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## Senate Appropriations Committee Postpones Hearing with Education Secretary Cardona

The Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies announced that it had postponed its planned hearing titled, "The President's Fiscal Year 2023 Budget Request for the United States

Department of Education,” with Education Secretary Miguel Cardona. There was no reason for the postponement, nor a new date for the hearing.

## House Financial Services Committee Releases Views and Estimates, Calls for Private Student Loan Protections

Today, the House Financial Services Committee released its [Views and Estimates](#), which is designed to advise the House Budget Committee on matters within its jurisdiction as it formulates the budget for Fiscal Year 2023. “In the 117th Congress, the Committee on Financial Services is working closely with the Biden Administration to advance policies to provide a strong, equitable recovery from the COVID-19 pandemic, protect consumers and investors, promote diversity and inclusion, advance racial equity, hold financial institutions and firms accountable, ensure fair and affordable housing for all, and enhance international cooperation to address today's global challenges, including climate change, public health crises, equitable financial access, and the far-reaching security, economic, and humanitarian impacts of Russia's war on Ukraine,” the Democratic Members write.

On the section of the document on the Consumer Financial Protection Bureau (CFPB), the Views and Estimates says that the committee remains strongly supportive of the structure, independent funding stream, and the consumer-driven mission of the CFPB, which was created under the Dodd-Frank Act to help ensure a fair and transparent marketplace for both consumers and the lending industry. It also discusses the committee’s support for efforts by the new leadership of the CFPB to strengthen consumer financial protections and reverse proposed or finalized rules during the Trump era. The Views and Estimates also say that the committee supports efforts by the CFPB to aggressively enforce all consumer financial protections, especially as the pandemic continues, though there remain areas where consumer financial protection laws need to be strengthened by Congress. “For example, the consumer credit reporting system is broken, and consumers have little recourse when there are errors in their files,” the document states. “In addition, Congress must pass legislation to reform debt collection practices, including medical debt collection, to better protect consumers, including servicemembers who have been threatened by debt collectors with demotions of rank.

Finally, the Views and Estimates calls for new consumer protections for student borrowers and federal student loan forgiveness. “Such reforms need to, for example, extend consumer protections for private student loan products by clarifying and explicitly codifying that the definition of private student loans covered by the Truth In Lending Act

includes Income Share Agreements as well as other forms of credit extended to students pursuing a post-secondary education that may not be covered by current law,” the views say. “The committee is also supportive of the Administration's efforts to consider forgiving part or all of the student loans owed to the government, considering research that doing so would promote economic growth.”

## Department of Education Leaders, New Jersey Governor Highlight Efforts to Improve Access to PSLF

Yesterday, U.S. Department of Education Under Secretary James Kvaal, Federal Student Aid Chief Operating Officer Rich Cordray, and New Jersey Gov. Phil Murphy visited the College of New Jersey (TCNJ) for a roundtable discussion with public service employees to highlight recent changes to the Public Service Loan Forgiveness (PSLF) Program. “Since taking office, the Biden-Harris Administration has worked hard to tackle existing student loan debt,” Under Secretary Kvaal said. “I am proud that we are turning the Public Service Loan Forgiveness program from a promise broken into a promise kept for borrowers who devote a decade of their lives to public service. Secretary of Education Miguel Cardona, Rich Cordray, and I are pleased to support Governor Murphy’s efforts to ensure all eligible New Jersey residents get the student loan relief they have earned and deserve. I hope other states will follow suit by sharing with their residents the ways that they can take advantage of this opportunity.” During the visit, the participants highlighted the Department’s limited PSLF, which temporarily waives certain program rules to help public service employees with federal student loans achieve forgiveness. The State of New Jersey is also working with the Department to streamline the program’s application process for public employees. “Employees in the public and non-profit sectors provide invaluable services to our state and our nation, from defending our country to teaching the next generation, and everything in between,” said Governor Murphy. “The Public Service Loan Forgiveness Program rewards these dedicated public servants by offering a path to student loan forgiveness, but many borrowers may not realize they qualify. By working with our federal partners to streamline the application process and highlight recent changes that expand eligibility for PSLF, we will encourage more student loan borrowers to get involved in public service and take advantage of this helpful program.” For more coverage, see this article from [NJ.com](#).

## CFPB Announces New Office of Competition and Innovation

Today, the Consumer Financial Protection Bureau (CFPB) [announced](#) that it is opening a new office, the Office of Competition and Innovation, as part of a new approach to help spur innovation in financial services by promoting competition and identifying stumbling blocks for new market entrants. The Bureau said that the new office will replace the Office of Innovation that focused on an application-based process to confer special regulatory treatment on individual companies. The new office will support a broader initiative by the CFPB to analyze obstacles to open markets, better understand how big players are squeezing out smaller players, host incubation events, and, in general, make it easier for people to switch financial providers. “Competition is one of the best forms of motivation. It can help companies innovate and make their products better, and their customers happier,” said CFPB Director Rohit Chopra. “We will be looking at ways to clear obstacles and pave the path to help people have more options and more easily make choices that are best for their needs.” According to the press release, the new office will explore ways to reduce barriers to consumers switching accounts and providers; understand how larger players gain advantage over smaller players; identify challenges that innovators have to get their products or services to market because of problems like access to capital or talent; and work with the Bureau on a rulemaking to give consumers access to their own data.

## ARRC Holds Meeting to Discuss Momentum Towards SOFR

On Friday, the Alternative Reference Rates Committee (ARRC) released a [readout](#) of its meeting held last week where the committee welcomed CME Group’s announcement regarding the launch of SOFR [Secured Overnight Financing Rate] First for Options, an initiative aimed at accelerating the growth of SOFR options trading. The ARRC also voted to endorse the CME 12-month term rate, recommending that this rate be used primarily for legacy London Interbank Offered Rate (LIBOR) consumer products and trade and receivables finance. During the meeting, ARRC members noted that the transition from LIBOR to SOFR has become well established. A chart included with the readout shows that 100 percent of Fannie Mae and Freddie Mac ARMs are SOFR-indexed. The ARRC also discussed that operational work will be needed to facilitate effective and efficient communication of rate changes in LIBOR contracts following the June 30, 2023 end of LIBOR as a panel-base.

## Federal Reserve Issues Economic Well-Being of U.S. Households Report, Finds Decreasing Share of Borrowers

## Behind on Student Loan Payments

Yesterday, the Federal Reserve issued a report titled [Economic Well-Being of U.S. Households in 2021](#). The report uses data from the ninth annual Survey of Household Economics and Decision-making (SHED), which surveyed 11,000 adults in October and November of 2021. The report shows that self-reported financial well-being reached its highest level since the survey began in 2013. For example, in the fourth quarter of 2021, 78 percent of adults reported either doing okay or living comfortably financially. Financial well-being also increased among all the racial and ethnic groups measured in the survey, with a particularly large increase among Hispanic adults. Parents were one group who reported large gains in financial well-being with three-fourths saying they were doing at least okay financially, up 8 percentage points from 2020. "The SHED results provide valuable insight into Americans' financial conditions during the late fall of 2021. This important perspective helps the Federal Reserve better understand the economic challenges that existed during that phase of the pandemic recovery," said Federal Reserve Board Governor Michelle Bowman. The survey also presents insight into the experiences of workers through the pandemic. Fifteen percent of workers said they were in a different job than 12 months earlier. Most who changed jobs said the job change was an improvement. Remote work also continued to evolve in 2021. During the week of the survey in late 2021, 22 percent of employees worked entirely from home, down from 29 percent in late 2020, but well above the 7 percent who worked entirely from home before the pandemic. Most employees who worked from home preferred to do so, often citing work-life balance and less time commuting. Those working from home indicated that they would be about as likely to look for a new job if required to return to the office as if their employer instituted a pay freeze.

According to the report, the share of student loan borrowers stating that they were behind on their payments dropped from 17 percent to 12 percent compared to the fall of 2019. Additionally, 73 percent of student loan borrowers report doing okay financially in 2021, up from 65 percent in the fall of 2019. For more coverage, see this article from [The Chronicle of Higher Education](#).

## NASFAA Releases Survey Examining Staffing Issues in Financial Aid Offices

The National Association of Student Financial Aid Administrators (NASFAA) recently released a [survey](#) highlighting that many financial aid offices at institutions of higher education have had staff departures and are experiencing difficulty filling openings amid

the coronavirus pandemic. According to the survey of 500 institutions, 80 percent of respondents indicated that they were concerned about their financial aid offices' ability to remain "administratively capable" in the future to fulfill the U.S. Department of Education requirements for Title IV programs, including Pell Grants, Supplemental Educational Opportunity Grants, and federal student loans. The survey also found that more than half of the respondents reported operating at a 75 percent staffing capacity for both award years 2019-20 and 2021-22 showing that, while the staffing issue existed before the onset of the pandemic, the challenges accelerated as the national emergency stretched on. Notably, the survey found that a significant majority of respondents reported having to fill, on average, five to six open positions for both award years 2019-20 and 2021-22, and 40 percent of respondents indicated they do not currently feel they can maintain administrative capability standards at decreased staffing levels. Moreover, more than 56 percent of respondents said they were concerned about their ability to serve students amid these staffing shortages.

In the report, NASFAA identified some areas of focus that aid offices can take to help stave off staff turnover and make filling roles an easier process, such as working with senior level administration to address any misclassification of financial aid staff and the salary categories they fall within. "This could assist in retention efforts and hiring while addressing one of the largest obstacles to filling vacant financial aid office positions," the summary noted. NASFAA also said that it will work with presidential higher education associations on these issues to drive home the importance of adequately staffing financial aid offices and highlighting the many negative consequences that can come from chronic understaffing. " For more coverage, see this article from [Inside Higher Ed](#).

## U.S. Department of Education News

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

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## Member News



The Kentucky Higher Education Assistance Authority (KHEAA) recently released an [announcement](#), which states eight Kentucky high schools have won \$500 from KHEAA for participating in the

Free Application for Federal Student Aid (FAFSA) Completion Challenge. “I congratulate these schools for their efforts and commitment in helping their graduating seniors file the FAFSA,” Gov. Andy Beshear said. “Those efforts will pay off in helping Kentucky students find the funds they need to pay for the technical and college programs that will make our state more competitive in attracting new businesses and expanding existing companies.”

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## General News

[The Hechinger Report](#) includes an op-ed by Aspen Institute College Excellence Program Founder and Executive Director Joshua Wyner who argues with college enrollment tumbling, new strategies are urgently needed.

[Los Angeles Times](#) reports that federal student loan forgiveness is unlikely to boost the economy.

[CNBC](#) publishes a column examining the case for being completely debt free and how it can positively impact a person’s mindset.

[Diverse Issues in Higher Education](#) reviews two new reports from Georgetown University’s Center on Education and the Workforce that showed how, by age 35, workers with a bachelor’s degree or higher are nearly twice as likely as workers with just a high school diploma to land a good job. Yet race, class, and gender disparities compound inequalities on the uneven journey to good jobs as well as wealth.

[Higher Ed Dive](#) reports that the U.S. Department of Education is once again pushing back the release of its highly awaited regulatory proposal on Title IX and now plans to publish it in June.

The draft rule will dictate how colleges must investigate and potentially punish sexual

misconduct.

[Palo Alto Online](#) reports that the University of California is vowing to offer the state's undergraduates a debt-free college experience by 2030 as part of an overhaul of how the system views college affordability.

[Inside Higher Ed](#) reviews a new report by the Center for American Progress examining the barriers in higher education that contribute to the nation's nursing shortages and how policy makers can help colleges and universities train more nurses.

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