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## Department of Education Begins Fourth Negotiated Rulemaking Session on Federal Student Loan Forgiveness

Today, the U.S. Department of Education held the first day of its fourth session of negotiated rulemaking on federal student loan forgiveness. The session was held to discuss the Department's recent regulatory language that would allow the agency to discharge the federal student loans owed by borrowers who are experiencing financial hardship and unlikely to be able to repay their debt. As previously reported, the proposal would outline several factors that the Department would use to determine financial hardship, such as household income, total debt balance, history of loan repayment, and receipt of a Pell Grant, but it does not define specific thresholds for those factors. The proposal would also permit the Department to forgive loans if a borrower was (as

determined by the agency) 80 percent likely to default within the next two years.

During today's session, the Department discussed the details of its proposal while clarifying that the proposal would only apply to Department-held loans (and not commercially-held Federal Family Education Loans). Many committee members expressed support for the agency's work to provide a framework around financial hardship but asked several clarifying and technical questions. For example, some negotiators continued to push for relief to borrowers with Parent PLUS Loans. After some negotiators asked for "real world" examples of borrowers that would receive forgiveness under the proposal, the Department said that additional criteria on who would benefit under the proposal would be released after the rule was issued in final form. During the afternoon session, Student Loan Servicing Alliance's Scott Buchanan raised concern that some of the language was "incredibly vague, ambitious and untethered to statute" and that the proposal would lead to a massive expansion of the Department's authority that will lead to mass borrower confusion. The committee is slated to meet tomorrow for final discussions and to take final consensus votes on the Department's proposal. For additional coverage, see this article from [USA Today](#).

## Department of Education Announces Additional Forgiveness for Borrowers in SAVE Plan

Yesterday, the U.S. Department of Education [announced](#) that it had approved an additional \$1.2 billion in federal student loan forgiveness for nearly 153,000 borrowers. The forgiveness affects borrowers who are enrolled in the new Saving on a Valuable Education (SAVE) Plan, initially borrowed \$12,000 or less in federal loans, and have been repaying their debt for at least 10 years. The Department said that borrowers who qualify will receive an email from President Joe Biden saying, "Congratulations—all or a portion of your federal student loans will be forgiven because you qualify for early loan forgiveness under my Administration's SAVE Plan. I hope this relief gives you a little more breathing room." In [remarks](#) at an event held in Los Angeles, President Biden said, "It helps everyone, not just the people whose debt is relieved. But when people [have their debt] relieved, they buy homes, they start businesses, they contribute. They engage in the community in ways they weren't able to before. That actually grows the economy. That's why my administration is taking significant action to provide student debt relief to so many borrowers...many of whom didn't know they were able to get relief, and do it as quickly as possible."

Responding to the Department's announcement, Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) criticized the Department's announcement saying in a statement, "The Biden Department of Education has been unable to fulfill their basic responsibilities mandated by Congress and essential to families like implementing FAFSA. Instead, they have spent a considerable amount of time prioritizing their student loan schemes to shift someone else's debt onto taxpayers that chose not to go to college or already paid off their loans. This is unfair, manipulative and a cynical attempt to buy votes."

## Department of Education Provides Guidance to Families Filling Out FAFSA When a Parent Does Not Have Social Security Number

Earlier this week, the U.S. Department of Education released [new guidance](#) addressing the problem that students whose parents or contributors do not have a social security number and have been unable to submit the Free Application for Federal Student Aid (FAFSA). The guidance says the issue will be resolved in the "first half of March" when the Department begins processing forms. The temporary guidelines encourage students with this problem to fill out the student portion of the FAFSA form along with contributor information other than a social security number, and encourage contributors to provide consent and approval after the form has been processed in March.

## U.S. House to Consider H.R. 6585, the Bipartisan Workforce Pell Act, Next Week

House Majority Leader Steve Scalise (R-LA) announced that the U.S. House of Representatives will consider [H.R. 6585, the Bipartisan Workforce Pell Act](#), next week. The legislation would expand the eligibility for the Pell Grant program to cover eight- to 15-week career-focused programs. The bill is expected to be taken up by the House through a process called "suspension of the rules" that requires the legislation to get a two-thirds majority vote to pass. The bill is expected to be similar to the legislative language as passed by the House Education and the Workforce Committee, though it replaces the current offset to pay for the expansion of Pell Grants by requiring universities that are subject to the endowment tax to repay unpaid interest and principal from borrowers that attended such institutions. Certain student loans, such as those in medical residency deferments and default and teacher loan forgiveness, would be excluded from the cost-share language. The original offset would have prohibited

students attending endowment tax institutions from receiving federal student loans. Some House Democrats criticized the idea, which could pose a challenge when the bill moves to the U.S. Senate.

## 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:

- [\(GRANTS-24-02\) First Pell Grant Administrative Cost Allowance Payments for 2023-24 Award Year](#)
- [Comment Request: Foreign Institution Reporting Requirements Under the CARES Act](#)

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## General News

[Roll Call](#) reports that it is a tall order for the House and Senate to reach a budget agreement to complete the appropriations process, which includes funding for the U.S. Department of Education, before the short-term Continuing Resolution expires at the end of next week.

The HEA Group published a report titled, [Ensuring a Living Wage Through Higher Education](#), which found that one in four higher education programs yields graduates earning less than students with just a high school diploma.

[AP](#) reports that students and parents continue to be frustrated with the U.S. Department of Education's delays in the Free Application for Federal Student Aid.

The Council for Advancement and Support of Education released an [annual survey](#), which found that U.S. colleges and universities received \$58 billion in philanthropic support during Fiscal Year 2023, a 2.5 percent decline from the prior year.

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