

"September 11, 2001,  
revealed heroism in ordinary people  
who might have gone  
through their lives never called  
upon to demonstrate the extent  
of their courage."

— Geraldine Brooks, Author

## Market Watch

Week Ending Sept. 8, 2023

(Source: Briefing.com)

• <b>DJIA:</b>	34,576.50	-216.20
2023 YTD 4.30%		
• <b>NASDAQ:</b>	13,761.50	-270.30
2023 YTD 31.50%		
• <b>S&amp;P 500:</b>	4,457.49	-58.28
2023 YTD 16.10%		
• <b>Russell 2000:</b>	1,851.54	-69.29
2023 YTD 5.10%		
• <b>10 Year Treasury:</b>	4.26%	



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## Dave's Weekly Commentary



Happy Monday Everyone! I hope you all have a great week and weekend. It was a relatively low-key weekend for the Smith family. Nancy and I attended a wine dinner which was also a combination birthday celebration for a good friend who just reached the age of an iconic Beatle song "When I'm 64". I guess someone needs to develop a song for 65, around Medicare. (A little financial planner humor). The weekend was also filled with gardening, writing this newsletter, catching up on some continuing education, watching a few football games, and a nice quiet dinner on Saturday evening.

**On the office front** we have been quite busy, reviewing and re-reviewing processes, along with evaluating a new CRM (Customer Relationship Management) software for the office. We are currently using Salesforce and plan to transition to Redtail, which is more aligned for our type of business. While I think we do a good job keeping up with servicing needs, scheduling periodic review meetings, communicating with clients, and other things, there is always room for improvement. Hopefully this transition helps us improve. Later in October, a majority of our team will be traveling to ConnectEd, an educational and trade conference we've attended every year. I expect well over 5,000+ industry professionals, vendors, and supporting staff to travel to the Phoenix Convention Center.

A couple office happenings: In early October, I have a short trip planned to Minneapolis to attend the Ensemble Study group project Michael and I were asked to participate in. Later in October, a majority of our team will be traveling to ConnectEd, an educational and trade conference we've attended every year. I expect well over 5,000+ industry professionals, vendors, and supporting staff to travel to the Phoenix Convention Center. Also, in this week's newsletter we would like to thank all of you who have put faith in us. It is greatly appreciated and your trust is not taken lightly. Have a good week. Dave

**Let's talk about student loan updates...** Last month \$39 billion in student loan forgiveness represented the first wave of approvals under the IDR Account Adjustment. The Education Department determined that these borrowers had reached the threshold for IDR loan forgiveness based on the adjustment's retroactive credit. That threshold is 25 years for borrowers with graduate school loans, and 20 years for borrowers with only undergraduate school loans. "The Biden-Harris Administration has forgiven your federal student loan(s) listed below in full," said the notices sent to hundreds of thousands of borrowers. "This debt relief was processed as part of the Biden-Harris Administration's one-time account adjustment because your student loan(s) have been in repayment of at least 20 or 25 years."

**Coming This Month, Maybe** The IDR Account Adjustment is a one-time fix, but it's actually being implemented in batches. The approvals from earlier this summer were just the first. The next wave of loan forgiveness may happen as soon as this month. "The first group of eligible borrowers were informed by ED on July 14, 2023, that they have loans that qualified for forgiveness," says Education Department guidance. "ED will continue to identify and notify borrowers who reach the necessary forgiveness threshold of 240 or 300 months' worth of qualifying payments, depending on the repayment plan and type of loan. We will send these notifications out every two months until next year, at which point all borrowers who are not yet eligible for forgiveness will have their payment counts updated."

The notifications will be sent directly by a borrower's student loan servicer. Given recent changes to student loan servicing, the Education Department encourages borrowers to track their loan servicer and update their contact information at StudentAid.gov.

While the department will implement the IDR Account Adjustment automatically for Direct loan borrowers, those who have commercial federal loans through the Family Federal Education Loan (FFEL) program need to consolidate those loans through the federal Direct consolidation program prior the end of this year to benefit from the initiative.

**Last week's markets...** The stock market registered broad-based losses on this holiday-shortened week. The price action in stocks was largely dictated by moves in Apple, market rates, and oil. Some sessions this week featured below-average volume as participants remained in vacation mode after Labor Day weekend.

Apple declined 6.0% this week following reports that Chinese officials are being prohibited from using Apple devices. Semiconductor stocks also sold off in sympathy. The PHLX Semiconductor Index fell 3.2%. The news goes beyond Apple and the semiconductor stocks, however. The worry for the market is that, if China purposely chooses to make business difficult for a company like Apple, which has a good and important working relationship in China, then it can do so for a lot of other U.S. companies doing business in China. Source: Briefing.com

## Your Money Matters

Below is helpful information about managing an inheritance, foundational steps for building wealth, a helpful checklist when dealing with the loss of a loved one, and important steps to protect a child with disabilities.

### Managing an Inheritance

A windfall from a loved one can be both rewarding and complicated.

[Learn More](#)



### Building a Solid Financial

**Foundation** Sustain financial well-being or create wealth through these actions. [Learn More](#)



### A Checklist for When a Spouse or

**Parent Passes** An overview of some fundamental steps when a loved one passes. [Learn More](#)



### 4 Steps to Protecting a Child

**with Disabilities** Planning for a child with special needs can be complicated, confusing, and even overwhelming. [Learn More](#)



**Planning Points, Part 2 of 2** To read the article in its entirety now, go to <https://www.smithmosesandcozad.com/blog> This article was prepared and legally licensed for use by AdvisorStream. The Guardian, Lauren Aratani

## Biden's Student Loan Repayment Program: Four Things You Should Know (continued)

### What to do if payments will be hard to make

For many, restarting payments will be the end of much-needed relief from debt. The Consumer Financial Protection Bureau (CFPB) released a report earlier this summer that found one in 13 student loan borrowers are currently behind on other payments, while one in five have risk factors that suggest they could struggle when payments resume.

Acknowledging this, the White House is creating an "on-ramp" to repayment that will go on until 30 September 2024. Until then, borrowers who miss monthly payments will not be considered delinquent, placed in default, referred to collection agencies or have their loans reported to credit bureaus. Interest will continue to accrue during the on-ramp period.

Experts say this allows strapped borrowers more time to explore their options, but people should still try to make their payments as best as they can.

"Don't misinterpret this on-ramp as a 'get-out-of-jail-free' card. But if you're struggling and in a situation where it's especially difficult [to make payments] and you need a period of adjustment to figure out what options might be available ... it is a tremendous benefit," said Bruce McClary, a senior vice-president at the National Foundation for Credit Counseling, a non-profit credit counseling service.

McClary recommends researching specific IDR programs and, if necessary, about forbearance.

"That way, you can have a better-informed discussion with your servicer should you ever have to call them and ask questions about these programs when you need them," he said.

For example, a one-time program called Fresh Start allows borrowers who have defaulted on their federal student loans to go back to good standing if they sign up for the program. Once accepted, a loan will be transferred back to a service and a record of default will be removed from a person's credit report.

Borrowers can also seek financial counseling advice from a nonprofit organization. The National Foundation for Credit Counseling connects borrowers with counselors from a network of agencies. The Institute for Student Loan Advisors takes questions over email for borrowers looking for more advice on how to handle their debt.

### What happened to student loan cancellation?

The elephant in the room as payments begin again is that this time last year, many borrowers were hopeful that a huge chunk of their loans would be forgiven under Biden. But the supreme court blocked the plan earlier this summer, essentially ending any possibility for forgiveness in the near future.

The Biden administration said it is exploring other ways to get forgiveness to borrowers, but with division in Washington, there is no guarantee forgiveness will be seen anytime soon.

Still, borrowers should feel safe in the forgiveness programs that are being offered now. Even as Washington evolves, those who enter the program now can safely bet on them sticking around.

"Even if there was another administration that came in and tried to change that program, any borrower who had loans first are grandfathered in," Clark said. "The same thing goes for those income-driven repayment plans: it's written into law."