



Thursday, January 11, 2024

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NCHER Offices Closed for MLK Holiday, Briefing Resumes on Tuesday

The NCHER offices will be closed on Monday, January 15, 2024 for the Martin Luther King, Jr. holiday. The office will reopen – and the NCHER Briefing will resume publication – on Tuesday, January 16, 2024. We hope that you have a safe and healthy holiday weekend!

NCHER Legislative and Leadership Meeting: Hotel Cut-Off Date is Tomorrow!

The NCHER Legislative and Leadership Meeting, which will be held on February 7-9, 2024 at the Hyatt Regency Washington, DC on Capitol Hill, is one month away! This important meeting will provide important and timely sessions on the political and policy environment in Congress and the Biden Administration and ample opportunities for our members to meet with their Congressional delegations on Capitol Hill. With the U.S. Department of Education hoping to release proposed and final rules implementing a new federal student loan forgiveness program while continuing its effort to enact borrower-friendly changes to the federal student loan program and Congress hoping to complete action on the budget and appropriations process and advance legislation creating short-term Pell Grants, this is a “can’t-miss” event for the NCHER membership!

The NCHER Board of Directors and staff have been hard at work putting together the [draft program agenda](#) geared toward providing important and timely sessions on the political and policy environment in the U.S. House of Representatives, the U.S. Senate, and the Biden Administration. The current agenda includes:

- A federal update on recent developments impacting the higher education finance industry and the outlook as we begin 2024.
- A Congressional staff panel where House and Senate staff will discuss the priorities of the Republican and Democratic leadership in the 118th Congress and whether there are consensus areas for enactment of improvements to federal and private student aid programs.
- Members of the U.S. House Education and the Workforce Committee and U.S. Senate Health, Education, Labor, and Pensions Committee have been invited to speak about their priorities for higher education, including ideas to improve federal and private student loan programs and college access and success initiatives.
- The U.S. Department of Education has been invited to speak about the agency’s policies and priorities, including reforms to the federal student loan program.
- A timely session providing an update on the simplification of the FAFSA [Free Application for Federal Student Aid] now that the Department of Education has “soft-launched” the 2024-2025 FAFSA.
- Engaging sessions discussing how student and parent borrowers are adapting to the restart of federal student loan payments, how students and parents are saving and

paying for college, and recent developments impacting bankruptcy for both federal and private student loans.

- Multiple opportunities to meet with your Congressional delegation on Capitol Hill and federal agencies.

Once you finish [registering](#) for the meeting, be sure to make your reservations at the Hyatt Regency Washington on Capitol Hill [online](#) for a guaranteed room rate of \$269 per room, per night. Tomorrow is the deadline to take advantage of the rate and to guarantee you a room at the hotel.

We look forward to seeing you in Washington, DC!

House Education and the Workforce Committee Chair Foxx Introduces College Cost Reduction Act on Federal Student Loans, Accountability

Today, House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) introduced [H.R. 6951, the College Cost Reduction Act](#), which aims to provide a comprehensive solution that would help lower college costs for students and families. The bill includes the following provisions:

- Requires institutions of higher education to use clear, accessible, and consumer-friendly standardized financial aid offers to make students and families aware of loan and grant aid available to them to enroll in postsecondary education.
- Caps the total amount of federal student aid that a student can receive annually at the “median cost of college,” defined as the median cost of attendance for students enrolled in similar degree programs nationally and calculated using data from the previous award year.
- Restructures campus-based aid programs into performance-based PROMISE Grants with uses of funds to institutions committed to lowering tuition, aligning degree programs with labor market needs, and enrolling and graduating low-income students.
- Institutes a new Pell Plus program, which provides additional grant aid to students enrolling in high-return programs during their junior and senior year as long as they are on-track to complete their program on-time.

- Restructures the federal student loan program by allowing loan limits to vary by program and providing financial aid administrators with additional flexibility to lower loan limits for certain categories of borrowers and the earnings and repayment outcomes of graduates.
- Streamlines federal student loan repayment to a standard 10-year repayment and an income-driven repayment plan.
- Allows defaulted borrowers to rehabilitate their loans more than once, “thereby providing an incentive for defaulted borrowers to get back into the habit of repaying their loans.”
- Eliminates origination fees on new student loans.
- Repeals Grad PLUS and Parent PLUS Loan programs.
- Institutes a new risk-sharing program where schools would be required to compensate the federal government annually for a portion of the unpaid interest and principal on loans associated with their former students based on the value-added earnings of students after they graduate.
- Repeals current regulations on the 90-10 rule, gainful employment rule, change in ownership, financial responsibility, incentive compensation, and borrower defense to repayment. It prohibits the Secretary of Education from regulating the definition of a third-party servicer.
- Clarifies the federal preemption of state laws that conflict with federal requirements for, and the operations of, federal student loan servicers.
- Includes several reforms to accreditation, including allowing states to designate an entity to serve as an accreditor.
- Authorizes a new version of the Postsecondary Student Success Grants Program aimed at helping ensure high-need students complete their postsecondary education through evidence-based practices.

In a recent briefing, Republican staff said that the committee hopes to markup up the bill soon. For a fact sheet on the bill, click [here](#). For a bill summary, click [here](#).

Department of Education Announces Over 1 Million 2024-2025 FAFSA Forms Successfully Submitted, Form Now Available 24/7 for Students and Families

Earlier this week, the U.S. Department of Education [announced](#) that it has received over one million applications from students using the redesigned 2024–25 Free Application for Federal Student Aid (FAFSA) form and that the form is now available for students and families to access 24 hours a day, seven days a week. The Department had soft launched the form, making it available to some students periodically while the Office of Federal Student Aid monitored website performance and form functionality in real time. As previously reported, the new form expands eligibility for federal student aid, helping an estimated 610,000 more students get Pell Grants. The new form also aims to streamline the FAFSA process by making it so applicants only see relevant questions based on the answers they provide. For example, applicants will be able to skip as many as 26 questions, depending on their individual circumstances. While the form is expected to take around an hour on average for applicants, some applicants could answer as few as 18 questions in less than 10 minutes. The new FAFSA also allows applicants to securely retrieve tax information directly from the Internal Revenue Service. "We have heard from students and families that the new FAFSA form is a better experience that's easier to complete," said FSA Chief Operating Officer Richard Cordray. "We recognize how important it is for students and families to get the information they need on StudentAid.gov to plan for the upcoming school year. We will continue to communicate directly with students, families, and schools about how they can access the maximum support available to them to pursue their higher education dreams."

Senate Begins Effort to Extend Continuing Resolution, House Conservatives Pressure Speaker Johnson to Revisit Top-Line Budget Agreement Halt Floor Action

Today, Senate Majority Leader Chuck Schumer (D-NY) indicated that he would begin the process for the U.S. Senate to consider legislation to extend the short-term Continuing Resolution (CR), though it is unclear how long the extension would last. The current CR keeping the federal government open has two-tiers: some agencies and programs like the U.S. Departments of Agriculture, Transportation, and Housing and Urban Development will run out of funds next Friday, January 19th, while other federal agencies and programs like the U.S. Departments of Education and Defense will run out of funds on February 2nd. Over the weekend, House Speaker Mike Johnson (R-LA) and Leader Schumer [announced](#) that they had reached agreement on a budget and appropriations framework for Fiscal Year (FY) 2024 that provides an overall topline of \$772.7 billion in non-defense discretionary spending, which is similar to FY 2023 levels. Since the agreement was released, House conservatives led by the House Freedom Caucus have come out in strong

opposition to the framework saying that it would not cut funding or secure the border. A group of 13 Republicans went so far as to halt all action on the House Floor on Tuesday by voting against starting debate on a set of bills unrelated to the funding agreement. After a series of meetings today, conservatives said that they had successfully persuaded Speaker Johnson to revisit the agreement, an assertion that was disputed by the Speaker who simply said that discussions would continue over the next few days.

Department of Education's Concludes First of Three Sessions on Institutional Quality and Program Integrity

Today, the U.S. Department of Education concluded the first of three sessions of its negotiated rulemaking effort focused on institutional quality and program integrity. The Institutional Quality and Program Integrity Committee has been tasked with developing new regulatory proposals for cash management, Return of Title IV Funds, accreditation, state authorization and distance education. During this week's session, representatives of proprietary schools and four-year public and private institutions raised concerns about the Department's approach on most of the proposals, questioned the agency's authority to pursue regulatory changes, and pushed for answers on why the Department was moving forward with each approach. The Department asked the negotiators for suggested regulatory language by next Thursday. The committee will next meet the week of February 5, 2024. For the latest information on the rulemaking effort, including issue papers and redlined regulatory proposals circulated by the Department, session agendas, and a list of committee members, click [here](#).

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:

- [\(GENERAL-24-04\) NSLDS Professional Access – Recent Dependency Status Issue Resolved and Corrected ISIRs Sent During NSLDS Postscreening](#)
- [\(GENERAL-24-03\) Birthday of Martin Luther King, Jr. Federal Holiday Processing and Customer Service Hours](#)
- [\(GENERAL-24-02\) State Program - Paul Douglas Teacher Scholarship: Uncollectible Guidance](#)

[Press Release](#): Secretary Cardona to Visit New Hampshire to Highlight Debt Forgiveness Programs and Discuss Rise in Antisemitism and Islamophobia on College Campuses

Member News



The Kentucky Higher Education Student Loan Corporation (KHESLC) announced that it will be transitioning the servicing of its student loans to ARC Servicing, a division of Asset Resolution Corporation, effective January 16, 2024. ARC is an independent, de jure municipal corporation and political subdivision of the Commonwealth of Kentucky. ARC was created in 2012 to promote higher

educational opportunities and to provide services to students and for other education-related activities. KHESLC will remain the holder of the loans, and ARC Servicing will service the loans on its behalf. ARC Servicing's new website, ARCServicing.com, will provide the same functionality borrowers are used to. ARC Servicing is committed to providing borrowers with the information and resources they need to manage their student loans successfully



ISL Education Lending recently released its [2023 Annual Report](#), which shows how the organization: (1) helped Iowa students and families by offering competitive rates and transparent terms

on supplemental education loans; (2) provided scholarship programs and offer educational tools to teach the importance of career planning, appropriate borrowing levels and achieving educational goals; and (3) supported other organizations focused on helping Iowa students.



MOHELA Seeks Assistant Director for Federal Contracts

MOHELA is looking for a passionate and skillful [Assistant Director for Federal Contracts](#), which will direct activities of contracting and non-contracting staff involving highly complex contractual arrangements of strategic importance to the Authority. The position will assist the Director in providing oversight for the identification, development, implementation and ongoing activity for the entire range of contract formation, negotiation, and administering policies

and processes, and federal operations that are in accordance with customer and business objectives, regulations and requirements for applicable business lines/programs. It will also initiate, build, maintain and grow relationships with the federal government and other participants related to government contracting and student loan services, and provide oversight for the planning, design, and implementation of new and existing systems, processes and procedures relative to the servicing associated with federal contracts. To apply, please supply a cover letter and resume to hr@mohela.com.

General News

[Higher Ed Dive](#) reports that New York Governor Kathy Hochul unveiled direct admissions, an initiative which includes admitting the top 10 percent of high schoolers to the state's public systems, as part of her broader efforts to boost enrollment. The Governor also intends to propose legislation requiring the state's high school seniors to complete the Free Application for Federal Student Aid.

[Forbes](#) reports that 3.5 million borrowers will receive federal student loan forgiveness credit for nonpayment as servicing troubles persist.

[USA Today](#) reports that, as the federal government approaches a possible shut down, this could significantly affect student loan borrowers especially if funding for the U.S. The Department of Education runs out.

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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