



Tuesday, September 5, 2023

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Weekly Rundown

The NCHER Weekly Rundown, which includes the latest information on important events in Washington, DC, is available today and can be downloaded from the [NCHER website](#).

NCHER Webinar on Federal Agenda - Fall 2023

Tomorrow, September 6, 2023 at 2:00 – 3:00 pm ET, NCHER will hold a webinar to review upcoming federal developments for Fall 2023 with a focus on legislative and regulatory developments impacting the higher education finance community that took place in late summer and what we expect to take place in the fall as we head into the second half of the year. This is a member-only event, which means that you will need to be logged into the NCHER website to [register](#).

Senate Returns From Summer Recess With Budget Deadline Looming

The U.S. Senate returned to Washington today after the month-long August recess, as the deadline of September 30th for Congress to pass a short-term Continuing Resolution (CR) or clear as many of the 12 individual appropriations bills to fund the federal government or risk a shutdown fast approaches. House Republican and Senate Democratic leaders have acknowledged that passing a CR will be necessary to keep federal agencies open for a few more weeks – or months – as lawmakers negotiate the myriad of policy and funding issues on the appropriations bills, none of which have passed both chambers and been signed into law.

Before the recess, the Senate Appropriations Committee passed all 12 appropriations bills, including the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act. But the House Appropriations Committee has yet to complete all of its work, though the House has passed the Military Construction, Veterans, and Related Agencies Appropriations Act. The House process is currently mired in differences involving rank-and-file Republicans who want to pass a CR at last year's funding level and the House Freedom Caucus, whose members are vowing to vote against a CR unless it includes policy provisions that address their concerns about the southern border, the U.S. Department of Justice, and the Pentagon. It is currently unclear how House Speaker Kevin McCarthy (R-CA) intends to move a CR when the House returns next week. Over in the upper chamber, Senate Majority Leader Chuck Schumer (D-NY) told reporters last week, "When the Senate returns next week, our focus will be on funding the government and preventing House Republican extremists from forcing a government shutdown." Senate Minority Leader Mitch McConnell (R-KY) summed up the general sentiment of policymakers calling the process "a pretty big mess." For further coverage, see this article from [The Hill](#).

Education Under Secretary Kvaal Holds Call with Reporters on SAVE Plan Enrollment

Today, Education Under Secretary James Kvaal held a call with reporters to talk about the U.S. Department of Education's Saving on a Valuable Education (SAVE) Plan. During the call, Mr. Kvaal said that, since July 30, 1.0 million borrowers have filled out an application for the SAVE plan and currently more than 4 million borrowers have enrolled in SAVE or were rolled over from the previous RE-PAYE Plan. The Department also [released](#) data on how many borrowers have applied for the SAVE plan by state. The top five states with the largest enrollments are: Texas (345,800), California (331,600), Florida (291,100), New York (212,800), and Ohio (181,400). The five states with the lowest enrollments are: Wyoming (5,100), Alaska (6,300), North Dakota (7,500), Vermont (7,500), and South Dakota (10,700).

"We're excited to see this great level of interest in SAVE and in the income driven repayment plan specifically," said Under Secretary James Kvaal. "We know that student loan bills are challenging for a lot of families, and we want to do everything we can to make sure borrowers take advantage of the benefits that come with a federal student loan." The Department and its federal loan servicers have reached out to nearly 30 million borrowers to alert them about the new IDR application to apply for SAVE. For further coverage, see this article from [CNN](#).

Federal Student Loan Payment, Interest, Collections Pause Formally Ends

Last Friday, the federal student loan payment, interest, and collections pause ended after more than three years. Under the provisions of the Fiscal Responsibility Act passed by Congress, interest began accruing on federally held student loans on September 1st for the first time since March 2020, with payments resuming in October. While nearly 44 million borrowers will soon have to start paying off their student loan, the U.S. Department of Education has announced that it will provide a 12-month onramp for struggling borrowers where federal servicers will place all delinquent borrowers in a forbearance for 90 days and not report the delinquency to credit bureaus. For further coverage, see this article from [Yahoo News](#).

House, Senate Republicans Introduce Congressional Review Act Resolution to Overturn Income-Driven Repayment Plan

Today, Rep. Lisa McClain (R-MI) and House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) introduced [a Congressional Review Act \(CRA\) resolution](#) to overturn the U.S. Department of Education's final rule implementing the new Saving on a Valuable Education (SAVE) plan, which implements the Biden Administration's borrower-friendly income-driven repayment plan. Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) and Sens. John Thune (R-SD) and John Cornyn (R-TX) introduced a similar resolution in that chamber.

Since the announcement back in August 2022, Republicans have strongly opposed the creation of the SAVE Plan, saying that it amounts to a back-door loan forgiveness scheme where borrowers will not have to repay their federal student loans. "This scheme will leave mountains of debt at the feet of taxpayers while absolving millions of borrowers of their loans," the House members said in a [press release](#). "What's worse is that future borrowers will take on loans expecting forgiveness, which in turn encourages schools to raise tuition rates. We need to tackle the challenges of the federal student loan system head on, not with gimmicks and false promises. Republicans have real solutions, such as the Federal Assistance to Initiate Repayment (FAIR) Act. This bill ends the Biden administration's student loan scam, simplifies the repayment process, and ensures a smooth transition back to repayment."

While both the House and Senate may be able to pass the resolution (only a simple majority is required in each body), the President would surely veto the legislation if it gets to his desk. If this occurs, Republicans are also sure to fall short of the votes to override the veto.

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:

- [\(GENERAL-23-74\) SAIG Message Class File Update](#)

- [SAIG Message Class File](#)
 - [\(ANN-23-06\) Live Internet Webinar - EDEExpress 2024-25 Modernization Part 1](#)
 - [\(GENERAL-23-73\) End of Federal Fiscal Year 2023 - Impact on Funds Availability for Campus-Based, Pell Grant, Iraq and Afghanistan Service Grant, TEACH Grant, and Direct Loan Programs \(G5 and COD System\)](#)
 - [\(GRANTS-23-10\) Additional TEACH Grant Closeout Information for 2022-23 Award Year](#)
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General News

The Consumer Financial Protection Bureau posted a [blog](#) letting borrowers know that, as payments on federal student loans resume, they may be eligible for cancellation or lower payments.

[Higher Ed Dive](#) reports that the University of Arizona may be partly on the hook for \$72 million in discharged federal loans from Ashford University.

[Bankrate](#) examines the relationship between student loan debt and education level and asks: Is college education worth the cost?

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