



# DAILY BRIEFING

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## In Today's Edition

- Senate Majority Leader Schumer Says White House is Making Progress on Providing Student Loan Forgiveness
- CFPB Private Student Loan Ombudsman Releases Blog Discussing Bankruptcy Protections
- Reps. Houlahan and Baird Introduce Legislation to Simplify Public Service Loan Forgiveness Program
- CFPB Files Lawsuit Against TransUnion For Subscription Services, Company Says Bureau Chose Litigation
- TICAS Publishes Recommendations for IDR Reform
- Politico Poll Finds Voters Support Federal Student Loan Payment Pause, But Support Weakest Among Republicans
- CAP Article Advocates for Longer Student Loan Payment Pause
- U.S. Department of Education News
- Member News
- General News

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## Senate Majority Leader Schumer Says White House is Making Progress on Providing Student Loan Forgiveness

Yesterday, Senate Majority Leader Chuck Schumer (D-NY) spoke at the State of Student

Debt Summit where he told attendees that President Joe Biden and the White House are making progress toward forgiving federal student loan debt. Leader Schumer said that House and Senate Democrats appreciate the federal student loan payment pause extension announced last week, but it is not “close to enough” to addressing the nation’s student loan debt crisis. Senate Democrats, led by Leader Schumer and Sen. Elizabeth Warren (D-MA), have called for cancelling \$50,000 in student loan debt for all borrowers. “We want our young people to realize that they can have a good future,” Leader Schumer said during the event. “One of the best, very best, top-of-the-list ways to do it is by canceling student debt, by getting rid of the \$50,000, even going higher after that.” The President has said that he supports canceling \$10,000 in federal student loan debt for all borrowers, and has asked for Congress to send him legislation to do just that. But progressives have urged the White House to institute student loan forgiveness through executive action.

For additional coverage, see this article from [The Hill](#).

## CFPB Private Student Loan Ombudsman Releases Blog Discussing Bankruptcy Protections

Earlier this week, the Consumer Financial Protection Bureau (CFPB) published a [blog post](#) penned by Private Student Loan Ombudsman Robert Cameron that attempts to bust the myth that private student loans cannot be discharged in bankruptcy. In the post, Mr. Cameron says some loans that borrowers may think of as “private student loans” subject to the higher bar for discharge of student loans under the bankruptcy code are not in fact subject to the higher bar, including:

- Loans where the loan amount was higher than the cost of attendance (such as tuition, books, room, and board), which can occur when a loan is paid directly to a consumer.
- Loans to pay for education at places that are not eligible for Title IV funding such as unaccredited colleges, a school in a foreign country, or unaccredited training and trade certificate programs.
- Loans made to cover fees and living expenses incurred while studying for the bar exam or other professional exams.
- Loans made to cover fees, living expenses, and moving costs associated with medical or dental residency.

- Loans to a student attending school less than half-time.

Mr. Cameron says the CFPB has found that student loan companies are failing to consistently give borrowers the information and support they need. “Complaints submitted to the CFPB suggest that some of these companies might be making false statements to borrowers about the protections bankruptcy offers - or worse, even collecting on debts that have already been discharged by a bankruptcy judge,” he says.

## Reps. Houlahan and Baird Introduce Legislation to Simplify Public Service Loan Forgiveness Program

On Tuesday, Reps. Chrissy Houlahan (D-PA) and Jim Baird (R-IN) introduced the [Public Service Loan Forgiveness \(PSLF\) Payment Completion Fairness Act](#). According to a [press release](#), the bill would simplify the PSLF process, improve the applicant success rate, and incentivize more individuals to enter careers in public service by removing the current provision that requires individuals to be employed in public service at the time of forgiveness. “Our community, Commonwealth, and country are made stronger because of dedicated public servants, and as a former AmeriCorps participant, I’m proud to introduce this commonsense reform to help our nation’s teachers, law enforcement officers, nurses, and others,” Rep. Houlahan said. “When Pennsylvanians and Americans dedicate a decade of their lives to serving our communities, they deserve our support to cut through bureaucratic delays and receive their student loan forgiveness.” The legislation has been endorsed by the American Federation of Teachers, the National Education Association, Third Way, American Federation of State, County and Municipal Employees, National Association of Social Workers, and National Association for College Admission Counseling.

## CFPB Files Lawsuit Against TransUnion For Subscription Services, Company Says Bureau Chose Litigation

On Tuesday, the Consumer Financial Protection Bureau (CFPB) [announced](#) that it had sued TransUnion claiming the company violated a 2017 consent order which requires the firm to provide warnings regarding subscription services arising from a consumer’s request for a free credit score, obtain consumer consent before charging them, and provide an easy way to cancel the subscription services. The complaint alleges that TransUnion used an array of dark patterns to trick people into recurring payments and

then made it difficult to cancel them. In a call with reporters, CFPB Director Rohit Chopra stated that, “TransUnion’s conduct made it crystal clear that the company is an out-of-control repeat offender that must be held accountable.” In a [statement](#) responding to the lawsuit, TransUnion claimed that the CFPB failed to act within the spirit of the consent order. TransUnion said that the Bureau failed to respond to the proposed compliance plan drafted by the firm and claimed the CFPB’s current leadership refused to meet with them to resolve the matter, instead choosing to litigate. “The CFPB’s unrealistic and unworkable demands have left us with no alternative but to defend ourselves fully,” TransUnion said. For additional coverage, see these articles from [insideARM](#) and [MarketWatch](#).

## TICAS Publishes Recommendations for IDR Reform

The Institute for College Access and Success (TICAS) recently published a report titled, [How Reforming Income-Driven Repayment Can Reduce the Burden of Student Debt](#), which analyzed the ways in which policymakers can reform the income-driven repayment (IDR) system to reduce the burden of student debt for borrowers. In the report, TICAS said that it conducted a series of forecast models to examine the effects of various IDR design changes and found that policymakers should focus on increasing the amount of a borrower’s income that is “protected” from the IDR payment formula and shortening the maximum repayment period. The report focused on several different “sample borrowers” to demonstrate how increasing the protected income threshold would affect a borrower’s minimum and maximum payments over time. While increasing the protected income threshold would lower monthly payments for many borrowers, TICAS stated that borrowers will still accrue interest, ultimately leading their balance to grow. To address this, the organization recommended shortening the repayment period. TICAS argued that IDR reform is long overdue, and hopes that this report and its recommendations will serve as reference points for policymakers working to make changes to the IDR system to better serve student borrowers.

## Politico Poll Finds Voters Support Federal Student Loan Payment Pause, But Support Weakest Among Republicans

Earlier this week, Politico and Morning Consult released a [tracking poll](#) that surveyed registered voters on several higher education issues, including the federal student loan payment pause extension and additional student loan debt relief. The poll found that 53

percent of registered voters supported the White House's decision to extend the federal student loan payment pause until August 31, while 35 percent of respondents were opposed to it. The polling data showed that support or opposition for the payment pause extension fell along party lines, with almost three-quarters of Democrats and about half of independent voters supporting the Administration's decision while 57 percent of Republicans were opposed to the extension. On the topic of providing federal student loan forgiveness, voters were more split - 47 percent of respondents believe that Congress should prioritize legislation that provides debt relief to some or all student loan borrowers, while 46 percent of respondents said that this should not be a Congressional priority. The responses to the question also fell along party-lines: two-thirds of Democrats believe student loan debt relief should be a priority while two-thirds of Republicans believe that it should not be a priority.

## CAP Article Advocates for Longer Student Loan Payment Pause

On Tuesday, the Center for American Progress (CAP) published an article titled [The Case for a Longer Student Loan Repayment Pause](#), which argues that problems in the federal student loan repayment system cannot be solved before the most recent student loan payment pause extension is set to expire on August 31. The article cited the fact that federal student loan servicers are still in the process of transferring borrower accounts to other servicers, and Congress and the Biden Administration have yet to make a decision on several proposals to cancel student loan debt. CAP argues that the payment pause should be extended further so that Congress, the Administration, and student loan servicers have time to adequately address the issues in the student loan repayment system and make necessary reforms to better protect student borrowers.

## U.S. Department of Education News

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

The following announcements were posted to the Federal Student Aid's Knowledge Center Website:

- [\(GENERAL-22-23\) Additional Resources for Financial Aid Administrators: New School Guide and FSA Assessments](#)

- [\(GRANTS-22-04\) 2021–22 Verification Reporting and Verification Status Code “W” Warning Message](#)
  - [\(LOANS-22-05\) HEAL Program Information – Maximum HEAL Program Interest Rates for Quarter Ending June 30, 2022](#)
  - [\(GRANTS-22-03\) Operational Implementation Guidance – Federal Student Aid’s Implementation of Revised 2022–23 Federal Pell Grant Payment and Disbursement Schedules](#)
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## Member News



MOHELA recently [announced](#) that it is recruiting for a General Counsel in St. Louis, MO with six or more years of related experience. To apply, please supply cover letter and resume to [hr@mohela.com](mailto:hr@mohela.com). The fundamental reason this position exists is to give legal advice, ensure representation in legal proceedings, prepare legal research, and legal and policy analysis of issues to and administer contracts on behalf of the Authority. Essential Duties and Responsibilities, include the following:

- Advise on Legal and Regulatory Issues - Provide the Executive Director legal advice on legal and regulatory issues and the development of proposed or
- Reports/Documents - Write, edit and finalize reports, opinions, correspondence, articles and other documents, advise the Executive Director about legal issues in specialty areas.
- Third Party Negotiations - Draft and/or review and negotiate legal documents and contracts (excluding documents related to bond financings) of the Authority with third parties.
- Legislative Hearings -Work with the Executive Director and upon request others to assist in drafting bills. Attend and testify at legislative hearings upon request of the Executive Director.
- Outside Legal Counsel - Secure outside legal counsel and supervise/oversee performance of outside counsel, as approved by the Executive Director.

pending actions, decisions and/or policies of the Authority.

- Compliance  
Review/Recommendations - Review and make recommendations to facilitate compliance with all legal requirements. Keep abreast of new legislation and important legal developments and interpret their impact on the Authority.
- Explain Legal Causes/Effects - Assist the Executive Director or, upon request, the staff of the Authority, to understand the legal causes and effects of their administrative actions and to provide information about legal developments of interest to the Executive Director.
- Complete Special Requests - Complete special requests at the request of the Executive Director.
- Legal Representation - Represent, upon request of the Executive Director, the Authority to the public and press about legal matters affecting the Authority.
- Research/Oversee Legal Issues - Conduct and oversee research into a variety of legal issues. Provide analysis of legal and policy issues.

- Meetings/Records - Prepare minutes of meetings, obtain signatures of Secretary once approved, maintain official records library.
- Education/Experience: Doctorate of Jurisprudence from a nationally accredited school of law. Licensed, eligible to practice or able to seek admission required. Admission to a State Bar (with expectation to also gain timely admission to the Missouri Bar). Six years corporate law practice with specialized knowledge in banking and finance, human resources, and regulatory compliance matters. Knowledge of laws governing state agency or not-for-profit corporate structures helpful. Experience with public entities and boards. Knowledge of, or experience in, the student loan industry helpful.

MOHELA is an EEO/AA Employer. It does not discriminate in hiring on the basis of race, color, national origin, sex, gender identity, sexual orientation, religion, age, disability, protected veteran status, or any other characteristic protected by federal, state or local law. To build a diverse workforce, MOHELA encourages applications from individuals with disabilities, minorities, and veterans.



iGrad announced that it has partnered with Cleveland State University (CSU) to provide its customized financial wellness platform to students in the TRIO Student Support Services (SSS) program. [iGrad's platform](#) at CSU includes customized and interactive multimedia content and tools

on everything from building good credit, budgeting, and money management to debt management and loan calculators. CSU TRIO/SSS Assistant Director Cullin Fish said, "iGrad was selected due to its ease of use, content available and the ability for our students to navigate incredible resources at their own pace. Financial wellness and the skills that iGrad showcases are instrumental to student success due to the impact that financial challenge can have on a student's everyday life."

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## General News

House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) released a [blog post](#) criticizing the Biden Administration's recent extension of the federal student loan payment and collections pause.

[The Chronicle of Higher Education](#) publishes a column examining if doubling the maximum award for the Pell Grant program would make a difference in college affordability. A \$13,000 Pell Grant would just about fully cover today's average annual cost of attendance for community college students, but students at public four-year institutions would have just half of their tuition, fees, room, and board paid for by the program.

[Higher Ed Dive](#) reviews how a recent policy shift at the U.S. Department of Education could affect for-profit institutions. Last month, the agency announced that it will hold the owners of certain private colleges financially liable if the institutions defraud students or close without warning — a move that will largely affect for-profit schools. For-profit colleges worry that the Department's recent regulatory actions will discourage investment in the sector, but policy advocates want the federal agency to be even stricter.

[Diverse Issues in Higher Education](#) reports that a new survey conducted by Intelligent.com of 1,250 college graduates aged 25 and older reveals that 80 percent feel higher



education was worth their financial investment.

[\*The Chronicle of Higher Education\*](#) and [\*Higher Ed Dive\*](#) report that Williams College recently announced plans to adopt an “all grant” financial aid program. Starting this fall, the institution will eliminate loans, as well as campus-job and summer-earnings requirements, from all aid packages.

[\*Higher Ed Dive\*](#) reports that colleges and universities face their highest expense growth in over a decade as rising costs combine with wage inflation, labor shortages, and a push to hire, according to two new reports issued this week by Moody's Investors Service.

[\*Inside Higher Ed\*](#) reports that some colleges and universities are creating new programs to pay students for work when employers will not. It is one way to equalize internship opportunities, which have historically excluded low-income students.

[\*The Chronicle of Higher Education\*](#) reports that some institutions of higher education are ending hybrid learning amid a dip in the number of cases of COVID-19, but students are pushing back.

[\*Higher Ed Dive\*](#) reports that more than 200 colleges, including several outside the United States, have reported to the National Association for College Admission Counseling that they still have open seats for fall 2022.

[\*Bloomberg\*](#) reports that student loan interest rates in the United Kingdom are expected to shoot up to 12 percent from 4.5 percent for high earners – and to 9 percent from 1.5 percent for low earners – in September, according to a study by the Institute for Fiscal Studies, a London-based research center.

[\*11 Alive News\*](#) reports that high school juniors and seniors in Georgia may soon be required to take a financial literacy course to graduate. Advocates say that it is important young people learn about personal finance in school, especially before they take on student loans.

[\*Inside Higher Ed\*](#) reports that some Historically Black College and University leaders are considering building satellite campuses to expand their reach and serve more Black students.

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