department of Education announced that it would suspend monthly student loan payments and interest for the 3 million borrowers enrolled in the SAVE Plan in response to the prior court rulings. The Department's decision came after pressure from progressive groups. The Department also said it would have to take down its online application form for new borrowers who want to enroll in the SAVE program or other repayment programs, and that it needed four to six weeks to update its systems to comply with the court orders. In its emergency motion for a stay of the decision, Department officials said in court filings that the agency was unable to recalculate the payments for millions of borrowers in a matter of days and warned of major operational disruption to the federal student loan system. The Consumer Financial Protection Bureau (CFPB) echoed the concerns saying in a filing that the sudden changes could unleash major servicing breakdowns. The injunction, the CFPB said, "significantly raises the risk that monthly payments are not accurately calculated, payment systems are not operated in compliance with federal consumer financial law, and that servicers might fail to provide accurate and actionable information to consumers about the status of their loans and their other payment options."

For additional coverage, see these articles from [The Hill](#) and [CNBC](#).

Supreme Court Issues Decision Overturning Chevron Doctrine, Discussion Begins on Impact on Student Loan Policy

On Friday, the U.S. Supreme Court issued its [decision in *Loper Bright Enterprises et al v. Raimondo, Secretary of Commerce, et al*](#) overruling the Chevron doctrine. The opinion, written by Chief Justice John Roberts and decided by a vote of 6-3, states that the Administrative Procedure Act (APA) requires courts to exercise their independent judgment in deciding whether an agency has acted within its statutory authority, and

courts may not defer to an agency interpretation of the law simply because a statute is ambiguous.

The central question in the case was whether the Supreme Court would overrule its 1984 decision in *Chevron v. National Resources Defense Council*, holding that courts should defer to an agency's reasonable interpretation of an ambiguous statute. In the opinion, Justice Roberts said that *Chevron* "defies the command of the Administrative Procedure Act, the law governing federal administrative agencies, that the reviewing court, not the agency whose action it reviews, is to decide all relevant questions of law and interpret statutory provisions. It requires a court to ignore, not follow, the reading the court would have reached had it exercised its independent judgment as required by the APA." He explained that *Chevron*'s presumption that statutory ambiguities are implicit delegations of authority by Congress to federal agencies "is misguided because agencies have no special competence in resolving statutory ambiguities. Courts do." Justice Roberts also noted that the decision does not "call into question prior cases that relied on the *Chevron* framework. The holdings of those cases that specific agency actions are lawful, including the Clean Air Act holding of *Chevron* itself, are still subject to statutory *stare decisis* despite our change in interpretative methodology."

Following the decision, several publications began to examine the impact of the court's new action on student loan policy. Politico published an article saying that the future of student loan debt relief efforts may come undone without *Chevron*: "The latest plan seeks to forgive unpaid interest for some 25 million Americans who now owe more on their loans than what they originally took out. It would also help borrowers who attended "low-value" programs, more than 2 million people who have carried their debts for decades and another 2 million who would have qualified for existing federal programs but failed to enroll. The Education Department argues that the President has the authority to enact this relief under the Higher Education Act's compromise and settlement authority. The law says the Department can "enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand" as it relates to student loan debt. But many argue that the agency's interpretation is too broad, leaving Biden's push particularly vulnerable to a judge unrestrained by *Chevron*."

For more coverage, including what the weakening of *Chevron* means for higher education, see these articles from [The Chronicle of Higher Education](#) and [Forbes](#).

Century Foundation Report Finds FAFSA Botched Rollout Disproportionately Impacted Minorities

The Century Foundation recently released a new report titled, [FAFSA Fallout: Application Dropoff Threatening to Widen College Gaps](#), which found that the botched rollout of the 2024-2025 Free Application for Federal Student Aid (FAFSA) disproportionately affected low-income Black and Latino students. As of May, nearly 300,000 fewer high school seniors had filled out the FAFSA this year than in 2023. But communities with large Black and Latino populations, a high number of residents living in poverty or a preponderance of adults without college degrees, had a 20 percent larger year-over-year completion gap than those with low shares of those populations. The report also found that regions with lower average family incomes experienced steeper declines in completion rates than the national average: in Alabama and Mississippi, for instance, rates declined by more than 25 percent. “The dropoff in FAFSA completions has been significantly worse among historically marginalized communities,” the report reads. “As a result, colleges are likely to see enrollment declines that are linked to race, educational attainment, and income.” FAFSA completion declines in low-income and low-education regions are significantly larger than in wealthier, more educated regions: 51,000 fewer FAFSAs were filed year over year in high-poverty regions, for instance, and 42,000 fewer in regions with lower numbers of college-educated adults. But the gap was most severe in regions with large Black or Latino populations, down by 86,000 year over year. The report also found that thanks to targeted efforts by state agencies and access organizations, completion gaps are narrowing more among low-income populations than any other.

District Court, FTC Shuts Down Panda Benefit Services for Defrauding Student Loan Borrowers

The U.S. District Court for the Central District of California at the request of the Federal Trade Commission (FTC) recently issued a [temporary restraining order](#) against Panda Benefit Services, a third-party student loan debt relief company accused of defrauding more than \$20.3 million from consumers by pretending to be affiliated with the U.S. Department of Education. According to the complaint, since at least June 2021, California-based Panda Benefit Services (also doing business as Prosperity Benefit Services), Clarity Support Services, Pacific Quest Services, Prosperity Loan Services,

Public Processing Services, Quick Start Services, Select Student Services, Signature Processing Services, and its operators Christopher Hanson, Eduardo Martinez, Emiliano Salinas, and Melissa Salinas, falsely claimed that consumers who paid for their program were guaranteed to receive loan forgiveness and that the program would significantly reduce their loan payments. The operators also falsely claimed to take over the servicing of consumers' student loans.

The FTC said that this was the first case prosecuted under the Impersonation Rule, which went into effect April 1 giving the agency stronger tools to combat and deter scammers who impersonate government agencies, such as the Department of Education, and businesses and enabling the FTC to file federal court cases seeking to get money back to injured consumers and civil penalties against rule violators. In addition to the Impersonation Rule, the agency says the defendants also violated the FTC Act, the Telemarketing Sales Rule, and the Gramm-Leach-Bliley Act. For additional information, see the FTC's [press release](#).

Urban Institute Report Examines Impact of College Cost Reduction Act Passed by House Education and the Workforce Committee

Last week, the Urban Institute released a report titled, [How Access to Federal Student Loans Could Change under the College Cost Reduction Act \(CCRA\)](#). Authored by Jason Delisle, the report says that it provides data and evidence to evaluate the claims made by advocates that the loan limits included in the CCRA as passed by the House Education and the Workforce Committee in January 2024 would restrict access to higher education and cause students and families to take out more private loans.

The bill replaces the current set of annual federal student loan limits that vary by students' circumstances and sets the limits to the national median cost of attendance by program of study. The legislation eliminates the Parent and Grad PLUS loan programs that allow parents of dependent undergraduates and graduate students to borrow up to the full cost of attendance at each institution, with no aggregate limit, and also establishes new aggregate borrowing caps: \$50,000 for undergraduates and \$100,000 and \$150,000 for graduate and professional students, respectively. Mr. Delisle said that he found the CCRA's annual and aggregate limits are higher than what at least 93 percent of undergraduates borrow, including Parent PLUS loan borrowers. But there are two exceptions: Dependent students pursuing certificates exceed the annual limit at a higher

rate (18.8 percent), and about one in five students who completed a bachelor's degree exceeded the aggregate limit. He said that the CCRA's limits pose a more significant change for graduate and professional students. About one in five master's degree borrowers, and one in four professional degree borrowers, exceed the CCRA's annual limits. The aggregate loan limits are likely to have a major effect on professional students because the limits are low relative to what students currently borrow, especially for medicine and other health professions, where well over 60 percent of students exceed the CCRA's aggregate limit.

Mr. Delisle notes that the changes in CCRA will have policy implications that federal policymakers and advocates may wish to consider as the legislation moves through Congress. "Perhaps the most significant change under the CCRA is that undergraduates will gain access to much higher loan limits than under current policy," the report says. "For example, a first-year dependent bachelor's degree student would see their annual loan limit increase from \$5,500 to \$26,066. As the findings from my analysis suggest, this is likely to lead to an overall increase in access to federal loans for undergraduates. Although a small share of borrowers will lose access to unlimited Parent PLUS loans, many more students will gain access to loans they can take out for themselves." The report says that some observers may consider the increase in access to loans for undergraduates a positive outcome as an increase in undergraduates' loan limits would restore the purchasing power of federal loans for those students. But there are also risks to raising the loan limits for undergraduates, especially to the full cost of attendance for the typical program. "The current loan limits can help protect students from overborrowing and prevent colleges and universities from raising prices because they are often well below a student's cost of attendance. But all students will be able to borrow at or close to the full cost of attendance under the CCRA. That raises the stakes for protecting students from taking on debts they cannot afford and preventing colleges from offering overpriced credentials."

U.S. Department of Education News

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

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

- [\(GE-24-06\) NSLDS FVT/GE Reporting Now Available](#)
- [\(GENERAL-24-81\) OUTAGE ALERT - StudentAid.gov Maintenance June 29-30, 2024](#)

- [\(GENERAL-24-80\) Mandatory and Discretionary Trigger Reporting Under Financial Responsibility](#)
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General News

[Inside Higher Ed](#) reports that many small private colleges are surviving quarter to quarter, narrowly avoiding sweeping budget cuts. The bungled rollout for the 2024-2025 Free Application for Federal Student Aid pushed some over the edge.

The Institute for Higher Education Policy is out with a new report titled, [Legacy Looms Large in College Admissions, Perpetuating Inequities in College Access](#), which reveals the prevalence of legacy admissions policies among selective colleges and universities. The data indicate that considering legacy status when making admissions decisions is associated with decreased college access for Black and Hispanic students, as well as for students living with low incomes.

[Higher Ed Dive](#) reports that cost growth in higher education is easing after big spikes in recent years, but institutions remain under steep financial pressure.

[Inside Higher Ed](#) reports that more than half of bachelor's degree holders are underemployed a year after graduation, and roughly four in 10 are still underemployed a decade later. A recent episode of The Key, Inside Higher Ed's news and analysis podcast, explored whether the rates are worrisome and what colleges and universities could do to decrease them.

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

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