



DAILY BRIEFING

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CFPB Releases Webinar on Student Loan Debt Scams

Last week, the Consumer Financial Protection Bureau (CFPB) released a new [webinar](#) on how to spot, avoid, and report student loan debt scams. The webinar was presented by Betsy Mayotte and made in collaboration with NCHER member, The Institute of Student Loan Advisors or TISLA. The webinar examines who are third-party debt relief companies, what they do, how to identify them, what to do if a borrower is victimized by a student loan scam, and safe resources for help.

White House Releases Fact Sheet on How Build Back Better Plan Benefits Young Americans

Today, the White House released a [fact sheet](#) on how the President's Build Back Better Plan will create a better future for young Americans. According to the fact sheet, young adults have lived through two historic economic downturns - in 2008, many young workers without a college degree lost their jobs and, in 2020 at the height of the pandemic, the highest proportion of young adults between the ages of 18 and 29 were living at home with their parents. These young adults are facing additional challenges on their path to economic security, including barriers to home ownership, child care, and the threat of climate change. It says that the Build Back Better plan is a "once-in-a-generation investment that responds to the historic challenges facing the country, including young Americans." The fact sheet's section on education and workforce opportunities says the following:

"Thirteen years of school is no longer enough to be prepared for the jobs of today's economy. At the same time, the cost of education beyond high school has become unaffordable for too many students across the country. The value of Pell Grants over the last nearly 50 years has fallen from covering more than 75 percent of the cost of a four-year degree at a public university to under 30 percent, forcing millions of low-income students to take on debt. Additionally, as more young Americans rejoin the workforce or seek out new opportunities in a changing economy, there is a greater need for skill development opportunities for workers of all kinds that lead to high-quality jobs. To expand education and workforce opportunities, the Build Back Better plan will:

- **Ensure that postsecondary education is accessible and affordable for young adults, and that students who enroll are ultimately successful:** Millennials have grown up in and graduated into an economy where the majority of jobs created between 2010 and 2016 require some education beyond high school. Because of this, they are the most educated generation, but have faced challenges along the way. While more young adults from low-income backgrounds are enrolling in college, the Pell Grant has not kept up with the increase in cost. This has contributed to an increasing reliance on debt. The Build Back Better plan makes an education beyond high school more affordable and accessible by providing two years of free community college and by making college more affordable for low- and middle-income students at Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and institutions such as Hispanic-serving institutions, Asian American and Native American Pacific Islander-serving institutions, and other minority-serving institutions (MSIs). This is bolstered by increasing the maximum Pell Grant by nearly \$1,500 to help all eligible low-income students pay for a two- or four-year degree. Finally, President Biden recognizes that access is not enough - students need support to obtain a credential or degree. The

Build Back Better plan invests in evidence-based strategies to strengthen completion and retention rates at community colleges and institutions that serve students from our most disadvantaged communities.

- **Build the capacity of the existing workforce development systems:** The United States has underinvested in the workforce development system for decades. In 2018, for example, we spent less than one quarter of the average that other advanced economies spend on workforce and labor market programs as a share of GDP. This lack of investment impacts all of us: better educated workers create spillover effects for other workers and lack of employment has negative social impacts on communities. President Biden is calling on Congress significantly increase investments in American workforce development infrastructure and worker protection. This includes registered apprenticeships and pre-apprenticeships, creating one to two million new registered apprenticeships slots, and strengthening the pipeline for more women and people of color to access these opportunities through successful pre-apprenticeship programs such as the Women in Apprenticeships in Non-Traditional Occupations. It also invests in sector-based training programs, which are comprehensive training programs that include wraparound services, paired with high-quality training and effective partnerships between educational institutions, unions, and employers – guaranteeing placement in a good quality, in-demand job. The sector-based training investments will provide millions of workers –particularly young workers, women and workers of color –with pathways into high job-quality sectors including, clean energy, manufacturing and infrastructure. This will ensure these underserved groups have greater access to new infrastructure jobs.”

Rep. Courtney Calls on President Biden to Extend the Federal Student Loan Payment Pause, Congress to Allow Student Loan Refinancing

Yesterday, Rep. Joe Courtney (D-CT) gave a speech on the floor of the U.S. House of Representatives where he urged President Joe Biden to extend the pause on federal student loan payments. In the speech, Rep. Courtney said that he recently sent a letter to the President urging him to extend the pause as the economy is still recovering from the economic fallout associated with the COVID-19 pandemic. He also said that the recent decision by the Pennsylvania Higher Education Assistance Agency and New Hampshire Higher Education Assistance Foundation to withdraw from the federal student loan program means that borrowers will need to be shifted to new federal student loan servicers and is another reason that the President should extend the pause. Rep.

Courtney also called on Congress to act to solve problems in the federal student loan program, and discussed introduction of the Recognizing Military Service in Public Service Loan Forgiveness Act, which allows all veterans to qualify for the Public Service Loan Forgiveness Program, and support for allowing borrowers to refinance their federal student debt to reduce their interest rates.

Sen. Durbin Introduces Adjunct Faculty Loan Fairness Act, Expands PSLF

Today, Senate Majority Whip Dick Durbin (D-IL), and Sens. Tammy Duckworth (D-IL), Mazie Hirono (D-HI), and Cory Booker (D-NJ) introduced the Adjunct Faculty Loan Fairness Act, which would allow part-time faculty at colleges and universities to be eligible to participate in the Public Service Loan Forgiveness (PSLF) program. “Our adjunct professors spend hours, in and out of the classroom, ensuring that students get the best education possible,” Sen Durbin said in a [press release](#). Despite their hard work, they aren’t eligible for the same benefits that their full-time colleagues are. It’s only right that we acknowledge the public service of our adjunct professors and expand the Public Service Loan Forgiveness program to offer them necessary student debt relief. It’s a simple change that would make a resounding impact on educators.”

According to the press release, PSLF is designed to encourage graduates to pursue a career in public service by offering loan forgiveness after 10 years of full-time work in government or the non-profit sector. Under current law, a public service job is defined as full-time work, or a minimum weekly average of 30 hours on an annual basis as verified by the public service employer. It may be difficult or even impossible for the thousands of adjunct faculty who work at several schools on a contingent basis to meet the 30-hour minimum requirement. As such, these instructors, despite often working more than 30 hours, are effectively barred from participating in the program. The *Adjunct Faculty Loan Fairness Act* would expand PSLF to include part-time faculty in the loan forgiveness program. The bill is also supported by Service Employees International Union, American Federation of Teachers, National Education Association, and National Association of Graduate-Professional Students.

ARRC Announces Conventions and Use Cases for Transition to SOFR and Away from LIBOR

Yesterday, the Alternative Reference Rates Committee (ARRC) [announced](#) conventions

and use cases for how best to employ the Secured Overnight Financing Rate or SOFR term rates to successfully transition away from the London Inter-Bank Offered Rate or LIBOR. The ARRC said that its former recommendation to adopt SOFR is expected to follow shortly after the July 26 move of interdealer trading conventions to SOFR. “Market participants now have the tools and necessary guidance to support use of the SOFR Term Rate in transitioning away from LIBOR.” said Tom Wipf, ARRC Chairman and Vice Chairman of Institutional Securities at Morgan Stanley. “Once the SOFR First swaps convention switches on July 26th and the ARRC formally recommends the SOFR Term Rates, market participants should have what they need to use SOFR in all its forms across financial markets, including the use of the SOFR Term Rates for business loans.” Today’s announcement builds on the ARRC’s term rate principles, term rate market indicators, and Request for Proposals update, which the ARRC believes provide clear guidance as a transition to a SOFR-based term rate.

U.S. Department of Education News

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

The following announcement was posted to the Information for Financial Aid Professionals website:

- [HEAL Program Information – Maximum HEAL Program Interest Rates for Quarter Ending Sept. 30, 2021 \(EA ID: LOANS-21-07\)](#)

General News

The Consumer Financial Protection Bureau released a [blog post](#) celebrating the 10-year anniversary of the Bureau’s efforts to protect consumers.

[Inside Higher Ed](#) reports that Sen. Elizabeth Warren (D-MA) is continuing to hold up a vote on the confirmation of James Kvaal to serve as the Under Secretary, as Congress’s August recess approaches and big decisions for the U.S. Department of Education’s regulatory agenda are on the horizon.

[University Business](#) reports that, in newly released surveys conducted by Intelligent.com in April 2021, 25 percent of 1,250 parents who have at least one student in college admitted they resorted to “unethical actions” to try to get their kids into a postsecondary institution. Many of those parents, researchers said, were not from upper-crust

backgrounds but earn less than \$50,000 per year.

[*The Chronicle of Higher Education*](#) continues to update its list of colleges and universities that will require students or employees to be vaccinated against COVID-19.

[*Diverse Issues in Higher Education*](#) reports on a new study that examines how the events of this past year have impacted Black education at a national level. The report, “Black Education in the Wake of COVID-19 and Systemic Racism: Toward a Theory of Change and Action,” is the product of the Black Education Research Collective at Columbia University’s Teachers College.

[*Higher Ed Dive*](#) reports that Augustana College in Illinois is piloting post-graduation income insurance for 20 students who transfer there by August 23rd, billing the program as the first of its kind in the U.S. The program promises students that they will earn at least the average income for their academic fields for the first five years after graduating from Augustana. If they do not, the students will be paid the difference.

[*Westport News*](#) includes an op-ed by Texas State University Presidential Fellow William Chittenden who argues that canceling student loan debt will barely boost the economy, but a targeted approach could help certain groups.

[*Sentinel & Enterprise*](#) reports that, with the moratorium on federal student loan payments scheduled to expire on October 1, Massachusetts Attorney General Maura Healey’s office has assembled a team to deal with any questions or concerns borrowers might have after the grace period ends.

Marketplace released a [podcast](#) that discusses student loan forgiveness.

[*Roswell Daily Record*](#) reports that teachers with outstanding student loan debt may be eligible to receive \$6,000 a year from the Teacher Loan Repayment Program administered by the New Mexico Department of Higher Education.

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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