



# DAILY BRIEFING

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Thursday, January 6, 2022

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## NCHER Legislative and Leadership Conference – Register Today, Choose In-Person or Virtual Option!

The NCHER Legislative and Leadership Conference, which will be held on January 31-February 1, 2022, is less than a month away! This popular conference – held just weeks after the start of the Second Session of the 117th Congress – is the first opportunity to hear about federal and state developments impacting the higher education finance industry and to meet with the House and Senate Education Committee leadership and Administration officials on your organization's advocacy priorities. [Register Today!](#) This

year's conference will be offered in two formats: in-person at the Hotel Washington in Washington, DC or virtually using the Zoom platform.

The NCHER Government Relations Committee has been hard at work putting together the draft program agenda geared toward providing important and timely sessions on the political and policy environment in Congress and the Biden Administration. This is a 'can't-miss' event for the NCHER membership and student loan colleagues! The current draft agenda includes:

- An important session that will look at the higher education policies and priorities of the Biden Administration as we head into 2022 and discuss how the NCHER membership can effectively influence the U.S. Department of Education's priorities over the next year.
- House Higher Education and Workforce Investment Subcommittee Ranking Member Gregory Murphy (NC) will speak about his priorities for higher education, including ideas for expanding college access and success, and other members of the U.S. House of Representatives and U.S. Senate have been invited as well.
- A Congressional staff panel where House and Senate staff will discuss the priorities of the Democratic and Republican leadership in the 117th Congress.
- A timely session examining the resumption of federal student loan repayment in May 2022 where experts will discuss the efforts of the Department of Education and Federal Student Aid.
- Engaging sessions examining state policies impacting higher education finance and student loan forgiveness proposals, and updates on legislative proposals around bankruptcy reform and federal regulatory efforts.
- Following the conclusion of the conference, NCHER can assist you in setting up meetings with your Congressional delegation.

Similar to the in-person Legal Meeting, NCHER will follow all federal, state, and local protections to prevent the spread of COVID-19 within the meeting space, and will observe social distancing and provide hand sanitizer for participants. The Hotel Washington will clean all meeting areas after each session. Please note that, in accordance with District of Columbia regulations, all participants must wear a face covering while in-doors and must show a record of vaccination in order to access the meeting space.

The registration fee for members to attend the in-person meeting is \$900. Once you

complete your registration, please be sure to make your reservations at the Hotel Washington [online](#) or by calling (202) 661-2400. When calling the hotel, be sure to mention the NCHER Legislative Conference in order to guarantee a room rate of \$265 per room, per night. The registration fee for members to participate virtually in all sessions is \$500 per individual, \$1,000 for two registrants, and \$1,500 for three or more – an unlimited number of – registrants. [Register Today!](#)

We look forward to seeing you at the NCHER Legislative and Leadership Conference!

## House and Senate Education Committee Republicans Send Second Letter to Department of Education on Changes to PSLF

Today, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) and Senate Health, Education, Labor, and Pensions Committee Ranking Member Richard Burr (R-NC) sent a [letter](#) to Education Secretary Miguel Cardona asking the Department a series of questions on recent changes to the Public Service Loan Forgiveness (PSLF) program, including the statutory basis for reforming the program. According to the letter, in October 2021, the Department claimed it had executive authority to waive existing PSLF Program requirements created by Congress. At that time, Ranking Member Foxx and Burr sent a [letter](#) to the Department asking for the rationale behind its decision to change existing law and requested a briefing with Under Secretary James Kvaal (and General Counsel Lisa Brown), which took place last year. Today's letter is a follow-up to that request.

## Department of Treasury Issues Final Regulation Covering Contract Modifications Due to LIBOR Transition

On Tuesday, the U.S. Department of the Treasury issued a [final regulation](#) providing guidance on the tax consequences of the transition away from the use of interbank offered rates (such as the London Interbank Offered Rate or LIBOR) in debt instruments, derivative contracts, and other contracts. In the rule, Treasury states that various tax issues may arise when taxpayers modify contracts in anticipation of the discontinuation of LIBOR, including whether such a modification may be treated as an exchange of property for other property differing materially in kind or extent, which would give rise to gain or loss. The final regulation defines “covered modifications,” which is a contract modification that is not treated as an exchange of property for other property differing

materially in kind or extent, as well as modifications that are excluded from the definition. The final regulation is effective on March 7, 2022.

## Department of Education Announces MOHELA to Service PSLF Program

Last month, the U.S. Department of Education [announced](#) that the Missouri Higher Education Loan Authority or MOHELA will take over the portfolio of federal student loans for borrowers participating in the Public Service Loan Forgiveness program and Teacher Education Assistance for College and Higher Education Program. Those borrowers are currently assigned to the Pennsylvania Higher Education Assistance Agency (PHEAA). “We have also determined that MOHELA will be the future servicer for borrowers in the Public Service Loan Forgiveness (PSLF) Program and the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program,” the announcement said. “All borrowers enrolled in PSLF and all TEACH Grant recipients will remain with FedLoan Servicing until they are transferred to MOHELA later in 2022. We will provide more details on this page as transfers continue throughout 2022.”

## Federal Reserve Releases Recent FOMC Minutes, Foretells Early Increase in Federal Funds Rate

Yesterday, the Federal Reserve released the [minutes](#) of the Federal Open Market Committee (FOMC) meeting held on December 14-15, 2021. According to the minutes, FOMC participants were of the view that, in light of elevated inflation pressures on the nation’s economy and the strengthening labor market, the increase in policy accommodation provided by the ongoing pace of net asset purchases was no longer necessary. Most participants also judged that the maximum employment criterion for beginning to raise the federal funds rate from near zero could be met relatively soon. In fact, the minutes state that: “Some participants remarked that there could be circumstances in which it would be appropriate for the Committee to raise the target range for the federal funds rate before maximum employment had been fully achieved—for example, if the Committee judged that its employment and price-stability goals were not complementary in light of economic developments and that inflation pressures and inflation expectations were moving materially and persistently higher in a way that could impede the attainment of the Committee’s longer-run goals.” Overall, the minutes stated that the FOMC expected continued robust growth in 2022, but acknowledged the emergence of the Omicron variant makes the outlook more uncertain. While the FOMC

members are of the view that inflation will decline significantly, they nonetheless revised upwards their forecasts for 2022, citing business contacts as feeling confident that they will be able to pass on higher costs of labor and material to customers. The next meeting of the FOMC is scheduled for January 25-26, 2022.

For more coverage, see this article from [The Wall Street Journal](#).

## 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:

- ([GEN-22-01](#)) [Requirement for Foreign Medical Schools to Submit Scores for the United States Medical Licensing Examination \(USMLE\) Step 2-CS](#)
- ([APP-22-01](#)) [2022-23 FAFSA® Winter Renewal Campaign](#)
- ([CB-22-01](#)) [Apply by Jan. 21, 2022 for Designation as a Title III or Title V Institution and Waiver of the Non-Federal Share Requirement for FWS and FSEOG](#)
- [GA-2022-01: Fiscal Year 2019 Cohort Default Rate Calculations \(NSLDS Guaranty Agency \(GA\) Technical Updates\)](#)

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## Member News



The Kentucky Higher Education Assistance Authority (KHEAA) recently released its [Money Tip for Students -- January 2022](#), which suggests that,

before students file their tax return, they should discuss the situation with their parents who may be able to claim them as a dependent, which could save them thousands of dollars.

KHEAA also recently released its [Financial Aid Tip for Students -- January 2022](#), which suggests that students can take other steps to ensure they receive as much money for college as possible.

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## General News

[Inside Higher Ed](#) reports that, with the Omicron variant of COVID-19 raging, a majority of institutions of higher education are putting their trust in vaccines and tried and true mitigation strategies to bring students back to campus this semester.

[Diverse Issues in Higher Ed](#) reports that, last month, the Biden Administration announced a 90-day extension on a roughly two-year, pandemic-long pause on borrowers repaying their federal student loans. While many higher education advocates and experts welcome the move, some also say bigger reforms are needed to the program.

[Fortune](#) reports that not only did President Joe Biden win the youth vote, he ran away with it. But nearly one year into office, some of those voters feel betrayed by the President's campaign promises on student debt relief. [Fortune](#) also examines how wiping out all federal student loan debt would change the economy.

[Forbes](#) publishes an article that provides a roadmap for student loan forgiveness options.

[The Nation](#) reports that President Joe Biden is still refusing to cancel federal student loan debt.

[Money](#) provides three tips to student and parent borrowers when it comes to lowering their student loan debt this year.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).

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