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# **D** **AILY BRIEFING**

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**Monday, June 28, 2021**

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## General News

### Week of June 28, 2021



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](#).

## FSA Announces Cancellation of ISS, BPO Vendors to Start Contract Work in Fall

On Friday, the U.S. Department of Education's Office of Federal Student Aid (FSA) announced that it was cancelling the solicitation for an Interim Servicing Solution (ISS). According to the Department, in fall 2020, FSA published the solicitation for the ISS, which was designed to provide a bridge from the current loan servicing environment to an improved future state. In December 2020, the Consolidated Appropriations Act, 2021 included several provisions related to the future of the loan servicing environment. After reviewing the impact of these provisions, FSA has canceled the ISS solicitation. FSA said that it will use this opportunity to work with leadership in the Biden-Harris Administration to refine its long-term operational strategy for loan servicing. The priority will be to ensure federal student loan borrowers have a stable, reliable, and accountable loan servicing environment that meets their needs.

In the announcement, FSA said that, in recent years, the office has delivered on the vision within the Next Generation Financial Services Environment to build newly modernized systems, tools, and resources for its customers. This included delivering a new StudentAid.gov, the myStudentAid mobile app, and enhancing systems that allow FSA to improve how it collects and analyzes data, offers more self-service options, provides better customer service, and communicates directly with students, parents, and borrowers. FSA will continue its work to bring online the Business Process Operations (BPO) vendors, whose contracts were awarded in June 2020. The BPO vendors are currently completing the Department's rigorous systems security review process and will soon receive training to start contact center work in fall 2021, at which time the BPO vendors will provide general student loan assistance to students, parents, and borrowers as they navigate processes to learn about, apply for, receive, and repay federal student aid. "As we develop long-term plans for federal loan servicing, our goals will be to improve accountability, enhance service for at-risk borrowers, and establish performance benchmarks," the announcement concluded. For more coverage, see this article from [Inside Higher Ed](#).

## Reps. Banks, Cleaver, Sens. Scott and Manchin Send Letter to Department of Education to Update Student Loan Disclosure

Reps. Jim Banks (R-IN) and Emanuel Cleaver (D-MO) and Sens. Tim Scott (R-SC) and Joe Manchin (D-WV) recently wrote a letter to Education Secretary Miguel Cardona urging the U.S. Department of Education to update and modernize student loan disclosure forms and the information provided to Direct Loan borrowers. In the letter, the signatories argue that the current forms and counseling do not disclose the interest rate and origination fee for a Direct loan and students do not receive such information prior to disbursement of a student loan. The letter questions how the Department is currently fulfilling its legal requirement to disclose interest rates at or prior to the time of disbursement and urges the agency to “utilize your authority to disclose these material loan terms ‘prior’ to disbursement.” The letter also highlights the Student Loan Disclosure Modernization Act, introduced by the lawmakers, that would require the Department to consumer test a student loan disclosure form and include material loan terms on the form, including the Annual Percentage Rate. The bill also requires students to sign the newly developed form prior to disbursement, acknowledging that they have received the disclosure. For additional coverage, see this article from [WBIW](#).

## FTC Sends Student Loan Debt Settlement Proceeds to Affected Consumers

The Federal Trade Commission (FTC) [announced](#) that it provided financial assistance to consumers as a part of a settlement with SLAC, Navloan, and the Student Loan Assistance Center who were accused of falsely telling consumers that their student loan debt would be permanently lower or eliminated in exchange for an up-front and monthly fee. The FTC also alleged that the defendants paid consumers for positive reviews on the Better Business Bureau website and failed to disclose those payments. The settlement required the defendants to pay funds to the FTC which is being used to send payments to affected consumers. The financial relief totals more than \$316,000 to 10,689 individuals.

## Bill Introductions

H.R. 4119 - To amend the Fair Credit Reporting Act to remove adverse information for certain defaulted or delinquent private education loan borrowers who demonstrate a history of loan repayment.

Sponsor: Rep. Pressley, Ayanna [D-MA-7]

Latest Action: House - 06/24/2021 Referred to the House Committee on Financial Services.

H.R. 4122 - To amend the Higher Education Act of 1965 to provide for interest-free deferment on student loans for borrowers serving in a medical or dental internship or residency program. Sponsor: Rep. Babin, Brian [R-TX-36] (Introduced 06/24/2021)

Latest Action: House - 06/24/2021 Referred to the House Committee on Education and Labor.

H.R. 4145 - To establish a matched savings program for low-income students.

Sponsor: Rep. Lee, Susie [D-NV-3] (Introduced 06/24/2021)

Latest Action: House - 06/24/2021 Referred to the House Committee on Education and Labor.

S. 2215- To amend the Internal Revenue Code of 1986 to provide for an exclusion for assistance provided to participants in certain veterinary student loan repayment or forgiveness programs. Sponsor: Sen. Stabenow, Debbie [D-MI]

Latest Action: Senate - 06/24/2021 Read twice and referred to the Committee on Finance.

S. 2244 - To amend the Higher Education Act of 1965 to provide for teacher and school leader quality enhancement and to enhance institutional aid.

Sponsor: Sen. Kaine, Tim [D-VA]

Latest Action: 06/24/2021 Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

S. 2301 - To amend the Higher Education Act of 1965 to provide capacity-building assistance to institutions of higher education to examine and address inequities in college student access and success.

Sponsor: Sen. Schatz, Brian [D-HI]

Latest Action: Senate - 06/24/2021 Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

## 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

- [Independence Day Federal Holiday Processing and Customer Service Hours \(EA ID: GENERAL-21-42\)](#), JUNE 24, 2021
- [2021–22 COD System Peak Processing Reminders \(EA ID: COD-21-04\)](#), JUNE 24, 2021

### CPS

- [2022-2023 CPS Test System User Guide](#) JUNE 28, 2021

## General News

[Inside Higher Ed](#) reports that the idea of doubling the maximum Pell Grant award has grown to be widely popular, garnering support from hundreds of organizations and people all the way up to President Joe Biden. While the proposal may have seemed pie-in-the-sky a decade ago, it is becoming less so now, according to advocates and experts.

[401k Specialist](#) reports that a new survey of 23,845 federal student loan borrowers shows that an alarming 90 percent are not prepared to pay student loans when COVID-19 pandemic student loan relief ends on September 30, 2021.

[Inside Higher Ed](#) reports that, while some colleges and universities have announced tuition freezes for the upcoming academic year, most institutions are planning to raise tuition by about 2 percent.

[Diverse Issues in Higher Education](#) reports that online instruction did not make things easier for disabled students.

[CNN](#) reports that the federal government failed to collect more than \$1 billion in fines and other money owed by colleges and universities, most of which is owed by for-profit institutions, according to a report released last week by the National Student Legal Defense Network, a non-profit advocacy group.

[Black Enterprise](#) reports that Black borrowers take on more student loan debt and earn less, according to a new report by Student Loan Hero.

[Press Wire](#) reports that the Oregon Legislature has passed the "Student Loan Borrowers Bill of Rights" that will institute basic regulations for student loan servicers and consumer protections for borrowers. It

also creates a Student Loan Ombudsperson at the Oregon Department of Consumer and Business Services to handle complaints against student loan servicers and educate borrowers about loan repayment options.

[KFOR News 4](#) reports Oklahoma legislators have passed the “Student Loan Bill of Rights” to protect students.

[The Daily Pennsylvanian](#) reports that students at Penn Law School are demanding that university administrators arrange a meeting between the Biden Administration and students and alumni who hold federal student loan debt.

[Forbes](#) reports on the five reasons to avoid student loan debt.

[Money](#) reports that borrowers eligible for Public Service Loan Forgiveness are facing massive delays waiting for student debt relief.

The Institute of International Education published a [4<sup>th</sup> report](#) in its COVID-19 Snapshot Survey Series that found 43 percent of schools reported an increase in their international student applications for this coming academic year.

[Inside Higher Ed](#) reports that campus safety and sexual assault prevention advocates are pushing U.S. Department of Education officials to put more focus on enforcement of the Clery Act.

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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

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