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NASFAA, NCAN, NASSGAP, Others Write Letter to FSA Raising Concerns with FAFSA Implementation

Earlier this week, the National Association of Student Financial Aid Administrators, National College Attainment Network, National Association of State Student Grant and Aid Programs, and five other national organizations wrote a [letter](#) to the U.S. Department of Education's Office of Federal Student Aid (FSA) Chief Operating Officer Richard Cordray raising concerns with the implementation of the upcoming new Free Application for Federal Student Aid (FAFSA). The letter was written in response to an expected delay in the launch of the new FAFSA. The FAFSA is traditionally launched in October but the Department recently indicated that it could be released as late as December this year. In

the letter, the organizations provide several recommendations for the Department to improve the processing of FAFSAs, and argues that the Department should take immediate action to address the delays and ensure students are not penalized for circumstances beyond their control. The groups ask for the Department to provide additional resources to FSA, which processes FAFSAs. The letter suggests that FSA needs additional staff and technological support to handle the increased volume of applications and address technical issues that may be causing delays. They also recommend that the Department provide clear and timely guidance to students and families about the status of their FAFSAs to alleviate anxiety.

The letter also recommends that the Department provide flexibility to institutions of higher education in awarding financial aid. It also suggests that institutions may need to adjust their policies and procedures in response to the pandemic and that the Department should provide guidance and support to ensure that institutions can provide financial aid to students who need it most.

ARRC Readout Reports Continued Transition to SOFR

Yesterday, the Alternative Reference Rates Committee (ARRC) published a readout of the meeting held on March 9, 2023. At the meeting, ARRC members noted continued progress in the transition from LIBOR [the London Interbank Overnight Rate] to SOFR [the Secured Offered Financing Rate] throughout the beginning of 2023. As shown in the charts [here](#), data from cash and derivatives markets show continued momentum in the transition to SOFR, which is predominant across both markets. Specifically, SOFR swaps have consistently accounted for more than 85 percent of daily volumes on average of interest rate risk traded in the outright linear swaps market since June 2022 while LIBOR swaps have accounted for less than about 10 percent of the overall volume over the same period.

CFPB Announces Heightened Scrutiny of Collection of Payments on Discharged Student Loans

Today, the Consumer Financial Protection Bureau (CFPB) [announced](#) that it is heightening its scrutiny of the unlawful collection of payments on discharged private student loans by some of the largest loan servicers. In the press release, the CFPB notes that it has received numerous complaints from consumers about loan servicers attempting to collect on private student loans that have been discharged by bankruptcy courts. The Bureau asserts that such collection attempts are illegal under federal law, and

the agency will be increasing its efforts to identify and hold accountable those servicers who engage in these unlawful practices.

For background, it is typically difficult for many private student loan borrowers to discharge their debt through bankruptcy because of the current “undue hardship” provision. But, because of recent court cases, a subset of private student loans are not subject to that higher standard, including loans that exceed the “cost of attendance” at a school or were used for an unaccredited school, and can be discharged through the standard bankruptcy process that applies to other types of consumer debt like credit cards. The CFPB said that some loan servicers have failed to distinguish between those different types of private student loans when it comes to bankruptcy cases. In the new guidance, the Bureau warned that loan servicers must “proactively identify student loans” that are discharged in bankruptcy and permanently stop collecting on them. The Bureau also said it had directed some companies to issue refunds to borrowers who were affected by the issue in the past. The CFPB’s announcement comes several months after a federal bankruptcy judge in New York issued an unusual nationwide injunction against Navient, prohibiting the large student loan servicer from collecting on private loans that were likely discharged in bankruptcy.

The CFPB said that it is also working to provide guidance to consumers on how to protect their rights when dealing with debt collectors. The Bureau has created a guide that outlines steps consumers can take to dispute attempts to collect on discharged student loans, including providing documentation of the loan's discharge.

House Subcommittee on Higher Education and Workforce Development Announces Hearing on Federal Student Loan Policies

On Thursday, March 23, at 10:15 a.m., the House Education and the Workforce Subcommittee on Higher Education and Workforce Development, chaired by Rep. Burgess Owens (R-UT), will hold a hearing titled "Breaking the System: Examining the Implications of Biden's Student Loan Policies for Students and Taxpayers." In a statement announcing the hearing, Chairman Owens said, “President Biden lacks the executive authority to implement his \$1 trillion executive re-write of the federal student loan program and overlooks this single basic fact: Debt cannot be canceled, only transferred from those who borrowed to those who did not. Creating an offramp for responsibility, driving up college costs, disincentivizing real loan reform, and forcing hardworking

American taxpayers to pay for someone else's loans is nothing more than a backdoor attempt at free college with abysmal implications for students, taxpayers, and our economy. Republicans are working to responsibly reform the nation's student loan program through Congressional action, and our first subcommittee hearing will tackle this critical issue head-on." The hearing will be broadcast on the Committee's [YouTube channel](#).

FCC Approves Rules to Stem Unwanted Robocalls and Robotexts

Today, the Federal Communications Commission (FCC) unanimously approved two Orders designed to crack down on illegal robocalls and robotexts. First, the FCC approved a [Report and Order and Further Notice of Proposed Rulemaking](#) that closes a critical gap in the STIR/SHAKEN Caller ID authentication regime by applying those requirements to the first intermediate provider in a calling path. The Order would also expand robocall mitigation requirements and adopt more robust enforcement tools. Second, the FCC adopted a [Report and Order and Further Notice of Proposed Rulemaking](#), which would require providers to block at the network level texts that are highly likely to be illegal. The Order covers texts purporting to be from numbers on a reasonable Do-Not-Originate list and also requires providers to establish a single point of contact for those initiating texts to resolve concerns about blocking. The Further Notice of Proposed Rulemaking would require further blocking of illegal robotexts; expand Do-Not-Call protections to robotexts; and protect consumers from getting robotexts and robocalls from multiple, unexpected callers when they provide their consent on websites for comparison shopping. According to FCC Chair Jessica Rosenworcel, this is the initial foray by the Commission into regulation of unwanted text messages. Of interest, she also stated that the Commission needs to expand the definition of autodialer in response to a recent decision by the U.S. Supreme Court.

U.S. Department of Education News

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

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

- [\(GEN-23-04\) Eligible Noncitizen Update – Afghan Arrivals](#)

General News

[The Hill](#) publishes an opinion piece discussing the HEROES Act as it relates to the U.S. Supreme Court's consideration of the federal student loan forgiveness program.

[USA Today](#) reports on the availability of the Pell Grants for Prisoners program.

Brown Center Chalkboard [released](#) a new report on the financial value of postsecondary education.

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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