**CAPFAA State and Federal Relations Committee – News Update**

**10/31/24**

**Committee Chair:**

- Ryan Jones, Campus Supervisor, CT State Community College (Gateway Campus)

## ED: First Round of Beta Testing for 2025-26 FAFSA Set to Begin for Hundreds of Students

The Department of Education (ED) gave another update on its first round of beta testing for the 2025-26 FAFSA, with the form becoming available to hundreds of students on Tuesday.

This first round of beta testing is part of ED's rollout of the 2025-26 form, which the department detailed in August and September. Under ED's planned four rounds of beta testing, community-based organizations (CBOs), high schools, institutions of higher education, states, and other stakeholders volunteered to test the FAFSA system and help students complete a 2025-26 FAFSA prior to the full launch of the form on or by December 1.

According to Education Under Secretary James Kvaal on Monday, Federal Student Aid (FSA) is "on track" and starting Tuesday, October 1, close to 1,000 students will begin beta testing the FAFSA.

ED released its full list of CBOs, government entities, high schools, and institutions of higher education volunteering for beta testing rounds 2-4. ED said through this beta testing, the volunteer organizations are recruiting tens of thousands of students to test the FAFSA system "at scale from every region of the United States" including U.S. territories.

FSA noted in an electronic announcement that during beta testing any institution and state agency may start receiving Institutional Student Information Records (ISIRs) since students participating in the beta testing will be filling out their real FAFSAs. As a part of the application a student can include up to 20 institutions' school codes.

FSA wrote that it expects some institutions and state agencies will not download these ISIRs for several weeks and added "there is no need to do anything with these ISIRs right now." These ISIRs will not be archived from mailboxes, so institutions and agencies can process them on their preferred time.

However, institutions and state agencies are free to download and test these ISIRs once available. FSA reminded institutions and state agencies that the number of ISIRs will grow throughout October and November during the beta testing process.

Institutions and state agencies should expect to encounter system issues with these ISIRs during the beta testing phase. FSA wrote it will "prioritize resolution of issues during each of the beta periods" before the FAFSA is available to all students by December 1. If an institution encounters an issue, they should report it both to their software vendor and the FAFSA Processing System (FPS) Help Desk.

FAFSA Executive Advisor Jeremy Singer, during a press call, also announced the launch of FSA's 2025–26 FAFSA Beta Central website. The website will serve as a resource to report on the progress of all four FAFSA beta testing periods, including statistics on FAFSA completion and error rates, and "detailed" progress reports about technology releases.

Additionally, Singer said that FSA, along with its six CBOs selected for the first round of beta testing, will be holding FAFSA events throughout the week to help students and families complete the 2025-26 FAFSA. The goal of this testing is to identify issues before the application is open to the general audience, he said. ED detailed more of its "seven-layer quality and testing strategy" in a white paper released last week.

NASFAA will continue to urge the department to provide timely and transparent updates on the beta testing process to ensure that stakeholders, including financial aid administrators, are best prepared for the form's official launch.

"We support end-to-end testing to ensure the product released on December 1 works for students, families, and schools," said NASFAA Interim President and CEO Beth Maglione. "We've also long called for the Department to be proactive and transparent in its communication with institutions throughout the process, so that those working on the ground at college campuses can help address any potential issues as they arise."

During the call Singer gave a brief update on testing the corrections functionality for 2024-25 paper FAFSAs. ED is working closely with its contractor and more information will be released by ED in the "next day or so," Singer said.

Kvaal said during a press call on Monday that along with the start of beta testing, ED will release this week its Federal Student Aid Estimator for the 2025-26 cycle, and a "Parent Wizard" tool to help applicants identify which family members need to complete a FAFSA.

Along with updates on the FAFSA, Kvaal noted that ED was making progress "overhauling" FSA, including bringing on new senior leaders to focus on key initiatives.

**Fresh Start Deadline Extended After Technical Website Issues**

The deadline to apply for the Fresh Start program has been extended to Wednesday, October 2, at 3 a.m. ET due to technical issues with the website, Education Under Secretary James Kvaal confirmed. The Fresh Start program is a one-time, temporary program from the ED which offers special benefits for borrowers with defaulted federal student loans, including restoring access to federal student aid. NASFAA has shared more information on the Fresh Start program, along with other best practices that colleges and universities can use to inform student loan borrowers.

**ED Releases 2025-26 FSA Estimator, Parent Wizard, and Updated FAFSA Prototype**

As part of the recent announcement on the beta testing update, FSA also highlighted the release of new resources meant to help the financial aid community prepare for the 2025-26 FAFSA cycle. Those resources include a revised Federal Student Aid Estimator, a stand-alone 'parent wizard' or contributor tool, and an updated 2025–26 FAFSA prototype to help the community engage in more FAFSA user experience before the form's official launch date.

**Student Debt Relief Deep Dive: A Look at The Biden Administration's Efforts and Obstacles**

The Biden administration has made student loan debt relief a focus of its education policy agenda, seeking to ease the financial burden of student loan debt for millions of borrowers. From an ambitious plan for large-scale debt cancellation to targeted relief programs like the SAVE plan, President Joe Biden has attempted to overhaul a system that has disproportionately impacted low- and middle-income Americans.

His efforts have faced staunch legal opposition, with one plan ultimately struck down by the Supreme Court in June, 2023. Now, new challenges have emerged as political opponents and interest groups seek to block the administration's latest rulemaking efforts focused on student loan debt relief.

As the legal battles continue, the fate of Biden's student debt relief policies remains uncertain, with significant implications for millions of borrowers, as well as leaving financial aid offices scrambling in their attempt to counsel students without clear answers.

***One-Time Student Loan Debt Cancellation Plan by Executive Order***

In August 2022, the Biden administration unveiled their initial debt cancellation plan, proposing to forgive up to $20,000 for eligible borrowers who met specific income thresholds. On behalf of the administration, the ED launched an application for borrowers to apply for this initiative, and within weeks, more than 26 million borrowers applied, and nearly 16 million borrowers were approved before the legal challenges halted the process.

A lawsuit filed by six Republican-led states — Nebraska, Missouri, Arkansas, Iowa, Kansas, South Carolina — alleged that the President had overstepped his executive authority by using the Higher Education Relief Opportunities for Students (HEROES) Act of 2003 as his basis for his authority to provide this forgiveness, and that this form of debt cancellation would harm state revenues, particularly from loan servicers in those states. Lower courts subsequently issued rulings that blocked the loan forgiveness plan from progressing, and after an Eighth Circuit Court of Appeals ruling against the President, the administration decided to take the case to the Supreme Court.

In June 2023, the Supreme Court ruled against the administration, voting 6-3, and ultimately putting a definitive stop to the administration's plan. The Chief Justice said the Biden administration "lacked the authority under the HEROES to unilaterally cancel debt and that such sweeping policy changes needed explicit Congressional approval."

The final ruling was issued shortly before the expiration of the student loan payment pause and the resumption of repayment for millions of borrowers who had their loans paused for over 3.5 years during the COVID-19 pandemic. The decision also reignited debates over the extent of presidential power and forced the President to turn to new avenues to pursue debt relief.

***The SAVE (Saving on a Valuable Education) Plan***

Within hours of the Supreme Court ending the administration's pursuit for broad student debt cancellation, the President through ED announced the finalization of its new income-driven repayment

(IDR) plan, Saving on a Valuable Education (SAVE), which replaced the Revised Pay As You Earn (REPAYE) plan. This program was developed over the course of negotiated rulemaking sessions held in late 2021.

Features of the new SAVE plan included higher income protection, lower assessment of discretionary income for undergraduate borrowers, elimination of negative amortization, and early loan forgiveness for low-balance borrowers, with phased early implementation for some provisions and full implementation set for July 1, 2024.

In October 2023, prior to the start of repayment after the COVID-19 pause, borrowers who were previously in REPAYE had the higher income protection provision of the SAVE plan automatically applied to their loans. In January 2024, a provision of the SAVE plan, that cancels debt for low-balance borrowers, took effect, and by February ED had canceled nearly $1.2 billion dollars in student loan debt.

In March 2024, two lawsuits from attorneys general in Kansas and Missouri were filed and sought to prohibit ED from implementing any more provisions of the SAVE plan. The lawsuits were upheld, and temporary injunctions were placed in June against the portions of the plan that had not yet been implemented. This caused ED to react quickly and remove the online application to apply for IDR plans from the website, as they didn't know the future of the SAVE plan, or the effects these lawsuits would have on the other IDR plans. ED still allowed borrowers to apply for IDR plans by paper applications, though the processing of these forms is currently on hold by federal loan servicers, per ED's instructions. Subsequently, ED also placed all borrowers enrolled in the SAVE plan into an interest-free administrative forbearance. While the forbearance does not require borrowers to make payments, it also does not allow the time in forbearance beyond a 60-day processing forbearance to be counted towards time-based forgiveness or public service loan forgiveness.

In response to the lawsuits, ED, represented by the Department of Justice (DOJ), appealed to the Supreme Court to vacate the injunction blocking all SAVE plan student loan relief during litigation. The Supreme Court denied the request, and the case was handed back to the Eighth Circuit Court. ED asked them to consider and decide on their appeal on an expedited basis, which would allow the Supreme Court to hear any further appeal in this upcoming term — by June 2025 — if necessary. Currently, there are oral arguments for the Eighth Circuit Court set for October 24, 2024.

***Targeted Loan Relief Through Negotiated Rulemaking***

In the third and most recent attempt to provide student loan relief for borrowers, the administration undertook negotiated rulemaking sessions in late 2023 and early 2024. These sessions focused on creating additional targeted pathways for debt relief and reform.

Following those sessions, ED unveiled proposed rules in April on targeted debt relief. This package excluded proposed rules on "financial hardship," as that issue paper was negotiated later than the other topics due to time constraints.

In September, even as final rules still have not been released, seven Republican-led states preemptively filed a lawsuit to block ED from implementing the plans laid out in the proposed rules. Three days later, a district court ruled in favor of the lawsuit, issuing a temporary restraining order against ED, and most recently on September 18th, a judge extended the temporary restraining order for an additional 14 days until October 2nd. These actions have prevented ED from implementing the proposed rules until the matter is resolved in the courts.

### *The Uncertain Future of Student Debt Relief*

While the first attempt by the administration was rejected by the highest court, and two of the administration's latest attempts at targeted loan forgiveness and relief remain tied up in lawsuits with no set date for resolution, millions of borrowers — those enrolled in the SAVE plan, those trying to apply for an IDR plan, and those who were hoping to benefit from the latest negotiated rulemaking proposals — remain in limbo.

The ongoing legal battles surrounding the SAVE plan, and imminent sunsetting of programs like Fresh Start and the on-ramp period to student loan repayment, have created significant challenges for financial aid administrators as they try to advise borrowers in this constantly changing environment. NASFAA has asked ED to ensure communications and public-facing websites are up-to-date and consistent, and that servicers are providing accurate information to borrowers.

## COHORT DEFAULT RATES RELEASED

Since 2013, the National Student Loan Cohort Default Rate has been trending down. The official 2020 rate is 0.0% because of the pause on federal student loan payments enacted due to the COVID-19 pandemic. As ED notes in the national briefing, During the pause, borrowers with ED-held loans were not required to make any payments, and no borrowers with ED-held loans entered default. ED also notes that fewer than 200 borrowers with non-ED-held FFEL loans entered default despite those loans not being eligible for the payment pause.

The Fiscal Year 2021 Three-Year CDR is calculated by dividing the number of borrowers who entered repayment between October 1, 2020, and September 30, 2021, by the number of borrowers who entered repayment in 2021 and defaulted between October 1, 2021, and September 30, 2023. Ordinarily, a school with a high default rate will face sanctions and may lose its eligibility to participate in Federal Student Aid Programs or expand their scope of participation with ED. Schools with Three-year CDRs of 30% or greater for three consecutive years or with CDRs greater than 40% for one year are subject to federal sanctions.

## ED EXTENDS DEADLINE FOR FVT AND GE REPORTING

The ED has extended the deadline for institutions to report program and student-specific data required by the Department's new Financial Value Transparency (FVT) and Gainful Employment (GE) regulations. Institutions must now report the required information by January 15, 2025. This extension gives institutions additional time to meet reporting obligations while also allowing them to prioritize essential tasks related to the 2024-25 and 2025-26 FAFSA processing.

The decision to extend the deadline followed feedback from numerous institutions and stakeholders, who indicated that the original timeline was too challenging due to ongoing work on FAFSA-related activities. The extended deadline is designed to ease the administrative burden while ensuring schools remain on track to comply with FVT/GE regulations. The Department also emphasized that it remains committed to publishing the first complete set of results under the FVT/GE framework in time to help students make informed college decisions for the upcoming award year.

In addition, for institutions that are prepared to report their data sooner, the Department will offer an early opt-in opportunity this fall. More information on this early reporting option will be shared soon, allowing interested schools to submit their FVT/GE data ahead of the January deadline. Schools that have already completed reporting may also participate if they opt in to the early process.

The Department has also acknowledged concerns from institutions about the accuracy of Completers Lists, which are essential for reporting under the FVT/GE rules. Issues identified through feedback from stakeholders are currently being addressed, and the Department has promised further updates as resolutions are finalized.

**ED ANNOUNCES THREE NEW ISSUES IMPACTING ISIRS AND NSLDS**

FSA recently announced three technical issues affecting Institutional Student Information Records (ISIRs) and the National Student Loan Data System (NSLDS), which could impact financial aid determinations and student eligibility. These issues include conflicting tax information, incorrect asset reporting, and dependency status discrepancies.

The first issue, announced in June 2024, involves conflicting financial information on the ISIR when Federal Tax Information (FTI) and manually entered data are present on the same record. When this occurs, institutions must manually resolve the conflict by requesting supporting documentation before disbursing aid. FSA is working to reprocess impacted ISIRs and has indicated that, once the fix is implemented, schools will no longer need to manually resolve this issue.

The second issue involves an error in the Student Aid Index (SAI) calculation. This occurs when assets for a student or their contributors are mistakenly included in the SAI calculation, even when the assets meet criteria for exclusion under statutory exemptions. FSA has provided a temporary solution, allowing institutions to use professional judgment to set these asset fields to zero until the issue is corrected. Schools can choose to wait for reprocessed ISIRs or proceed with awarding aid but must update their awards if reprocessed ISIRs show greater eligibility for students. You can read about these first two issues here.

The third issue pertains to dependency status discrepancies in NSLDS. FSA identified that 5,478 borrowers under the age of 24 have been incorrectly flagged as dependent, leading to inconsistencies in aggregate loan limit calculations and causing some 2023-24 ISIRs to be flagged for exceeding loan limits during the weekly NSLDS post-screening process. FSA expects to resolve this issue in mid- to late October, once NSLDS begins receiving 2024-25 demographic data from the FAFSA Processing System. Until then, institutions can use professional judgment on a case-by-case basis to address this issue with supporting documentation.

FSA is working quickly to resolve these technical issues but has yet to provide specific timelines for when reprocessing will be completed. Schools are encouraged to monitor for updates and consider their options carefully when awarding aid to impacted students during this interim period.

## NEW REQUIREMENTS FOR FINANCIAL RESPONSIBILITY TRIGGERS

The ED recently released updated guidance on reporting mandatory and discretionary triggers under the financial responsibility regulations for Title IV programs. These changes, effective July 1, 2024, stem from a final rule published in the Federal Register on October 31, 2023. This rule amends the financial responsibility requirements under the Higher Education Act of 1965 (HEA), significantly impacting how institutions report certain financial and legal circumstances to the Department.

The new guidance clarifies that institutions must report financial responsibility triggers for conditions that exist as of July 1, 2024, regardless of when they initially began. For example, if an institution declared financial exigency in 2023 and that condition persists past July 1, 2024, it must be reported to the Department. However, in such cases, the Department will treat it as a discretionary trigger, rather than mandatory, and assess whether financial protection is required based on the institution's ability to meet financial or administrative obligations.

The regulations outline several mandatory triggers that must be reported, including final monetary judgments, settlements, withdrawals of owner's equity, teach-out plans, and certain issues related to publicly traded institutions. The Department has provided a detailed list of suggested documentation institutions should submit for each trigger. For instance, institutions may need to submit copies of final judgments, financial statements, or correspondence with oversight bodies as proof of compliance with reporting requirements.

Discretionary triggers, on the other hand, are evaluated on a case-by-case basis by the Department. These triggers include accrediting agency actions, defaults on financing agreements, discontinuation of programs or campus locations, and actions by federal or state agencies. Depending on the severity and nature of the circumstances, the Department may require institutions to post financial protection to safeguard against potential risks.

The announcement also highlights the possibility of interim reporting for institutions that demonstrate negative cash flows, miss financial projections, or experience other significant financial changes. In such cases, the Department will notify institutions about the specific documentation required to meet reporting obligations.

Institutions are reminded that they have 21 days from the date of the Department's announcement to report any relevant triggers. Failure to comply with these new reporting requirements could result in increased scrutiny from the Department or further financial protection measures.

This updated regulatory framework reflects the Department's increased focus on institutional financial health and oversight, aiming to ensure that colleges and universities participating in Title IV programs remain financially responsible and capable of meeting their obligations to students and the federal government.

For institutions, these changes underscore the importance of maintaining clear, up-to-date records of financial and legal activities. The Department will work closely with institutions to confirm that reported triggers are resolved and ensure that all required documentation is properly submitted. Institutions should actively monitor their financial conditions and be alert to any triggers that may need to be reported to the Department.

## ED ISSUES NEW ENFORCEMENT BULLETIN ON MISREPRESENTATION

The ED recently issued an enforcement bulletin outlining risks related to substantial misrepresentation by Title IV-eligible institutions. The bulletin reminds schools of their obligations under the Higher Education Act (HEA) to provide accurate information to students, prospective students, and the public. Misrepresentation, as defined by federal regulations, involves any false, erroneous, or misleading statement made by an institution or its representatives. This includes omissions that render a statement misleading. If these misrepresentations are deemed substantial—meaning that individuals reasonably relied on the false statements to their detriment—institutions may face significant consequences.

The Department provided several examples of conduct that could rise to the level of a substantial misrepresentation. These include publishing salary data from sources like the Bureau of Labor Statistics as though it reflects the earnings of the institution's graduates, comparing job placement rates to peer institutions without sufficient evidence, and making false or unsubstantiated claims about institutional rankings. Additional examples include statements about licensure requirements that mislead students into believing their degree or certificate is necessary for a field that does not require licensure, inaccurate portrayals of faculty characteristics, and misleading claims about the institution's status as a public or non-profit school. Schools must also ensure that any advertised costs or net prices reflect the reality for all students, rather than only a select minority.

Institutions found to have engaged in substantial misrepresentations may face serious administrative actions, including fines or limitations on their participation in federal Title IV programs. The Department is closely monitoring complaints, lawsuits, and borrower defense applications that may signal potential misrepresentations by institutions. Schools are encouraged to review their marketing, communication, and reporting practices to ensure full compliance with federal regulations and to avoid actions that could lead to penalties.

This bulletin serves as reminder for institutions to remain vigilant in their representations to students and the public. Accurate and transparent communication is essential for maintaining trust and avoiding costly penalties that can arise from non-compliance.

## ED Details Issues With 2024-25 Paper FAFSA Correction Functionality

The ED gave an update via an updated electronic announcement on the availability of the correction functionality for 2024-25 paper FAFSAs, which ED initially said would be available the "first half of August."

Initially, in June, ED said that corrections for paper FAFSAs would be available in the "first half of August," but later in July said institutions could expect paper FAFSA corrections to be available at the "end of September." On Tuesday, ED said that it is "diligently working" with its vendor to complete the remaining paper FAFSA correction functionality but has encountered issues in testing. ED's vendor needs to address these issues before the full paper FAFSA correction functionality is fully available "later this month."

ED said that it has only received a "small number" of paper FAFSA corrections, but it recognizes the challenge it creates for affected students. ED is working on other manual workarounds to be able to process paper FAFSA corrections prior to the full functionality being available.

Additionally, ED wrote that it is experiencing a lag in processing time for paper FAFSAs, with the current processing timeline for 2024-25 paper forms being within a month from submission. ED noted it is adding resources to bring the processing time of paper FAFSAs back to 7-10 days “within the next two weeks.” ED is also aware of a “small number” of paper FAFSAs that have issues in processing and is “working to expeditiously resolve these issues.”

**What a Harris Administration Could Mean for Student Financial Aid**

With the 2024 presidential election a little over a month away, Vice President Kamala Harris is beginning to debut her higher education platform – though questions remain about how her potential administration could impact student financial aid and how her approach might compare to President Joe Biden.

Throughout the past four years, the Biden administration has prioritized student loan debt relief through multiple initiatives. That includes an executive action that sought to cancel up to $20,000 in federal student loan debt for eligible borrowers, which was ultimately struck down by the U.S. Supreme Court in the summer of 2023.

In response, the administration this year published its first set of draft rules developed through the negotiated rulemaking process to provide targeted student debt relief to borrowers. And those draft rules face a legal challenge after seven Republican led-states sued the ED for “unlawfully trying to mass cancel hundreds of billions of dollars of loans.”

The administration has also prioritized implementing its new Saving on a Valuable Education (SAVE) repayment plan, which is a rebrand and revision of the REPAYE plan. The plan included provisions such as the elimination of negative amortization, monthly payments calculated using half the current percentage of discretionary income for undergraduate borrowers, from 10% to 5%, and a shorter timeline to forgiveness. However, an order from the 8th U.S. Circuit Court of Appeals is currently blocking ED from implementing the program.

Additionally, the Biden administration has introduced new rules through the negotiated rulemaking process on borrower defense, gainful employment and financial value transparency, and more.

President Biden touted many of these initiatives throughout the summer as he pushed forward with his campaign for a second term but following his decision to exit the race and endorse Harris – who quickly sealed the nomination of their party – the financial aid policy agenda for the Democratic ticket has become more uncertain.

Preston Cooper, a senior fellow at the American Enterprise Institute, said if Harris became president, it's probable to see continuation of a lot of the policies under the Biden administration – including student loan cancellation. However, Cooper noted, there is a question of how broad loan cancellation could look under a Harris presidency.

“Would we be getting the kind of more moderate persona that she's trying to present on the campaign trail right now, or the more progressive version that we saw during the primary in 2020?” Cooper said. “While she would probably continue many of the policies of the Biden administration, there is still this question about how far left would she be going on student aid policy, particularly on loan cancellation. Might she try to be even more aggressive than the Biden administration has been at canceling loans?"

So far, Harris has released some information on her higher education priorities. According to her website, Harris says she will "continue working to end the unreasonable burden of student loan debt and fight to make higher education more affordable."

Michelle Dimino, director of education at Third Way, a public policy think tank, said she expects that a Harris administration would build on the efforts that she and Biden have made to improve affordability for students and to lower the burden of student loan debt.

"Vice President Harris has a strong track record of supporting federal student aid, of advocating for increases in the Pell Grant, and looking for ways to simplify and streamline the student aid system," Dimino said. "I would expect a continuation of those priorities if she was coming into the presidency."

On Harris's website, she wrote that under the Biden administration, she has provided nearly $170 billion in student debt relief for almost five million borrowers, and "delivered record investments" in Historically Black Colleges and Universities (HBCUs), tribal colleges, Hispanic-Serving Institutions, and other minority-serving institutions.

She highlighted that the administration has "helped more students afford college" by increasing the maximum Pell Grant award by $900, which is the largest increase in more than a decade and invested in community colleges.

Additionally, Dimino wrote that higher education accountability could be a key part of a Harris administration, specifically in terms of borrower defense and school discharges, due to her experience as an attorney general. Notably, in 2013, Harris, California's Attorney General at the time, sued Corinthian Colleges for misrepresenting job placement rates and program offerings to recruit vulnerable low-income students.

"I think one area in which I can see her being perhaps even more aggressive is consumer protections … she could use everything in the president's arsenal to continue to deliver relief for students that have been defrauded or harmed by their institutions," Dimino said. "That's really in her wheelhouse … and it's been a hallmark of the Biden administration as well."

Cooper said Harris's record indicated that ED could release more rules through the negotiated rulemaking process targeting gainful employment, borrower defense, and other higher education accountability measures.

Dimino noted that this election cycle, the conversation around student debt relief for Harris may look a bit different than the 2020 presidential election because of the multiple initiatives the Biden administration has already introduced – and the legal challenges they have faced.

"A lot of the questions around student debt cancellation were hypothetical, largely three or four years ago, before the Biden administration had pursued debt cancellation," Dimino said. "We've seen some of those policies be proposed. We've seen how the courts have reacted, how there are legal challenges. So I think that she's just operating in a different context in that regard, because she's seen in five years what the administration has proposed, and how that has played out."

**Past Platform During the 2020 Presidential Race**

Prior to joining the Biden administration, Harris was a candidate for the 2020 presidential election. She officially dropped out of that race on December 3, 2019.

During her first presidential campaign Harris outlined additional policy positions related to student financial aid and higher education, which included support for free public two- or four-year college, implemented through a federal/state partnership.

Harris also co-sponsored Sen. Bernie Sanders' (I-Vt.) College for All Act and endorsed Sen. Brian Schatz's (D-Hawaii) "debt-free" college bill. During the 2020 Democratic primary Harris stated that she would invest money into Historically Black Colleges and Universities (HBCUs) and other Minority-Serving Institutions (MSIs) to address the underrepresentation of teachers of color.

Additionally, during the 2020 presidential race, Harris released several higher education-related proposals, including a plan to reduce student loan debt. Under the plan, Pell Grant recipients with student loans who start a business that operates for three years in disadvantaged communities would have up to $20,000 of their debt forgiven. In 2019, she also introduced the Basic Assistance for Students In College (BASIC) Act that would ensure college students "are able to afford basic, day-to-day necessities."

**A 24-Hour Judicial Whiplash Leaves the Biden Administration's Debt Cancellation Plans Frozen in their Tracks**

President Joe Biden's student loan forgiveness efforts were once again blocked by a federal judge on Thursday following another court's early morning decision that would have enabled the administration to move forward with its plans.

Initially a judge in Georgia determined that the restraining order placed on the ED that prohibited the administration from fully implementing its student loan debt relief plan – whose rules have not yet been finalized – should lapse, since the judge determined that the state of Georgia lacked standing in the legal challenge to the program.

However, another judge in Missouri issued a preliminary injunction against the administration's program shortly after the decision from Georgia.

The Missouri judge determined that ED's ability to carry out the program "would prevent this Court, the U.S. Court of Appeals, and the Supreme Court from reviewing this matter on the backend, allowing Defendants' actions to evade review."

As a result, the program is once again temporarily blocked.

Back in April, ED published its first set of draft rules, done through the negotiated rulemaking process, to provide targeted student debt relief to borrowers. According to the Office of Information and Regulatory Affairs, ED plans on these draft rules to be finalized in October this year.

The draft rules however did not include the issue of "hardship," which the negotiated rulemaking committee reached consensus on in February 2024. In April, ED said it would publish another draft rule focused on providing relief for borrowers experiencing "hardship" in the coming months.

This new preliminary injunction means that it is unclear when the court will next weigh in on the program, leaving it once again in limbo.

**What a Second Trump Term Could Mean for Student Financial Aid**

With the 2024 presidential election less than a month away, former President Donald Trump's platform could mean more aggressive policies for higher education and federal student financial aid.

Trump's first term, in 2016, began with a focus of rescinding higher education initiatives of the Obama administration, including new gainful employment regulations and borrower defense to repayment regulations.

Preston Cooper, a senior fellow at the American Enterprise Institute, said that if Trump does take office again, his administration could be even more aggressive against higher education institutions, especially "elite" institutions.

"In recent years, we've seen a bit of a Republican churn against 'elite' higher education," Cooper said. "There's a sense on the right that we heavily subsidize these institutions, and of course, we're just not getting that much for it. There probably is some energy on the right to take a hard look at the subsidies that are going to higher education, especially very prestigious institutions, and see whether those should continue, and whether that would really be worth it."

Cooper added that while initially Trump in 2016 focused on overturning Obama administration initiatives, this time his administration could craft their own higher education agenda through the rulemaking process, where more details could be forthcoming. He added that Trump could also overturn Biden's student loan debt relief initiative, which is already facing a legal challenge.

According to Trump's platform, Republicans will support the creation of "more affordable alternatives to a traditional four-year college degree" and "fund proven career training programs." The platform also pledges to prioritize affordability and "reduce" the cost of higher education.

"Whoever the next president may be, it's essential to keep higher education affordability at the forefront," said Megan Walter, senior policy analyst at NASFAA, which manages the CCT initiative. "The College Cost Transparency initiative plays a vital role in ensuring that, despite ongoing uncertainty around federal aid, students and families have the clear information they need to make informed decisions about college costs, enrollment, and borrowing."

Cooper added that a Trump administration could push for an endowment tax on wealthy institutions. There could also be a movement from the Trump administration for accountability for institutions and demands that institutions show their post-graduate results, Cooper added.

In addition to Trump's education platform, there is also Project 2025, which is a conservative policy agenda published by the Heritage Foundation, focused on guiding the next Republican president. Part of the document, which Trump has distanced himself from, focuses on higher education and highlights that a new Republican administration "must end" the Biden administration's "abuse of the agency's payment pause and Higher Education Act (HEA) loan forgiveness programs, including borrower defense to repayment, closed school discharge, and Public Service Loan Forgiveness."

The agenda also suggests the ED should work with Congress to amend the HEA to eliminate negotiated rulemaking, and at a minimum, Congress should allow ED to use public hearings rather than negotiated rulemaking sessions. Additionally, a Republican president should consider "returning to a system in which private lenders, backed by government guarantees, would compete to offer student loans."

Michelle Dimino, director of education at Third Way, a public policy think tank, noted that during Trump's first presidency, his federal budget proposals slashed funding to federal student aid programs, including Public Service Loan Forgiveness (PSLF) and Federal Work Study (FWS).

Trump's previous track record, along with proposals outlined in Project 2025, would, in Dimino's view, do little to address the challenges burdening students and families right now.

"Reelecting President Trump threatens the promises of our higher education system to help people reach the middle class," Dimino said. "His track record on these issues and the proposals that are in Project 2025 would attack students and the opportunities that are available to them from a very early age, that would especially fall hard on lower income students."

However, Dimino noted that regardless of what either Trump or Harris proposes for higher education on the campaign trail, their proposals will require support from Congress.

As for what people should look out for in the 2024 presidential election, Cooper said both the Republican and Democratic campaigns are focusing on issues with the value of higher education.

**NASFAA Updates Timeline of 2024-25 FAFSA, ISIR Key Events**

NASFAA has provided an updated timeline of the simplified FAFSA rollout, covering new events and announcements from its last update through September, 2024. NASFAA will continue to update the timeline monthly as needed.

**ED Provides Update on 2025-26 FAFSA Beta**

The ED, on October 10, updated its Beta Central page for the 2025-26 FAFSA, where it identified and implemented a fix for an unknown error message impacting 10% of applicants. The error, which was observed during the department's in-person user observation events, occurred during the creation of a StudentAid.gov account within the FAFSA form itself. "The Department continues to prioritize and invest in fixing issues that impact the FAFSA user experience," the update read. "As we move closer to the general availability of the 2025–26 form on or by Dec. 1, we will continue to work quickly to resolve issues and report them on this page."

**NASFAA Highlights Regulatory Relief Resources Available to Institutions Impacted by Natural Disasters**

In response to the recent hurricanes impacting much of the country's Southeast region, NASFAA is making a batch of AskRegs items publicly available to ensure that institutions have access to this important guidance. Existing guidance regarding the impact of a "major disaster" on the administration of Title IV student assistance programs is now publicly available on AskRegs.

Below are the four items in our AskRegs database that will remain publicly available:

- Is There Regulatory Relief For Schools Impacted By Natural Disaster?
- How Is the R2T4 Calculation Impacted When a Study Abroad Program Experiences a Natural Disaster?
- How Is Our Academic Calendar Impacted For Title IV Purposes By a Natural Disaster?
- How Does Severe Weather Impact the Length Of the Payment Period Or Period Of Enrollment?

To access the complete answers to these questions, click on the link attached to each AskRegs question above.

**ED: Delinquent Payments on Federal Student Loans Will Not Be Reported Until January**

The ED published a blog post that provided an update on the return to student loan repayment, and confirmed that it will begin reporting late or missing payments for most federal student loan borrowers to national credit reporting agencies in January 2025.

The COVID-19 payment-pause on federal student loans officially ended last year, with most borrowers having their first payment due in October 2023. To help ease borrowers into repaying their student loans, ED created a temporary 12-month “on-ramp” to repayment where interest would still accrue on student loan balances, but a borrower would not enter into default status if they missed a payment.

This month, the 12-month “on-ramp” to repayment period officially ended. On Wednesday, ED confirmed that the department is required to report late or missing payments for most borrowers to the national credit reporting agencies in January 2025, and those borrowers will enter default, which will lead to mandatory collections and other consequences in “late 2025.” For most borrowers, delinquent payments will not be reported until “early January 2025 at the soonest,” ED wrote.

ED noted that several lawsuits have affected multiple student loan repayment plans, including the Saving on a Valuable Education (SAVE) repayment plan.

“Borrowers now have only three months until they face consequences for late payments – making our work to support student borrowers and reform the broken student loan system more important than ever,” ED wrote in the blog post. “... The department remains committed to providing support and resources to borrowers affected by these recent changes, particularly those who may still be struggling to pay back their loans.”

NASFAA recently shared a list of best practices for institutions to help them inform borrowers of the recent changes and necessary steps to a satisfactory loan repayment history, and published a deep dive into the Biden administration's efforts on student debt relief.

**ICYMI: NASFAA Publishes Student Loan Relief Timeline**

To help members keep track of the many moving parts related to student loan debt relief and income-drive repayment programs, we have created a student loan relief timeline, which will be updated as new developments arise.

**ED Approves Additional $4.5 Billion in Public Service Loan Forgiveness**

The ED announced that it approved an additional $4.5 billion in Public Service Loan Forgiveness (PSLF) to about 60,000 borrowers who work in public service, bringing the total number of PSLF recipients to over one million.

Earlier in 2021, ED first announced its plans to overhaul the PSLF program where "too few borrowers receive forgiveness." According to ED, many borrowers under the previous PSLF program did not receive credit for years of payments they made because of "complicated eligibility rules, servicing errors or other technicalities."

Part of ED's efforts to overhaul the PSLF program was a one-time account adjustment waiver, which was available until October 31, 2022. According to ED, before the Biden administration took office, only 7,000 public servants had ever received debt relief through the PSLF program.

ED noted that as of July 1 this year, the PSLF program is fully managed by ED through StudentAid.gov, rather than by a loan servicer. According to the department, this will make it easier for borrowers to oversee PSLF since they can fully manage their progress through the StudentAid.gov website.

Along with today's PSLF news, ED announced that it is partnering with several public sector unions to amplify and encourage borrowers to enroll in the PSLF program. These include the American Federation of Teachers (AFT), National Education Association (NEA), American Federation of State, County, and Municipal Employees (AFSCME), and the Service Employees International Union (SEIU).

The department released an updated list with a state-by-state breakdown of borrowers approved for PSLF since October 2021.

"Public service workers – teachers, nurses, firefighters, and more – are the bedrocks of our communities and our country," President Joe Biden said in a statement. "They dedicate their careers to giving back to others and were given the promise of student debt forgiveness after 10 years of public service and 10 years of payments under the Public Service Loan Forgiveness program. But for too long, the government failed to live up to its commitments, and only 7,000 people had ever received forgiveness under Public Service Loan Forgiveness before Vice President Harris and I took office."

**ED: Online Application for IDR Plans Back Online**

While the legal challenges to the Biden administration's newest income-driven repayment plan (IDR), the Saving on Valuable Education (SAVE) plan, continues to play out in the courts, the ED is once again accepting online applications for certain IDR plans. The online application was taken offline for over a month after the initial lawsuit was filed to pause the full implementation of the repayment plan.

Borrowers who wish to either recertify their income or apply for a new plan should visit the department's IDR Plan Request page. However, it appears that the online application is not currently utilizing the FUTURE Act Direct Data Exchange (FA-DDX) for the purposes of income verification. Instead, the application prompts applicants to upload their most recent tax return or income verification documents to submit their application.

Additional details on the SAVE plan can be found on the department's Q&A page.

**ED: Borrowers Enrolled in SAVE Repayment Plan Expected to Remain in Forbearance for 'Six Months or Longer'**

The ED released an update on the status of the Saving on a Valuable Education (SAVE) repayment plan as it faces several legal challenges.

Legal challenges to the program began in April when two groups of Republican-led states filed lawsuits that sought to prevent ED from fully implementing SAVE, and argued ED lacked the authority to carry out the new repayment program. Since then, the status of the SAVE plan has been in limbo, with the 8th U.S. Circuit Court of Appeals in July fully blocking the repayment plan for an unclear length of time.

As a result, ED put 8 million borrowers who were able to enroll in the SAVE plan in an interest-free forbearance, under which borrowers would not get credit towards Public Service Loan Forgiveness (PSLF) or time-based forgiveness. In August, the 8th U.S. Circuit Court of Appeals extended an order blocking ED from further implementing the SAVE plan.

According to the latest update from ED, pending further developments from the 8th Circuit Court of Appeals, the 8 million borrowers already enrolled in the SAVE plan, along with anyone who has applied for SAVE, should expect to remain in forbearance for "six more months or longer" as ED re-programs its systems.

ED noted that it is working with servicers and contractors to update their systems "to align with the terms of the SAVE plan" based on the court injunction. This process will take several months, ED wrote.

Additionally, borrowers should note that loan forgiveness as a benefit under any IDR plan is currently prohibited – that includes the SAVE plan, the Pay As You Earn (PAYE) plan, and income-contingent repayment (ICR) plan. Borrowers who reach their plan's repayment milestone to receive loan forgiveness will be moved into an interest-free forbearance if they are not already. ED noted that it will still process loan forgiveness for borrowers enrolled in the income-based repayment (IBR) repayment plans.

Additionally, as part of the legal challenges, ED temporarily removed the online application for IDR plan request forms. However, earlier this month, ED began accepting online applications for certain IDR plans again. According to the department, ED and its servicers will "soon" resume processing applications for borrowers applying for an IBR plan and "some" borrowers applying for PAYE or ICR plans.

ED wrote that it will also take "regulatory action" this fall to reopen the PAYE and ICR repayment plans to new enrollees. According to ED, some borrowers want to enroll in these plans because they'd like to start repaying their loans to receive PSLF or IDR forgiveness credit through qualifying payments. More information on this will be shared in the coming weeks, ED wrote.

ED also noted that it is working to improve the operations of the PSLF Buyback program, which allows some borrowers to "buy back" certain months in their payment history to make them qualifying payments for PSLF. ED is also working on creating a process to allow borrowers to "buy back" months for IDR credit in "late 2025." More information on this will be posted on ED's website.

In its update, ED said it will continue to "vigorously defend" the SAVE plan and "our efforts to provide more affordable repayment options in court."

A Missouri court is slated to hear oral arguments on October 24 where it will examine whether the administration has the authority to implement the SAVE plan. It is unclear how long the program will remain in limbo, but these cases could make their way back to the U.S. Supreme Court.

**ED Implements Paper FAFSA Corrections Functionality**

The ED via an updated electronic announcement, announced that it has implemented corrections functionality for 2024-25 paper FAFSA forms, and has begun processing corrections. ED estimates that paper corrections received to date will be completed by the end of October and will then be processed within 7-10 days. ED is now processing 2024-25 paper FAFSAs within 7-10 days or less, per its updated announcement. ED also noted that it is reprocessing a "small number" of paper FAFSAs that encountered issues during initial processing.

**GAO Study Examines How ED Communicated the Return of Student Loan Repayment to Borrowers**

A new study from the Government Accountability Office (GAO) looks at how the Department of Education (ED) communicated with borrowers about resuming student loan payments and temporary relief options following the three-and-a-half-year payment pause.

The payment pause on federal student loans – which began in March 2020 – formally ended in September 2023. At that time, interest began accruing on loans, and borrowers' monthly loan payments officially resumed in October 2023, but a year-long "on-ramp" period offered borrowers protections for missing their initial payments. According to data from ED, as of January 2024, about half of student loan borrowers in repayment – 17.8 million – were current on their loan payments.

However, a report from GAO released earlier in August found that nearly 30% of borrowers – 9.7 million – were past due on their federal student loan payments accounting for $290 billion in outstanding loans. ED earlier in October confirmed that it will begin reporting late or missing payments for most federal student loan borrowers to national credit reporting agencies in January 2025.

In this new study from GAO, the office reported two key takeaways from ED's communications with borrowers about the return of student loan repayment. The first noted that in July 2023, ED began communicating information to borrowers about resuming student loan payments and the availability of temporary relief options through emails, letters, text messages, social media posts, and the StudentAid.gov website.

The study noted that from July through October 2023, ED sent monthly emails to borrowers notifying them about the end of the payment pause and resumption of monthly payment requirements. Additionally, ED customized some of its email content to borrowers for a more targeted reach. That included borrowers considered "at risk" if they were late on loan payments before the payment pause began or entered repayment for the first time after the payment pause began.

GAO noted that ED introduced several options to help borrowers resume payments on their federal student loans, including the Saving on a Valuable Education (SAVE) repayment plan, which currently faces several legal challenges, along with the Fresh Start initiative and the "on-ramp" transition period.

Notably, the "on-ramp" transition period protected some borrowers from negative credit reporting stemming from missed, late, or partial payments. That program formally ended on September 30. The Fresh Start initiative was a one-time, temporary program from ED that offered special benefits for borrowers with defaulted federal student loans, including restoring access to federal student aid. Fresh Start ended in early October.

GAO noted its second takeaway from the study is that ED began communicating with borrowers about the end of both the "on-ramp" transition period and Fresh Start initiative in June this year.

Denise Carter, acting Chief Operating Officer for Federal Student Aid (FSA), wrote a letter in response to GAO's findings, noting that FSA plans further communications to borrowers in the fall and winter "to continue to support and inform borrowers."

Carter noted in her letter that while there are positive signs of ED's communications with borrowers, significant challenges remain regarding the return of student loan repayment for both ED and borrowers.

**ED: Revised GE FVT Completers List Available by October 28**

The ED will be using the weekend of October 26 to send schools the revised Gainful Employment (GE) and Financial Value Transparency (FVT) Completers List, which needed to be updated due to errors.

According to the department, the revised list will be available by October 28.

The department wrote that the list will be sent to a school's Student Aid Internet Gateway (SAIG) TG mailbox that is enrolled for NSLDS FVT/GE reporting. An alternative method to access the FVT/GE Completers List is to request the ad hoc report, FVT and GE Completers List Report (GEFVC1), from the NSLDS Reports Tool, which ED outlines in their electronic announcement.

Last month, ED announced that it would further delay the institutional reporting deadline for GE and FVT from October 1, 2024, until January 15, 2025, in order to "ensure that institutions can prioritize critical activities that might still remain for the 2024-25 FAFSA as well as prepare for the release of the 2025-26 FAFSA," according to the department.

NASFAA has pushed and will continue to advocate for, the department to postpone the reporting deadline until July 2025, which would provide financial aid administrators with greater certainty and relief during the department's 'beta launch' of the 2025-26 FAFSA.

Schools have until January 15, 2025 to review and correct student information on the revised draft FVT/GE Completers List.

**ED Releases Proposed Student Loan Debt Forgiveness Regulations for Borrowers Experiencing Hardship**

The ED released a draft of its proposed regulations to provide student loan debt forgiveness for borrowers experiencing financial hardship, which is part of the Biden administration's larger student debt relief plan done through the negotiated rulemaking process. The official proposed regulations will be published in the Federal Register in the "coming weeks," which means the fate of the program will likely be in the hands of the next administration.

Through the negotiated rulemaking process stakeholders met last year and earlier this year to discuss different provisions on how ED could provide targeted student loan relief to five categories of borrowers. The negotiators convened for the last time in late February, reaching consensus on ED's drafted regulatory text to provide debt relief to borrowers experiencing hardship.

In April, ED released its first set of proposed rules to provide student loan debt forgiveness to borrowers, which included several provisions that would be applied using the Secretary of Education's authority under the Higher Education Act (HEA) to waive student loan repayment. Most of the provisions would be applicable to federally held student loans, but a few would apply to commercially held loans in the Federal Family Education Loan (FFEL) program.

Notably, the first set of proposed rules did not include provisions on how borrowers who experience hardship would be eligible for relief, with ED noting that proposed text would be released in the "coming months."

On Friday, ED finally released its set of proposed regulations aimed at providing relief to borrowers facing hardship through two "pathways."

Under the first pathway, ED's secretary could grant individualized, automatic debt relief to borrowers without an application. ED proposes it could provide debt relief on a one-time basis to borrowers who the department determines, based on a "predictive assessment using existing borrower data," have at least an 80% chance of being in default within the next two years.

The proposed text outlines what factors the predictive assessment would be based on to provide automatic debt relief.

Those factors include:

- household income;

- assets;
- type of loans and total debt balances owed;
- current repayment status and other repayment history information;
- student loan total debt balances and required payments, relative to household income;
- total debt balances and required payments, relative to household income;
- receipt of a Pell Grant and other information from the FAFSA;
- type and level of institution attended;
- typical student outcomes associated with a program or programs attended;
- whether the borrower has completed any postsecondary certificate or degree program for which the borrower received Title IV aid;
- age;
- disability;
- age of the borrower's loan based upon first disbursement;
- receipt of means-tested public benefits;
- high-cost burdens for essential expenses, such as healthcare, caretaking, and housing;
- the extent to which hardship is likely to persist;
- and any other indicators of hardship identified by ED's secretary.

"The Secretary could then waive those loans to address hardships and prevent the severe consequences of default," ED wrote in its press release.

The second pathway in the proposed text would allow current and future borrowers to receive debt relief based on a "holistic assessment" of the borrower's hardship. According to ED, this pathway would be primarily application-based.

ED proposes that it would conduct a "holistic assessment" of the borrower's hardship based on information from the borrower's application, and ED would consider those same 17 factors listed in the first pathway as potential hardships.

ED wrote that a borrower would be eligible for debt relief through this second pathway if ED determines that the borrower is "highly likely" to be in default, or "experience similarly severe negative and persistent circumstances." If no other payment relief option exists to sufficiently address the borrower's persistent hardship, ED could then waive the loan.

According to ED, these two pathways would "operate separately and distinctly from each other" and would be fully severable. That means because these proposed regulations only concern waivers due to hardship, these proposed hardship waivers would therefore also be "separate and distinct from other proposed rules," ED clarified, including, presumably, the earlier provisions from the Student Loan Relief rulemaking session that were released in April. Those provisions are currently blocked from becoming final under a temporary restraining order.

ED, in its press release, wrote that this proposal would "support student loan borrowers for generations to come" and would authorize relief for "many of the most at-risk borrowers." The proposed regulations, if finalized as-is, would provide student loan forgiveness to approximately 8 million borrowers experiencing hardship, according to ED.

ED noted that after the proposed regulations are published in the Federal Register, the public may submit comments through the Regulations.gov website for 30 days. ED expects to finalize the regulations in 2025, which, per master calendar rules, would make July 1, 2026, the earliest possible implementation date for the financial hardship provisions. If the new administration chose to implement the new rules, they would likely use their authority to choose early implementation, which is important for borrowers because tax code provisions that exempt student loan discharge from federal taxation are set to expire at the end of 2025.

With the 2024 presidential election nearly a week away, Rep. Virginia Foxx (R-N.C.), chairwoman of the House Committee on Education and the Workforce, called the proposed regulations "another sham plan to shift responsibility for paying for college from those who took out loans to those who didn't."

Sen. Bill Cassidy (R-La.), ranking member of the Senate Health, Education, Labor, and Pensions (HELP) Committee, said the proposed regulations are "irresponsible and unfair."

**ED Rescinds Proposed Definition for Third-Party Servicer**

The ED announced in a recent court filing that it plans to formally rescind the 2023 Dear Colleague Letter, which contained proposed changes to the definition of a third-party servicer. The department had previously delayed institutional compliance with their guidance until there was an opportunity to rewrite it. According to the legal document ED will officially rescind its proposed definition by November 18, 2024.

**ED Releases 2025-26 FAFSA Preview Presentation**

The ED unveiled new reference tools, screenshots, and a presentation of the upcoming 2025-26 FAFSA to help partners prepare for staff training and financial aid nights.

According to an electronic announcement released on Monday, financial aid administrators, mentors, and counselors can download resources that will walk through the initial 2025-26 FAFSA application and view the corrections process.

ED noted that the data used in the presentation is test data, which is used to show examples of the views that users will see on the website.

The department also put forward a FAFSA roadmap detailing key dates during the 'beta' testing period. As a reminder ED plans to make the 2025-26 FAFSA form available by December 1.

**ED Updates FAQs on FVT GE Reporting Page**

The ED in an updated electronic announcement, posted three new FAQs in the reporting section for Gainful Employment (GE) and Financial Value Transparency (FVT). The updated questions – labeled "NEW" – concern institutional debt and how it should be reported, reporting data for a student enrolled in more than one educational program at the institution, and reporting licensure exam pass/fail rates if the results are not available by the reporting deadline.

**Panel Explores How the 2024-25 FAFSA Impacted College Freshmen Enrollment**

Preliminary data shows a decline in college freshmen enrollment for the 2024-25 year, the first decline since the fall of 2020. However, this time, instead of a pandemic, a panel of experts tied the trend to the tumultuous rollout of the 2024-25 FAFSA.

The panel, hosted by the National College Attainment Network (NCAN) on Tuesday, focused on preliminary findings from the National Student Clearinghouse Research Center released last week on 2024-25 college enrollment, and how issues with the rollout of the 2024-25 FAFSA may have impacted it.

Doug Shapiro, executive research director at the National Student Clearinghouse, noted that while preliminary findings show undergraduate enrollment increased 3% for the fall 2024-25 term, there was a 5% decline in freshmen enrollment, which "completely erased" last year's gains.

Shapiro noted this decline in freshmen enrollment is the first decline since the fall of 2020 term when freshmen enrollment dropped by 10%, largely due to the Covid-19 pandemic.

Specifically, 2024-25 college enrollment at public non-profit four-year institutions saw a decline of 8.5% in freshmen enrollment, and private non-profit four-year institutions saw a decline of 6.5% in freshmen enrollment.

The overall decline was steeper for full-time freshmen enrollment during the 2024-25 fall term. It declined 6.3% compared to part-time freshmen enrollment, which increased by 1.7%.

For 18-year-old freshmen, enrollment for the 2024-25 fall term declined by 6%. For 19-to-20-year-old freshmen, enrollment dropped almost 9%. Shapiro said a reason why enrollment dropped more for 19-to-20-year-olds than 18-year-olds could be because 18-year-old high school seniors received more support and resources to complete the FAFSA to enroll in college, compared to 19-to-20-year-olds who didn't necessarily enroll after their high school graduation.

While the panel focused on preliminary findings, Shapiro noted that the National Student Clearinghouse Research Center's upcoming Current Term Enrollment Estimates report, released every January, will include final enrollment estimates for the fall 2024-25 term.

Looking at different races and ethnicities for freshmen enrollment, white students had the biggest decline at 11.4%, followed by multiracial students at 6.6%, Black students at 6.1%, Asian students at 2.8%, and Hispanic students at 1.4%.

Shapiro also touched on findings that show steady growth in certificate and associate degree enrollment, which could be driven by the changing labor market, or concerns about the value of a college degree and student loan debt.

Kim Cook, CEO of NCAN, said several factors could have impacted the decline in college freshmen enrollment. That includes issues with the 2024-25 FAFSA, in tandem with the first admission cycles post the U.S. Supreme Court's decision banning race-conscious admissions. Additionally, Cook noted that there is an emerging narrative about the value of college, and some high school seniors may have chosen to opt-out from attending college.

Cook stressed that there is a strong correlation between FAFSA completion and postsecondary enrollment.

Panelist Catalina Cifuentes, executive director of College and Career Readiness at Riverside County Office of Education, spoke about her experience helping students complete the FAFSA at the state and county level. Cifuentes said she and many of her colleagues are thinking proactively about how to best serve students and their families when they complete the 2025-26 FAFSA, including multiple FAFSA nights and other services.

Cook noted that as the launch of the 2025-26 FAFSA nears, the Department of Education must ensure that the form is launched by December 1, with full functionality.

**ED Provides Details on Technical Fixes to Both 2024-25 and 2025-26 FAFSA**

The ED announced via an electronic announcement that it has implemented technical fixes to several "bugs" identified in both the 2024-25 FAFSA cycle and the current beta testing of the 2025-26 FAFSA.

According to ED, these fixes "enhance the user experience and improve functionality" of the FAFSA for both 2024-25 and 2025-26 cycles.

ED wrote that these fixes address issues that include requiring students and their contributors to re-sign forms in certain situations; requiring applicants to provide assets on an initial application when they were not required; preventing students from seeing an invitation from a contributor to complete the form; and making it challenging for users with a military address to submit a FAFSA form.

According to ED, these fixes also improved security and internal tracking processes.

As the full launch of the 2025-26 FAFSA nears, ED wrote it will continue to prioritize resolving issues that block users from submitting the FAFSA or impact student eligibility for federal student aid programs. Additionally, ED noted it will continue to list issues and provide updates on the FAFSA Issue Alerts page and the Technical Frequently Asked Questions and Known Issues guide. The fixes announced on Wednesday will be reflected in both resources in the "coming days," ED wrote.

In the electronic announcement, ED said it is continuing its beta testing of the 2025-26 FAFSA, and so far has not uncovered any "critical bugs." ED aims to release more updates on 2025-26 FAFSA testing next week and remains "on track" to have the form available to all by December 1.

The electronic announcement also noted that ED has increased training and staffing levels at the Federal Student Aid Information Center (FSAIC), with an over 80% increase in the number of agents, and additional availability hours in the evening and Saturday during the first few months that the 2025-26 FAFSA will be available to all.