

# Iowa Valley Community College District 2016 Congressional Updates

By Cindy S. Schulte, IVCCD Director of Governmental Affairs



## NOVEMBER 2016

### Borrower Defense Final Regulations Released

On Oct. 28, the U.S. Department of Education (ED) released the final regulations on a borrower defense process that is easier to understand and more accessible for borrowers. The process will facilitate the collection and review of evidence for resolving claims and assures that claims are processed more efficiently, transparently and fairly. The process will be aimed at reviewing claims and standards by which federal student loan debt may be discharged. Components of the regulations include:

- Establishment of a standard for group-wide discharges
- Establishment of early warning events which would require schools to put up funds in the forms of letters of credit
- Requirement for proprietary institutions to notify prospective and enrolled students of poor loan repayment outcomes

- Bans on mandatory arbitration and permits for class action lawsuits
- Requirements for increased outreach to borrowers who may be eligible for a closed school discharge.

The majority of the regulations will take effect on July 1, 2017.

### Gainful Employment Program Extension Granted

The ED announced that institutions have a 45-day extension (Oct. 24 to Dec. 7) to submit their challenges to certain underlying loan data used to calculate actual debt-to-earnings rates. Final earning D/E rates will be released in January 2017.

### New Congressional Legislation

**H.R. 6191 – Student Loan Repayment Act of 2016.** (Sponsor: Rep. Dennis A. Ross, R-FL-15). The bill amends the Internal Revenue Code of 1986 to include student loan repayers as members of targeted groups for purposes of the work opportunity credit and to provide for a credit against tax for student loan program startup costs. The definition of “a qualified student” means any individual who is certified by the designated local agency as having at least an associate’s degree and outstanding qualified education loans of not less than \$10,000. The bill was referred to the House Committee on Ways & Means on 9/27/2016.

**H.R. 5814 – Match Veterans to Student Loan Protections Act.** (Sponsor: Rep. Ryan A. Costello, R-PA-6). The bill amends the Higher Education Act of 1965 to improve service-connected disability determinations for the purpose of loan discharge. The bill was referred to the House Subcommittee on Higher Education and Workforce Training on 9/19/2016.

**H.R. 4845 – Disabled Veterans Student Loan Protection Act of 2016.** (Sponsor: Rep. Sean Patrick Maloney, D-NY-18). The bill amends the student loan forgiveness program in the Higher Education Act of 1965 to include a greater number of disabled veterans and to facilitate the automatic transfer to the Secretary of Education of information regarding veterans eligible for student loan forgiveness and other purposes. The bill was referred to the House Subcommittee on Higher Education and Workforce Training on 9/19/2016.

**H.R. 5274 – Student Loan Refinancing and Recalculation Act.** The bill provides for the refinancing and recalculation of certain Federal student loans and for other purposes. The bill was received in the Senate and read twice and referred to the House Subcommittee on Higher Education and Workforce Training on 9/19/2016.

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**H.R. 5567** – *Student Loan Interest Rate Parity Act*. The bill amends the Higher Education Act of 1965 to require that all Federal Direct Stafford Loans, Federal Direct Unsubsidized Stafford Loans, and Federal Direct PLUS Loans have the same rates of interest. The bill was referred to the Subcommittee on Higher Education and Workforce on 9/19/2016.

For more information on Congressional activity, please contact:

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