



Monday, January 29, 2024

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NCHER Legislative and Leadership Meeting: Updated Agenda Released, Register Today!

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 less than 2 weeks 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 planning 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 [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:

1. Federal Student Aid Chief Operating Officer Richard Cordray who will speak about the agency’s policies and priorities, including reforms to the federal student loan program.
2. 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.
3. 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.
4. A federal update on recent developments impacting the higher education finance industry and the outlook as we begin 2024.
5. Urban Institute Senior Policy Fellow Jason Delisle who will share his thoughts on recently proposed reforms to the federal student loan program and what they mean for borrowers and taxpayers.
6. Engaging sessions featuring representatives from the National Association of Independent Colleges and Universities and the Association of Public and Land-grant Universities who will examine major proposals to improve federal higher education policy and a representative from the State Council of Higher Education for Virginia who will discuss current and future state efforts impacting our industry.
7. Multiple opportunities to meet with your Congressional delegation on Capitol Hill and federal agencies.

So be sure to [register](#) today! Once you’re finished registering for the meeting, be sure to make your reservations at the Hyatt Regency Washington on Capitol Hill [online](#).

We look forward to seeing you in Washington, DC!



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](#).

House Education and the Workforce Committee Announces Markup of College Cost Reduction Act

The House Education and the Workforce Committee [announced](#) that its members will meet in executive session to [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 markup session will take place at 10:15 a.m. on Wednesday, January 31st. “The nation’s postsecondary education system is in desperate need of accountability and transparency to increase affordability,” said Committee Chairwoman Virginia Foxx (R-NC). “The College Cost Reduction Act includes bipartisan proposals to tackle widespread concern that the cost of postsecondary education has become insurmountable for too many Americans. This legislation addresses the issues of low completion rates, unaffordable student debt, and the inflated cost of obtaining a college degree.” The bill includes the following select provisions:

1. 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.
2. 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.
3. 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.
4. 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.
5. Streamlines federal student loan repayment to a standard 10-year repayment and an income-driven repayment plan.
 6. 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.”
 7. Eliminates origination fees on new student loans.
 8. Repeals Grad PLUS and Parent PLUS Loan programs.
 9. 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.
 10. 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.
 11. Clarifies the federal preemption of state laws that conflict with federal requirements for, and the operations of, federal student loan servicers.

The markup session will be held in 2175 Rayburn House Office Building. It will be livestreamed on the [committee's YouTube channel](#).

House and Senate Appropriations Committee Leaders Reach Agreement on Funding Levels for Individual Spending Bills

Over the weekend, Senate Appropriations Committee Chairwoman Patty Murray (D-WA) and House Appropriations Committee Chairwoman Kay Granger (R-TX) announced that they had reached an agreement on topline spending levels for each of the 12 individual spending bills – known as 302(b) allocations. The committees did not release any additional details, but now subcommittee leaders can work out program-by-program funding in each of the bills, including the Labor, Health and Human Services, Education, and Related Agencies bill which includes funding for the U.S. Department of Education. The federal government is operating under a short-term Continuing Resolution; the first

deadline for Congress to appropriate funding for many of the smaller federal agencies is March 1, only five weeks away. The second funding deadline, which includes funding for the Department of Education, expires on March 8. For additional coverage, see this article from [The Hill](#).

President Biden Discusses Federal Student Loan Forgiveness on Campaign Trail in South Carolina

Over the weekend, President Joe Biden participated in several campaign events in South Carolina where he discussed his support for providing federal student loan forgiveness, ahead of the state's primary this week. "I promised to help ease accumulated student debt for millions of folks carrying [debt] during the crisis of the pandemic," the President said Saturday. "The Supreme Court blocked me, but it didn't stop me." He said that the U.S. Department of Education had already canceled \$130 billion in federal student loans and expects another 25,000 borrowers will be notified next month — with a letter from him — that they will have their loans canceled as well. The Department has previously announced that it would continue providing forgiveness to additional borrowers with longstanding debts, including those working in public jobs, over the next few months. "I'm not done," President Biden said. "Promises made and promises kept." For additional coverage, see this article from [Politico](#).

FSA Reports Parents Without SSNs Prevented from Contributing to Their Student's FAFSA

The U.S. Department of Education is [reporting](#) that parents without Social Security numbers are still prevented from contributing to their student's Free Application for Federal Student Aid (FAFSA) and that there is no current workaround for this issue. If a parent with no Social Security number starts the 2024-25 FAFSA form for a student, the parent currently receives an error message stating that the user is "unauthorized to act on behalf of the student since they already have a 24-25 FAFSA form," even if the student has not started an application. A parent with no Social Security number also is not able to contribute to the form, even if the student starts the application and invites the parent to contribute.

FSA Issues Waivers and Modifications Under HEROES Act

Last week, the U.S. Department of Education Office of Federal Student Aid (FSA) issued an [Electronic Announcement](#) that updates several long standing waivers and modifications of statutory and regulatory requirements governing the federal student loan programs under the authority of the Higher Education Relief Opportunities for Students Act of 2003 (HEROES Act). The waivers and modifications are effective January 24, 2024 and expire in five years on January 24, 2029. According to the notice, the following waivers and modifications primarily focus on servicemembers who are called for active duty:

Category 1: The Secretary is waiving or modifying the following requirements of Title IV of the Higher Education Act and the Department's regulations for ALL affected individuals.

- For a student who withdraws from an institution because of the student's status as an affected individual, the Secretary is waiving these statutory and regulatory requirements so that a student is not required to return or repay any overpayment of grant funds based on the Return of Title IV Funds provisions.

Category 2: The Secretary is waiving or modifying requirements in the following provisions of Title IV of the Higher Education Act and the Department's regulations for affected individuals who are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency, or who reside or are employed in a disaster area.

- The Secretary is modifying the Return of Title IV Fund requirement so that, for a student who withdraws because of their status as an affected individual and who is eligible for a post- withdrawal disbursement, the 14-day time period in which the student (or parent) must normally respond to the offer of the post-withdrawal disbursement is extended to 45 days, or to a later deadline set by the institution.
- The Secretary is waiving the requirement that a student provide a written request for a leave of absence for affected individuals who have difficulty providing a written request.
- The Secretary is modifying the cash management requirement so that an institution must allow at least 60 days for the student or parent to request the cancellation of all or a portion of a loan or TEACH Grant for which proceeds have been credited to the account at the institution.
- The Secretary is modifying cash management requirements to permit an institution to accept an authorization provided by a student (or parent for a parent PLUS loan) orally, rather than in writing, for Title IV funds to pay for educationally related

charges incurred by the student at the institution other than charges for tuition and fees.

- The Secretary is modifying statutory and regulatory requirements to exclude from a Title IV borrower's initial grace period, any period, not to exceed three years, during which a borrower is a member of an Armed Forces reserve component or ordered to active duty for a period of more than 30 days.
- The Secretary is modifying the statutory and regulatory requirements that obligate an "in-school" borrower who has dropped below half-time status to begin repayment if the borrower is an affected individual in this category, by requiring the holder of the loan to maintain the loan in an "in-school" status for a period not to exceed three years, including the time necessary for the borrower to resume enrollment in the next regular enrollment period, if the borrower is planning to go back to school.
- The Secretary is waiving the statutory and regulatory eligibility requirements for the in-school, graduate fellowship, or rehabilitation training program deferment for Title IV borrowers who were required to interrupt a graduate fellowship or rehabilitation training program deferment, or who were in an in-school deferment but who left school, because of their status as an affected individual in this category.
- The Secretary is waiving the regulatory provisions that require schools and guaranty agencies to attempt collection on defaulted loans for the time period during which the borrower is an affected individual in this category and for a three-month transition period. The school or guaranty agency may stop collection activities upon notification by the borrower, a member of the borrower's family, or another reliable source that the borrower is an affected individual in this category.
- For borrowers who are affected individuals in this category, the Secretary is waiving the requirements that apply to the various loan cancellations that such periods of service be uninterrupted or consecutive, if the reason for the interruption is related to the borrower's status as an affected individual in this category.
- To assist title IV borrowers who are affected individuals in this category, the Secretary is waiving the statutory and regulatory requirements that payments made to rehabilitate a loan must be consecutive or made over no more than 10 consecutive months.
- To assist title IV borrowers who are affected individuals in this category, the Secretary is waiving statutory and regulatory provisions that require the borrower

to make consecutive payments to reestablish eligibility for Title IV Federal student financial assistance.

- The Secretary is waiving the regulatory requirement that a borrower with a defaulted FFEL or Direct Loan may consolidate the defaulted loan into a Direct Consolidation Loan by making three consecutive, voluntary, on-time, monthly, full payments on the loan.
- The Secretary is waiving the statutory and regulatory provisions to require loan holders to maintain an affected borrower's payment at the most recently calculated Income-Based Repayment, Pay-As-You-Earn, Saving on a Valuable Education, or Income Contingent Repayment monthly payment amount for up to a three-year period, including a three-month transition period immediately following the three-year period, if the borrower's status as an affected individual in this category has prevented the borrower from providing documentation of updated income and family size by the specified deadline.

Category 3: The Secretary is waiving or modifying the following provisions of Title IV of the Higher Education Act and the Department's regulations for affected individuals who are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency.

- The Secretary is waiving the requirements that may require an institution to return funds to the federal government and also provide a refund of those same funds to the student.

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:

- [Updated Waivers and Modifications: Student Aid Programs \(Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan Program, and the Federal Direct Loan Program\)](#)

General News

[Inside Higher Ed](#) reports that Pennsylvania Gov. Josh Shapiro released plans to overhaul the state's higher education system as part of an initiative focused on workforce development and boosting college access, maintaining affordability, and shoring up 25

state institutions. The multipronged approach includes consolidating the governance of two- and four-year institutions at a time of limited state resources and a greater supply of colleges than students.

[Newsweek](#) reports that some borrowers are refusing to pay back their federal student loans in an act of “civil disobedience.”

[USA Today](#) reports that House Education and the Workforce Committee Republicans are moving forward on efforts to introduce “risk sharing” into the federal student loan conversation, putting colleges on the hook for student loan debt.

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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