



DAILY BRIEFING

Thursday, February 17, 2022

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NCHER Office Closed for Presidents' Day, Daily Briefing Resumes on Tuesday

The NCHER office will be closed on Monday, February 21, 2022 in honor of Presidents' Day. The office will reopen and the next edition of the *NCHER Daily Briefing* will be published on Tuesday. Have a safe weekend!

Department of Education Announces \$415 Million in Borrower Defense Claims

Yesterday, the U.S. Department of Education [announced](#) that it will discharge \$415 million in borrower defense to repayment claims, including \$71.7 million in claims to 1,800 former DeVry University students. In discharging the debt, the Department accused DeVry University of making widespread and substantial misrepresentations

about its job placement rates. The claims are the first to be approved for students from an institution of higher education that is still operating. The Department said that it expects the number of approved claims to rise as cases continue to be reviewed. Almost 14,000 other borrowers from Westwood College and the nursing program at ITT Technical Institute will receive the remaining \$343.7 million in borrower defense to repayment discharges. In a statement on the findings, Secretary of Education Miguel Cardona said, “The Department remains committed to giving borrowers discharges when the evidence shows their college violated the law and standards. Students count on their colleges to be truthful. Unfortunately, today’s findings show too many instances in which students were misled into loans at institutions or programs that could not deliver what they’d promised.” For further coverage, see this article from [The Hill](#).

IRS Updates FAQs on Higher Education Emergency Grants

The Internal Revenue Service recently updated its Frequently-Asked-Questions on Higher Education Emergency Grants. The fact sheet [added](#) new questions clarifying that, if an institution of higher education uses federal funds under the Coronavirus Aid, Relief, and Economic Security or CARES Act, the Coronavirus Response and Relief Supplemental Appropriations or CRRSAA Act, or the American Rescue Plan to cancel or discharge overdue balances, the student does not have to report this in their gross income. The fact sheet noted that the debt is being paid by the federal government and would typically be included in gross income. However, it would not be included in this case because the payment is in response to the COVID-19 pandemic. The fact sheet also clarifies that colleges and universities do not have to report such payments on Form 1099-MISC.

CASE Study Finds Voluntary Giving to Colleges and Universities Rose by 7 Percent in 2021

The Council for Advancement and Support of Education (CASE) recently [released](#) the findings from its Voluntary Support of Education Survey, which shows a 6.9 percent increase in donations to institutions of higher education between 2020 and 2021. The total amount of donations made to colleges and universities totaled \$52.9 billion, with the majority of donations being restricted endowments that typically fund scholarships. CASE reported that foundations and alumni continue to make up the largest sector of donors to institutions, accounting for 56.3 percent of all reported donations. Community colleges and Historically Black Colleges and Universities were among the groups that saw

the largest increase in unrestricted donations, which increased by 30.2 percent overall. Speaking to this data point, CASE Vice President for Data, Research, and Technology Cara Giacomini said, “We’ve seen overall increases in unrestricted giving in response to the visibility of stark local needs, which were exacerbated by the pandemic. This general trend along with a recognition and desire among those with means to bridge those gaps boosted giving to certain institutions.”

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 website:

- [\(DL-22-02\) Direct Loan Closeout Information for 2020–21 Program Year](#)
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General News

[The Hill](#) reports that Senate absences and last-minute talks over barring funding for drug paraphernalia are slowing down talks to pass another short-term Continuing Resolution, pushing lawmakers within 48 hours of the deadline to extend federal funding.

[The Washington Post](#) reports that consumer groups are criticizing the Biden Administration for the U.S. Department of Education’s recent efforts to fight struggling student loan borrowers who want to discharge their debt in bankruptcy.

[Diverse Issues in Higher Education](#) reports that for-profit colleges seeking to convert to nonprofit status may face tighter regulations under a proposal being discussed by a negotiated rulemaking panel set up by the U.S. Department of Education.

[Higher Ed Dive](#) reports that Johns Hopkins University has been added to a lawsuit that accuses more than a dozen top-ranked institutions of higher education of engaging in a price-fixing scheme that favors wealthy applicants and drives up the price of college.

[MarketWatch](#) reports that there are federal income tax consequences for student loan borrowers who are lucky enough to have their debt forgiven or paid off by an employer.

[Fox Business](#) reports that recent research from the Employee Benefit Research Institute shows that about 17 percent of large companies currently offer benefits for student

borrowers, while 31 percent plan to offer student loan assistance in the next two years.

[KNDO News](#) reports that the Washington State House of Representatives passed House Bill 1736 yesterday, hoping to establish a new state student loan program to provide higher education assistance to Washington graduate and undergraduate students with 1 percent interest rates.

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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

[MailPoet](#)