



DAILY BRIEFING

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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 Financial Services Committee Expected to Markup LIBOR Transition Bill on Wednesday

On Wednesday, the House Financial Services Committee is currently scheduled to meet in executive session to consider [H.R. 4616, the Adjustable Interest Rate \(LIBOR\) Act of 2021](#). The bill, sponsored by Rep. Brad Sherman (D-CA), is intended to establish a clear and uniform process, on a nationwide basis, for replacing the London Inter-Bank Offered Rate (LIBOR) with the Secured Overnight Financing Rate (SOFR) in existing contracts that do not provide for a clearly defined fallback benchmark rate. Under the bill, the replacement rate would take effect on July 1, 2023, unless the Federal Reserve determines that any LIBOR tenor will cease to be published or cease to be representative on a different date. Upon replacement, SOFR would, by operation of law, be the benchmark replacement for any LIBOR contract that contains no fallback provisions. The bill provides adjustment factors for each tenor of LIBOR, which for 1-month LIBOR is 0.11448 percent. The legislation also provides that it is not necessary to obtain consent from, or give advance notice to, any person prior to the adoption of the replacement benchmark, and that the selection or use of the replacement rate and conforming changes shall not be deemed to impair or affect the right of any person to receive a payment, or to affect the amount or timing of such payment. The bill provides for the preemption of state law. Finally, the current bill includes a section that addresses the calculation of special allowance payments of Federal Family Education Loan Program loans for which the payment is based on 1-month LIBOR. However, the language is expected to be stricken on Wednesday to prevent a referral to the House Education and Labor Committee. NCHER and the student loan industry are urging Rep. Sherman to address the issue as the bill moves to the floor of the U.S. House of Representatives.

Department of Education Seeks Input on Public Service Loan Forgiveness Program

Last week, the U.S. Department of Education published a [Federal Register notice requesting public comments](#) on ideas to identify and resolve challenges with the implementation of the Public Service Loan Forgiveness (PSLF) program. In a [blog post](#) announcing the Request for Information, Julie Margetta Morgan, Senior Advisor and Acting Under Secretary of the Department, emphasized that fixing PSLF has been a priority for the Biden Administration and highlighted some of the actions the Department has taken to make improvements to the program such as creating a single application that certifies employment, counts payments, and allows borrowers to check on their status

toward forgiveness under PSLF and Temporary Expanded PSLF. The Department also now counts lump-sum payments and prepayments as qualifying payments for the purposes of loan forgiveness and launched a new PSLF Help Tool to make it easier for borrowers to determine their eligibility. However, Ms. Morgan said that there is more work to do if the PSLF Program is to live up to its promise. The request seeks answers to the following questions:

- What features of PSLF are most difficult for borrowers to navigate?
- What barriers prevent public service workers with student debt from pursuing PSLF or receiving loan forgiveness under PSLF?
- For borrowers who have or had loans other than from the Direct Loan program, what have your experiences been when trying to access or participate in PSLF?

The request follows the Department's recent announcement that PSLF improvements may be a topic during the upcoming negotiated rulemaking sessions and, during the public hearings, the need to simplify the program was a part of daily commentary. The Department is requesting all comments to the *Federal Register* notice be submitted by September 24, 2021. For more coverage, see this article from [Forbes](#).

Ranking Member Foxx Sends Letter to Education Secretary Cardona Asking About Plan to Transition Student Loan Borrowers

Last week, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) wrote a [letter](#) to Education Secretary Miguel Cardona discussing the importance of the U.S. Department of Education ensuring a smooth transition for student loan borrowers impacted by the recent announcements that two federal student loan servicers will not renew their contracts when they expire later this year. Previously, Ranking Member Foxx sent a similar [letter](#) to Secretary Cardona on July 12th, posing several questions on the Department's plans to transition borrowers served by the Pennsylvania Higher Education Assistance Agency (PHEAA) to new servicers. In this most recent letter, Ranking Member Foxx notes that she has yet to receive answers to the questions posed, but the issue is even more pressing now. The new letter asks several more questions, including what borrowers are being told about the transition, when will borrowers be notified of the transition if they have not already, whether the Department has knowledge of any other servicers unlikely to renew their servicing contracts, and what concerns have servicers shared with the Department regarding their servicing contracts.

Data for Progress Releases Poll on Public Attitudes on Student Loans

Data for Progress, in conjunction with Student Defense and the Progressive Campaign Change Committee, recently released a poll on public attitudes on student loans. According to the poll, large majorities of Democratic and independent voters want to see an extension of the federal student loan payment pause beyond this fall (Dems: 73 percent in support and 19 percent in opposition; independents: 54 percent in support and 34 percent in opposition), while most Republicans do not (38 percent in support and 55 percent in opposition). The poll also found that large majorities of Democrats (65 percent), independents (59 percent), and Republicans (58 percent) said they supported treating student loan debt like other types of debt during bankruptcy proceedings. Finally, the poll found that the Obama-era "gainful employment rule" had strong support among Democrats and independents. More than three-quarters of Democrats said they supported bringing back the rule, meant to make sure graduates of schools that receive federal student aid can repay their loans. Republican voters were split: 44 percent supported the idea while 40 percent were opposed. For more coverage, see this article from [Politico](#).

Rep. Hayes Introduces Time for Completion Act

Last week, Rep. Jahana Hayes (D-CT) introduced the [Time for Completion Act](#), a bipartisan, bicameral proposal that is designed to help community colleges more accurately report on graduation rates to provide better transparency for students selecting an academic institution. The bill would modify existing reporting requirements under the Higher Education Act to better capture the increasing postsecondary education populations of mostly part-time and non-first-time students, students with disabilities, and others who are earning a full-time degree or certificate at community colleges. "If a high school student, returning college student, or certificate-seeking student is looking for reliable data to determine which community college they should attend, the data would be lacking useful information," Rep. Hayes said in a press release. "Graduation in four years is a small percentage of the total population, and this data should be shared consistently across all demographics using current metrics. As a graduate of a community college, this information would have been critical as I made decisions about my academic journey."

U.S. Department of Education News

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

General News

[Inside Higher Ed](#) reports that calls are continuing to grow for the Biden Administration to extend the student loan repayment "pause" that expires at the end of September. Recent survey data shows that borrowers are not prepared for payments to resume, while the U.S. Department of Education has yet to communicate a decision with the deadline fast approaching.

[Forbes](#) reports that, according to new research from the Committee for a Responsible Federal Budget, a non-partisan, non-profit organization, both total student loan cancellation and partial student loan cancellation will have a minimal effect on the economy.

[Business Insider](#) reports that President Joe Biden has been assessing the legality of canceling \$50,000 in student debt for millions of Americans. After several months, there is still no word on his decision.

[The Wall Street Journal](#) reports that Al Lord, the former Chief Executive Officer of Sallie Mae, has a complaint about higher education: The price of college is too high.

[CNBC](#) reports that, according to the National Center for Education Statistics, just 41 percent of first-time full-time college students earn a bachelor's degree in four years, and only 59 percent earn a bachelor's in six years. When looking at those who took out student loans to finance their degree, the graduation rates are relatively similar.

[ClearanceJobs](#) reports on 12 ways military members and veterans can reduce student loan debt.

[Inside Higher Ed](#) reports on the future of campus tours. They are smaller than they used to be and are mostly outside, but many colleges and universities fear the Delta variant could change things for the worse.

[Inside Higher Ed](#) reports that the Association of American Medical Colleges is urging medical schools and teaching hospitals to mandate COVID-19 vaccination for their employees.

[The Hechinger Report](#) reports that some colleges and universities are easing up on pushing undergraduates into picking their majors right away. The idea bucks the trend of putting

students on the fast track to careers.

[*The Chronicle of Higher Education*](#) reports that new student visa data paints an optimistic picture for fall enrollments. As U.S. consulates around the world reopen, student visa issuance is returning to pre-pandemic levels, bringing relief to colleges and universities that had feared yet another semester with many international students stranded overseas.

[*Higher Ed Dive*](#) reports on what colleges can do after the Deferred Action for Childhood Arrivals program was ruled unlawful. Institutions of higher education should signal their support to unauthorized immigrant students and provide them with mental health services on campus, policy and higher education experts say.

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