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In Today's Edition

- Weekly Rundown
- Senate HELP Committee Ranking Member Cassidy Sends Letter to Education Secretary Cardona on Overturning of Chevron Doctrine
- CFPB Releases Supervisory Highlights Focused on Student Loan Servicers and Debt Collectors
- Consumer and Progressive Groups Send Letter to Education Secretary Cardona Urging Him to Immediately Unveil NPRM Providing Student Loan Forgiveness to Borrowers with Hardship
- Senate, House Republicans Introduce FAFSA Deadline Act
- Federal Reserve Releases Consumer Credit Report for May
- U.S. Department of Education News
- General News



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 HELP Committee Ranking Member Cassidy Sends Letter to Education Secretary Cardona on Overturning of Chevron Doctrine

Last week, Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) sent a [letter](#) to Education Secretary Miguel Cardona asking how the U.S. Department of Education intends to comply with the U.S. Supreme Court's recent ruling overturning the Chevron doctrine. "For too long, Chevron deference allowed unelected bureaucrats, insulated from political accountability, to exercise power that exceeds their authority," Ranking Member Cassidy said. "Such unfettered power is a perversion of the Constitution. The Supreme Court's decision helps return the role of legislating back to the people's elected representatives." The Ranking Member said that, despite the court's decision, he is concerned about whether and how the Department will adapt to and faithfully implement both the letter and spirit of the decision considering the track record of Secretary Cardona. "The Department has flagrantly and repeatedly violated the law," he said. "Examples of the Department's lawlessness include when it has, without authorization from Congress: Refused to return student loan borrowers to repayment without an Act of Congress, despite no authority to do so without a national emergency under the HEROES Act of 2003; Delayed to a month of its own choosing, despite clear instruction, the requirement to return borrowers to repayment directed by the Fiscal Responsibility Act and refused to implement any consequences for failure to pay for a year; Created a repayment plan where 60 percent of borrowers pay nothing and have it count as an eligible payment, under the guise of the income contingent repayment program created by Congress by amendment to the Higher Education Act of 1965 in 1993; and Attempted mass-transfers of student loan debt from students to the 87 percent of taxpayers that faithfully repaid their student loans or never took out a loan. Regardless of the details, Congress has not given the Department sweeping authority to pursue similarly illegal student loan schemes, and I expect these renewed attempts at illegal action will meet the same ultimate fate as the first."

Ranking Member Cassidy asked a series of questions and requested answers by July 19th; the questions include:

- How will the Department change its current practices to enforce the laws as Congress writes them, and not to improperly legislate via agency action?
- Will the Department be conducting a systematic, action-by-action review of its ongoing activities to identify opportunities where the Department needs to make

changes to account to comply with or otherwise account for the decision?

- Will the Department pause or stop any existing rulemaking activities in light of the Court's decision? If so, what rules is the Department halting? If not, why does the Department feel it is legally able to continue existing rulemakings without considering the impacts of the Court's decision?
- How does the Department plan to facilitate greater congressional involvement in policy issues under the agency's purview? Please be as specific as possible with respect to oversight responses, regular briefings, trainings and seminars, and other actions you plan to take.

CFPB Releases Supervisory Highlights Focused on Student Loan Servicers and Debt Collectors

Last week, the Consumer Financial Protection Bureau (CFPB) released its latest [Supervisory Highlights](#), which include select findings from recent examinations of student loan and auto servicing companies, debt collectors, and other financial services providers. The findings cover select examinations that were generally completed from April 1, 2023, to December 31, 2023. The report says that the Bureau's examiners identified unfair and abusive acts or practices by student loan servicers related to creating excessive barriers to assistance, providing inaccurate information about benefit forms, and failing to notify consumers about funds transfers. Examiners found certain servicers had excessive phone hold times, their call centers were significantly understaffed, they had problems with their interactive voice response systems, and some consumers were prevented from accessing online account management portals. Additionally, servicers provided inaccurate information about the forms borrowers were required to submit to qualify for loan programs with certain benefits such as forbearance. They also failed to follow requirements about notifying consumers of preauthorized electronic funds transfers that were larger than prior transfers under the same authorization.

The CFPB examiners also found several debt collectors violated the Fair Debt Collection Practices Act and other violations of consumer protection law. Examiners found that debt collectors, including student loan debt collectors, did not provide validation notices within five days of their initial communication with borrowers, as required, and some student loan debt collectors concealed their true company names in communications, misleading borrowers about their identity. Examiners also uncovered instances of collectors using aggressive or verbally abusive language, including to consumers unable to pay due to a recent hospitalization. In other cases, debt collectors communicated with

consumers at times and places known by the collectors to be inconvenient or unusual; made over 100 calls to consumers despite being asked to stop; and failed to cease contacting consumers by a certain form of communication, such as a text message or specific telephone number, despite being asked to stop by consumers.

Consumer and Progressive Groups Send Letter to Education Secretary Cardona Urging Him to Immediately Unveil NPRM Providing Student Loan Forgiveness to Borrowers with Hardship

Last week, over 200 consumer and progressive groups, led by the Student Borrower Protection Center, sent a [letter](#) to Education Secretary Miguel Cardona urging the U.S. Department of Education to immediately unveil its Notice of Proposed Rulemaking (NPRM) to provide student loan debt relief to student loan borrowers experiencing hardship. The letter says that the proposed NPRM to support borrowers experiencing hardship represents a “glimmer of hope for the millions of borrowers and their families who have been forced to wait for nearly two years for much-needed relief.” The letter applauds the Department for holding an additional series of meetings to discuss the hardship rule, and notes that it received consensus and provides the Secretary with broad authority to automatically cancel debt for borrowers most likely to face difficulties repaying their student loan debt and consider a wide-ranging list of factors when considering whether a borrower is experiencing hardship. “If enacted, this rule has the potential to free millions of borrowers—including Parent PLUS borrowers—from the crushing weight of the student debt crisis and unlock economic mobility for millions of workers and families,” the groups said. “The Department’s hardship rule presents a monumental opportunity to ensure the debt relief President Biden has promised becomes a reality for millions of Americans and their families. It is critical that the Department work with the utmost urgency to publish an NPRM and ensure that this package of rules is finalized and implemented as swiftly and efficiently as possible.”

Senate, House Republicans Introduce FAFSA Deadline Act

Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA) and House Education and the Workforce Committee Member Erin Houchin (R-IN) recently introduced the [FAFSA Deadline Act](#), which would require the U.S. Department of Education to make the Free Application for Federal Student Aid (FAFSA) available to students by October 1st. Currently, the Higher Education Act requires the Department to

make the FAFSA available no later than January 1 of the applicant's planned year of enrollment or on or around October 1 prior to the applicant's planned year. The bill would require the agency to make the form available no later than October 1 prior to the applicant's planned year of enrollment. The bills come amid some skepticism among federal lawmakers and the higher education community that the Department will be able to meet the deadline, after it faced a botched rollout of its new form this year with several delays that left millions of students in limbo.

Federal Reserve Releases Consumer Credit Report for May

Earlier today, the Federal Reserve released its [Consumer Credit - G.19 Report](#), which showed that consumer credit increased at a seasonally adjusted annual rate of 2.7 percent in May 2024. Revolving credit (mostly credit card debt) increased at an annual rate of 6.3 percent, while non revolving credit (mostly auto loans and student loans) increased at an annual rate of 1.4 percent. Total outstanding consumer credit stood at \$5.065 trillion at the end of May, up \$11.3 billion from April.

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:

- [\(GENERAL-24-83\) Temporary Injunction on Program Length Regulations](#)
- [\(GENERAL-24-82\) Updated Password Requirements for AIMS Users](#)

General News

[Inside Higher Ed](#) reports that, after the U.S. Supreme Court struck down the Chevron doctrine two weeks ago, experts continue to warn of chaos for higher education amid doubts about the future of Title IX and gainful employment, among other policies.

[CNBC](#) reports that former President Donald Trump is likely to rollback many of the federal student loan forgiveness programs if elected to a second term in November.

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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

MailPoet