NASFAA's "Off the Cuff" Podcast – Episode 263 Transcript

OTC AskRegs Experts: Federal Work-Study and Murky COVID Flexibility

Justin Draeger:

Hey, everybody. Welcome to another edition of "Off the Cuff". I'm Justin Draeger.

Karen McCarthy:

I'm Karen McCarthy from NASFAA's policy team.

Jonathan Fansmith:

And I'm Jon Fansmith from ACE's government relations team.

Justin Draeger:

Welcome back, everybody. Good to see you, Karen, Jon. Feels like we've all been on the road. Jon, maybe I'm off here, but I don't know if these are allergies. You sound like you might be carrying around a little virus or something.

Jonathan Fansmith:

I have...

Justin Draeger:

Feeling all right?

Jonathan Fansmith:

No, man. I have some nasty cold, flu thing going. I am in the office, as you noticed earlier. I should not be, but there are other people coming into my home today, so I was like, well, luckily there's not that many people in my office today, so somehow I'll impact fewer people being at work than at home.

Justin Draeger:

I'm sure your colleagues are so appreciative.

Jonathan Fansmith:

Super excited. I do tell them there's a quarantine zone. They can step into my office but not approach me.

Justin Draeger:

I have a sick kid at home. He's our middle, he's 17. And we have a pretty strict rule about wearing a mask. It's not COVID, but he still must wear a mask on the main floor when he's around us. He wears a mask and yeah, I feel great about it. Whenever he's around, he puts on a mask now, and I haven't been sick in how long? I don't want to jinx it or anything. I can't remember the last time I've been sick.

Jonathan Fansmith:

One, you have older kids, so I think that helps. Small kids are just disease factories.

Justin Draeger:

That's true.

Jonathan Fansmith:

But I really do not like this entire line of conversation. The one saving grace is I know my wife doesn't listen to me on podcasts, because if she heard you say that that was an approved house rule, I'd just have to spend the right large periods of my life apparently in a mask, because I always pick up whatever the kids have and we'd all be masked up.

Justin Draeger:

My wife, she continues to give our kids hugs every night when they go to bed, which I think is very endearing. Even our youngest.

Jonathan Fansmith:

I'm waiting where the negative is here. Your wife expresses affection for your children. Okay.

Justin Draeger:

Well, I'm not that parent. If they want a hug, I'm here for it, but I'm like, give them their space and give me my space. But even when they're sick, she'll give them hugs, and I'm like, "What are you doing? I don't even get this. Get away from me. Don't be near me." They're also not allowed in the kitchen when they're sick. I will get you your food. I will get you plates. I will get you silverware. Don't go rooting around in our refrigerator or in our drawers, or please don't go into our kitchen at all.

Karen McCarthy:

And Justin, didn't you do this pre-Covid?

Justin Draeger:

Yes. Because Karen, I have a solid understanding of germ theory. I've always understood germ theory. I didn't need Covid to introduce modern theory...

Jonathan Fansmith:

You're sounding a little-

Justin Draeger:

... Of how people get sick.

Jonathan Fansmith:

You're sounding a little Howard Hughes here. Next step is you're going to wear tissue boxes on your feet.

Justin Draeger:

Well, I went out and spoke to our colleagues over at NACAC today. The NACAC board is in town and I spent some time with them this morning, which meant I had to get on metro. And anytime I get on metro, I think this is where the germophobia really came from. You guys have spent time on metro.

Jonathan Fansmith:

Not in a while though. I stopped during the pandemic. Haven't been back. It's true.

Justin Draeger:

Well, good on you because that's where all this came from. I had some slight germophobia, but the stories we could share of being on metro.

We've got a packed agenda today. Let's dive right in. I'd like to know, we got to talk about the latest game of chicken, and this one... Games of chicken are not new in Washington DC. We should acknowledge that. And for some reasons, sometimes they impact student aid, sometimes they don't, at least not acutely. This one I feel like does have repercussions on student aid. Let's talk about the debt ceiling. Jon, why don't you kick us off. What's going on here, and then we'll talk about the repercussions on student aid.

Jonathan Fansmith:

Yeah, so big picture, the debt ceiling, I'm trying to think of probably the easiest metaphor to use, and anytime you use sort of like an analogy, people yell at you. There's no perfect analogy, but a good one would be a credit card. The debt ceiling is the federal government's credit card limit. They can't borrow past that point. They can't use it. The difference between the federal government and a normal person with a credit card though is they can vote to approve that they get a higher credit limit, that they simply raise their own, and that's really what the crux of this debate is. We are about to hit the federal credit limit, the debt limit, how much money they can borrow. Right now it's at about $31.4 trillion of federal debt. It's expected that we will hit that limit where the amount of money the government has on hand, the treasury has in cash on hand to pay their obligations versus how big those obligations are. We'll hit that X date, the date that runs out, sometimes in early June, could be later. There's different estimates, but obviously getting very close to that date. So your point about the game of chicken, Justin, it's not just a game of chicken. The cars are now full speed and the distance between them is very short. We are beginning to run out of time for somebody to blink and make a concession here.

Justin Draeger:

And other games of chicken that we often play inside the Washington DC Beltway tends to be around budget bills. But when it comes to budget bills, the federal student aid programs when we talk about things like Pell Grants, those are forward funded. Other times contractors are on the hook to process FAFSAs or student loan, income-driven rate payment applications or things. So things still get done. FAFSAs get processed when the government shuts down, Pell Grants get dispersed, loans are processed out of mandatory dollars, not appropriations. So stuff still happens, but this one's different, right Jon? And why is this one different?

Jonathan Fansmith:

Yeah, it's different. First and foremost, it's different because we don't know exactly what will happen. There's a couple things to think about here, but your point is a good one about comparing it to a shutdown. The shutdown is the government doesn't have authority to obligate money. Realistically, they do a bunch of things that are considered emergency actions that allow them to violate this, so things like national defense and national intelligence that you would not want the government simply stopping to do. But even student financial aid is considered under emergency actions, so they have limited authority to continue processing student loan applications, providing federal financial aid for money that has already been appropriated by Congress. The difference is they can't make new obligations.

In the event of a debt ceiling default, essentially we have hit this point where we can't pay our bills and we can't borrow more money to pay off the people we already owe money to. The government is still allowed to continue to make obligated payments. So if you receive social security, the government's still allowed to pay you. The problem is they may not have enough money on hand to do that and because they can't borrow more, they can't increase the size of the debt. They have to make determinations about who they will pay and when. That's where the biggest area of uncertainty is here, and especially for colleges and universities, the concern would be where do you prioritize Title IV funding coming out? It's one thing to say that's critically important and that these programs are forward funded, and particularly loans, there is some expectation of repayment, so you could make an argument where the government assumes that there's a return to the government, that making those loans doesn't actually cost them anything to put out. Kind of a tenuous argument because it's about the dollars in and the dollars out at this point.

But prioritization-wise, it's going to be a really hard argument for policymakers to say "We're going to prioritize making federal student loan payments at this time" versus "We're going to prioritize making social security payments and we're going to meet our obligations to states on federal programs around medical services or other things. We're going to continue to pay members of the armed services who are deployed overseas." You have to weigh up all the options. And when you look at the amount of money on a month to month basis, and it varies widely month to month, so you can't say with any certainty "Well, it'll be 25% this month or 35% this month that will be available." Roughly, debt service is about a third of all of our payments annually. So if you just cover meeting your obligations, you pay those people first, you pay your creditors first, you're looking at 75, 65% of what you would normally be paying elsewhere.

So effectively, you have to think about what are their priorities in saying large portions of the federal government won't be priorities. We also have no clear idea for what their plan is for doing this. The closest thing we have was in 2011 when we had another one of these where we ran right up against the deadline. There was a planning document that was subsequently leaked that the treasury talked about how they would do these things, and because they legally for a lot of reasons can't say "We will prioritize social security over everything else," their plan was to say "When we have cash on hand to fully meet the current obligation of a program, we will then pay that." Well, there's thousands of federal programs, how they allocate that across. It's a huge complicated mess.

And that just sort of... from our narrow perspective of the money going out the door, the bigger thing is this will cause a global economic recession. Interest rates will skyrocket. The stock market will crash. The value of pretty much most investment vehicles, other than things that are sort of tangible like gold or possibly foreign bonds, things where there might be the move to quality is the financial term, you are just going to see a cratering of investments, which for students and their families and for institutions, costs are going to start to skyrocket. Available resources will start to decline. Unemployment will surge. There's a lot of very negative economic impact factors that are not unique to higher education, but they'll have a profound impact on our campuses.

Justin Draeger:

Taking all of that in its totality, one, we don't even know if it's operationally feasible for the federal government to sort of prioritize which programs get paid. The closest thing we came to was like 12 years ago. Two, to my knowledge at least, federal agencies don't have these orders yet. So maybe a week or two out, orders go out from treasury to the various federal agencies about how to do this. If it's possible, I don't know. And then three, if it is, it's sort of the worst of a really bad situation. How do you prioritize Pell Grant recipients or loan recipients versus social security recipients, or active combat troops getting paid in the field versus your creditors, the people we owe interest to? It's all really bad. So do you want to-

Jonathan Fansmith:

And keep in mind too... I mean, whatever decision they make is likely to be, there will be lawsuits about that too. When you make decisions and one group or one area... I mean, do you not fund your cancer researchers or your troops in the field? There are implications for whatever decision they make. It's not obviously an easy or easily navigable situation.

Justin Draeger:

Right, and there's a back and forth every single day. So for example, Republicans are like "Well, we would find ways to fund this group or that group," and then the White House says "That's not feasible". We can't operationalize funding this group or that group because it's not an authorization. It's like, do we have enough cash in treasury at this moment to pay out this group or that group?

Jonathan Fansmith:

And those things matter a lot by which month you're talking about too. One of the reasons we tend to always hit these limits around this time of year is April 15th is the tax deadline. You tend to see a growth in federal revenue as people make their tax payments. Corporate tax payments are on a different schedule, but as you start to move away from the tax deadlines, you have less revenue coming into the treasury. So you have sort of big months and down months for the treasury that can have a wild swing month to month in terms of what's going on in the economy, especially if the economy collapses, tax revenues go down, you can have this sort of cyclical impact where the problems they face will grow and grow and grow.

Justin Draeger:

I was asked by a reporter earlier today, what NASFAA's advice to schools be? And I said, well, look, if a school can't disperse funds to a student, if it comes to that... Well first, the reporter asked, let's say we're at August and a student can't get their money. And I'm like, first of all, if we don't have this resolved by August, I think it's safe to say this will be a footnote in what will otherwise be a huge cluster of a financial situation around the world. But let's assume that we're talking about a summer enrollment where the term begins in June. In that situation, we would of course urge schools to do what they can because this is not a disbursement issue that's tied to the student, it's tied up in Washington, DC.

The bigger concern would be for the student who's depending on these funds to pay for their rent or pay for their living expenses, because while the school hopefully can extend a little grace to a student because of a hangup in Washington, DC, I don't know that a landlord will. I don't know the grocery store will. I don't know that the transportation that they're using will. That's where you start running into real issues, because while a school could maybe extend a little grace, they probably aren't in a position, or a lot of schools aren't in a position to actually extend them funds that the school itself doesn't have to pay off their rent or pay their grocery bill or actually extend them money. For those students enrolled in summer term, there are real consequences.

Thankfully, we're not talking about fall term right now or winter term, which are the largest tranches of disbursements that go out every year, but there are going to be real consequences for students if this isn't resolved, as well as just like everybody you just said, Jon, the entire global economy that hinges on the United States actually meeting its debt obligations.

Jonathan Fansmith:

And it's important to note, too, this doesn't change anything. If you are a Pell Grant recipient and you are entitled to a $6,500 max award, you are not going to have your award pro-rated. The difference may be when will the money actually arrive? When will it go to a campus? And like you said, Justin, obviously no one thinks that this will be lasting multiple months even if we do default. So to students, to institutions, they should understand the underlying statutes, underlying laws, the determinations of financial aid eligibility and awards, those don't change. It's really kind of the backend accounting on the federal government's part about when can they get the money out? When will they be authorized and allowed to actually make the payments? Doesn't change their obligations, just changes the timeframe possibly under which they get the money out the door.

Justin Draeger:

And one thing we did just dodge is that federal student loan interest rates were just locked in this last week. Hugh, maybe we can throw that link into the show notes. Thankfully, because of the fact we just locked those in off of T-bills that were auctioned off, those T-bills won't be impacted by a potential default, because had this all happened after a default on after a national default or something like that, who knows? This could have been another cleanup that we would've had to have done through legislation after the fact because something could have skyrocketed. But that's all been taken care of, so maybe a little blessing in timing there. Okay. Anything else on this, Jon?

Karen McCarthy:

Are there any positives? Is there any good news in this space, Jon, you can share. I know it's such a downer. I'm like, oh God, what a topic.

Justin Draeger:

Well, at least it's happening in summer term and not in August or September.

Karen McCarthy:

That's true. Okay.

Jonathan Fansmith:

Maybe if you are an optimist, you could say since negotiations only happen around crises in Washington, having a crisis that brings all four corners of congressional leadership together with the administration to at least talk about maybe a path forward on spending might smooth the process for next year. If they can actually come to agreement, that would be the positive, if they can reach a discussion. There also seems to be a large enough group of people from both sides who earnestly want to avoid a default that we might gain, even if it's a short term debt ceiling limit, something that they start to approach a little bit more pragmatically rather than intentionally seeking an escalation of the crisis. Who knows? Those are the most optimistic things I could probably come up with. There's really not a lot of good here. This is the failure of governing writ large. This should be basic and fundamental. This is just meeting our obligations. And they can't do that right.

Justin Draeger:

I guess the question is, do you actually think this gets resolved with Speaker McCarthy, or does this ultimately get resolved and cleaned up by the majority and minority leader in the Senate negotiating with the White House and it gets passed in the house with mostly Democrats and a few Republicans?

Jonathan Fansmith:

It's a weird one because usually you say, well, whatever can get through the Senate is what has to go because that's what will be necessary. I don't think this is the case. The margin is too small in the house and the people who are too motivated to make this an issue, to push on this issue, are too many in the Republican caucus that this really has to be a Biden-McCarthy agreement. It has to be something that can get through the House.

Justin Draeger:

I just don't know if McCarthy... Does anybody have confidence that McCarthy can keep his caucus together?

Jonathan Fansmith:

No, I don't think anyone does. I think that's the point. I don't think anyone thinks McCarthy can make a deal and go back and sell it to his caucus. I think he will have to have a deal that his caucus approves before he can sign off on it. He can't take anything back. And I don't know, I mean he can lose four votes, right?

Justin Draeger:

And one of those votes is facing 13 charges... Is under indictment with 13 charges right now.

Jonathan Fansmith:

Who may not be in the body for much longer. That's true. It's a really difficult position to see how negotiations advance. And again, we're recording this on May 11th, so not a whole lot of time to do it.

Justin Draeger:

All right. Well, we'll continue to watch and see and keep schools up to date as we careen closer and closer to this fiscal cliff.

All right, let's turn our attention to student loan repayment. Lots been made in the news recently, Karen. NASFAA's been featured for some work we've done on a recent report and toolkit that we put out. Why don't you catch us up on what's going on?

Karen McCarthy:

Back in September, we formed a NASFAA task force, which was called the Resumption of Loan Repayment Task Force. And the idea here was to come up with considerations and ways to help schools who want to help their borrowers as we eventually at some point go back into repayment, to help make that transition easier for everybody, what schools can do to help themselves and their borrowers.

The report from the task force came out just this past week, and it did have some recommendations for institutions, some considerations about pulling in the rest of your institution to get everybody on board, make sure that you have consistent messaging, various channels of outreach to your borrowers, making sure that your leadership is aware of when this will be happening, and potential impacts on things like your school's cohort, default rate, repayment rates, all of that conversation about how successfully your borrowers are repaying their student loans.

And then also as part of that report, there was included a toolkit, and it's the toolkit that's really gotten quite a lot of attention, and it's the flashy part of this taskforce work. And what this is are broken down into steps for the borrower to take, administrative steps to get ready about making sure that you're in touch, updating your servicer and logging in with your FSA ID, and then so tips on how to select a repayment plan that works for you, so all of those types of things that a borrower needs to do to get ready to resume repayment. But as part of the toolkit, there are offered for institutions to use three categories of things to help that they can take and use wholesale to help their borrowers get ready. There are one-page infographics. There are videos that you can either download or link to on YouTube. There are social media graphics. So there's all kinds of these flashy tools that you can use to push out through the channels that you have available to you, to your borrowers.

So it's really kind of like an information dissemination campaign that this task force and NASFAA staff and our excellent marketing team and all of that have pulled together for institutions to take and use so that they don't have to be developing their own plans at all of these 3000 NASFAA member institutions across the country. So it's kind of ready-made and you can just push it out and use it as you wish.

Justin Draeger:

Okay. Let me kind of contextualize this a little bit, because just at the end of April, the department announced that in its next iteration of its unified servicing and data solution, NextGen initiative, which is its long way of basically saying our servicing pathway, the servicers we've selected, it announced that five companies were selected and awarded contracts to basically do federal student loan servicing. They are Central Research Inc, EdFinancial, Maximus Education, the Missouri Higher Education Loan Authority, and Nelnet Diversified Solutions. So of those, if you've been in financial aid for a while, three of those will sound familiar to people. EdFinancial, Nelnet, MOHELA have been around for a while. Maximus, those are the ones that took over Navient. And then you've got Central Research, which is new. But if I'm a borrower that's entered repayment in the last three years, I will probably recognize none of these. And even if I've been in for a while, I may not recognize any of them because I've not been making loan payments.

And all of that is to say the one source of trusted information... Separate from this, also we should remind folks, we also put in Today's News, wasn't it the FTC just busted two companies that were defrauding students, signing them up for repayment plans and charging them fee and then not actually signing them up for anything? So a lot of shady stuff's been going on. Borrowers are confused. Stop starts. False starts. Repayments have been extended. FSA has funding woes. They sought $600 million that they didn't actually get in federal appropriation. They are underfunded. All of this is happening. The one source of trusted information that they recognize is their institution.

Karen McCarthy:

Is their school.

Justin Draeger:

Right, is the school. And so part of the toolkit and the report, which is separate, has recommendations for schools and FSA. But the toolkit is sort of to say, look, as an institution, you have an altruistic desire and responsibility to communicate with your students, and here are ready-made tools for you to go communicate about next steps.

Separate from altruism, there's also this cohort default rate that is now a lagging indicator, and conceivably, you have a bunch of borrowers that never entered repayment are all going to be entering repayment in one year. So you're going to have an extra-large cohort, and it behooves the school to be thinking about an all hands on deck sort of effort at reaching out to all of these borrowers and saying "Think about reaching out to your servicer and taking these steps to make sure your loan is in good standing".

Karen McCarthy:

Yeah, I mean, I've been saying... How you say that the school is the trusted resource, some of these borrowers have been out of the student loan repayment loop for years now. And borrowers, even when we're in a consistent repayment environment, have always had issues with, "I don't know who my loan servicer is. How do I find them? How do I contact them? Who am I paying?" Any of that. And so what I have been saying to schools is that they need to get ready for the influx of those inquiries because borrowers may not remember who their loan servicer is, but they generally remember where they went to school, so they're going to come to you and say "Can you help me figure this out?"

So when you talk about all the purposes for the toolkit, I feel like this is one of them as well to help you manage, to push the information out, because those borrowers are going to be incoming shortly with all of their questions and want assistance. And so this is kind of one way to push it out in advance, help you manage that flow of inquiries that are certain to come.

Justin Draeger:

Have any schools actually started using this stuff?

Karen McCarthy:

Yeah, we have. I think there have been one or two schools, and it was really quickly too, within the first day or so that said "We've already pushed this out some of these items through our social media channels" So we do expect that we'll start to pick up steam because it was just recently released.

Justin Draeger:

Okay, great. So this is ready to go. Schools can just pick up these resources and start pushing them out to their students immediately. Karen, remind us of the timing. How does this all work? When are borrowers supposed to start repayment as or right now?

Karen McCarthy:

That was the tricky part when they were developing these resources is that we don't have an exact day. We don't know exactly... You can't be day-specific. I'm assuming, God willing, that the department does not have all the borrowers with the same payment due date. That would really be disastrous. So I don't know exactly how. I think all of those details are still to be worked out, so they had to be a little bit vague in terms of the date when this is going to be happening for the borrowers. I think they did say it'll be no later than 60 days after the June 30th date, just because we don't have those details at this time.

Justin Draeger:

Or after the Supreme Court rules on debt forgiveness, right?

Karen McCarthy:

Right.

Justin Draeger:

And then if folks saw in the Washington Post this last week and then reported also in Politico last week, and Hugh, maybe we can include a link to one or both of those articles, there's also been reports that the department is thinking about extra-long grace periods for people as they enter repayment. Now, that hasn't officially come out of the department, but it sounds like they are taking seriously our recommendations, Karen, that we've sent up saying borrowers are going to need an extra-long on ramp. To your point-

Karen McCarthy:

Even the terminology, I saw that they used the on-ramp terminology. Speaking of analogies.

Justin Draeger:

Which is right. And given the fact that it's been reported, Nelnet, a publicly traded company, so it's publicly available. They laid off 500 employees at the end of last year, another 500 employees this spring. Scott Buchanan, who's the executive director of the Student Loan Servicing Alliance, said that other servicers have also done similar layoffs, and they have a new contract that is paying less per Borrower. Servicers are not ramping up staff in preparation for this is the point. A lot has to happen before repayment starts, and the point is schools have a role to play here if we're going to do this successfully. I'm not saying it's their primary job, but we have a role to play, and big kudos to this task force for their work in helping schools pull together some resources that are ready to go.

All right, Karen, one other thing. Why don't you catch us up on some movement we're seeing in Congress on tax-free Pell Grants. What's going on here?

Karen McCarthy:

So we just signed on to a letter that ACE coordinated, and I'm sure Jon wrote himself, supporting the tax-free Pell Grant Act, which is a reintroduction. We have supported it in the past. And basically what it would do would be to make Pell Grants not be taxable under any circumstances. And right now, these are super convoluted laws about when Pell Grant receipt is considered taxable income. I feel like most financial aid administrators don't even fully track with all of these laws. I'm fairly confident that taxpayers are not following all of these laws as to when certain dollar amounts that they receive in Pell are considered taxable income.

The problem though is that if taxpayers are following all of the convoluted laws, it can interfere with their ability to claim their full AOTC, their tax credit. And so people who do do things the right way have to exclude certain expenses, which can reduce or eliminate their eligibility for the AOTC, and nobody wants to see that happen. So I feel like there's kind of a benefit angle side of this, and there's also just a tax simplification angle side of this. And we did sign on to ACE's letter, and I think that there were a fair amount of... It's pretty non-controversial. I don't really know anybody who's against this particular piece of legislation, Jon.

Jonathan Fansmith:

No, I mean, it's very bipartisan for all the reasons you pointed out, Karen. This is not something where anyone... It's a weird quirk of the way the laws are written that students who are receiving Pell Grants, which everyone understands to be to help low income students access college, are being taxed on a grant that's being provided and also being precluded from getting the American Opportunity Tax credit that should be available to them as a result of that. This really is just kind of correcting some pretty, as you pointed out, small but important to those students flaws in the way the laws are set up, and very bipartisan, broad organizational support across the higher ed community. It's kind of a no-brainer. Unfortunately, we still haven't seen it enacted, but maybe this will be the year.

Justin Draeger:

Bipartisan support on this one, Jon?

Jonathan Fansmith:

Oh, yeah, yeah. Introduced bipartisan co-sponsors for the introduction. I think it really, for all the reasons we've talked about, it appeals to both sides. This is a really sensible, common sense fix to problems that were never intended, just as, again, really quirks of the way the laws were drafted.

Justin Draeger:

All right, fantastic. And a big thank you to you and the ACE team, Jon. I know you guys have a broad set of issues and really appreciate the fact that ACE has tax policy expertise over on your end to rally the community around this issue. So a big thank you. Thanks to you, Karen-

Jonathan Fansmith:

Kudos. Sorry, just kudos to Steven Bloom at ACE, who is the person who wrote that letter, Karen. Don't want to be accused of stealing any of his credit, our tax expert guy. Sorry, for interrupting Justin.

Justin Draeger:

Great work, Steven. All right. Thank you, Jon and Karen. Good to see you both, as always. Hugh, welcome back to the podcast. Why don't you catch us up on what's going on in the news?

Hugh Ferguson:

We've got some news from the Hill this week. On Wednesday, the House Education and the Workforce Committee advanced legislation that would seek to overturn President Joe Biden's student loan forgiveness plan and end the pause on federal student loan payments. The legislation advanced on party lines and was first introduced under the Congressional Review Act in late March. This tool has been utilized in previous sessions of Congress to overturn agency rules, and earlier this year, the government accountability Office confirmed that the debt cancellation plan can be subject to CRA. So sounds like a lot of word soup there, but we have more details in TN about how this process can play out and the pathway forward on this and just kind of the wide-ranging effects of what's going to happen with debt cancellation going forward.

Justin Draeger:

All right, we'll stay plugged into all of that, and people can watch Today's News for updates. What else is going on?

Hugh Ferguson:

And then we also have some news out of the Department of Education, which on Monday announced that over 615,000 borrowers received public service loan forgiveness since October of 2021. Due to previous temporary changes to the program that the Biden administration implemented since 2021, ED said that it has forgiven $42 billion in student loans through the PSLF program, and this followed a period of very slow approvals that were occurring under the Trump administration. And the increase is due in part to the temporary PSLF waiver, which was launched in 2021, and that gave borrowers additional credits for prior payments that otherwise would not have counted towards PSLF. And we have more coverage in Today's News.

Justin Draeger:

All right. That's very good news for those who are receiving public service loan forgiveness. Thanks very much, Hugh, for all of that. They can check out our show notes and obviously continue to watch Today's News where you and our other reporter, Maria, are posting all of the latest happenings in Title IV and student financial aid news. Thanks everybody for listening. Remember to send us your comments. Remember to subscribe, tell a friend, and leave us a rating in your podcast app of choice. That helps other people find the podcast. We'll talk to you all yet very soon.