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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](#).

U.S. House Still Without a Speaker, Nine Republicans Announce Intention to Run

On Friday, the U.S. House of Representatives held another vote for Speaker of the House. House Judiciary Committee Chairman Jim Jordan (R-OH) received 194 votes, House Minority Leader Hakeem Jeffries (D-NY) received 210 votes, and 25 votes were dispersed among other candidates. In order to become Speaker, a candidate needs a majority of members taking that vote. House Republicans met later that afternoon and voted to remove Rep. Jordan as their Speaker nominee by a vote of 122-86.

Yesterday afternoon was the deadline for Republicans to file their candidacy for Speaker. Press reports indicate that nine Republicans submitted their names for the race:

- Rep. Kevin Hern (R-OK), Chair of the Republican Study Committee.
- Rep. Austin Scott (R-GA) who challenged Rep. Jordan last week, but eventually backed Jordan.
- Rep. Dan Meuser (R-PA) who is a member of the bipartisan Problem Solvers Caucus, along with the Republican Main Street Caucus.
- Rep. Jack Bergman (R-MI) who is a retired Marine Corps lieutenant general.
- Rep. Pete Sessions (R-TX) who was once House Rules Committee Chair and a key ally of former Speakers John Boehner and Paul Ryan.
- Rep. Tom Emmer (R-MN) who is the House Majority Whip and previously ran the House Republican campaign arm.
- Rep. Mike Johnson (R-LA) who is Vice Chair of the House Republican Conference and former head of the Republican Study Committee.
- Rep. Byron Donalds (R-FL) who is a member of the House Freedom Caucus.
- Rep. Gary Palmer (R-AL) who chairs the Republican Policy Committee.

According to House Speaker Pro Tem Patrick McHenry (R-NC), Republicans will hold a candidate forum this evening with a possible vote on a Republican conference nomination sometime on Tuesday. At this point, there is no specific date on when a formal vote on Speaker will occur on the House floor. For further coverage, see this article from [Politico](#).

Urban Institute Publishes Report Examining How SAVE Plan Will Affect Borrowers

Last week, the Urban Institute published a research report titled [The SAVE Plan for Student Loan Repayment](#) that examined how the U.S. Department of Education's new Income-Driven Repayment Plan dubbed the SAVE Plan will affect borrowers who

attended various fields of study. The report analyzed over 25,000 postsecondary education programs using data provided by the College Scorecard. Urban found that the SAVE plan primarily benefits graduates of undergraduate programs, particularly those with certificates and associate's degrees, while typical graduate borrowers may not see a significant reduction in payments. Borrowers who complete certificates and use the SAVE Plan will, on average, repay only 35 percent of their initial loan amount, while those who complete associate's degrees would have to repay 69 percent. Programs in liberal arts, humanities, psychology, medical assisting, and teacher education would experience the most significant decreases in the percentage of borrowers fully repaying their loans, while registered nursing, finance, and engineering programs would see the smallest reductions. Loan forgiveness rates varied by institution type, with proprietary schools having the highest forgiveness rate.

Department of Education Says 305,000 Borrowers Received Billing Errors as Return to Repayment

The U.S. Department of Education recently said that it believes about 305,000 federal student loan borrowers received bills from its loan servicers with incorrect payment amounts in recent months as they applied for the SAVE plan and prepared to begin repaying their loan. In a statement, a spokesperson for the Department said, "While we regret any error, the Department is working closely with student loan servicers to ensure that they are providing borrowers the information they need and holding servicers accountable when they do not. Because of the Department's stringent oversight efforts and ability to quickly catch these errors, servicers are being held accountable and borrowers will not have payments due until these mistakes are fixed."

Earlier this month, the Department estimated that approximately 420,000 borrowers were affected by the erroneous billing issue. But I'm Friday, the agency said that an additional review showed "a smaller number of borrowers impacted by this than initially thought." For additional coverage, see this article from [Business Insider](#).

CFPB Releases Annual Report of the Education Loan Ombudsman

On Friday, the Consumer Financial Protection Bureau (CFPB) released its annual [Report of the Education Loan Ombudsman](#), which analyzes the 9,284 student loan complaints submitted by consumers from September 1, 2022, through August 31, 2023. The report

says that the Bureau received complaints across the federal and private student loan markets, and three out of four complaints received by CFPB about student loans during this period were related to the servicing and collection of federal student loan debt. Borrowers submitted more complaints on this topic compared to recent years, which coincides with ongoing systemic changes to the federal student loan system, borrowers anticipating the return to repayment of federal student loans for the first time in over three years, and increased financial precarity among borrowers. At the same time, student loan servicers were simultaneously responsible for transferring millions of accounts, implementing new policies to reduce monthly payments, and addressing long-standing servicing failures including inadequate customer service and errors in basic loan administration.

The report details the following complaints:

- Customer service problems. Consumers reported long hold times, application processing times, and incorrect information regarding payment amounts and due dates.
- Errors related to basic loan administration. Complaints reveal a pattern of servicer errors related to monthly payment amounts, payment histories, refunds, interest accrual, and credit reporting.
- Problems accessing loan cancellation. Borrowers reported that servicers inaccurately processed applications or requests for loan cancellation programs for which they were eligible, including closed school and borrower defense to repayment (BDR) discharges, Public Service Loan Forgiveness (PSLF), and income-driven repayment (IDR) related cancellations. Even where consumers ultimately received the appropriate cancellation, processes were significantly delayed and borrowers frequently received inaccurate information.

Roughly one in four complaints received by the CFPB during this period was related to private student loan debt. For this group, complaints suggested key consumer risks, including:

- Problems accessing loan cancellation. Private student loan borrowers reported having trouble receiving accurate information about and applying for loan cancellation through bankruptcy, death, or claims that the underlying educational provider engaged in fraudulent or other illegal conduct.
- Misleading origination tactics and coercive debt collection practices related to private student loans, including institutional debts. Borrowers reported being

misled about the types of financial products their schools recommended for them and also submitted complaints about experiencing debt collection practices such as transcript withholding.

The report includes several recommendations for policymakers, law enforcement, and industry participants:

- Ensuring that federal student loan borrowers can access all protections intended for them under the law:
- Federal student loan servicers should correct processes and eliminate long hold times, processing delays, and basic errors. Furthermore, servicers should ensure that all federal student loan borrowers can access loan cancellation options for which they are eligible and that these programs are implemented consistent with the law and Department of Education policy.
- Policymakers, regulators, and law enforcement officials should remain vigilant to consumer complaints about servicing failures that create barriers to federal benefits and protections. Misinformation, delays, and errors in processing deprive consumers of the benefits and protections afforded to them under law. Detecting servicer failures is critical to effectively holding industry participants accountable for violations of the law or contractual obligations.
- Ensuring that loan holders and servicers of private student loans do not collect debt where it may no longer be legally owed or where the debt was previously discharged:
- Regulators and law enforcement should examine whether holders and servicers of private student loans have policies and procedures to accurately disclose and manage the contractual protections required by the Holder Rule. After a decade of private and government actions compiling evidence that predatory schools coerced students to take on debt through fraudulent means, holders and servicers must honor these defenses to collection.
- Companies should ensure that they are not illegally collecting on loans discharged in bankruptcy.
- Companies should also proactively provide accurate and actionable information about whether borrowers' student loans are eligible for discharge in bankruptcy without an adversarial proceeding.
- Having access to the terms and conditions of a loan is a basic protection for both current and prospective borrowers. Loan holders and servicers should post

promissory notes online so that prospective and current borrowers can understand the terms and conditions of their credit.

- Using consumer complaints to develop policies and procedures when they reveal systematic problems:
- The CFPB continues to receive complaints about the same issues, suggesting that loan holders and servicers are responding to individual complaints but failing to make systemic changes that address broadly applicable problems. Industry participants should use consumer complaints to identify and address systemic consumer protection issues within their organizations and remediate all similarly situated consumers.

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:

- [\(APP-23-18\) 2024–25 Federal School Code List of Participating Schools \(November 2023\)](#)
- [2024–25 Federal School Code List of Participating Schools \(November 2023\)](#)
- [\(GENERAL-23-86\) FSA Partner Connect – Implementation Planned for December 2023; E-App and Other Actions Required by Nov. 24, 2023](#)
- [\(GEN-23-13\) Undue Hardship Discharge of Title IV Loans in Bankruptcy Adversary Proceedings](#)

Member News



Edfinancial Services: Position Opening for Chief Compliance Officer (CCO)

The CCO is responsible for the administration of Edfinancial's compliance management program which includes the primary components of written policies and procedures, training, monitoring and corrective action, the goal of which is compliance with all applicable federal and state laws and regulation. The CCO reports directly to the Chief Executive Officer. Collaboration with other company departments is necessary to direct compliance issues to appropriate channels for investigation and resolution and will work with General Counsel as needed to resolve difficult legal compliance issues. The CCO communicates directly with the U.S. Department of Education and leads various projects for the Company.

Various other responsibilities of the CCO and the compliance department include, but are not limited to:

- Act as an independent review and evaluation body to ensure that compliance issues/concerns within the organization are being

- Access records relevant to compliance and monitoring activities and report findings.
- Conduct surveys, inspections, audits, and investigation periodically to assess staff readiness and to identify where corrections are needed.
- Re-evaluate areas of previous deficiency to identify improvements.
- Present evaluations and reports to the CEO monthly and to Senior Management at least annually but typically quarterly.
- Investigate complaints and coordinate action plans with other departments.
- Utilize knowledge of the company's purpose and applicable statutes, rules and regulations, procedures, and practices, to respond to other departments and external requests for assistance or information.
- Track all developments in connection with new laws and regulations issued by federal and state governments, particularly those directly related to student loan servicers.

Edfinancial is looking to hire a new CCO to start as soon as possible. Interested parties should send their resume to Wanda Hall, CCO, via email at whall@edfinancial.com.

appropriately evaluated,
investigated, and resolved.

- Coordinate external and internal quality assurance, compliance and audit reviews, and monitoring activities.

General News

[Inside Higher Ed](#) publishes an op-ed examining whether cost-sharing approaches can improve higher education.

[The Chronicle of Higher Education](#) publishes an article arguing that disruption is not coming to higher education.

[Fox Business](#) publishes an analysis of which states are most friendly to student loan borrowers.

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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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

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

Fax: (202) 822-2142

