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**NCHER Legislative and Leadership Meeting: One Week
Away, Register Today!**

The NCHER Legislative and Leadership Meeting, which will be held on February 7-9, 2024 at the Hyatt Regency Washington, DC on Capitol Hill, is only one week away! This important meeting will provide important and timely sessions on the political and policy environment in Congress and the Biden Administration and ample opportunities for our members to meet with their Congressional delegations on Capitol Hill. With the U.S. Department of Education planning to release proposed and final rules implementing a new federal student loan forgiveness program while continuing its effort to enact borrower-friendly changes to the federal student loan program and Congress hoping to complete action on the budget and appropriations process and advance legislation creating short-term Pell Grants, this is a “can’t-miss” event for the NCHER membership!

The NCHER Board of Directors and staff have been hard at work putting together the [program agenda](#) geared toward providing important and timely sessions on the political and policy environment in the U.S. House of Representatives, the U.S. Senate, and the Biden Administration. The current agenda includes:

- Federal Student Aid Chief Operating Officer Richard Cordray who will speak about the agency’s policies and priorities, including reforms to the federal student loan program.
- A Congressional staff panel where House and Senate staff will discuss the priorities of the Republican and Democratic leadership in the 118th Congress and whether there are consensus areas for enactment of improvements to federal and private student aid programs.
- A timely session providing an update on the simplification of the FAFSA [Free Application for Federal Student Aid] now that the Department of Education has “soft-launched” the 2024-2025 FAFSA.
- A federal update on recent developments impacting the higher education finance industry and the outlook as we begin 2024.
- Urban Institute Senior Policy Fellow Jason Delisle who will share his thoughts on recently proposed reforms to the federal student loan program and what they mean for borrowers and taxpayers.
- Engaging sessions featuring representatives from the National Association of Independent Colleges and Universities and the Association of Public and Land-grant Universities who will examine major proposals to improve federal higher education policy and a representative from the State Council of Higher Education for Virginia who will discuss current and future state efforts impacting our industry.

- Multiple opportunities to meet with your Congressional delegation on Capitol Hill and federal agencies.

So be sure to [register](#) today! Once you're finished registering for the meeting, be sure to make your reservations at the Hyatt Regency Washington on Capitol Hill [online](#).

We look forward to seeing you in Washington, DC!

Department of Education Announces Fourth Negotiated Rulemaking Session Providing Relief for Student Loan Borrowers Experiencing Hardship

Earlier this week, the U.S. Department of Education [announced](#) that it would hold a fourth session of its negotiated rulemaking committee tasked with revising federal regulations to provide student loan forgiveness. The additional session will be held on February 22nd and 23rd and focus solely on providing relief to borrowers experiencing financial hardship. As part of the announcement, the Department indicated that it would circulate a regulatory proposal related to financial hardship at least one week in advance of the sessions, that it will not entertain discussions on any previous proposal outside of the scope, and that the sessions will be held virtually from 10:00 a.m. to 4:00 p.m. with a single public comment period occurring from 3:00 p.m. to 4:00 p.m. on the first day.

As previously reported, Senate and House Democrats, led by Sen. Elizabeth Warren (D-MA) recently sent a [letter](#) to Secretary of Education Miguel Cardona requesting that the Department hold a fourth session of its negotiated rulemaking committee to specifically consider proposals around financial hardship. In the letter, the lawmakers say that, during previous sessions, negotiators came to consensus on a few provisions that would provide relief for borrowers who were eligible for cancellation but were not enrolled in the right income-driven-repayment plan and borrowers who attended poor performing or predatory colleges.

Department of Education Announces Delay of FAFSA Processing By Another Two Months

The U.S. Department of Education [announced](#) that more than 3.1 million Free Application for Federal Student Aid (FAFSA) forms have been submitted since the 2024-2025 redesigned application was released in late December. In the announcement, the

Department said that it would not be able to transmit batches of FAFSA information, known as the Institutional Student Information Record or ISIR, to these partners in the first half of March. The new timeline is two months later than the Department originally stated that it would send ISIRs to colleges and universities for processing. The Department indicated that students will be able to make corrections to their form starting in the first half of March, and the agency would continue to test several vendor-built systems and provide regular progress updates to schools and stakeholders as the process moves forward.

Back in November, the Department said that it planned to begin sending ISIRs information to schools in January, which was already a significant delay compared to the typical FAFSA processing timeline. Colleges and universities typically receive the data within several days of a student submitting a FAFSA. Institutions have said that this significant delay could lead to late financial aid packages to students and impact students' decision making process. A Department official told reporters that the agency was making "unprecedented changes" to its technology systems to accommodate the new federal financial aid formula and process. The official added that one factor in the processing delay was the Department's decision to adjust key parts of the new financial aid formula for inflation.

House Education and the Workforce Committee Passes College Cost Reduction Act

Last night, the House Education and the Workforce Committee passed [H.R. 6951, the College Cost Reduction Act](#), which aims to provide a comprehensive solution that would help lower college costs for students and families, by a party-line vote of 22-19. The bill now heads to the full House of Representatives, though there is no clear timeline for when the chamber will consider the legislation.

In her opening statement, Chairwoman Virginia Foxx (R-NC) said, at the heart of the College Cost Reduction Act is the idea that postsecondary education should be a good investment of time and money for students. As a society, she continued, it is time to face the fact that young Americans are being scammed. She said college prices are skyrocketing and college value is stagnating, real college prices have tripled over the past 50 years, and real college graduate earnings have frozen since the turn of the 21st century. She said the effects can be seen everywhere, adding that college graduates hold \$1.6 billion in debt and that the new economics of college have left families across the country wondering what to do next. She said that a complete restructuring of incentives

driving tuition prices is what is needed, and then began discussing the reforms included in the College Cost Reduction Act.

In his opening statement, Ranking Member Bobby Scott (D-VA) said that the Higher Education Act meant that “a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because the family is poor.” He said that a few decades ago, the Pell Grant covered 80 percent of the cost of attending a state college and that it now covers one-third of the cost to attend college. He said that the College Cost Reduction Act misses the mark and would increase costs across the board for colleges and students, limit students’ access to quality programs, fuel divisive culture wars, and jeopardize the integrity of Congress’ accrediting partners. Ranking Member. Scott continued that most of the provisions of the bill are targeted towards reducing federal student loans and then pushing students into the private and predatory loan market. He said that if Republicans are serious about reforming the higher education system, they should work to pass bills included in Democrats’ “Roadmap to College Student Success.”

During the markup session, the committee considered 31 amendments offered by Democrats - all of which were ultimately rejected by the committee. Of interest to the NCHER membership, the committee considered the following amendments:

- Amendment in the nature of a substitute – Clarifies the calculation of reimbursement repayments, improves the bills’ college transparency provisions, changes the funding structure of the Promise program, eliminates the Pell Plus program, restores the Supplemental Educational Opportunity Grant program, and provides full flexibility for institutions to assist students in need. The amendment passed by voice vote.
- Amendment by Rep. Hayes (D-CT) – Doubles the Pell Grants to \$14,000 by 2030, and expands eligibility to include any student who receives taxpayer benefits to automatically qualify for the maximum award. The amendment failed by a vote of 17-22.
- Amendment by Rep. Stevens (D-MI): Expands Pell Grants to graduate programs. The amendment failed by a vote of 17-22.
- Amendment by Rep. DeSaulnier (D-CA): Increases the semesters of eligibility for receiving Pell Grants from 12 semesters to 18 semesters. The amendment failed by a vote of 17-22.

- Amendment by Rep. Courtney (D-CT): Expands the Public Service Loan Forgiveness program. The amendment failed by a vote of 17-22.
- Amendment by Ranking Member Scott (D-VA): Reduces federal student loan interest rates and allows borrowers to refinance their student loans. The amendment failed by a vote of 19-22.
- Amendment by Rep. Leger Fernandez (D-NM): Incorporates the principles of financial wellness into the Higher Education Act. The amendment was withdrawn.
- Amendment by Rep. Leger Fernandez (D-NM): Includes the provisions of the College PROMISE Act. The amendment failed by a vote of 19-22.
- Amendment by Rep. Adams (D-NC): Prohibits the federal government from garnishing a borrower's Social Security benefits from collecting on their federal student loans. The amendment failed by a vote of 19-22.
- Amendment by Rep. Adams (D-NC): Amends the rehabilitation program to allow the removal of all adverse items of information related to the borrower's credit history. The amendment failed by a vote of 18-22.
- Amendment by Rep. Omar (D-MN): Strikes language in the bill that repeals the Parent PLUS and Grad PLUS programs. The amendment failed by a vote of 18-22.
- Amendment by Rep. Omar (D-MN): Strikes language in the bill modifying existing income-driven repayment plans. The amendment failed by a vote of 18-22.

For additional coverage of the markup session, visit the [committee website](#). For a fact sheet on the bill, click [here](#) and, for the bill summary, click [here](#).

House Education and the Workforce Committee Democrats Release Roadmap for College Student Success

Earlier this week, House Education and the Workforce Committee Ranking Member Bobby Scott (D-VA) unveiled the [Roadmap to College Success](#), which is a compilation of bills introduced by Democrats that each aim to help students access a quality degree and provide students with the support they need to graduate. The bills focus on a range of topics that address college affordability, college access, and student support:

[H.R. 1731 – Lowering Obstacles to Achievement Now \(LOAN\) Act](#)

This bill lowers the cost of college for current and future student borrowers and their families by making critical reforms to the student loan system. These reforms include

doubling the Pell Grant, improving the Public Service Loan Forgiveness program, and making loans more affordable and accessible.

[H.R. 5998 – America’s College Promise Act](#)

This bill expands access to high-quality public higher education by creating a new federal-state partnership that will provide students with two years of tuition-free community college or two years of tuition-free attendance at HBCUs, MSIs and TCUs.

[H.R. 961 – Pell to Grad Act](#)

This bill strengthens the Pell Grant program—the cornerstone of our federal student aid system—by increasing lifetime Pell Grant eligibility from 12 semesters to 16 semesters and expanding Pell Grant eligibility to graduate students.

[H.R. 2957 – College Transparency Act](#)

This bipartisan bill provides students and families with better information as they consider their higher education options by ensuring that institutions report accurate data on their student outcomes—such as enrollment, completion, and post-college earnings—while protecting students’ privacy.

[H.R. 2401 – Respond, Innovate, Succeed, and Empower \(RISE\) Act](#)

This bipartisan bill makes the transition from high school to college easier for students with disabilities and their families by allowing them to use a variety of existing documentation as proof of a disability when seeking accommodations on campus.

[H.R. 309 – Opportunity To Address College Hunger Act](#)

This bill supports college students experiencing hunger by requiring institutions of higher education to inform students in the Federal Work Study (FWS) program that they may qualify for SNAP benefits.

Navient Announces Exit From Student Loan Servicing Business

Navient recently [announced](#) that it is planning to exit the student loan servicing business and will outsource loan servicing for its portfolios of federal student loans and private education loans to the Missouri Higher Education Loan Authority (MOHELA). Navient also said it is exploring the sale of its division that provides business processing services to government agencies and the healthcare industry. At its peak, Navient was responsible for servicing millions of accounts on behalf of the U.S. Department of Education in

addition to its privately-held loans. However, the company, which was not favored by many progressives, became entangled in regulatory and legal troubles over its management of some of those federal loans. In the announcement, Navient President and Chief Executive Officer David Yowan said, "After a thorough review, we are announcing targeted actions intended to simplify our business, reduce our expense base, and increase our financial and operating flexibility. Over the longer-term, we believe these actions will increase the value shareholders derive from our loan portfolios and the returns we can achieve on business-building investments."

Department of Education Releases New Proposal on Cash Management

This week, the U.S. Department of Education released new proposal to ban or curtail fees on college-sponsored debit cards and other financial products that are marketed to students on campuses. The proposal was released ahead of the Department's negotiated rulemaking efforts to revise cash management regulations that will continue next week. The proposal would prohibit some types of fees altogether such as those for insufficient funds or related to deposit requirements on debit cards that colleges and universities use to disburse federal financial aid, and push colleges to adopt [Consumer Financial Protection Bureau \(CFPB\) guidelines](#) that restrict fees on a wide range of financial products that colleges pitch to students under agreements they have with banks and other companies. These guidelines ban overdraft or insufficient fees as well as other account charges. Institutions that do not agree to follow the CFPB recommendations would have to do their own analysis to prove that the accounts they help market on their campuses have a fee structure consistent with existing market rates.

House Education and the Workforce Committee Republicans Send Letter to Department of Education Requesting Documents on FAFSA Rollout

On Tuesday, House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) and Higher Education and Workforce Development Subcommittee Chairman Burgess Owens (R-UT) sent a [letter](#) to Secretary of Education Miguel Cardona demanding several documents and communication about the Department's implementation and roll out of the new Free Application for Federal Student Aid (FAFSA). The letter comes after the Department's announcement that there will be a further delay in its processing of applications by about two months. In the letter, Chairwoman Foxx

writes, “the bipartisan FAFSA Simplification Act, which eliminates unnecessary questions and streamlines the process for completing the application was enacted in December 2021, and was to take effect on July 1, 2023. The Department should have focused on expeditiously doing the work necessary for a successful and timely launch for the simplified FAFSA to be ready for students, families, and institutions of higher education. Unfortunately, for the over 17.5 million estimated students who are expected to complete the FAFSA in 2024, the Department’s ‘soft launch’ of the simplified FAFSA on December 30, 2023, was fraught with issues.”

The lawmakers are requesting documents related to:

- The Department’s plan of action to implement the FAFSA Simplification Act;
- Communications that the Department shared with students and other stakeholders regarding deadlines or extensions of deadlines for availability of the new FAFSA, including the most recent extension to March;
- Communications between the Department and contractors tasked with FAFSA implementation;
- Written communications regarding the reallocation of salaries and expense account funding to implement student loan cancellation initiatives;
- Communications between the Department and schools regarding the deadline for providing FAFSA information; and
- Timelines of the Department’s attempts to resolve each of the identified FAFSA implementation errors.

Chairwoman Foxx and Subcommittee Chairman Owens requested that the Department send the documents no later than February 13, 2024.

Also this week, Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) said that the U.S. Government Accountability Office (GAO) has agreed to his request to investigate the Department’s handling of the new FAFSA. Additionally, Congressional Republicans rolled out a [new website](#) to solicit stories from students and families about problems they are facing with the FAFSA.

Federal Reserve Concludes Two-Day Meeting By Leaving Federal Fund Rate in Place

Yesterday, the Federal Reserve concluded the two-day meeting of its Federal Open Market Committee (FOMC) to review the nation’s monetary policy. During the meeting,

committee members decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent. In a [statement](#) issued after the meeting, the FOMC said that, in considering any adjustments to the target range for the federal funds rate, the committee carefully assessed incoming data, the evolving outlook, and the balance of risks. The committee also said that it does not expect to reduce the target range, thus cutting interest rates, until it has gained greater confidence that inflation is moving sustainably toward 2 percent. The committee stated that it will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. In making its decisions, the committee said that recent indicators suggest that economic activity has been expanding at a solid pace, job gains have moderated since early last year but remain strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated, though the committee continues to seek to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The committee concluded that the risks to achieving its employment and inflation goals are moving into better balance even as the economic outlook is uncertain. For additional coverage, see these articles from [CNN](#) and [CNBC](#).

U.S. Department of Education News

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

The following announcements were posted to Federal Student Aid's Knowledge Center:

- [\(GEN-24-01\) 2024-2025 Federal Pell Grant Maximum and Minimum Award Amounts](#)
- [\(CB-24-04\) Application for Participation in the Work Colleges Program](#)
- [\(LOANS-24-03\) Loan Servicing Information - Temporary Closures of Federal Loan Servicing Centers Due to Hazardous Weather Conditions](#)
- [\(LOANS-24-02\) Loan Servicing Information - Reporting Student Loan Interest Payments for 2023](#)
- [\(COD-24-01\) Tentative 2024-25 Funding Levels for the Campus-Based Programs](#)
- [\(GENERAL-24-06\) 2024-25 FAFSA Student Aid Index Update and Timeline](#)

General News

The Lumina Foundation released new [data](#) on college degree and credential attainment rates, which shows more American adults are earning credentials, but stubborn racial disparities persist.

[Higher Ed Dive](#) reports that nine higher education groups said institutions should provide prospective students and their families with flexibility during a tumultuous application cycle.

[Higher Ed Dive](#) reports on higher education's outlook for 2024 by predicting the national, state, and legal trends that will shape the sector this year.

[The Chronicle of Higher Education](#) reports on how the new financial aid form is shutting some students out.

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