



# DAILY BRIEFING

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Thursday, October 6, 2022

- NCHER Offices Closed for Columbus Day, Daily Briefing Resumes on Tuesday
- Wisconsin Association Files Fourth Lawsuit Challenging Federal Student Loan Forgiveness Plan
- White House Launches New Effort to Root Out Scammers Exploiting Federal Student Loan Forgiveness Plan, FTC Releases Consumer Alert
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## NCHER Offices Closed for Columbus Day, Daily Briefing Resumes on Tuesday

The NCHER offices will be closed on Monday, October 10th, in commemoration of Columbus Day. We will reopen and the *NCHER Daily Briefing* will return to its regular publishing schedule on Tuesday, October 11, 2022. Have a safe weekend!

## Wisconsin Association Files Fourth Lawsuit Challenging Federal Student Loan Forgiveness Plan

On Tuesday, the Brown County Taxpayers Association, an unincorporated association located in Wisconsin representing their members who pay federal taxes, filed a [complaint](#) in U.S. District Court for the Eastern District of Wisconsin, Green Bay Division, challenging the Biden Administration's federal student loan forgiveness plan. The complaint alleges that the U.S. Department of Education has unlawfully exercised power under the taxing and spending clause of the U.S. Constitution and violated the Appropriations Clause by forgiving student loan debt owed to the federal treasury. The complaint also alleges that the Department's action violates the Equal Protection doctrine by relying on an improper racially discriminatory motive and violates the Administrative Procedures Act because it exceeds statutory authority found in the HEROES Act and was not promulgated in accordance with law. Referencing several generous loan repayment provisions in the Higher Education Act, the complaint states that Congress knows how to forgive loans when it wants to under the law. On the critical standing issue, the complaint cites *Flast v. Cohen*, a 1968 U.S. Supreme Court case which held that, although taxpayers generally lack standing to sue, they do have standing to sue when the federal government uses its revenue to violate the Establishment Clause because the government has exceeded its constitutional limitations on taxing and spending. The complaint, which is the fourth lawsuit challenging the forgiveness plan, asks for a temporary restraining order (TRO) and preliminary and permanent injunctive relief. Yesterday, the court held a conference call with the parties to discuss the TRO and preliminary injunction motions. The results of that call were unavailable as of press time.

## White House Launches New Effort to Root Out Scammers Exploiting Federal Student Loan Forgiveness Plan, FTC Releases Consumer Alert

On Wednesday, the White House [announced](#) that it is launching a new, coordinated effort to combat scammers who are taking advantage of the President's federal student loan forgiveness plan by cheating Americans out of their money. According to a press release, over the last 18 months, the Federal Trade Commission (FTC) has reached nearly \$30 million in settlements, including refunds for borrowers, who were illegally charged up front fees and falsely promised reduced or eliminated student loan payments. The U.S. Department of Education also released [Student Debt Relief Do's and Don'ts](#) to help borrowers avoid scams and the agency said that it will provide regular complaint reports to states to help identify scammers. The White House will lead an all-of-government scam

prevention effort that will coordinate across departments, and the administration will launch outreach and education campaigns utilizing social media to reach borrowers to communicate the threats scammers pose. Senior leadership from relevant agencies will meet tomorrow to address plans for aggressive and comprehensive scam prevention and enforcement strategies.

Related, earlier this week, the FTC published another [Consumer Alert](#) warning student and parent borrowers that there has been an uptick in scam companies trying to take advantage of the federal student loan forgiveness plan. The alert explains borrowers may receive offers that appear real because the scammer says they are affiliated with the Department, but the scammers will ask borrowers to confirm loan information to get more details they can use. The alert suggests the following to avoid student loan scammers: do not pay anyone to help you apply for loan forgiveness, do not give away your FSA ID login information, and do not trust someone who contacts you stating they are an affiliate with the Department.

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

## House and Senate Democrats Send Letter to Department of Education Expressing Support for PSLF Waiver Extension

On Monday, more than 100 House and Senate Democrat lawmakers sent a [letter](#) to Education Secretary Miguel Cardona requesting an extension for the time-limited waiver for the Public Service Loan Forgiveness (PSLF) program until July 1, 2023. The letter explains that the limited waiver accounts for approximately 90 percent of recent PSLF discharges approved by the U.S. Department of Education. However, the lawmakers argue that “operationalizing and explaining the waiver has been an incredible challenge for the Department, as well as its servicers.” The letter says that an extension for the waiver is necessary to ensure that all public servants with federal loans can benefit from the waiver.

## 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

website:

- [\(LOANS-22-09\) National Default Rate Briefing for FY 2019 Official Cohort Default Rates](#)
  - [\(GENERAL-22-74\) 2022 Virtual Federal Student Aid Training Conference – Registration Now Open](#)
  - [\(APP-22-21\) The 2023-24 FAFSA® Form is Here!](#)
  - [\(GENERAL-22-73\) Columbus Day Federal Holiday Processing and Customer Service Hours \(Updated Oct. 6, 2022\)](#)
  - [Cohort Default Rate Guide for Guaranty Agencies and Lenders \(2022\)](#)
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## Member News



The Kentucky Higher Education Assistance Authority released its [Financial Aid Tip for Students – October 2022](#), which says that funds from the Kentucky Education Excellence Scholarship (KEES) can be used to reimburse students for costs for approved, registered apprenticeship or

qualified workforce training programs. Kentucky Lieutenant Governor Jacqueline Coleman said, “allowing students to use their KEES earnings for a variety of educational programs is one more way Kentucky helps students prepare to enter the workforce...any students in registered apprenticeship or workforce training programs should find out if the program they’re in qualifies for KEES funding.” The announcement explained that students can request to be reimbursed for equipment, required tools, licensures, tuition and books, uniforms, and other expenses.

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## General News

[The Wall Street Journal](#) reports that the Biden Administration is preparing for a major test of the federal government’s bureaucracy: tens of millions of applications for federal

student loan debt relief.

[CBS News](#) reports on the five steps that student and parent borrowers can take to prepare for the release of the federal student loan debt relief application.

[Inside Higher Ed](#) provides a state-by-state breakdown of where borrowers are expected to receive federal student loan forgiveness.

[Higher Ed Dive](#) reports that the U.S. Department of Education estimates that its federal student loan forgiveness plan will cost \$378 billion over the next 10 years, less than the estimate prepared by the Congressional Budget Office.

[Higher Ed Dive](#) reports that the Biden Administration could make income-driven loan repayment mirror Australia's system.

[The Chronicle of Higher Education](#) reports that students spent more than \$30 billion in federal COVID Relief aid.

[NPR](#) reports that Congressional passage of the Joint Consolidation Loan Separation Act is a win for borrowers that was 16 years in the making.

[Inside Higher Ed](#) reports that a new survey found imperfect data makes it difficult to extract accurate stories about the effectiveness of a college's digital outreach.

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