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House Education and the Workforce Committee Passes CRA Resolution to Overturn SAVE Plan

Today, the House Education and the Workforce Committee met in executive session to consider nine pieces of legislation, including [House Joint Resolution 88](#), which uses the Congressional Review Act to overturn the U.S. Department of Education's new Saving on A Valuable Education (SAVE) / income-driven repayment (IDR) Plan. The Congressional Review Act allows both the U.S. House of Representatives and U.S. Senate to nullify federal rules by a simple majority vote.

During debate, Committee Republicans blasted the new repayment plan as a backdoor loan forgiveness program that provides wasteful subsidies to millions of borrowers at

taxpayers' expense. But Democrats said that the SAVE Plan is the most affordable student loan repayment plan in our nation's history and the resolution would undermine the economic security of millions of student borrowers. There were no amendments offered to the resolution. At the end of today's markup, the committee reported H.J. Res. 88 favorably to the House by a 23 to 19 margin. The bill now heads to the U.S. House of Representatives for additional consideration.

For additional coverage, including an archived version of the markup, visit the [committee website](#).

Higher Education Groups Join Department of Education's "SAVE on Student Debt" Week of Action

Earlier this week, the U.S. Department of Education [announced](#) that more than 100 higher education groups had joined its "SAVE on Student Debt" Week of Action with events across the country. The Department said that the participating organizations have a combined reach of more than 18 million Americans and each will hold events to provide information to student loan borrowers about the resources available as they return to repayment this fall such as encouraging borrowers to enroll in the new Saving on a New Education or SAVE Plan. The "SAVE on Student Debt" campaign is a public-private partnership with national grassroots organizations to get the word out to groups across the country about the SAVE plan. "Our partners in the SAVE on Student Debt campaign will amplify Federal Student Aid's outreach and communications to borrowers by working in communities across the country to encourage enrollment in the SAVE plan, which not only offers lower monthly student loan payments, but also protects borrowers from runaway interest and ever-growing balances." said Education Secretary Miguel Cardona. During this Week of Action, participating organizations have supposedly scaled up communications to their members, borrowers, and the public as federal student loans begin accruing interest and borrowers begin considering their options for repayment in October.

CFPB Report Finds College Tuition Payment Plans Can Put Borrowers at Risk

Today, the Consumer Financial Protection Bureau (CFPB) [issued](#) a new [report](#) entitled, "Tuition Payment Plans in Higher Education." The report found that students face risk when they enter into agreements with colleges and universities to spread the upfront

cost of tuition into several, interest-free loan payments. The report, which looked at tuition payment plans offered by nearly 450 institutions, found that many plans have inconsistent disclosures and confusing repayment terms, which puts students at risk of missing payments, incurring late fees, and accumulating debt. The report also found that many institutions withhold transcripts from students as a debt collection tool, a potentially illegal practice that can have severe consequences for students trying to begin their careers or finish their education. Additionally, the report found that some schools are partnering with third-party service providers to facilitate their tuition payment plans. In these situations, the schools act as lenders, and commonly include enrollment fees, late fees, and other fees as part of the tuition payment plan. Each term, approximately 4 million students are in some form of tuition payment plan arrangement with their school. The CFPB's report found that, while these payment plans can be a good option for some students, the plans carry risk and, in some instances, schools do not make any other option available for meeting tuition payment obligations. "Tuition payment plans offered by schools may look like a good option, but this report shows student borrowers can end up paying high fees, be forced to sign away their legal rights, or even have their transcript withheld by their school," said CFPB Director Rohit Chopra. "Colleges and universities should take a hard look at their repayment plans and avoid subjecting borrowers to high fees or coercive debt collection practices."

Michigan, Pennsylvania, Massachusetts Consider Making FAFSA Completion a Graduation Requirement

Recently, Michigan, Pennsylvania, and Massachusetts recently began considering legislation that would make completion of the Free Application for Federal Student Aid (FAFSA) a requirement for graduation for students in the state. During the 2017-18 school year, Louisiana became the first state to make completion of the FAFSA a high school graduation requirement. Since then, other states have made FAFSA completion a graduation requirement as a way of making more students aware of what financial aid is available to them. When Louisiana made the FAFSA a requirement for high school graduates, about 70 percent of high school seniors finished the form by June of that year. FAFSA completion is associated with higher education enrollment, but research is less clear on whether these mandates increase college-going rates. However, the issue is growing in popularity with Connecticut, Indiana, Nebraska, and Oklahoma having taken up FAFSA requirements all in the last year. In Michigan, State Sen. Darrin Camilleri, a Democrat, introduced [legislation](#) in late August that would mandate high school students complete the FAFSA and also require local school districts to teach students about the importance of the FAFSA for accessing federal, state, and institutional aid. The bill would

allow exemptions for certain students, including those not eligible to apply for federal aid. In Pennsylvania, State Sen. Scott Martin, a Republican, pitched a [bill](#) that would establish a FAFSA mandate but allow students to opt out with parent or guardian permission. In Massachusetts, State Reps. Andres Vargas and Chynah Tyler, both Democrats, [proposed similar legislation](#) requiring FAFSA completion, along with the creation of a fund to help students and their families fill out the FAFSA.

For further coverage, see this article from [Higher Ed Dive](#).

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:

- [Privacy Act: New Computer Matching Agreement](#)

General News

[Forbes](#) reports that \$10 billion in federal student loan forgiveness was approved under the overhaul for Total and Permanent Disability, which assists borrowers with medical issues.

[USA Today](#) reports that millions of borrowers may not have to pay-back their federal student loans as a result of loan forgiveness. But, if borrowers live in a state that has decided to tax forgiveness, they should be prepared to pay more in taxes.

New America released a [blog post](#) highlighting resources for student loan borrowers returning to repayment.

[NPR](#) reports that the Consumer Financial Protection Bureau is watching federal loan servicers closely and finding early signs that the companies are struggling as borrowers flood their phone lines.

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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