As the novel coronavirus has become a growing concern for the nation, colleges and universities are adapting with online courses and campus closures. Education Secretary DeVos continues to fight for her changes to the borrower’s defense, even while both the House and Senate now question the new regulation. President Trump has announced that student loan debt won’t accrue interest for several months and allows students to opt for forbearance on their student loans during the COVID crisis. Senator Mitt Romney has also introduced a bill that looks to help students with their loans.
THE EXECUTIVE BRANCH

THE DEPARTMENT OF EDUCATION

The Senate has now joined the House in an attempt to stop Education Secretary Betsy DeVos and the Trump Administration from rewriting the “borrower defense to repayment” by using the Congressional Review Act. Under the Higher Education Act, the Obama Administration issued the borrower defense after a large increase in fraud claims from students indebted to for-profit schools. However, DeVos delayed the rule from taking effect and rewrote it so the burden of proof was shifted to the student to show the school knew it was at fault. Supporters of the new regulations agree with DeVos that the Obama-era rules were too lenient and allowed people to gain “free money.” She also has created a formula for the current rule that would determine how much relief to give to students based on predicted earning. While DeVos believes this to be a “scientific robust” way to determine relief, many disagreed. Some go as far as saying the formula would make it impossible for \( \frac{1}{3} \) of borrowers from receiving full forgiveness. In addition, the California Attorney General Xavier Becerra is suing the Trump Administration for its repeal of Obama rules to penalize low-performing for-profit schools.

The coronavirus is having an effect on higher education. In addition to many colleges moving to online learning and closing campuses, the Trump Administration has also suspended several federal requirements for college accreditors. This includes not requiring accreditation boards from visiting campuses in person and to allow for extending accreditation.

THE WHITE HOUSE AND OTHER AGENCIES

On March 13, the Trump Administration announced that the interest payments on student loans would be waived due to the economic impact of the coronavirus. This does not appear to prevent student loan payments from being due, only to have the payments go directly to the principal payment. This may cost the government $1.7 billion at the very least, since they received $20 billion in student loan interest in 2018. However, President Trump cannot make this decision without the support of the Congress. He is likely to receive this however, since Senate Democrats are asking for a six-month suspension on student loan payments. President Trump has also announced that student loan payments can be suspended for 2 months, starting March 16. Students must contact their loan servicers and request their loans be put in forbearance. This process has been made easier for the time being, and the Department of Education will grant any requested forbearance.

The current administration included $150 million for the Department of Education in the Emergency Spending Package responding to the coronavirus. Most of this money would go towards unforeseen emergencies relating to the coronavirus, such as distant learning and counseling. However, the Democrats do not believe this is enough money. However, higher education leaders are asking for $50 billion for colleges, universities and their students. With this amount of money, students could be reimbursed up to $1500 and institutions could recover some of their costs. These leaders are also hoping for interest-free loans to help with the upcoming cash-flow problems.

The Trump Administration announced on Monday, March 16, that people should avoid interacting in groups of more than 10 to prevent the person-to-person spread of the novel coronavirus. Dr. Anthony Fauci, the head of
the National Institute of Allergy and Infectious Diseases, has also responded to the myth that younger people are immune to the serious effects of the coronavirus. He stated that young people could also become seriously ill, but they could also be carriers and accidentally give it to the elderly or immune-suppressed. Fauci urged everyone to decrease their social interactions.

THE LEGISLATIVE BRANCH

LEGISLATION

Senator Mitt Romney [R-UT], the former Massachusetts governor and presidential candidate proposed giving every American a $1000 check to help combat the economic effects of the coronavirus. He points out that similar measures were taken during the 2001 and 2008 recessions. In the same proposal, Romney suggests that Pell grants should be adjusted to include students with any unexpected cost, including housing, traveling, and storage costs and suggests updating the “Cost of Attendance” in the Higher Education Act. He also believes that in addition to the 6-month grace period on federal student loans, graduating students should receive a longer period before they are required to begin payments (S. 3556).

IN RELATED NEWS...

GRADUATE SCHOOL AND CAMPUS CLIMATE

In the wake of the COVID-19, at least 200 colleges and universities have cancelled or postponed in-person classes, instead moving to online courses. This is a new situation for the higher-education community, and will require some time for faculty and students alike to adjust to. Travel bans have also had a major impact on international students, who seem to be in an unusual spot with much of campus housing closing across the nation and many unable to return home due to travel bans.

Title IX

A recent ruling from the Sixth District Court found that the University of Michigan took inadequate actions to protect a student who was sexually harassed. The school did place a no-contact and non-retaliation order on the accuser while it investigated the complaints, but the young woman who was harassed sued the university for not responding when the accused broke these orders. This creates a new precedent that schools could be liable for deliberate indifference, if the action taken is deemed inadequate in retrospect.

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