



DAILY BRIEFING

Wednesday, December 1, 2021

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SAVE THE DATE: NCHER Legislative and Leadership Conference to be Held January 31–February 2, 2022 in Washington, DC

NCHER will hold its annual Legislative and Leadership Conference on January 31–February 2, 2022 in Washington, DC. The conference, which will be in-person, is open and designed for everyone across the higher education finance industry and will provide important and timely sessions on the political and policy environment in Congress and the Biden Administration. The conference will also provide attendees with ample

opportunities to network and learn, and allow time for our members to meet with their Congressional delegations on Capitol Hill. The NCHER staff is currently working on a draft program agenda that will be released next week; in the meantime, [register](#) today and take advantage of the Early Bird registration rate. Also, be sure to make your reservations at the Hotel Washington [online](#) or by calling (202) 661-2400. When calling the hotel, be sure to mention the NCHER Legislative Conference in order to guarantee a room rate of \$265 per room, per night.

We look forward to seeing you in-person in Washington, DC!

Axios: Senate Banking Committee Ranking Member Toomey Warns White House Not to Appoint Cordray to Federal Reserve

Axios reported that Senate Banking, Housing, and Urban Affairs Committee Ranking Member Patrick Toomey (R-PA) recently warned the White House not to nominate Richard Cordray, a progressive, former director of the Consumer Financial Protection Bureau (CFPB), and current Chief Operating Officer of Federal Student Aid, to be the top banking regulator on the Federal Reserve. Ranking Member Toomey said that Republicans would use the nomination to re-litigate his tenure at the CFPB. “Richard Cordray’s disastrous and divisive tenure at the CFPB raises serious questions about how he might undermine the Fed’s independence and nonpartisan reputation,” the Ranking Member said. “This is the individual who helped Elizabeth Warren stand up an agency so unaccountable the Supreme Court took away its independent status. I’d hope the White House considers less divisive figures for this role.”

In an evenly divided U.S. Senate, President Joe Biden has to consider how Republicans, as well as Democrats, will respond to his nominees. Last week, the President announced his decision to renominate Fed Chair Jerome Powell for a second term and elevate Lael Brainard, currently a Fed governor, to the other vice chair slot. If all Republicans uniformly oppose Mr. Cordray, who was confirmed for his CFPB role in 2013 by a 66–34 margin, he could face a difficult confirmation process. Five of the 12 Republicans who supported Mr. Cordray in 2013 remain in the Senate. Ranking Member Toomey voted against him. Sen. Joe Manchin (D-WV), a key centrist, supported him eight years ago. The White House already is on notice that the President’s pick to lead the Office of the Comptroller of the Currency, Saule Omarova, is unlikely to be confirmed after five Democrats indicated they would oppose her. The White House did not immediately respond to a request for comment from Axios. Last week, the President said that he would

make a decision on the three remaining open central bank positions in early December.

For more coverage of the White House's consideration of Mr. Cordray, see this article from [PYMTS.com](https://pymts.com).

FSA Releases Toolkit to Prepare Borrowers for Student Loan Payments to Restart

The U.S. Department of Education's Office of Federal Student Aid (FSA) recently released a new toolkit titled, [Resources to Prepare for Student Loan Payments to Restart](#), which is aimed at preparing students, borrowers, and families for the resumption of federal student loan payments beginning February 2022. The toolkit provides interested stakeholders with a [fact sheet on returning to repayment](#) that highlights the key information that students and their families need to know, general email templates, which provides actions that borrowers can take, sample social media posts, and video content that encourages borrowers to prepare for student loan payments to begin again. The website that houses the toolkit will be updated regularly with resources about repayment restarting.

ARRC Releases Newsletter for October and November

Today, the Alternative Reference Rates Committee (ARRC) distributed a [newsletter](#) covering key news items relating to alternative reference rate transitions during October and November 2021. The newsletter notes that the ARRC released a "time to move" recommendation urging that all market participants act now to slow their use of U.S. dollar LIBOR [London Interbank Offered Rate] and leverage the October and November timeframe as a key window to reduce such activity to promote a smooth end of new LIBOR contracts by the end of the year.

Separately, the U.S. House of Representatives may consider [H.R.4616, the Adjustable Interest Rate \(LIBOR\) Act of 2021](#), which facilitates the transition away from LIBOR, this month. The bill, sponsored by Rep. Brad Sherman (D-CA), was reported out of the House Financial Services Committee by voice vote on July 29, 2021. NCHER is working with other student loan trade associations to encourage language that would provide for the replacement of LIBOR in the special allowance calculation formula for loans under the Federal Family Education Loan Program.

CBO Report Projects Nation's Debt Limit Will Be Reached in December

Yesterday, the Congressional Budget Office (CBO) released a new report on the [Federal Debt and the Statutory Limit - November 2021](#), which projects that the U.S. Department of Treasury will run out of cash to pay the federal government's bills before the end of December 2021. The report says that Treasury has already reached the new debt limit of \$28.9 trillion, so it currently has no room to borrow under its standard operating procedures, other than to replace maturing debt. To avoid breaching the limit, Treasury is using the extraordinary measures that allow it to continue to borrow additional amounts for a limited time. The latest projection from CBO assumes that Treasury will follow through on its plan to complete a \$118 billion transfer to the Highway Trust Fund on December 15, which is required under the bipartisan infrastructure package that was enacted into law earlier this month. The consequences of Congress not raising the debt ceiling could include delays of certain federal government payments, a default on the federal government's debt obligations, or some combination of both outcomes. For CBO's statement on its report, click [here](#).

Federal Reserve Releases Beige Book, Showing Continued Economic Growth

Today, the Federal Reserve released the newest edition of its [Beige Book](#), which showed that economic activity grew at a modest to moderate pace in most Federal Reserve Districts during the October to early November timeframe. According to the report, several Federal Reserve Districts noted that, despite strong demand, growth was constrained by supply chain disruptions and labor shortages. Prices rose at a moderate to robust pace, with price hikes widespread across sectors of the economy. There were wide-ranging input cost increases stemming from strong demand for raw materials, logistical challenges, and labor market tightness. The Beige Book is a Federal Reserve System publication about current economic conditions across the 12 Federal Reserve Districts. It characterizes regional economic conditions and prospects based on a variety of mostly qualitative information. The report is published eight times per year.

U.S. Department of Education News

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

Member News



The Kentucky Higher Education Assistance Authority recently released its [Financial Aid Tip for Students – December 2020](#), which urges students to

avoid common mistakes when seeking financial aid. For example, even if you do not believe that you will qualify for financial aid, you should still file the Free Application for Federal Student Aid each school year. Another common mistake is waiting until the last minute to apply for financial aid. Some programs have deadlines, while others have limited funds.

General News

[Inside Higher Ed](#) provides further coverage on remarks from Federal Student Aid's Chief Operating Officer Richard Cordray at the FSA Training Conference where he expressed concern about declines in FAFSA [Free Application for Federal Student Aid] completion. Related, [Yahoo](#) provides further coverage of his response when asked about student loan cancellation – 'it is a decision for the White House to make.'

[The Chronicle of Higher Education](#) examines where graduate enrollments are booming.

[Forbes](#) publishes a column examining what borrowers need to know about qualifying for automatic student loan forgiveness.

[The Chronicle of Higher Education](#) continues its yearlong series on student success with a focus on first generation students and the gap that still exists. Despite institutions' apparent focus on first-generation students, their success is still not as much of a priority as it could and should be.

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