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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](#).

VA Secretary of Education Guidera Sends Letter to Education Secretary Cardona Criticizing Challenges with

the FAFSA

Last week, Virginia Secretary of Education Aimee Rogstad Guidera sent a letter to Education Secretary Miguel Cardona urging him to prioritize addressing the issues with the Free Application for Federal Student Aid (FAFSA). In the letter, Secretary Guidera said that, three years after Congress enacted changes to simplify the federal financial aid process, Federal Student Aid has yet to implement these changes effectively resulting in almost 5,000 fewer FAFSA completions in Virginia compared to last year. “Although Virginia performs better than 42 other states on year-over-year declines, the Department’s actions have caused many families to struggle with receiving timely and accurate award letters,” she said. “This has led to reduced student enrollment this fall, particularly among those from low-income backgrounds, and has placed preventable financial and operational strain on our public and private colleges and universities.” Secretary Guidera went on to criticize the Department’s July 30th decision to eliminate the ability for institutions to submit batch corrections saying that it is another significant setback for the 2024-25 FAFSA cycle. “Batch corrections allow institutions to make bulk adjustments to FAFSA records, easing the administrative burden,” she said. “Without this functionality, financial aid professionals face additional challenges and delays in disbursing aid to students.” Secretary Guidera concluded her letter by noting that the challenging rollout has undermined Virginians’ confidence in the Department and in higher education in general and urged the Department to “redirect its efforts away from controversial political priorities, many of which are entangled in lengthy litigation, and focus on effectively overhauling and implementing the modernized FAFSA as Congress envisioned and students deserve.”

For additional coverage, see this article from [Inside Higher Ed](#).

IRS Issues Guidance to Implement Matching Contributions Made on Qualified Student Loan Payments Under Secure 2.0 Act

The Internal Revenue Service (IRS) recently issued [guidance](#) with respect to matching contributions made on account of qualified student loan payments under the Secure 2.0 Act. Section 110 of the SECURE 2.0 Act allows employers to make matching contributions on account of employees’ qualified student loan payments (QSLPs) under 401(k) plans, 403(b) plans, SIMPLE Individual Retirement Account plans, and governmental 457(b) plans; it applies to contributions made for plan years beginning after

December 31, 2023. The notice provides guidance on discrete issues under the SECURE 2.0 Act to assist plan sponsors in implementing QSLP match programs and answers questions on QSLP matches, employer certification of QSLPs, reasonable procedures for QSLP matches, and QSLP actual deferral percentage testing. The notice applies for plan years beginning after December 31, 2024. For plan years beginning before January 1, 2025, a plan sponsor may rely on a good faith, reasonable interpretation of the provision. At the same time, the U.S. Department of Treasury and IRS anticipate issuing proposed regulations with respect to section 110 of the SECURE 2.0 Act, and, accordingly, invite comments on the notice and any other aspect of section 110 for 60 days. For further coverage, see this article from [Black Enterprise](#).

Handshake Report Says Class of 2025 Feels Pessimistic About Starting Their Careers

Handshake, an early career community provider, recently released a report titled, [Big Dreams, Bigger Challenges for the Class of 2025](#), which finds 57 percent of the Class of 2025 have low expectations for their future after graduation. Two-thirds of students say this is tied to a competitive job market, over half worry about a lack of job security, 54 percent of students say student loans contribute to their pessimism about the future, 45 percent express dissatisfaction with the political climate, and 45 percent are concerned about generative artificial intelligence. Handshake's survey data included 1,925 Class of 2025 students pursuing bachelor's degrees from 521 colleges and universities across the U.S. The survey was fielded between June 14 and July 5 and conducted online. The Class of 2025, similar to their 2024 peers, faced several disruptions to their education due to the COVID-19 pandemic. However, the Class of 2024 was slightly more optimistic about their short-term future, with 49 percent of students feeling pessimistic about starting their careers. Despite the low numbers, when asked about their long-term career future, more students report feeling optimistic. Handshake's survey reveals that graduating seniors believe their college career contributed to personal growth, but less to their ability to improve their socioeconomic standing. While 88 percent of students say their college experience aided their personal growth and development at least a fair amount, only 68 percent of respondents say college contributed to their ability to secure a well-paying job. From a list of options, four in five students say college helped them understand their own career goals (85 percent) and their ability to reach personal goals (80 percent). Seventy-two percent of students believe college helped their ability to secure a meaningful job. For additional coverage, see this article from [Inside Higher Ed](#).

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:

- [GENERAL-24-106\) 2024-25 Federal Student Aid Handbook Appendices Now Available](#)

Member News



College Foundation, Inc. (CFI), a nonprofit corporation of 140 employees serving North Carolina students and families since 1955, is searching for a President. As the senior leader at CFI, the President oversees the administration of student financial assistance programs, including education loan programs, several major grant and scholarship programs, a

residency determination service, a tax-advantaged "529" college savings program, and an outreach program which promotes access to NC higher education and assists students and families with education planning, career planning, and applying and paying for college. The President will provide strong leadership by working with the Board of Trustees and the senior leadership team to establish short and long-term goals, plans, and strategies. The ideal candidate will have a participative management style and possess the ability to establish and maintain effective working relationships. Minimum BS/BA degree with at least 7 years of financial and operations management experience. Contact human.resources@cfi.org for additional information.

General News

[Newsweek](#) reports that nearly one third of all student loan holders have slowed down their repayments, according to a new survey from Nerdwallet. The polling conducted by

The Harris Poll found that 31 percent of America's 43 million student loan debtors have slowed down payments in the hope they will be reduced or forgiven by the federal government. Of the 600 borrowers surveyed between July 16 to 18 this year, nearly one in four, or 23 percent, said they had stopped paying their loans back completely.

[Forbes](#) reports on what borrowers should know about student loan forgiveness for the rest of 2024.

[The Wall Street Journal](#) reports that private-equity firms are helping traditional lenders shed credit risks by acquiring student loans even as debt forgiveness remains a hot topic in Washington. Carlyle Group and KKR underlined the trend in July, when they bought a \$10.1 billion portfolio of private student loans at auction from Discover Financial Services with the purchase price expected to reach about \$10.8 billion once the deal closes later this year.

[NPR](#) reports that many community college students plan to get four-year degrees, but few do as transferring is not easy.

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