



DAILY BRIEFING

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NCHER Annual Conference: Don't Forget to Register, Early Bird Rate Expires Next Week

The NCHER Annual Conference is scheduled for June 6-8, 2022 at The DeSoto in Savannah, Georgia. This important conference is open and designed for everyone across the higher education finance industry, and will provide attendees with ample opportunities to network, learn, and take information back home that they can use in their current jobs. The [draft program](#) centered around the theme of “Embracing the Future-Together” includes 10 pre-conference meetings and conference sessions on issues of importance to the membership. So [register](#) today and take advantage of the Early Bird registration rate that expires next week. Also, be sure to make your hotel reservations [online](#) or by calling (800) 239-5118. When calling the hotel, be sure to mention the NCHER 2022 Annual Conference in order to guarantee a room rate of \$182 per room, per night. We look forward to seeing you in-person in Savannah!

Senate Banking Committee Announces Hearing on Student Loan Servicers and Impact on Workers

The Senate Banking, Housing, and Urban Affairs Committee [announced](#) that it will hold a hearing titled, “Examining Student Loan Servicers and Their Impact on Workers,” at 10:00 a.m. on Thursday, May 5, 2022. The witnesses include: Mr. Mike Pierce, Executive Director, Student Borrower Protection Center; Dr. Neal McCluskey, Director, Center for

Educational Freedom at the Cato Institute; and Dr. Jalil Mustaffa Bishop, Co-Founder and Assistant Professor, Equity Research Cooperative and Villanova University. The hearing will be livestreamed on the [committee website](#).

President Biden Says He is Considering Federal Student Loan Debt Reduction, but \$50,000 in Forgiveness “Not on Table”

Today, President Joe Biden told reporters that cancelling \$50,000 in federal student loan forgiveness is not on the table, but that he is “considering dealing with some debt reduction.” As previously reported, several media outlets have been reporting that the President has been meeting with several Members of Congress where he has indicated that he could take executive actions to cancel some federal student loan debt. The President’s reported comments were made during a private meeting with members of the Congressional Hispanic Caucus, after which Rep. Tony Cárdenas (D-CA) said the President was “incredibly positive” about the idea of cancelling at least \$10,000 in student loan debt per borrower. In his remarks, President Biden said that he would make a decision on the issue “in the next couple of weeks.” Meanwhile, Republicans have uniformly been opposed to broad-based student loan debt cancellation. Following the President’s remarks, House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) released a [statement](#) saying, *“You don’t need to be an expert in reading tea leaves to understand that President Biden is kneecapping taxpayers at every turn. His signaling that he is moving forward with blanket student loan forgiveness confirms one single, solitary fact: he has no problem putting political ambition in the express lane at the expense of hardworking Americans.”*

For further coverage, see these articles from [CNBC](#) and [The Hill](#).

House Appropriations Subcommittee Holds Hearing with Education Secretary Cardona on FY 2023 Budget Request

On Thursday, the House Appropriations Subcommittee on Labor, Health and Human Services, and Education held a hearing titled, “Fiscal Year (FY) 2023 Budget Request for the U.S. Department of Education,” where the sole witness was U.S. Secretary of Education Miguel Cardona. In her [opening statement](#), Subcommittee Chairwoman Rosa DeLauro (D-CT) said that there is little more critical to our growth and progress as a nation than support for the educational success of our students. She said that, under the

Biden Administration, historic progress has already begun to improve the lives of our nation's students, educators, and their families. "This work began with \$170 billion in the American Rescue Plan funds secured by Congressional Democrats and President Biden, who moved quickly to reopen public schools, provide emergency grants directly to students, and assist colleges and universities in giving support to students in need," she said. "The Biden administration has also taken swift action to ensure student borrowers are not denied the benefits that they are entitled to. With improvements to Public Service Loan Forgiveness, \$6.8 billion in loan debt has been canceled for more than 113,000 public servants. And the administration's new waiver for borrowers in income-driven repayment will bring another 3.6 million Americans closer to loan forgiveness."

Chairwoman DeLauro said that she was pleased that the President's budget request recognized the "immense value of higher education by providing key investments to make college more affordable and accessible for low-income and minority students" and that it includes a \$500 increase to the maximum award for the Pell Grant program. In his opening statement, Ranking Member Tom Cole (R-OK) expressed support for beginning the FY 2023 appropriations process and his hope that the budget will be signed into law before the start of the fiscal year on October 1st. He said that both the House and Senate, Democrats and Republicans, worked well together to come to an agreement on last year's budget. Ranking Member Cole said that there would likely be many areas of agreement as they begin work on the subcommittee's bill, but expressed concern about the major increases in the budget request for the Department, saying that they will further contribute to inflation gripping the nation.

In his [written testimony](#), Secretary Cardona discussed several provisions included in the FY 2022 Consolidated Appropriations Act approved by Congress last month. He then outlined the education provisions in the President budget request, focusing on the investments through "five core themes that are at the heart of this Administration's vision for education in America: 1) Supporting Students Through Pandemic Response and Recovery Over the Long Term; 2) Boldly Addressing Opportunity and Achievement Gaps; 3) Supporting a Talented and Diverse Educator Workforce; 4) Making Higher Education Inclusive and Affordable; and 5) Building Pathways Through Postsecondary Education that Lead to Successful Careers." On higher education, Secretary Cardona referenced the proposed increase to the maximum award in the Pell Grant and the request for additional funding to administer federal student aid programs. "Too many people currently see our student aid delivery system as broken, with a few, but notable, bad actors taking advantage of students looking to get ahead and student aid systems that have not kept pace with today's demands," he said. "Our request will improve the services we provide students and families to help them pay for college through a historic investment in

Student Aid Administration.” Secretary Cardona went on to discuss how the President’s request supports strategies to improve college retention and completion rates, including increases in funding for Federal TRIO programs and GEAR UP to expand services that promote access to and completion of postsecondary education for underserved populations.

During the question-and-answer portion of the hearing, Chairwoman DeLauro asked Secretary Cardona what the Department is planning on doing to protect students from predatory practices on the part of online program management (OPM) providers, to which Secretary Cardona responded that Department is working to better protect borrowers, including by reinforcing and expanding Federal Student Aid’s (FSA) Office of Enforcement. Rep. Jaime Beutler (R-WA) asked Secretary Cardona if the Department would commit to hearing more public comments during the rulemaking involving proprietary institutions and their ability to receive federal student aid, which Secretary Cardona agreed to and added that the Department could provide more detailed information in a written response. Rep. Ben Cline (R-VA) asked about how the Department plans on paying for a student loan debt forgiveness program, including changes to the Public Service Loan Forgiveness (PSLF) program; Secretary Cardona did not have a clear answer, but said FSA is working to make changes to the PSLF program so that more eligible borrowers receive forgiveness. Rep. Josh Harder (D-CA) told Secretary Cardona that the proposed changes to the PSLF program negotiated by the Department excludes doctors in California and Texas from receiving relief. Rep. Mark Pocan (D-WI) asked Secretary Cardona for a written response on the Department’s efforts to ensure that borrowers do not have to recertify their income every year in order to qualify for income-driven repayment programs. In the second round of questions, Chairwoman DeLauro commended the Department for its efforts to process borrower defense to repayment claims and asked for an update on the backlogged claims still pending at FSA. Ranking Member Cole asked for a detailed accounting of how some institutions of higher education had spend federal COVID-19 funds. Rep. Lucille Royal-Allard (D-CA) asked Secretary Cardona for more information on how the Department had served veterans especially those in the TRIO Programs. Rep. Katherine Clarke (D-MA) asked for an update on the Department’s efforts to simplify the Free Application for Federal Student Aid.

For more coverage, including an archived webcast of the hearing, visit the [committee website](#).

Department of Education Announces Forgiveness for 28,000 Borrowers from Closed Cosmetology School Chain

Today, the U.S. Department of Education [announced](#) that it had approved a \$238 million group discharge for 28,000 borrowers based on findings of widespread misconduct at the Marinello Schools of Beauty. The action marks the first time that the Department has discharged the student loan debt of a group of borrowers based on borrower defense to repayment findings. Borrowers who were enrolled in one of the schools from 2009 through its closure in 2016 will receive relief. To date, the Department has approved around 300 borrower defense to repayment claims at Marinello based on findings made last July. The agency began investigations in 2015 and ultimately removed the institution from federal student aid programs, leading to its closure in 2016. Speaking about the announcement, Education Secretary Miguel Cardona said, “Marinello preyed on students who dreamed of careers in the beauty industry, misled them about the quality of their programs, and left them buried in unaffordable debt they could not repay. Today’s announcement will streamline access to debt relief for thousands of borrowers caught up in Marinello’s lies. At the Department of Education, we will continue to strengthen oversight and enforcement for colleges and career schools that engaged in misconduct and uphold the Biden-Harris Administration’s commitment to helping students who have been harmed.”

FSA COO Richard Cordray Speaks on IDR Changes in Interview

Yesterday, Yahoo Finance published an [article](#) featuring an exclusive interview with Federal Student Aid (FSA) Chief Operating Officer Richard Cordray, in which he discussed issues with the current income-driven repayment (IDR) system. The interview followed FSA’s recent announcement of changes to address issues within the IDR system, which preceded a U.S. Government Accountability Office (GAO) report that highlighted issues within the IDR system. GAO found that, out of 7,700 student loans that were eligible to be forgiven, the Department only approved 157 of these loans to be discharged. “First of all, I think it was really important for us to face up squarely to what the GAO found — they were right,” Mr. Cordray said. “For many years, at FSA in the Department of Education, there was no close attention [paid] to this program because it was always something that seemed far, distant into the future...people were very casual...the record-keeping was fairly poor. The transmission of records from one loan servicer to another was not overseen vigorously.” He went on to discuss how the issues identified by GAO were

“inexcusable,” but FSA is now working to take account of these issues and make adjustments necessary to make it right for borrowers. Mr. Cordray added, “And we are going to make sure that as we go forward, that those records are being monitored closely and accurately, as they should have been all along.”

Rubio, Bennet Reintroduce Higher Education Innovation Act

Today, Sens. Marco Rubio (R-FL) and Michael Bennet (D-CO) reintroduced the Higher Education Innovation Act, which aims to ensure students who attend high-quality trade schools, community colleges, and other postsecondary programs have access to federal financial aid. “America needs a 21st century education system that embraces options beyond the traditional four-year college degree track,” Sen. Rubio said in a [press release](#). “Our current accreditation system stifles innovation and leaves too many people with piles of student loan debt. The bill would help make higher education more affordable for students who choose high quality, nontraditional higher education pathways such as trade schools and community colleges.”

According to the summary, the legislation would allow students, especially nontraditional students, to use federal financial aid to attend “innovative authorized-institutions” – unaccredited programs - that embrace new ways people learn and acquire skills that lead to good paying jobs without enormous student loan debt. It would also establish “innovation authorizers” to approve high-quality, evidence-based higher education providers as part of a five-year pilot program to reward innovative programs with successful student outcomes. The goal is to support postsecondary institutions that promote and support student success outcomes and cost-effectiveness in postsecondary education by providing them the opportunity to participate in federal financial aid and other programs given to traditionally accredited institutions.

Senate Republicans Introduce Legislation to Strip President of Ability to Extend Federal Student Loan Payment Pause

Earlier this week, Senate Republicans, led by Senate Minority Whip John Thune (R-SD) and Senate Health, Education, Labor, and Pensions Committee Ranking Member Richard Burr (R-NC) introduced the [Stop Reckless Student Loan Actions Act](#), which would strip the President’s authority to suspend payments and repayments on federal student loans. The bill would still allow the President to temporarily suspend repayment for low- and

middle-income borrowers in future national emergencies and also prohibit the President from cancelling outstanding federal student loan obligations due to a national emergency. “As Americans continue to return to the workforce more than two years since the pandemic began, it is time for borrowers to resume repayment of student debt obligations,” said Sen. Thune in a [press release](#). “Taxpayers and working families should not be responsible for continuing to bear the costs associated with this suspension of repayment. This common-sense legislation would protect taxpayers and prevent President Biden from suspending federal student loan repayments in perpetuity. Any future suspension of federal student loan repayments should be left to Congress, not the Biden administration.” According to a summary, the bill will protect taxpayers from outdated policies put in place during the COVID-19 pandemic, and aims to stop future suspension of federal student loan repayments that disproportionately benefits higher-earning borrowers and has cost American taxpayers billions of dollars.

NCAN Report Finds FAFSA Applications are Down Almost 9 Percent from Last Year

On Wednesday, the National College Attainment Network (NCAN) published [updated data](#) on Free Application for Federal Student Aid (FAFSA) numbers released by Federal Student Aid (FSA). NCAN found that, at the end of March, FAFSA applications for the 2022–2023 cycle were down 8.9 percent and FAFSA renewals from currently enrolled students were down 12.3 percent when compared to last year. The organization cited that renewals from Pell-eligible students specifically decreased by 15.6 percent. The data also noted that, when compared to the pre-COVID-19 pandemic 2019–2020 FAFSA cycle, Pell-eligible renewals are down by 19.2 percent. NCAN noted that these figures “portend very bad news in the short term for college retention, persistence, and completion rates.” The organization also looked at FAFSA renewals by state, and found that no state has a positive year-over-year change. NCAN offered several potential reasons for the drop in FAFSA application numbers, including higher starting wages in the job market, factors making college a less feasible or appealing option (because of online learning, vaccination or masking requirements, etc.), and/or a general trend of students questioning the value of a postsecondary degree. NCAN added that issues with the FAFSA website, such as outages and error messages, have also been a hindrance to some students this cycle. The data emphasized that students still have time to renew their FAFSAs, and recommended that K-12 and higher education sectors target their federal COVID-19 relief dollars toward postsecondary transitions, retention, and persistence. Finally, NCAN added that institutions of higher education should reevaluate their enrollment expectations for next fall, as far fewer students than expected are projected

to enroll in postsecondary education for the 2022–2023 school year.

U.S. Department of Education News

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

Member News



MOHELA [announced](#) that it is recruiting for a General Counsel in St. Louis, MO with six or more years of related experience. The fundamental reason this

position exists is to give legal advice, ensure representation in legal proceedings, prepare legal research, and legal and policy analysis of issues to and administer contracts on behalf of the Authority. A full job description is available [here](#). To apply, please supply your cover letter and resume to hr@mohela.com.

General News

[The Atlantic](#) publishes a column reviewing who student loan forgiveness really helps saying that the idea's prominence has less to do with its merits than with college graduates' agenda-setting power.

[MSNBC](#) includes an op-ed by columnist Hayes Brown, who argues that, if President Joe Biden has a student loan forgiveness plan, now is the time announce it. Republicans are already starting to marshal opposition to federal student loan debt relief.

[The Salt Lake Tribune](#) reports that Sen. Mitt Romney (R-UT) ripped into President Joe Biden on Wednesday following a report he may consider some measure of student loan forgiveness this summer, calling the debt cancellation a "bribe."

[insideARM](#) reports that the Consumer Financial Protection Bureau (CFPB) recently

issued its annual report on the Fair Debt Collection Practices Act. According to the report's section on complaints, the CFPB received approximately 121,700 debt collection complaints in 2021 (which was 39,000 more than in 2020). As in all prior years since the Bureau began accepting debt collection complaints in 2013, the most common complaint was about attempts to collect a debt that the consumer claimed was not owed.

[The Chronicle of Higher Education](#) and [University Business](#) report that California residents who are members of federally recognized Native tribes will have their tuition and fees at University of California schools waived and a new scholarship will cover other Native students.

[Higher Ed Dive](#) reports that the median salary increase for all higher education professionals was less than half of the inflation rate in 2021-2022, according to workforce survey data released by the College and University Professional Association for Human Resources.

[Higher Ed Dive](#) reports that about three out of every four U.S. adults believe that race or ethnicity should not be a factor in admissions decisions, according to a new survey from the Pew Research Center.

[The Hill](#) reports that House and Senate Appropriations Committees leaders met this afternoon to kick-off spending talks for federal government funding for the coming year, with sights set on finishing up work by the end of the fiscal year on September 30th, ahead of the midterm elections.

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