



DAILY BRIEFING

Monday, July 19, 2021

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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](#).

House Expected to Vote on Labor, HHS, Education Appropriations Act Later This Month

House Majority Leader Steny Hoyer (D-MD) recently [announced](#) that the U.S. House of Representatives will consider a seven-bill appropriations package the week of July 26 that includes the text of the [Labor, Health and Human Services, Education, and Related Agencies Appropriations Act](#). The House Appropriations Committee passed the bill, as well as the other 11 appropriations bills that make up the discretionary portion of the federal budget, last week. The House's decision to wait until the last week of July to take up the spending package means that the lower chamber's appropriations process will spill over into September, unless the start of the month-long August recess is pushed back. The Senate Appropriations Committee has not begun work on any of its appropriations bills meaning that a Continuing Resolution will be necessary to keep the federal government open past the start of the federal fiscal year on October 1, 2021.

NHHEAF Network Announces It Will Not Seek Extension of Federal Student Loan Servicing Contract

Today, the New Hampshire Higher Education Assistance Foundation (NHHEAF) Network [announced](#) that it will not seek or accept a renewal of its federal student loan servicing contract, whose statement of work expires on December 31, 2021. NHHEAF said that it made the decision in order to better fulfill its purpose of empowering students of all ages and backgrounds to discover and achieve their education and career goals. "While supporting students and borrowers remains central to the NHHEAF Network's mission, winding down its federal student loan servicing operations will provide the opportunity to deepen longstanding public service efforts in New Hampshire as well as enhance its nationwide education financing and borrower support through EDinvestU, its private student loan product," the announcement said. NHHEAF's decision follows the announcement by the Pennsylvania Higher Education Assistance Agency that it also will not seek or accept an extension of its federal student loan servicing contract but will assist in the transition of its borrowers back into repayment once the federal student loan payment and collections pause expires later this year.

CA Community College Chancellor Oakley to Advise Department on Higher Education Policy

Politico is reporting that California Community Colleges Chancellor Eloy Ortiz Oakley has been tapped by the Biden Administration to temporarily advise the U.S. Department of Education on higher education policy. Chancellor Oakley, who has overseen one of the largest community college systems in the country since 2016, will become a Special Advisor to Education Secretary Miguel Cardona on July 26, 2021. "Chancellor Oakley's

temporary assignment to work as a special adviser to Education Secretary Miguel Cardona is a win for California and the nation, providing more opportunity to improve higher education policy and help millions of American families,” Board of Governors President Pamela Haynes said on Monday. “Answering this call to service is a recognition of work our system is leading.”

NCAN Report Finds FAFSA Completions Dipped in 2021

The National College Attainment Network (NCAN) recently released a [report](#) that found high school students among the class of 2021 completed nearly 5 percent fewer Free Applications for Federal Student Aid (FAFSA) this year compared to 2020, a drop of more than 100,000 forms. NCAN tracks the forms through its Form Your Future FAFSA Tracker, which is updated between October 1 and June 30. The report found that:

- By July 2, the high school class of 2021 completed 4.8 percent fewer FAFSAs than the class of 2020. About 102,000 fewer seniors completed a FAFSA this year.
- An estimated 53.3 percent of the class of 2021 completed a FAFSA by July 2.
- Across the classes of 2020 and 2021, more than a quarter-million fewer seniors completed a FAFSA than would have expected, due to the COVID-19 pandemic.
- Schools with higher concentrations of students of color and students from low-income backgrounds saw greater declines in FAFSA completion. Among Title I-eligible public high schools, which largely serve low-income students, FAFSA completions took a 6.5 percent dip. Other public high schools had a 3.7 percent decline. Schools with a majority of Black and Hispanic students saw an 8.1 percent decrease in completion, compared to 2.2 percent in schools with less Black and Hispanic enrollment.
- The figures could indicate more enrollment declines for fall 2021. Last year's enrollment declines came on the heels of a smaller FAFSA completion decline.

For more coverage, see this article from [Inside Higher Ed](#).

Second Circuit Court Rules in Navient Case That Private Education Loan Not Educational Benefit, Dischargeable in Bankruptcy

Last week, the U.S. Court of Appeals for the Second Circuit released a [decision](#) in the case of *Hilal K. Homadian v. Sallie Mae, Inc., Navient Solutions LLC, Navient Credit Financing Corporation* upholding U.S. Bankruptcy Judge Elizabeth Strong’s ruling that certain

private education loans are dischargeable in bankruptcy. Generally, private education loans cannot be discharged through bankruptcy if certain conditions are met: (1) the loans are backed by the federal government or a nonprofit organization; (2) the obligations to repay the loan was made for an educational benefit, scholarship, or stipend; and (3) the loans are qualified private education loans.” In the ruling, the court stated: “Navient does not argue (in this appeal, at least) that the loan it made to Homaidan falls into either the first or third categories. Nor does Navient argue the loan constitutes a ‘scholarship’ or ‘stipend.’ Therefore, the only question remaining is whether Navient’s loan is ‘an obligation to repay funds received as an educational benefit’ under § 523(a)(8)(A)(ii).” The court found the loan did not fall into this second category and was therefore dischargeable in bankruptcy. Navient argued that the ordinary public meaning of “an obligation to repay funds received as an educational benefit” included student loans, but the bankruptcy court ruled that it would be “an unconventional way to discuss a loan.” For more coverage, see these articles from [Yahoo Finance](#), [The Wall Street Journal](#), and [Inside Higher Ed](#).

Pew Releases Survey on Borrowers’ Awareness of Payment Pause and Repayment

Last week, the Pew Charitable Trusts released a [report](#) highlighting survey results on borrowers’ awareness of the pause in federal student loan payments and its eventual end and the steps that borrowers might take to be ready for the resumption of payments. The survey found the following:

- 78 percent of borrowers said they had heard about the temporary payment pause.
- 81 percent of those who knew about the student loan payment pause said they believed the protections applied to them.
- 63 percent of borrowers affected said they had been contacted by the U.S. Department of Education or a loan servicer about actions they could take during the pause, such as continuing to make payments, updating payment amounts, or changing repayment plans.
- 31 percent of those affected said they had enrolled in different repayment plans, consolidated their loans, continued making payments, or worked to get their loans out of default during the pause.
- 52 percent of those affected by the pause said they were unsure when they would be required to resume payments.

Pew said that these topline findings indicate many borrowers will need assistance from

the Department and from loan servicers to make a successful transition back into repayment. It recommends the following items to help borrowers successfully transition back into repayment:

- Identify borrowers who were at risk of default before the pause and reach out to them before repayment restarts to discuss their options for successful resumption of payments.
- Streamline the paperwork requirements for income-driven repayment plans, which tie monthly payments to family size and income, before the restart so that borrowers can easily transition to options that often are more affordable.
- Provide a short grace period for those who struggle to make monthly payments after repayment resumes.

Pew believes these actions could help reduce the administrative barriers to a successful restart and ensure the readiness of student loan servicers to help their customers.

U.S. Department of Education News

For today's *Federal Register*, click [here](#).

The following announcements were posted to the Information for Financial Aid Professionals website:

- [Reminder: Maintaining Access to Federal Student Aid Systems for Professional Users \(EA ID: GENERAL-21-44\)](#)
- [Information about the Reallocation Process, the 2020-21 Campus-Based Reallocation Form, and the Process to Request Supplemental Federal Work-Study Funds for 2021-22 \(EA ID: CB-21-08\) | Knowledge Center](#)

General News

[CNBC](#) reports that signs are mounting student loan borrowers could get more time before they need to resume their payments.

[Yahoo](#) reports that, while President Joe Biden holds off on delivering sweeping student loan forgiveness as he promised during the campaign, Members of Congress are urging him to extend some stopgap relief for borrowers.

[The New York Times](#) reports on possible winners and losers on federal student loan policy. The Biden Administration is still debating when to end the pandemic pause on collecting

payments on federal student loans, but it is also looking ahead at broader changes to how Americans repay those loans.

[The Washington Post](#) reports that the U.S. Department of Education is routinely contesting requests for bankruptcy discharges from borrowers deep in debt and short on resources, according to recent court documents. Consumer advocates say the practice runs counter to the Biden Administration's interest in helping distressed borrowers and undermines the Department's effort to reform bankruptcy policy.

[Business Insider](#) reports that some student loan borrowers say they are struggling to get help from their loan servicers.

[CNBC](#) examines why graduate student loan debt totals continue to increase - only 25 percent of those with student loans went to graduate school, but they owe around 50 percent of all student debt.

[Inside Higher Ed](#) reports that President Joe Biden indicated the U.S. Department of Justice will appeal a federal judge's ruling against the Deferred Action for Childhood Arrivals (DACA) program, which provides protections against deportation to hundreds of thousands of young immigrants known as Dreamers who were brought to the U.S. without documentation as children.

[Higher Ed Dive](#) reports that, with the fall approaching, colleges and universities are reevaluating their vaccination mandates. Related, [Inside Higher Ed](#) reports colleges that are requiring COVID-19 vaccinations are trying to get a handle on current vaccination rates in advance of deadlines for students to submit documentation.

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