



DAILY BRIEFING

Monday, April 4, 2022

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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](#).

FSA Announces General Dynamics Awarded Contract to Develop New AED System to Process FAFSA Applications

Last week, the U.S. Department of Education's Office of Federal Student Aid (FSA)

[awarded](#) a contract to General Dynamics to develop a new Award Eligibility Determination (AED) system that will be used to determine the eligibility of student applicants for federal aid. According to FSA, the new system will be a modern, flexible, and efficient system to calculate aid eligibility using the Free Application for Federal Student Aid (FAFSA) for FSA's customers, as well as assist partners at institutions of higher education with these calculations. It will replace the current Central Processing System. "In addition to improving the overall customer experience, the new environment seeks to improve operational flexibility, enhance cost and operational efficiency, and generate better outcomes for customers and taxpayers," the original solicitation says. FSA intends for the new AED system to begin processing FAFSA applications with the 2024-2025 cycle and says that the application cycle should be fully tested against all acceptable criteria and be able to perform all functionalities required for application processing no later than October 1, 2023. The \$121.8 million contract with General Dynamics has a one-year base period and nine option years that could extend contractor services through February 2032. For more coverage, see this article from [GOVCONWIRE](#).

Senate Democrats Send Letter to Department of Education on Bankruptcy Relief for Student Loan Borrowers

Last week, Senate Judiciary Committee Chairman Dick Durbin (D-IL), Senate Health, Education, Labor, and Pensions Committee Chairwoman Patty Murray (D-WA), Senate Majority Leader Chuck Schumer (D-NY), and 24 Senate Democrats sent a [letter](#) to Education Secretary Miguel Cardona and Attorney General Merrick Garland requesting an update on how their agencies are handling undue hardship claims by student borrowers in bankruptcy proceedings.

In the letter, the senators say that more than 45 million Americans hold more than \$1.7 trillion in student loan debt. While most forms of debt can be discharged through the bankruptcy process, student loan debt is currently treated as non-dischargeable except in extremely rare cases of "undue hardship." The term "undue hardship" has been interpreted by courts to establish high hurdles for borrowers to meet, a challenge made even more difficult by federal policies that encourage aggressive challenges in bankruptcy court when student borrowers bring undue hardship claims. "The undue hardship exception (11 U.S.C. 523(a)(8)) currently serves as the only option in the bankruptcy code for discharge of student loans, and that exception has been narrowly construed by most courts," the letter says. "The federal government's aggressive litigation challenges against students who pursue undue hardship claims further exacerbates this situation...All too

often, [the U.S Department of Education] and [U.S. Department of Justice] DOJ oppose undue hardship discharges in adversarial bankruptcy proceedings, requiring debtors to effectively demonstrate a certainty of hopelessness before they can obtain relief. Clearing this statutorily unnecessary high bar is challenging enough for individuals who are represented by experienced attorneys. It is virtually impossible for those without representation.”

The letter also calls on Secretary Cardona to follow through on his public statement that the Department of Education would change its approach to “undue hardship” claims to make it a more attainable option for discharging student debt in bankruptcy. The senators also called on the Department to release an update to guidance issued in 2015 on handling undue hardship claims, and asked if DOJ has issued guidance to its attorneys to carry out the Department of Education’s directive to pause active bankruptcy litigation while the policy changes are implemented. The senators also questioned DOJ on what steps had been taken to inform student loan borrowers currently in the midst of bankruptcy proceedings that they could pause their litigation so as to benefit from policy changes the Department of Education implements around “undue hardship.” In addition to Durbin, Schumer, and Murray, Sens. Sheldon Whitehouse (D-RI), Chris Van Hollen (D-MD), Sherrod Brown (D-OH), Jack Reed (D-RI), Maggie Hassan (D-NH), Mazie Hirono (D-HI), Alex Padilla (D-CA), Ron Wyden (D-OR), Bob Casey (D-PA), Ed Markey (D-MA), Richard Blumenthal (D-CT), Tina Smith (D-MN), Raphael Warnock (D-GA), Elizabeth Warren (D-MA), Tim Kaine (D-VA), Tammy Duckworth (D-IL), Cory Booker (D-NJ), Brian Schatz (D-HI), Patrick Leahy (D-VT), Amy Klobuchar (D-MN), Bob Menendez (D-NJ), Ben Ray Luján (D-NM), Angus King (I-ME), and Jeff Merkley (D-OR) signed the letter.

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

White House Announces HBCU Advisory Board Appointees

Last week, the White House [announced](#) the President’s intent to appoint leaders to the President’s Board of Advisors on Historically Black Colleges and Universities (HBCUs). The President’s Board will advance the goal of the White House Initiative on Advancing Educational Equity, Excellence, and Economic Opportunity through HBCUs, first established by the Carter Administration, to increase the capacity and challenges facing HBCUs. Last year, President Joe Biden appointed Drs. Tony Allen and Glenda Glover to serve as Chair and Vice Chair of the President’s Board of Advisors on HBCUs,

respectively. In February 2022, he appointed Dr. Dietra Trent to serve as Executive Director of the White House HBCU Initiative.

Last week's announcement appoints the following individuals to serve as members of the board:

- Makola M. Abdullah, the 14th President of Virginia State University.
- Javaune Adams-Gaston, the seventh President of Norfolk State University.
- Paige Blake, a junior at Bowie State University.
- Thasunda Brown Duckett, President and Chief Executive Officer of TIAA.
- Willie Deese, retired pharmaceutical executive and corporate board member.
- Patrick Cokley, Chief of Organizing Advocacy and Learning at Civic Influencers.
- Monica Goldson, Chief Executive Officer for Prince George's County Public Schools.
- Brett Hart, President of United Airlines.
- Taraji Henson, Academy Award-nominated and SAG and Golden Globe-winning actor, filmmaker, and activist.
- Beverly Hogan, a public administrator, educator, community leader and humanitarian.
- Lisa Jackson, Vice President of Environment, Policy, and Social Initiatives at Apple who also served as President Barack Obama's Administrator of the Environmental Protection Agency.
- Shevrin Jones (D-FL), educator, public servant, and consensus builder.
- Walter Kimbrough, educator.
- William Moses, Managing Director for the Kresge Foundation's Education Program.
- Christopher Paul, NBA All-Star.
- Quinton Ross Jr., President of Alabama State University.
- Ruth Simmons, President of Prairie View A&M University.
- Janeen Uzzell, Chief Executive Officer at the National Society of Black Engineers.

U.S. Department of Education News

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

The following announcement was posted to the Federal Student Aid's Knowledge Center

Website:

- [\(GENERAL-22-22\) Appendices A-G \[2021-2022 Federal Student Aid Handbook and Errata and Updates to the Application and Verification Guide \[2022-2023 Federal Student Aid Handbook\]](#)
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Member News



The Kentucky Higher Education Assistance Authority (KHEAA) recently released its [Financial Aid Tip for Students – April 2022](#), which suggests that college students should consider taking more coursework as they register for classes for this fall. “A heavier course load helps students cut the total cost of college because they’ll finish their

technical or degree program more quickly,” Gov. Andy Beshear said. “That’s especially important to minimize loans they’ll need to help pay for their education.” KHEAA also released its [Money Tip for Students – April 2022](#), which states Kentuckians interested in financial literacy can find information and links to interactive games on KHEAA’s website. “Young children who play interactive games can learn about financial literacy while they’re having fun,” said Gov. Andy Beshear. “Teaching kids the basics about money early in life will help them learn how to work hard toward their goals, from their first chores, to their first job, all the way into their career.”

General News

[The Hill](#) reports that, with just four weeks left until federal student loan payments are set to resume, student and parent borrowers are trying to decipher what will happen next with their loans.

[Inside Higher Ed](#) reports that the most competitive colleges and universities in the country got more competitive over the last few years. But most institutions of higher education

are still trying to fill their classes.

[Higher Ed Dive](#) reports that free college did not die with federal inaction. It shifted from the federal level to state and local programs, signaling the movement's durability, but how will it change institutions?

[CNBC](#) reports that more than 100,000 borrowers are expected to receive federal student loan forgiveness thanks to policy fixes to the Public Service Loan Forgiveness program. The relief amounts to more than \$6 billion, according to data released by the U.S. Department of Education.

[Forbes](#) reports on 12 practical strategies for saving for retirement while paying down student debt.

[USA Today](#) publishes a column reviewing the President's budget request for Fiscal Year 2023, which calls for doubling Pell Grants by 2029 to help low-income families afford college. But rising inflation and calls to cut federal spending will make that goal difficult to achieve.

[Fox Business](#) reports that Rep. Alexandria Ocasio-Cortez (D-NY) said President Joe Biden's bad polls are due to 'young people who have not really been served' and continued to urge the President to forgive federal student loan debt via executive order.

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