



DAILY BRIEFING

Monday, August 2, 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](#).

Senate Judiciary Committee Announces Witnesses for

Student Loan Bankruptcy Hearing

Today, the Senate Judiciary Committee announced the witness list for its hearing on “Student Loan Bankruptcy Reform,” which is currently scheduled at 10:00 a.m., ET on Tuesday, August 3, 2021. Witnesses include the following: The Honorable Kwame Raoul, Attorney General, State of Illinois; Elizabeth Gonzalez, Directing Attorney, Consumer Law Unit, Public Law Center; Diane Barta, Consumer; Dr. Beth Akers, Senior Fellow, American Enterprise Institute; Christopher Chapman, President And Chief Executive Officer, AccessLex Institute. The hearing will be livestreamed on the [committee website](#).

CFPB Announces Debt Collection Rules Will Take Effect on November 30

Last Friday, the Consumer Financial Protection Bureau (CFPB) [announced](#) that its two final debt collection rules issued last year will become effective as originally scheduled on November 30, 2021. For background, on April 7th, the CFPB issued a [Notice of Proposed Rulemaking \(NPRM\)](#) proposing to extend the effective date of both rules issued by the Trump Administration until January 29, 2022 in order to give interested parties additional time to comply with the new requirements. Last week’s announcement states that public comments received in response to the NPRM did not support the extension and that industry commenters stated that they would be prepared to comply with the rules as originally scheduled. Some observers believed that the Bureau released the NPRM in order to revise the rules, and the recent announcement indicates that consumer advocates urged reconsideration of the rule. However, the announcement indicates that reconsideration of the rules was beyond the scope of the NPRM and could raise concerns under the Administrative Procedure Act. At the same time, the Bureau says that “Nothing in this decision precludes the CFPB from reconsidering the debt collection rules at a later date.”

The two final rules were issued under the Fair Debt Collection Practices Act (FDCPA) and will be collectively referred to as Regulation F. The [main rule](#), issued on October 30th, focuses on debt collection communications and clarifies the FDCPA’s prohibitions on harassment and abuse, false or misleading representations, and unfair practices. The [supplementary rule](#), issued on December 18th, has three main components: validation notices, passive debt collection through negative reporting, and the collection of time-barred debt. For additional coverage, see this article from [insideARM](#).

House and Senate Education Committee Leaders Send Letter to Secretary Cardona on Student Loan Repayment

Last week, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) and Senate Health, Education, Labor, and Pensions Committee Ranking Member Richard Burr (R-NC) sent a [letter](#) to Education Secretary Miguel Cardona urging him to restart monthly student loan payments on October 1st when the current moratorium is expected to expire. In the letter, the lawmakers ask Secretary Cardona to clarify whether the U.S. Department of Education planned to resume collecting student loan payments this fall and to address the growing uncertainty over whether it will again extend the pandemic relief, which applies to some 40 million federal student loan borrowers.

Ranking Member Foxx and Ranking Member Burr [wrote](#) that Department officials had advised their staff “that the Department is preparing to transition the federal student loan portfolio back into repayment on October 1, 2021.” The lawmakers, who previously raised concerns about the taxpayer costs of continuing the student loan relief, said they were “very pleased to hear this news” but worried that borrowers are “receiving mixed messages” on the issue. “Student loan borrowers deserve clarity,” they wrote to the Secretary. “Are you going to restart payments on October 1 as your staff has indicated, or are you going to cave to progressive activists and ask the President to support another extension?” A Department spokesperson confirmed to *Politico* that the agency received the letter but declined to comment on it. Earlier this month, *Politico* [reported](#) that top Department officials had recommended to the White House that the Biden Administration postpone monthly student loan payments until the end of January 2022. But the White House has not yet made a final decision on that recommendation.

Senate Democratic and Republican Negotiators Unveil \$1 Trillion Infrastructure Package, Budget Resolution Expected Later This Week

Last night, Senate Democrats and Republicans unveiled the legislative text of the \$1 trillion infrastructure package that is expected to be considered by the U.S. Senate today. The bipartisan package was released after weeks of negotiations from senators in both parties. In a speech on the floor, Senate Majority Leader Chuck Schumer (D-NY) said that given “how bipartisan the bill is” he believes “the Senate can quickly process relevant amendments and pass this bill in a matter of days.” The infrastructure package does not contain any higher education provisions, but it includes \$73 billion to rebuild the electric grid, \$66 billion for passenger and freight rail, \$65 billion to expand broadband Internet access, \$55 billion for water infrastructure, \$40 billion to fix bridges, \$39 billion to modernize public transit like buses, and \$7.5 billion to create the first federal network of charging stations for electric vehicles.

Following passage of the bipartisan infrastructure package, the Senate is expected to consider a budget resolution, which is a blueprint that sets tax and spending priorities for the upcoming year. The resolution is expected to contain budget reconciliation instructions to several committees, including the Senate Health, Education, Labor, and Pensions Committee, to carry out the provisions of the White House's American Families Plan that would increase the maximum award for Pell Grants and provide free community college. Leader Schumer has said that he expects the Senate to pass the budget resolution before the chamber leaves for the August recess by the end of the week. For more coverage, see this article from [CNN](#).

Department of Education Announces Expansion of Second Chance Pell Program

Last week, the U.S. Department of Education [announced](#) that it would expand its Second Chance Pell experiment by inviting new institutions of higher education to participate in the program. The program allows approved institutions of higher education to provide Pell Grants to incarcerated students. There are currently 131 institutions participating in the Second Chance Pell experiment, but Friday's announcement will allow for up to 200 two- and four-year colleges and universities to participate in the program. The announcement states that institutions interested in applying to participate in the new cohort of Second Chance Pell may submit an [application](#) to the Department. An [electronic announcement](#) published on Friday includes instructions on how schools should submit their applications to the Department, and additional details on the information that should be included. Applications will be open from July 30, 2021 for institutions to be accepted for the 2022-23 award year, and should be submitted no later than October 28, 2021.

For additional coverage, see this article from [Higher Ed Dive](#).

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:

- [Invitation to Participate in the Second Chance Pell Experiment Under the Experimental Sites Initiative \(ESI\) \(EA ID: GENERAL-21-46\)](#)

- [Errata and Updates – Volume 1 and Application and Verification Guide \[2021-2022 Federal Student Aid Handbook\] \(EA ID: GENERAL-21-45\)](#)
 - [Completing the 2022-23 FISAP Online Training Course](#)
 - [Training Workshops – 2021-22 Fundamentals Training Series](#)
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General News

[Inside Higher Ed](#) reports that Republican members on the House Education and Labor Committee are not sold on the idea that doubling the maximum award for the Pell Grant would help lower-income students better afford college.

[Fox Business](#) reports that the Biden Administration has cancelled \$1.5 billion in student loan debt since taking office in mid-January and who could benefit next.

[Forbes](#) reports that federal student loan cancellation may help more borrowers, but that does not mean the President will cancel everyone's student loans.

[Forbes](#) examines how some colleges and universities are using their federal COVID-19 relief funds to cancel some student debt.

[Essence](#) reports that student loans are in the spotlight as lawmakers urge an extension of the repayment pause and debt cancellation scheduled to expire at the end of September.

[Higher Ed Dive](#) reports that more than two-thirds of bachelor's degree-granting colleges will not require SAT and ACT scores for at least some students for the fall 2022 admissions cycle, according to the latest count by Fair Test.

[Inside Higher Ed](#) reports that more public and private two-year and four-year colleges closed or merged between 2019-20 and 2020-21 than was true for proprietary institutions, a change from recent trends.

[The Chronicle of Higher Education](#) reports that college leaders are calling their employees back to campus. As part of this trend, human-resources offices are developing new telecommuting policies and a consensus is emerging among employees and their managers: remote work – or at least more flexibility – is becoming a key tool for attracting and retaining staff.

[Inside Higher Ed](#) reports a new report from McKinsey and Company, a global management and consulting firm, argues that increased funding for Historically Black Colleges and Universities could help close the racial wealth gap, diversify the American workforce, and benefit the national economy.

[The Chronicle of Higher Education](#) reports that, as the Center for Excellence in Higher Education prepares to close its remaining college locations, the company is pressuring students to transfer to institutions where it could be in a position to profit, at least according to a recent letter sent by the U.S. Department of Education to the nonprofit college operator.

[Inside Higher Ed](#) reports that a federal judge recently upheld the final rule on Title IX promulgated by former Secretary of Education Betsy DeVos, but he struck down a key provision that prohibits colleges and universities adjudicating sexual misconduct allegations from considering statements not subject to cross-examination.

[NY1](#) examines on whether President Joe Biden will cancel student loan debt as the COVID-19 pandemic pause on loan payments winds down.

[The Hill](#) includes an op-ed by former International Monetary Fund Economist Robert Hildreth who argues the time is right to restructure student loan debt.

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