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D **AILY BRIEFING**

Monday, June 7, 2021

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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](#).

Consumer Groups Send Letter to Department of Education Nominee on Undoing DeVos Agenda

Today, more than a dozen consumer groups sent a letter to Lisa Brown, who has been nominated to serve as the next General Counsel of the U.S. Department of Education urging her to undo previous policies put in place by former Secretary of Education Betsy DeVos affecting student borrowers. The groups wrote that, while Secretary DeVos' was in office, she made it more difficult to hold predatory proprietary colleges and universities accountable and borrowers were denied relief for student loan forgiveness. The groups asked Ms. Brown to stop defending court cases challenging the Trump Administration's repeal of the Obama-era gainful employment regulation; drop the Department's defense of the Trump Administration's distance education and innovation regulations; abandon the Department's appeal of a lawsuit that would allow for the discharge of loans for a class of Corinthian Colleges students; and rescind a January 2021 memo for the Office of General Counsel that says the Secretary of Education "lacked sufficient statutory authority to broadly cancel student debt."

AEI Releases New Report on Risk-Sharing Income Share Agreements

Today, the American Enterprise Institute (AEI) released a report titled, [Risk-Sharing Income Share Agreements: How a New Financing Mechanism Can Protect Taxpayers and Incentivize Universities to Offer Affordable Career-Oriented Programs](#). The report found federal policymakers need to take a hard look at the incentives that the higher education system is designed to produce and consider the big changes needed to drive better outcomes for each set of payers. The report says that, if students borrow responsibly for college and earn a good living after they graduate, their alma maters should benefit too. However, if they make too little to repay what they borrowed, the institutions should bear the burden, not taxpayers. To begin to address these challenges, Congress could make income share agreements provided by each student's institution the primary (or sole) federal financing option available to students. Like all income share agreements, students with a risk-sharing income share agreement would have their education paid for upfront in exchange for repaying an affordable percentage of their income for a predetermined number of months thereafter.

CRFB Releases Report Highlighting Partial Student Debt Cancellation is Poor Economic Stimulus

Last week, the Committee for a Responsible Federal Budget (CRFB) released a [report](#) that found partial cancellation — in this case \$10,000 or \$50,000 for each borrower -- of federal student loans would produce “only 2 to 27 cents of economic activity for every dollar of cost,” meaning that it would be a poor economic stimulus. According to CRFB, the economic multipliers for partial student debt cancellation are low because it boosts household cash flow very modestly relative to the cost. Such student debt forgiveness also would not direct more cash to those who are more likely to spend it and adding more money into the economy right now might be drowned out by bigger factors like consumer saving and the influx of COVID-19 relief aid.

NASFAA Awarded Grant to Develop Targeted Policy Solutions for Prevalent Student Loan Repayment Issues

Last week, the National Association of Student Financial Aid Administrators (NASFAA) [announced](#) that, with support from Arnold Ventures, it will begin an 18-month-long project focusing on developing policy solutions to treat the causes of student loan repayment issues. Through this grant work, NASFAA will create policy recommendations to remedy underlying flaws in the current student loan repayment system that lead borrowers into financial hardship, while underscoring the benefits of a strong self-help federal loan program. The organization will also offer recommendations that will focus on program design and delivery in order to create systemic policy change. This work will be informed by five overarching objectives:

- Strengthen and simplify income-driven repayment programs so borrowers are protected and can repay in accessible, realistic, and manageable ways.
- Re-examine the federal student loan system as a federal direct loan program, as opposed to a vestige of bank-based lending.
- Develop policies that help and incentivize borrowers to meet their obligations, and target resources toward borrowers who need assistance.
- Create policies that assist struggling borrowers, rather than further punish and hinder those who are already behind.
- Ensure policies are progressive — not regressive — for low-income students, disadvantaged students, and students of color.

In its announcement, NASFAA said that it plans to form a coalition of partners from the higher education policy community who will be asked to lend their support and help advocate for the policies developed as part of this project. A report with NASFAA's final recommendations along with a one-pager outlining the issue and core recommendations which will be distributed to lawmakers and staff will be published in February 2022 and the remainder of the grant period will be focused on advocacy efforts, with the help of coalition members.

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:

Electronic Announcements

- [Quarterly SAIG Message Class File Update \(EA ID: GENERAL-21-36\)| Knowledge Center](#)

Handbooks

- [ED COVID-19 Handbook](#) - Strategies for Safe Operation and Addressing the Impact of COVID-19 on Higher Education Students, Faculty, and Staff

Member News

SoFi [announced](#) that borrowers have the unique opportunity to refinance, at historically low rates, some or all of their federal student loans without making monthly or interest payments until October 2021.



General News

[Inside Higher Ed](#) and [Higher Ed Dive](#) report a new analysis by the College Board is the latest to find that community colleges suffered more than four-year colleges as a result of the COVID-19 pandemic. While some states actually saw gains in enrollment at four-year colleges, most of the colleges saw a loss of students with higher grades.

[Bloomberg](#) reports that monthly payments on federal student loans are frozen, but not forgiven, and the payment moratorium is expected to end soon.

[The New York Times](#) reports that the popular Parent PLUS Loan program can trap parents in debt – they are made without regard to the ability of borrowers to repay and have fewer protections when they cannot.

[Business Insider](#) reviews the Biden Administration's record, to date, of addressing the \$1.7 trillion student debt crisis.

[Inside Higher Ed](#) reports that the U.S. Department of Education has released a COVID-19 resource guide to provide information for higher education institutions about how to safely reopen for in-person instruction.

[The Chronicle of Higher Education](#) reports that more colleges and universities are going mask-optional — some by choice, others by law.

[Inside Higher Ed](#) reports that the Biden Administration has launched an initiative called the COVID-19 College Challenge for colleges and universities to encourage their students, faculty, and staff to get vaccinated against the coronavirus.

[Diverse Issues in Higher Education](#) reports on predictions for fall 2021 international student enrollment.

[Inside Higher Ed](#) reports that a bipartisan bill introduced in the U.S. Senate last week would provide federal funding into community college work-based learning programs, helping to provide students with more opportunities to further their education and the support they need to be successful. The ACCESS to Careers Act would be a critical first step in developing programs that effectively train a post-pandemic workforce, advocates say.

[Higher Ed Dive](#) reports that the College Board and ACT would be freed to sell student data to New York colleges and universities under proposed legislation, a practice that is currently forbidden.

[The Los Angeles Times](#) includes an op-ed by Editorial Board member Karin Klein who argues that students should not need a college degree to have a decent life in America.

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[June 7, 2021](#)

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