



DAILY BRIEFING

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House Begins Consideration of America COMPETES Act, Higher Education Amendment Made in Order

Today, the U.S. House of Representatives began consideration of [H.R. 4521, the America COMPETES Act](#), which aims to expand the nation's ability to compete in the global economy. The bill includes several higher education-related provisions, including the reauthorization of international education programs authorized under Title VI of the Higher Education Act. Yesterday, the House Rules Committee met and made an additional higher education amendment in order. The [amendment](#), proposed by Rep. Andy Levin (D-MI) and cosponsored by Reps. Raja Krishnamoorthi (D-IL), Anthony Gonzalez (R-OH), and Bryan Steil (R-WI), expands eligibility for the Pell Grant program to include short-term programs and includes the text of the College Transparency Act,

which would require the U.S. Department of Education to create a postsecondary education student data system to include information about student academic and economic outcomes. The bill is expected to be considered by the House over the next few days.

CFPB Releases RFI on Junk Fees Charged by Financial Companies

Last week, the Consumer Financial Protection Bureau (CFPB) released a [Request for Information](#) (RFI) on an initiative that it says will save households billions of dollars a year by reducing exploitative “junk fees” charged by banks and financial companies. The so-called junk fees include late fees, overdraft fees, non-sufficient funds fees, convenience fees for processing payments, minimum balance fees, return item fees, stop payment fees, check image fees, fees for paper statements, ACH fees, wire transfer fees, and account closure and inactivity fees. “Many financial institutions obscure the true price of their services by luring customers with enticing offers and then charging excessive junk fees,” CFPB Director Rohit Chopra said in a [press release](#).

The Bureau stated that this new “fee economy” distorts the nation’s free market system by concealing the true price of products from the competitive process. Through the RFI, the CFPB is seeking input from the public in order to craft rules, issue guidance, and focus supervision and enforcement. Public comments are due by March 31, 2022. For coverage of efforts by a number of major banks to eliminate or reduce account fees, see this article from [The Washington Post](#).

TICAS Brief Proposes to Reform the Student Loan Default System

The Institute for College Access and Success (TICAS) recently published a brief titled, [Federal Policymakers Must Act Now to Reform the Student Loan Default System](#), that examines the current structure of student loan defaults and provides recommendations to federal policymakers on how to make the system more equitable and better able to protect borrowers. In the brief, TICAS argues that the current student loan default system forces borrowers to take on increased financial burdens while also perpetuating inequalities by race and income. Before the federal student loan repayment pause was put in place in March 2020, 25 percent of all Direct Loan borrowers were either delinquent or in default on their loans at the end of 2019. TICAS finds that the

consequences for student loan borrowers that enter into default are unnecessarily punitive and self-defeating, and proposes the following reforms to protect borrowers:

- Protect low-income borrowers from involuntary collections by eliminating or capping garnishments and offsets.
- Allow borrowers in default to access income-driven repayment (IDR) plans, and count those payments toward forgiveness.
- Remove the mandate that borrowers pay collection fees and implement a statutory cap on fees that can be charged to borrowers in default.
- Prohibit colleges and universities from withholding students' transcripts if they owe debt to the institution.
- Remove the record of default from a borrower's credit history once resolved.
- Prohibit states from suspending, revoking, or denying state licenses due to loan default.
- Allow borrowers to rehabilitate their loans more than once.
- Restore borrowers' ability to discharge student loan debt through bankruptcy and implement a statute of limitations on the collection of student loans.
- Automatically enroll distressed borrowers in an IDR plan.
- Provide transparency throughout servicing and collections transitions.
- Provide better data on who struggles with repayment.

Georgetown's Center on Education and the Workforce Releases Report on Low-Income Students Getting Return on Investment

Last month, the Georgetown University Center on Education and the Workforce released a report titled, [The Colleges Where Low-Income Students Get the Highest Return on Investment \(ROI\)](#). According to the report, students whose families earn \$30,000 or less per year, who account for more than one-third of college students, tend to earn less than their classmates whether they attended a public or private institution. The gap persists equally among students who earn a certificate, associate degree, or bachelor's degree. But when it comes to four-year diplomas, public institutions lead the way, helping low-income students reach an average of \$951,000 in earnings over the next 40 years. Private institutions (\$863,000) and for-profit colleges (\$763,000) provide a lower ROI, the report

finds. While this order holds true for associate degrees and certificates, lifelong earnings from those diplomas can exceed \$1 million for low-income students who attend certain colleges. The analysis of U.S. Department of Education College Scorecard data from 2020 ranked several factors including net price, percent of students on Pell Grants, and those students' graduation rates. It also considered net present value, which measures "how much a sum of money in the future is valued today." For more coverage of the report, see this article from [University Business](#).

U.S. Department of Education News

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

The following announcement was posted to the Federal Student Aid's Knowledge Center:

- [\(CB-22-05\) 2020-21 Campus-Based Awards Closeout](#)

Member News



CURevl [announced](#) the launch of its new college planning website, [colleging](#), which helps families navigate the journey to college. The Federal Reserve Board Federal Credit Union is the first client to offer this exciting new resource to its members.

General News

[Roll Call](#) reports that disagreements on policy and a crowded Senate to-do list are further complicating Democrats' path to passing the Build Back Better Act, the sweeping social safety net and climate package. On Tuesday, Sen. Joe Manchin (D-WV) said that he views the bill in its current form as "dead" and wants to tackle other legislative goals first, indicating Democrats are not any closer to a deal on spending provisions than they were weeks ago.

[Business Insider](#) reports that federal student loan payments are set to resume in 90 days and examines how the U.S. Department of Education plans to make the transition easier

for borrowers.

[The Wall Street Journal](#) reports that President Joe Biden's student loan debt pledge has stalled, frustrating supporters.

[The Regulatory Review](#) examines how college enrollment algorithms worsen the student loan debt crisis.

[Yahoo](#) examines what the end of affirmative action would mean for U.S. colleges and universities.

[NextAdvisor](#) reports that income share agreements can help pay for college, but experts recommend maxing out federal student loans first.

[Miami Herald](#) reports many millennials worry that they will not be able to afford the life they want, according to a new poll by Morning Consult. Part of that stress may come from student loan debt.

[The Hill](#) reports that House and Senate Democrats have unveiled a bill to ban legacy administrations at colleges and universities.

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