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House Education and Labor Committee Republicans Call for Hearing on President's Authority to Cancel Federal Student Loan Debt

On Tuesday, House Education and Labor Committee Republicans, led by Ranking Member Virginia Foxx (R-NC), wrote a [letter](#) to Committee Chair Bobby Scott (D-VA) asking him to hold a hearing with U.S. Department of Education officials to discuss the President's authority for its recently announced federal student loan forgiveness program. In the letter, House Republicans said that it is the committee's duty to conduct oversight of the Department and criticized the Democratic leadership writing, "your

support of the administration's announcement to enact illegal so-called 'loan forgiveness' demonstrates that you are not willing to hold the Secretary accountable for his abuse of authority." The letter requested that Federal Student Aid Chief Operating Officer Richard Cordray, General Counsel Lisa Brown, and Under Secretary James Kvaal attend a hearing to discuss the authority used to enact new federal student loan forgiveness and its plans to implement the program. In addition to Biden Administration officials, Ranking Member Foxx called for the proposed hearing to feature federal student loan contractors charged with implementing the forgiveness policy to learn what information the Department has given contractors, how they are communicating with borrowers, and how the agency is incorporating contractors' feedback into their plan. The letter continued to argue that communication with borrowers has not been clear or sufficient, and it continued to criticize the administration's actions arguing that "taking over \$2,500 from each hardworking taxpayer, many of whom did not attend college, to write off debt willingly and knowingly taken by college going adults is unfair and unjust." Ranking Member Foxx concluded the letter by urging Chairman Scott to join her and other Republicans in demanding accountability writing, "Chairman Scott, we have our policy disagreements, but we have generally agreed on the need for strong oversight."

Texas Public Policy Foundation Ranks Public Higher Education Based on Debt and Earnings

The Texas Public Policy Foundation recently published its third annual ranking of state public higher education systems, which found that states leave their students with excessive student loan debt. The [State Ranking of Public Higher Education Based on Student Loan Debt and Earnings: 2022](#) uses new data from the U.S. Department of Education to rank each state based on the student loan debt-to-earnings outcomes of their graduates, including separate rankings for associate, bachelor's, master's, professional, and doctoral degrees. The Foundation found that, across all degrees, the top three states with the lowest debt relative to earnings are New Jersey, New York, and Rhode Island with the three states with the highest debt relative to earnings are Alaska, Louisiana, and Montana. When disaggregating the data to only consider associate degree outcomes, the report found that Rhode Island remained in the top spot, followed by Florida, and then Indiana; the bottom three states for associate degree outcomes were California, Montana, and Wyoming. Interestingly, California is ranked second for lowest debt relative to earnings for bachelor's degrees, suggesting that debt-to-earnings outcomes vary significantly based on degree program even within one state. The Foundation stated that, while these data points are useful to students when determining in which state they want to attend college, they are especially useful to policymakers to

identify problem areas and work toward solutions.

Federal Reserve Releases Consumer Credit Report, Increases at Annual Rate of 6.2 Percent in July

Today, the Federal Reserve released its monthly [Consumer Credit - G.19 Report](#), which found that consumer credit increased at a seasonally adjusted annual rate of 6.2 percent in July 2022. According to the report, total outstanding consumer credit stood at \$4.644 trillion at the end of July, up \$23.8 billion from June. Revolving credit (mostly credit card debt) increased by \$10.9 billion and nonrevolving credit (mostly student and auto loans) increased by \$12.9 billion. Nonrevolving debt owned by the federal government (mostly Direct Loans) increased by a modest amount \$1.8 billion.

NCHER Mourns the Passing of Carrol Lee Lawhorn

Carrol Lee Lawhorn, head of the Student Loan Fund of Idaho, passed away peacefully on September 5, 2022. For members who new Carrol Lee, you knew him as an early supporter of NCHELP, a visionary leader, and an avid believer in the role of state and nonprofit organizations as the essential contributors to a federal student loan finance and delivery system. He and Jean (Frohlicher) were at the center of some of the most spirited debates and he served ably on the NCHELP Board of Directors for more than a decade, until 2004. Carrol Lee was born on May 24, 1936 in Casey County, Kentucky. He met his wife, Peggy, in 8th grade and they married in 1955 while attending Transylvania University. Graduating with a degree in mathematics, he worked for MIT, PanAm, IBM, the Idaho Department of Education, and Student Loan Fund of Idaho. Carrol Lee and Peggy had two children, Tim Lawhorn and Kay Jones. They moved to the Treasure Valley, Idaho in the fall of 1971. Lovingly called "Pappy" by his 5 grandchildren and their classmates, he attended their music and sports events, supported cake sales, mission trip and church camp fundraisers, and treated them to a few special vacations. NCHER offers its condolences to his friends and family and celebrates the life and contribution of Carrol Lee to helping students and families access higher education across the country. For arrangements and additional information, click [here](#).

U.S. Department of Education News

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

Member News

Higher Education

SERVICING CORPORATION

The Higher Education Servicing Corporation (HESC) [announced](#) the launch of its for-profit subsidiary, HESC Solutions, Inc., which was created to oversee the ongoing development and licensing of the HELIUM Loan Origination and Servicing System that was first deployed by the organization in 2017, and to provide expanded student loan servicing opportunities with federal student loan contractors. "We are excited to launch HESC Solutions, Inc. Now more

than ever, we are ready and able to deploy our industry-leading HELIUM software to education loan providers and servicers to help meet the needs of their clients and borrowers. And as a qualified small business with decades of student loan servicing expertise, we are well positioned to serve as a federal student loan subcontractor," said Phillip Wambsganss, President of HESC Solutions, Inc.



The Kentucky Higher Education Assistance Authority (KHEAA) published its [Financial Aid Tip for Students – September 2022](#), which reported that high school seniors and postsecondary students can file the 2023–2024 Free Application for Federal Student Aid (FAFSA) beginning on October 1, 2022. Kentucky Lt. Governor Jacqueline Coleman said, "In the first five months of 2022, the Beshear-Coleman

administration helped bring more than \$3.9 billion in new investment and more than 6,700 jobs for Kentuckians. To take full advantage of those opportunities and to fill those, we need more students to get the post-high school education they need, whether that means technical training or traditional college degrees." The Financial Aid Tip said that, even students do not think they will qualify for financial aid should submit the FAFSA. Rules governing student aid programs sometimes change, and students who do not file the FAFSA may miss out on free money that could help pay for their education.

General News

[CNBC](#) reports that Arizona's Republican Attorney General said he and others were looking to bring a legal challenge to the President's plan to cancel up to \$20,000 in federal student loan debt for millions of Americans.

[MarketWatch](#) includes an op-ed by Investment Management Associates Chief Executive Officer Vitaliy Katsenelson who argues that cancelling federal student debt will make tuition inflation worse and weaken America.

[Reuters](#) reports that prepaid college savings plans are shining as inflation soars.

[Higher Ed Dive](#) reports that colleges and universities across the country are expecting increased interest in prison education programs following the return of Pell Grant eligibility for incarcerated people, which is set for July 2023. With less than a year to go, program leaders are preparing for an influx of enrollees and reconsidering how they serve students who are in prison.

[Diverse Issues in Higher Education](#) reports that, although colleges and universities have increased their debt over the past several decades, they appear well-positioned to manage it, according to a new report from Ithaka S+R, the research arm of the educational access non-profit. However, the picture of debt differs by category of institution particularly at Historically Black Colleges and Universities.

[The Federalist](#) includes an op-ed by Napa Legal Good Counselor Project Attorney and Fellow Frank DeVito who argues that we need to end the toxic federal student loan system that allows irresponsibly high tuition rates to be put on the backs of our young people.

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