

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
SESSION 1, DAY 1, MORNING
JUNE 30, 2025

On the 30th day of June 2025, the following meeting was held in-person, from 9:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good morning, everyone, again. Welcome to our negotiated rulemaking session on Public Service Loan Forgiveness or PSLF. This process is sometimes referred to as neg reg. And occasionally, if you're about my age or older, reg neg. It's outlined in section 492 of the Higher Education Act of 1965, as amended. My name is Annmarie Weisman, and I am your facilitator for the next three days. I will try to guide you and occasionally provide a bit of a sense of humor. You can laugh and smile. My role really is to help structure the conversation and help to manage time and help to ensure that all committee members have a fair and respectful opportunity to be heard. I'm not here to advocate for any policy position or any proposal. I don't have a stake in the outcome, other than my goal is to be the cheerleader for consensus. And we've all talked about that. I've met with each of the negotiators in advance. I really enjoyed those conversations, and I want to thank you again for taking the time to do that as part of your preparation. Remember working toward consensus. I'll be mentioning that many, many times as we go on, and I think some of your fellow negotiators will as well. There are green comment cards at your stations if you want to speak, if you can put those up vertically as opposed to

horizontally. I will do my very best to call on you in the order in which you raise those cards. If I don't, you may want to give me grace if I get one behind. If I get a couple behind, you might want to flag me down and say, hey, don't forget about me. I promise I won't be offended. Please try to make new points when you're talking. So, make points that have not already been raised by someone else. If you want to add on to something that someone says, you don't need to repeat the entire discussion that we've already discussed. But again, give people enough context so they know where you're going. Some people have circulated alternative language and proposals, and we'll go over those as time allows. But definitely, if you have not read those, you may want to take a look on a break and get familiar with what your colleagues may be proposing at the table. When speaking, you will have up to three minutes. I will give you a verbal cue when you have 30 seconds left, and I will let you know when time is up. There are also these nice lights around, and there is a green light when your time begins, there is a yellow light when you have 30 seconds left, and you have a red light when your time is up. So, at that point, if you have not finished, please make your final point, and we will go on to the next person. As I mentioned to you on the phone, we will take

polls and informal, tentative agreement kind of discussions as needed. I expect that anybody at that point who has a strong opposition to something discussed would raise that point. And as I told you as well, keep in mind, if you don't have the idea for what to do, instead, you can call on your fellow colleagues around the table. If you don't have an idea, maybe one of them will. Remember, too, when we get to the check for consensus. Once we've done a check for consensus, we don't go back and relitigate after that. So that is our—that is generally our ending point unless something new arises. And generally, we do those toward the end of the last day. So, it's, it's pretty unlikely. So, we're going to do introductions in just a minute. But I do want to start by introducing the Department's negotiator, Tamy Abernathy.

MS. ABERNATHY: Thank you, Annmarie. Welcome to the 2025 Negotiated Rulemaking session, held today through July 2nd. It's very nice to see all of you. Some of you I just saw last week, and you experienced the same nightmare of travel that I did. So, I'm really glad to see everybody here healthy and well. As Annmarie stated, I'm Tamy Abernathy. I'm the director of the Policy Coordination Group in the Division of Policy, Planning and Innovation, Office of Postsecondary

Education, otherwise, OPE. My team's focus is on Federal Student Loan policy. I was a first-generation student that worked three jobs, including work study. I received Pell Grants and borrowed Federal Student Loans to pay for my education. Mine were FFEL loans, if that tells you how old I am. And now, 38 years later, I'm still working in the Federal Student Aid industry. The last 13 of those 38 years have been at the Department, first in the Federal Student Aid Office of Policy Liaison Implementation under Jeff Baker and now at OPE in the Policy Coordination Group under Jeff Andrade. Apparently, I like working for men named Jeff. For these negotiations, I am serving as the Federal negotiator. One little housekeeping item, as you send in your proposals through today, the Department plans on meeting later this afternoon after the session concludes to discuss those proposals. So please keep putting them in. We are not necessarily going to discuss them today because we have a packed agenda to get through, but we do want some time to take that back and review them in the time that we have, so that we can make sure that we're addressing everything that you've sent in. Joining me today is Jeff Andre, the deputy assistant Secretary for policy planning, and innovation in the Office of Postsecondary Education. Mr. Andre will be addressing the committee a bit later this morning. Also

joining us is Jacob Lallo, general attorney from our Office of General Counsel. And while not at the table with us, we have a number of our PPI, or Policy, Planning and Innovation team in the room, as well as other staff across the Department, including other general counsel, either in the room or virtually. Without these individuals, these negotiations would not have been possible. Thank you, team. It is my distinct privilege to introduce Mr. James Bergeron, acting Undersecretary of Education at the U.S. Department of Education. Prior to joining the Department, James served as president and chief officer of the National Council of Higher Education Resources, or NCHER, which represents state, nonprofit, and private higher education finance organizations that provide a holistic approach to student success from administering 529 college savings plans to operating state funded grant, loan, scholarship, and college access and success programs for first-generation low-income students. Prior to 2014, James worked as the Director of Education and Human Services Policy for the House Committee on Education and Workforce, where he developed and managed the committee's legislative agenda in all areas of education and human services policy. While there are a number of other accomplishments Mr. Bergeron brings to the table, and the essence of time, we are just

capturing some of the major highlights. Please join me in inviting Deputy Undersecretary of Education, Acting Under Secretary James Bergeron, and chief operating officer of the Office of Federal Student Aid to address the committee.

MR. BERGERON: Good morning, everyone. I'm a loud talker. Just so you guys know. On behalf of Education Secretary Linda McMahon, I'm pleased to welcome everyone to the opening day of the administration's first negotiated rulemaking committee. It's good to see many of you in person. I think we haven't had an in-person negotiated session in quite some time, so there may be some bugs here over the next few days. But I'm confident that everyone here will make sure that we get to the right side of where we need to go. This committee is the first of multiple negotiated rulemaking committees that we will be convening after having obtained advice and recommendations from the general public and specific stakeholders on ways to improve Federal regulations around postsecondary education. Back in May, the Department held two public hearings, one in person, which I'm seeing some friendly faces and some familiar faces here, here in this room and the other online to reach a national audience. We also issued a formal call for public comments through the Federal Register, which

produced over 7200 comments and suggestions. The Trump administration is committed to common-sense solutions to our Federal Student Aid programs, and today's proposal on restoring Public Service Loan Forgiveness is one of those. The changes being proposed here would restore the focus of the program to its true purpose, public service, and away from activities that advance unlawful activities such as illegal immigration, terrorism, child abuse, and discrimination. This proposal would realign taxpayer funds with PSLF, will realign taxpayer funds spent on PSLF with the public interest, a central tenet on what the administration is pursuing across the Federal Government. The individuals assembled here to consider the Department's proposal were selected from nominations by groups representing key stakeholders and industry participants involved with the Federal Direct Loan Program. Everyone selected, demonstrated expertise, or has experience in the Federal Student Loan Program, and particularly PSLF. They reflect the rich diversity of industry participants and beneficiaries of the program, including those from both large and small organizations. They each bring their own unique insights and perspectives to the task we are discussing today. And last but not least, they are strongly supportive of our goal to reach consensus. The meetings over the next few

days are just one part of a larger regulatory effort that will involve the development and publication of a proposed rule for public comment, and a final rule for implementation next July. The process will require hard work and careful thought, we know that. Those of you that have been involved in this before, you know the amount of work that takes place and will take place over the next three days. When final, however, these regulations, as well as other regulatory changes that we'll propose in the future, will be impactful, they will make a difference, and they will advance opportunities. They'll foster innovation as well, and they will address persistent as well as emerging challenges like the ones we're dealing with today boldly and head-on. So, in closing, I would like to thank all the negotiators on the committee for coming here to Washington this week to share their time and expertise. I wish you all a productive day, and for the duration of the meetings over the next three days. So, thank you guys. Back to Tamy. Annmarie.

MS. WEISMAN: Thank you. So now I want to make sure that we do our other introductions. I'd like to start with the rest of the Department staff, and then we'll move around the table to primaries, and then we'll go to the row behind them with alternates. If you could

please say your name, and you can certainly mention any affiliation that you have now with any position that you're in. But also, if you could clearly state the constituency that you're representing. That's what we really want to make sure we emphasize here at the table. So, Jacob, we'll go to you first.

MR. LALLO: I apologize. Sorry, I was a little distracted. What would you like me to do?

MS. WEISMAN: If you could please introduce yourself and who you are, and why you're here at the table assisting the Department.

MR. LALLO: Yeah. I'm an attorney with the Department. I work with the Division of Postsecondary Education. Primarily, I focus on changes in ownership and PSLF. As the general attorney, though, I do a little bit of everything. And so, as you know, the PSLF subject matter expert, I'm here to help out with this.

MR. ANDRADE: I'm Jeff Andrade. I'm the deputy assistant secretary, and we'll be chatting in a little bit after the introductions.

MR. BUCHANAN: Hey. Good morning, I'm Scott Buchanan. I'm the executive director of the Student Loan Servicing Alliance, and I'm the primary negotiator for the Federal family education loan lenders and/or guaranty agencies constituency.

MR. JONES: I'm Todd Jones. I'm president and general counsel of the Association of Independent Colleges and Universities of Ohio. And let me take a deep breath. I represent the private, nonprofit institutions of higher education, including historically black colleges and universities, tribal colleges and universities, and minority serving institutions. Institutions of higher education eligible to receive Federal assistance under Title III, parts A and F, and Title V of HEA.

MR. IRELAND: Good morning. I'm Tracy Ireland, associate vice chancellor, enrollment management and student affairs at the University System of Georgia. I'm representing public colleges and universities. It's a pleasure to be here.

MS. DOBSON: Morning. My name is Alyssa Dobson, and I'm the primary negotiator for financial aid administrators at postsecondary institutions. I am currently the director of financial aid at Slippery Rock University.

MS. HAMMER: Good morning, everyone. I'm Mary Lyn Hammer. I'm the president and CEO of Champion College Services, and I've been doing this for 37 years. I helped write Appendix D. It was based on my original (inaudible) management program. So, we've been

doing this a long time, and it can be excruciating and a lot of fun. And I am representing the proprietary institutions.

MS. STANLEY: Good morning. My name is Rebecca Stanley. I'm the accountant and student loan advisor for the Fifteenth Judicial Circuit Horry County Solicitor's Office. I'm representing state officials, including state higher education, executive officers, state authorizing agencies, and state attorneys general.

MR. AIELLO: Good morning. I'm Tom Aiello, I'm the senior director of government affairs at the National Taxpayers Union. And I will be representing the taxpayer free market constituency.

MR. CAREY: Bob Carey with the National Defense Committee, also co-chair of the National Military Veterans Alliance, a group of 46 of the smaller, more niche-oriented military and veteran advocacy groups. I am representing the U.S. military service members, veterans, or group representing them. I have also received a couple of texts from members of my community who said they have registered for the online but have not received the link yet for the online capability. And if you want me to put out any word, I'll be happy to do so.

MS. WEISMAN: Thank you. I have someone from the staff looking into that.

MS. MAYOTTE: I'm Betsy Mayotte, I'm the president and founder of The Institute of Student Loan Advisors, or TISLA. And I'm here representing civil rights organizations, consumer advocates, and legal assistance organizations that represent students and borrowers.

MR. OGUH: I am Emeka Oguh. I think I have everybody on the most confusing name here. So, I put a little flashcard together. So just Emeka Oguh. So, if you get stumped at some point, I gave it to Tamy as well. Founder and CEO of a company called PeopleJoy. We're a for-profit entity that worked with employers to address workforce shortages through programs like PSLF assistance, student loan repayment assistance, tuition reimbursement, college financial planning, so on and so forth. My wife and I started the company back in 2016. Between school for myself and my wife, we had over \$400,000 in student loans. So, I represent the borrowers, if that you couldn't tell. Happy to be here. And again, I'm Emeka Oguh.

MS. WEISMAN: Thank you. So that finishes off all of our primary negotiators, and everyone is in attendance. So, I thank you for that. If we could start back over here and go with the row of alternates and go around. And again, if you could state your name,

any affiliation that you have, and then your constituency, please.

MS. ABERNATHY: Excuse me, Annmarie. Is there any way that we could get them mic'd, or could they yell really loudly so we could all hear?

MS. WEISMAN: I think they're going to need to come up to the primary's mic.

MS. ABERNATHY: Musical chairs, everybody. Way to be adaptable and flexible. Thank you. Look at that, we already got consensus just by switching chairs, I like it.

MR. RICCI: Hello, everybody. My name is Alex Ricci. I'm the president of the National Council of Higher Education Resources, and my constituency is the Federal Family Education Loan lenders and/or guaranty agencies. Thanks so much.

MS. BOUTELL: Good morning, everybody. My name is Heather Boutell. I am the director of financial aid at Vanderbilt University School of Medicine, and I am the alternate for private institutions.

MS. MCNEILL: Good morning, all. I'm Kaity McNeill. That's like mighty with a K, and I am from the University of North Carolina system. I'm the assistant VP for Regulatory Affairs. I am here

representing public institutions, including HBCUs, tribal institutions, and other minority serving institutions.

MS. FAITH: Hi, I'm Helen Faith, associate vice (inaudible) for enrollment and student financial services at the University of Virginia. And also, today is my last official day as past national chair of the National Association of Student Financial Administrators. I am here as the alternate for financial aid administrators at postsecondary institutions.

MS. BOYD: Hi. I'm April Boyd. I'm the vice president of financial aid at the College of Healthcare Professions, and I represent the proprietary institutions.

MS. TAYLOR: Good morning. My name is Laurel Taylor. I'm the founder and CEO of Candidly. I'm here representing public interest and taxpayer perspective. At Candidly, we're the category leader as the private sector offering a workplace benefit that automates the ability for hardworking Americans to take advantage and access the amazing Federal programs that you all have worked so hard to create. From Income Driven Repayment programs to PSLF and we've generated \$2 billion of impact to date, always free to the borrower, paid for by the employer as a workplace benefit.

MR. SULMAN: Good morning. My name is

Faisal Sulman. I am with Student Veterans of America where I serve as a legal fellow. I'm also a licensed attorney out of North Carolina. I represent United States military service members, veterans, or groups representing them. And thank you all for having me here today.

MS. SHAFROTH: Good morning. My name is Abby Shafroth. I'm a managing director of advocacy and director of the Student Loan Borrower Assistance Project at the National Consumer Law Center. I am an alternate today representing legal aid organizations that work with low-income student borrowers, as well as consumer advocacy organizations. And NCLC provides, provides training and support to legal aid organizations across the country that work with low-income borrowers on managing their student loans. And I'm also the lead author of our legal treatise on student loan law. Thanks.

MS. DORAN: Good morning, everyone. My name is Sarah Doran. I am an early childhood special education teacher with the Saint Vrain Valley School District in Longmont, Colorado. I am here as an alternate representing student loan borrowers and repayment. Thank you for having me.

MS. WEISMAN: Thank you all very much. That means we have all of our primaries and all of our

alternates. Thank you very much for the introductions. If you could make sure when you're back at the table that your tent card with your name is visible to me. I'm going to try to get the names. I know Tamy needs to see the names as well. We'll share. Okay. I think, Todd, you are the only one whose name is a little bit hidden from me. But now that I've said it out loud, I'll probably remember. Let's see. Okay. A couple of quick scheduling items. We are meeting for three days from 9 to 4. We anticipate a ten-minute break in the morning and a ten-minute break at lunchtime, I'm sorry, at afternoon. Along with an hour, a 60-minute break for lunch. You're all awake. Very nice. Very good. We will be a bit flexible on that, based on the expressions I see on your face and the looks of I need food, I need coffee. Again, feel free to give me that feedback. I will be watching for it. We will have public comment at the end of today. And at the end of tomorrow. We will begin at 3:30 so that we can have a hard stop at 4:00. I know many of you are meeting with constituents and with each other, and we want to make sure that we honor that time. There will not be public comment on the last day, as at that point, the committee will have concluded its work. When we begin working on an area or a section, the Department will present the proposed language and discuss what the goals are. They

will invite clarifying questions, and then the committee will engage in structured discussion. As we near the end of a discussion on those issues, as I mentioned earlier, we'll do some informal polling just to get a sense of where you are. Those will get more detailed as our time together goes on. But remember, they are a pulse check or a poll. They are not final. You may change your mind. You may get feedback from others. And so, we invite you to talk with others, again, other negotiators, others in your constituency, to help form the best opinion. I've mentioned consensus probably three times already, so it's time for the fourth. Just remember that consensus checks are not votes per se. It is not a majority wins for consensus to be given; it means that no one has blocked consensus. If you abstain, you are not considered to have blocked, but you may abstain. The goal for consensus is to identify agreement or general agreement. So, you may indicate that you will go with consensus on something, even if it's not your favorite thing, but you feel it's something you can live with. The goal here is to get a proposed rule out that meets at least most of your needs, if not all of them. And my feeling on getting consensus at the table is that it's a wonderful thing, and that the whole is greater than the sum of its parts. So together, collectively, the committee will come up with something,

generally speaking, that is better than if any one of us had written it. I talked to each member in advance of the committee about negotiating in good faith. I felt like we had really good conversations. I felt like everybody is coming with a great spirit and a great approach. And so again, I just appreciate the respect and the enthusiasm that I saw and heard from so many people. And I think that already gets us closer to consensus than we walked in the door. All right. Tamy, do you have anything else that you need to cover before we get started?

MS. ABERNATHY: No, I simply want to say thank you to all of you for being here, for your willingness to serve alongside the Department in furthering the restoration of the Public Service Loan Forgiveness program. We're excited, and I look forward to the next few days of getting to know you better and again working on behalf of the Department. Thanks again for coming and joining with us and agreeing to serve. For without you, we cannot do this. Thank you.

MS. WEISMAN: Thank you. Do we have any questions before we start anything that we need to cover before we get into the first item? Betsy.

MS. MAYOTTE: I'd like to request another seat at the table specifically for and separately for civil rights organizations. I think Abby might have

some additional language around that.

MS. WEISMAN: I think we can do this now.

MS. SHAFROTH: Thank you, everyone. So, as Betsy mentioned, we're proposing to add an additional member to represent civil rights organizations and to make that a separate seat at the table, separate and distinct from the consumer advocate and legal assistance organization seat that Betsy and I are filling. While I'm really sensitive to the need to keep this committee size manageable to make sure everyone can be heard, I also believe that given the substance of this rulemaking, in particular, with its stated focus on limiting PSLF eligibility based on violations of anti-discrimination and immigration law, that it's important to have a negotiator at the table to specifically represent the civil rights community. We don't have that right now. I therefore propose that we add Chavis Jones and Jalen Herbin as alternate to represent civil rights groups. If you guys, too, would like to waive or stand up. As you can see, they are present, willing, and ready to join the committee and to participate in the next three days of meetings in good faith. To be clear, while the seat that Betsy and I have been asked to fill is titled Civil Rights organizations, consumer advocates,

and Legal Aid Organizations, Betsy was nominated to represent consumer advocates, and I was nominated by the legal aid community to represent legal aid organizations. Neither of us was nominated by civil rights groups, but- and the legal assistance groups that did nominate me wrote in their letter that they believed we should have a separate seat for civil rights organizations. And I agree with that. Fortunately, there are nominees from the civil rights community. The Leadership Conference on Civil and Human Rights previously nominated Chavis and Jalen to serve on the committee. Chavis is from the Lawyers Committee for Civil Rights Under Law. Jalen is from the center for Responsible Lending. I have a paper copy of the nomination letter that I can circulate around, or I'm happy to email to Annmarie their nomination letter that she can send off, if that's helpful to anyone. You can let us know how it's best to proceed from here.

MS. WEISMAN: If you could do paper just in the interest of time. Thank you.

MS. SHAFROTH: Interest of time. It's only- I don't have 30 copies, I have one.

MS. ABERNATHY: You can just give that to me. We'll take care of it.

MS. SHAFROTH: Probably, yes. Good point.

MS. ABERNATHY: Annmarie, I'd like to ask Ms. Abby to repeat those names. I could not hear exactly who she was saying, and I would like to make sure that I have that.

MS. SHAFROTH: Yes. The names are Chavis Jones and Jalen Herbin.

MS. ABERNATHY: Thank you.

MS. WEISMAN: Tamy.

MS. ABERNATHY: Are there any other constituencies that the primary or alternate negotiators would like to recommend we consider before we discuss this? Laurel?

MS. WEISMAN: If you could come to the microphone.

MS. TAYLOR: When, thank you for the bravery, first, just like to comment. One question. As we were going around and presenting who we are representing. I noticed that Thomas is representing taxpayer. I did not hear public interest. Are you representing public interest?

MR. AIELLO: Taxpayer and public interest.

MS. TAYLOR: Perfect. Thank you. I no longer have a question. Thank you.

MS. WEISMAN: I see no other hands or

cards raised regarding adding constituents. Jeff?

MR. ANDRADE: Because the nominees are from a constituency that was identified as a single constituency. The Department objects to adding and splitting up the constituency group.

MS. WEISMAN: So, since we have an objection that would need to come from the Department's negotiator. Tamy, are you objecting?

MS. ABERNATHY: Yes.

MS. WEISMAN: Okay. So, in this event, we do not have consensus, and the constituencies will remain combined as we began. I thank you, Abby and Betsy, for raising the issue. So, our list will remain as it is. Does anyone else have questions before we get started on content? Bob.

MR. CAREY: Any progress on getting the link out?

MS. WEISMAN: The link is up.

MR. CAREY: Where?

MS. ABERNATHY: It is on our website.

MR. CAREY: Okay.

MS. ABERNATHY: It was repaired this morning relatively early, so hopefully anyone who's been accessing it now will not have the same difficulty as they did last night and earlier this morning.

MS. WEISMAN: Also, I was just informed that the Department sent a new email this morning with a fresh link, so that it should be at the top of their inboxes or pretty close to the top.

MS. ABERNATHY: Annmarie. Could we get that link to the negotiator so that they could send it out to their constituencies? Because the people accessing the links that were not able to do that may need to hear from the negotiators, so that they know that they can access the link, now. If it's a new link, we want to make sure everyone's been aware. Oh, it's the same link. So.

MS. WEISMAN: If they had an earlier email, it would now work.

MR. CAREY: I have constituents who said they never received an email.

MS. ABERNATHY: Okay.

MR. CAREY: Who had registered for the meeting?

MS. ABERNATHY: Can we take that back? Let us do some research on that and we'll get back to you, Bob. Thank you.

MR. CAREY: Thank you.

MS. WEISMAN: So, I'm told that if they register in person, they would not get a link, but if they register for virtual, they would get a link right

away. They may need to check their spam folders, junk mail folders kind of thing. But we will work on getting that link as well.

MR. CAREY: And as soon as we get it, I'll put it up to my constituency on social media as well.

MS. WEISMAN: Appreciate that. Thank you. Other questions before we get started? Other questions from negotiators? Okay. Then I'm going to turn it over to Tamy to walk through our first part of our content.

MS. ABERNATHY: Actually, I believe that we are punting to Mr. Jeff, who is going to give us an overview of the executive order restoring Public Service Loan Forgiveness. Are you ready, sir? If you would let Michael share the screen with that executive order so that he could get that up and ready for us, please?

MR. ANDRADE: Sure. While Michael's doing that, I'll just give you a just a brief intro. My name's Jeff Andrade. Thank you to everybody for coming in. I'm the deputy assistant Secretary for policy planning and innovation here in the office of postsecondary education. Our office is responsible for policy and regulations impacting the Federal Student Aid

programs and the recognition of accrediting agencies. I've been involved with the student aid programs and the rulemaking process here at the Department for nearly 40 years. Like Tamy, I'm a first-generation college graduate. I'm also a Pell Grant recipient and a loan recipient as well. Worked both inside and outside the Department, and I think I'm probably one of the few people in town that's been a Federal negotiator and a non-Federal negotiator. As well as sitting out in the studio audience and at home playing neg reg bingo. I wanted to say the first neg reg I did, Ms. Hammer and I were actually across the table. That's how we met one another. And I think we've been arguing ever since. So, you will- be careful how you deal with your fellow negotiators. Because you may meet them in the future somewhere. So, we have the Public Service Loan Forgiveness executive order up. And I wanted to start talking about how that fits in with the Public Service Loan program. The Public Service Loan program was enacted in 2007, and its purpose is to forgive the remaining loan balance for those who have worked in public service jobs for at least ten years, have made 120 monthly payments under a qualifying repayment plan. Congress has granted the Secretary broad authority to promulgate regulations to administer the Department's programs. And in fact,

this proposed rule that we're about to consider here will be the eighth time that the Department has amended the regulations on the PSLF program. One of the primary purposes for this set of proposed rules is to implement Executive Order 14235. Restoring Public Service Loan Forgiveness, which was signed by President Trump on March 7th, 2025. This executive order directs the Secretary to amend 34 CFR section 219 specifically to exclude organizations that have a substantial illegal purpose and directs us to amend the current definition of qualifying employer to exclude those organizations. Guided by President Trump and Secretary McMahon's vision, the proposed regulations that we're about to discuss is a common-sense proposal. It realigns the PSLF program in the best interest of the American people, and it will ensure that PSLF benefits are received only by those who are working for the public good and not against it. Specifically, the Public Service Loan Forgiveness would exclude from the PSLF program, employers that have been found to have a substantial illegal purpose, including those who have been found to have aiding and abetting illegal immigration, those supporting foreign terrorist organizations designated by the Secretary of State such as Hamas, ISIS, and illegal cartels such as Tren de Aragua. Those who have abused healthy children through

mutilating and irreversible surgical procedures, powerful chemicals and drugs, or have trafficked children away from their parents out of their home state to have such procedures done. Those who have engaged in a pattern of aiding and abetting illegal discrimination against our fellow Americans. And finally, organizations engaged in a pattern of violating State Tort Laws, such as vandalism, disorderly conduct, trespassing, public nuisance, and blocking of highways. Now, Congress empowered the Department and the public to come together in this process to review and revise the regulations that govern the student aid programs. This process encourages and requires collaboration, requires give and take between everyone around this table as the Department moves forward with implementing these proposed changes. As a member of the committee, as Annmarie has pointed out, and this, will be the fifth time, the objective is to reach consensus. Over the last few months, there have been countless meetings here at the Department and across government to put together a draft regulatory language. The proposal that you have before you, which will ultimately go for the Secretary's consideration, is reasonable by design. It is legally sound and it's operationally feasible. But we know, having done this many times before, there's always room for improvement

and to fine-tune the proposal. So, with that in mind, we urge you to take full advantage of this opportunity to share your unique insights and be part of the policy making process. We are here and we stand ready to answer your questions, listen to your concerns, and discuss your ideas. And with that, I'll turn it back to you, Annmarie.

MS. WEISMAN: Does anyone have any questions about Jeff's remarks? Betsy? We're trying to keep the table to the primaries and have the alternate give information to have the alternate give information to the primary so that we can keep the table manageable. Yeah. Okay. Thank you. Other questions? Emeka?

MR. OGUH: Thank you. If we submitted comments in advance, I guess, is there a point in the proceeding where I'll be able to kind of address some of the fine-tuning that was discussed?

MS. WEISMAN: If you're- if what you submitted pertains to what Jeff just said and you want to raise those issues now, you can certainly do that.

MR. OGUH: Sure. Yeah. So, just you know, alluding to what Jeff mentioned, just looking at the proposals, I just want to make sure that we understand the impact that it's going to have in terms of workforce shortages and increasing taxpayer costs. Can everybody hear me? Perfect. So, a lot of our constituents

that we represent are health care workers, educators, and clergy, all of whom are eligible for Public Service Loan forgiveness. And I think we all around the room know that the U.S. is projected to face a shortage of 86,000 doctors and 338,000 nurses by 2036. A lot of what we do that's unique to our organization is in addition to submitting IDR forms and PSLF forms for these individuals to help them navigate PSLF at no cost as an employer of benefit, we also have dedicated coaches that help them on a daily basis, sort of course correct. Because as Jeff mentioned, those eight Department amendments to PSLF, comes with a lot of confusion for borrowers. A lot of them are relying on PSLF to remain in those areas. These are underserved areas, inner city. These are rural areas where they're relying on PSLF for employee retention. I can't tell you the number of times our coaches have talked a nurse from leaving a nonprofit entity to work for a for-profit or a traveling nurse because that PSLF was at anchor. Right? 70,000. 80,000 in loan forgiveness. And so, to make it more difficult for folks, let's say, for no fault of their own, their employer is considered ineligible, they may try to leave, right? If they leave, a lot of them can't leave because they have some non-competes in place where they can't work within, let's say, a 25-mile radius with another competitor of theirs.

So, what this may create are essentially gaps where people don't have access to high-quality healthcare. Right? Because nurses and physicians are essentially leaving that area because they don't have access to PSLF. So one of the things I wanted to suggest is that we give folks who have non-competes in place or don't have the opportunity to get with a qualified sort of PSLF provider in the same area, give them an opportunity to essentially appeal and say to no fault of my own, I understand that my employer did something illegal, but I don't have other options, and to do so would remove that caregiver from the workplace. Just imagine if, hypothetically, Children's National here were found to do something illegal, and now all their employees are no longer eligible for PSLF. Imagine if someone's child doesn't have access to a level three trauma center for delivery, right? Just imagine the impact that that would have.

MS. WEISMAN: You have 30 seconds left.

MR. OGUH: So that's just the one issue I wanted to raise. Thank you.

MR. ANDRADE: Well, thank you for bringing that up Emeka, and thank you for the proposal. As Tamy said earlier, we are looking at all of the proposals this evening, and we will come back in terms of

what we can do. While I appreciate your raising the issue with regard to non-compete, I'm not sure I can fully agree with the potential impacts that may have. Again, the purpose here, we went to very great lengths to make sure that we were not taking away credit for folks for the work and for the payments that they made prior to the Secretary's determination of a loss of eligibility of an employer. So that is one key feature there. As I said and I know a number of the proposals that have come in revolve around the ability for organizations to be reinstated if they change their policies. We also built in a significant amount of due process to give employers the ability to rebut any information that we may have before the Secretary makes a final determination. So, we've gone through great lengths to avoid not having it. But there is a fundamental principle here of not rewarding organizations that are working against the public good. And to the extent that we can help encourage beneficiaries and potential beneficiaries of PSLF to go work for organizations that are doing that. We are obviously welcome to do that. But your issue of the non-compete agreements is something that we are looking at. Thank you.

MS. WEISMAN: We'll go back to Betsy.

MS. MAYOTTE: As part of the overall

commitment to negotiating in good faith, does the Federal negotiator, Tamy, have the Department's support to depart from the basic approach laid out in the executive order in proposing rules and specifically to depart from the adoption of those five enumerated areas of prohibited conduct set forth here, or is the Department negotiator limited to just fine tuning? In other words, tinkering around the edges?

MS. ABERNATHY: We are definitely engaged in conversation around the table. While I am the Federal negotiator and I do present the Department, the administration's position, this is a negotiated rulemaking, and we are going to talk about things. We are going to look at things. We are going to hear from you. We are going to hear from the alternates where appropriate. And we will take things back in the evening. And if there is, there are amendments to our proposed regulatory text that we give you, then we will adjust those, and we'll come back and discuss that with you again. We're a little bit ahead of the game because we haven't started talking about our issue paper and laid the foundation for what we've actually done. We've kind of talked about the executive order, and this is what we've been directed to do, and we have been directed by Secretary McMahon to promulgate rules on restoring Public

Service Loan forgiveness. But our task for the next three days is to work collectively with each other. We've proposed rules. You see that in the discussion paper, but we are going to discuss, and we're going to look at these, and we're going to engage in good faith. And we will continue to do that until our very last day.

MS. WEISMAN: Alyssa.

MS. DOBSON: I was just curious. I've been at this table before where we've discussed protocols. I guess that's not on the agenda today, but it has worked pretty well historically where the primary and alternate are a team and I was wondering if there was a chance to maybe change the way that it is structured currently, where it's sort of the primary running the show. Is there space to adjust those protocols?

MS. WEISMAN: So, part of agreeing to serve as a negotiator is that you agreed to the protocols. And I think for me as a facilitator, it's much easier to manage the table when it's primaries at the table and alternates coming in the absence of the primary. I have seen negotiated rulemaking where that was not the case. And with due respect, it does look a little bit like musical chairs sometimes. And I think that the conversation tends to get repetitive. When I met with each of the negotiators, both alternate and primaries,

one of the things I tried to stress was the idea of coming together as a negotiation team, that you are representing your constituency as a team. And that would mean conversations between the two of you, and that in some cases, you wouldn't agree on what you wanted to take to the table. So then that means you bring both. That you say some of our constituents feel this way, others of our constituents feel that way. We can certainly talk at a break or at lunch if there are more questions that you didn't want to ask at the table or you need assistance in working with another negotiator. But I think we felt pretty clear that this was the right way to run this table. Tamy?

MS. ABERNATHY: Thank you, Alyssa, for saying that. And thank you, Annmarie. The Department's position, as Annmarie mentioned, we don't want a lot of flip-flopping. But we will allow alternates to come to the table for a topic if the primary feels it is important for that alternate to come to the table. What we don't want is this topic and then flip-flopping back and forth several different times. We do need to contain that, but we are very amenable to listening and engaging in a team effort, with a primary being the primary and an alternate being the alternate. I hope that provides additional clarification and allows you a little bit more

satisfaction with that response.

MS. WEISMAN: Emeka?

MR. OGUH: And I just appreciate your comments, Jeff. I just want to go back so I understand what you were saying about non-competes. Just from an impact perspective, I wanted to just get a sense of what the Department, sort of had any estimates on the impact from our side when we would work with our clients, typically, 20 to 25% of their employees have student loans. When we look at educators, K through 12, both charter and public, that can go as high as 60%. So, it's a much wider impact. And let's say they don't have non-competes. We still have folks who may be limited, constrained geographically on where they can work. And so has the Department given any consideration to somebody who may be forced to just, there's no other opportunity to get loan forgiveness in the area. And is there any flexibility as far as allowing borrowers to push back, if that, if that is the case? Because that's what we've seen with our constituents. We have white papers that show that folks would leave if their employer didn't have PSLF eligibility. I know that may be part of the intent, but again, if there's no place within a 25-mile radius, is there an opportunity to sort of look at that?

MR. ANDRADE: As I said, we've looked

at as much as we can. The majority of PSLF borrowers or borrowers that are using the PSLF benefits are using them at state and local government or governmental groups, or in organizations. So, we don't see the majority in particular, even in the health care sector as you, as you described, when we look at the entire universe of who's received the benefit. But again, more than willing to look at giving the organizations that are employing these individuals, a chance to, make changes and to come in compliance as you and others have proposed. But I think any type of situation where an organization can continue to have their employees receive the benefit after they've been found to be engaged in substantial legal activity would be unfair to other organizations and would not be an equal treatment under the law.

MS. WEISMAN: Jacob?

MR. LALLO: Just in response to that, with the way qualifying employers currently drawn. If an employer suddenly became a for-profit that was a qualifying nonprofit, they would lose their status immediately. And we're just drawing in within those lines currently.

MR. ANDRADE: But I would say again that I think Jacob does point out a scenario where you have in the healthcare sector, the possibility of

currently nonprofit employers losing eligibility. So, I think that that already happened. That scenario can already happen under the current regulations.

MS. WEISMAN: Other questions about the executive order. Rebecca?

MS. STANLEY: One of the questions that was brought up by someone in my constituency was, it says the way subsection H is worded, subsections H one, two and three are not the only ways an entity can be deemed as having engaged in activities that have a substantial illegal purpose, and the Secretary is appointed as the person that would make that determination. Their question is, should there instead be a definitive, comprehensive list of conclusive evidence that the employer engaged in such activities, which might include a determination by the U.S. Attorney General's office or someone else? Or should one, two, and three be left as it is, and instead, the Secretary making the determination in H, the U.S. Attorney General, or someone else would be responsible for making this determination?

MR. ANDRADE: I think once we get into the issue paper and start walking through our logic and our thinking on that, will become very apparent very quickly in terms of how the Secretary will make their decision. If you guys are willing to sort of hang on

there with us when we get there, I think we'll address that point.

MS. WEISMAN: We're going to take a short ten-minute break a little early, just so people can interact with their constituents real quickly as we get ready to move into our first topic. Before we turn it over to Tamy. I just want to clarify. There seems to be some confusion about primaries and alternates. We are doing things by topic, not by issue, in this rulemaking. So, Public Service Loan Forgiveness is the issue. Tamy will break down different topics within that issue, and she will clearly announce those at the beginning before walking through that language. We will give you time at that point to decide if you want someone else to come to the table. So that's where those primary alternate switches would occur. We don't want during a topic to have both people speaking on the same topic, because generally speaking, the feeling is that we want you to speak on behalf of your constituency. We know that many of you are representing large constituencies. But the other thing I can't stress enough is, this conversation is the opening conversation. We will revisit each of the topics throughout the three days. We will go back to them, and we will continue to discuss and revise. I do believe there will be adequate opportunity to be heard.

And I think that this will work well. Betsy?

MS. MAYOTTE: I'm picking up what you're putting down. I'm still very uncomfortable with this because even within a single issue, the alternative primary can have very different areas of expertise. I do, and when I say I'm picking up what you're putting down, I get that you don't want repetitive things. We have a very short amount of time to do a lot of stuff. So, I'd like to suggest that as a committee, we commit to not repeating each other's points, that the Department be open to traditional and allowing the negotiators to police themselves as far as when it's appropriate for the alternate to be at the table.

MS. ABERNATHY: We absolutely will fulfill that commitment if you will all agree that it can be amenable and manageable, and at the start of a topic, then yes. We are more than willing to hear- if the primary feels the alternate should be at the table, we just ask that it be done at the top of it, or maybe right at the discussion, because it is very difficult to facilitate everything going on around. And we want to be fair to you, and we also want the conversation to continue. So yes, I think we could do that without hesitation. Thank you, Betsy. Yes.

MS. WEISMAN: Are you ready to move

into the first topic?

MS. ABERNATHY: I am.

MS. WEISMAN: And I promised you would name it as well as give the section number.

MS. ABERNATHY: I most certainly will.

MS. WEISMAN: Thank you.

MS. ABERNATHY: So, what we want to do right now, I had good afternoon, but we haven't made it to the afternoon yet, so good morning again. We want to start with the discussion draft. What we would like to do to set the stage for our very robust discussions throughout the rest of these negotiations is to look at holistically what we're doing first. We will take it by section. We will talk about this section at the end of that section. We'll give you guys time to engage in conversation if at that time there is something from your proposal that directly impacts what we've just discussed. Please feel free to bring that up at that time. Otherwise, all proposals. We need time to look at them. We have not had them. We would be doing you all a disservice if we did not give them the time that we need to look very thoroughly at them and come up with a plan to discuss them later. So, if you would allow us to do things that way, that would be super helpful for us. I'm going to set the stage. We're going to go through the

overview of the discussion draft. We're going to talk about proposed regulatory text in sections, which will allow us to set a foundation for the rest of our discussions. What we want to do is kind of backtrack just a little bit. So, we've heard about the executive order. Now let's talk about what we've put together. You've seen it. Let's get it out there. Let's start negotiating on bits and pieces of it, now. How's that sound? Oh, you guys are a quiet group. How's that sound? All right, let's get started. So, the very first thing that we are going to do is a high-level walkthrough of our discussion paper. And you will see that we have used the guidance provided to us in the executive order published on March 7th, 2025, to define terms and create proposed amendatory text. You've also heard from Jeff, or others, that section 455M of the Higher Education Act, as amended, establish the Public Service Loan Forgiveness Program, under which the Secretary cancels outstanding balances on eligible direct loans for borrowers who are employed full time in a public service job after they make 120 monthly payments under a qualifying repayment plan. The Secretary, in coordination with the Secretary of the Treasury, proposes to amend the Public Service Loan Forgiveness regulations in section 685 219 to ensure that the definition of a qualifying employer excludes

organizations that engage in activities that have a substantial illegal purpose. Specifically, we will revise the definition of qualifying employer. We will revise the definition to ensure that organizations that engage in activities that have a substantial illegal purpose are not considered to be qualifying employers. We will define activities that have a substantial illegal purpose, and we will try to provide clear definitions for determining whether an organization is a qualifying employer under the Public Service Loan Forgiveness program. We would enable borrowers and employers to better understand what activities could exclude employers from being considered a qualifying employer, and to the extent possible, the Department proposes to adopt definitions that are already established in Federal or state law. The Department proposes adding definitions for aiding and abetting other Federal Immigration Laws, terrorism, foreign terrorist organizations, chemical castration or mutilation, surgical castration or mutilation, illegal discrimination, and violating State Tort Laws, among others. We want to establish when a qualifying employer has engaged in activities that have a substantial legal purpose. We propose to establish a standard by which the Secretary would determine that a qualifying employer would be deemed as having engaged in activities that have

a substantial illegal purpose, and therefore no longer qualifies as a qualifying employer for the purposes of the Public Service Loan Forgiveness program. We further want to address the impact on borrower's eligibility for forgiveness under the PSLF program. We propose that effective on or after July 1st, 2026, and based on an evidentiary standard as defined in our proposed regulations, no payment, I am sorry, but this is a very sensitive mic, no payment by the borrower for any month the Secretary determines that the qualifying employer, engaged in activities that have a substantial illegal purpose, would count toward the borrower's eligibility for cancellation for PSLF. Employers will have an opportunity for notice and ability to respond. The Department proposes to provide notice to employers and the ability to respond to any Department findings relating to whether the employer has engaged in an activity that has a substantial illegal purpose. A final judgment by a state or Federal court, plea of guilty or nolo contendere, or settlement that includes admission by the organization that it engaged in activities that have a substantial illegal purpose, would constitute conclusive evidence of engaging in activities that have a substantial illegal purpose. This ensures that employers have the ability to challenge and present evidence prior

to the Department making a final decision. We want to amend existing terms, create new terms, and restructure subsection B into regulatory paragraph structure. What I mean by that is if you look at B current regulations in 685 219, you'll see B as definitions. And then what we do is we list definitions in alphabetical order. What we want to do and in there is the definition of qualifying employer that was put into some regulatory paragraph structure. So, what we needed to do was completely go into paragraph B, subsection paragraph- subsection B, and put all of the definitions into regulatory paragraph structure. We'll talk a little bit more in depth about that. But I kind of want to set the stage for what you're going to see when my colleagues start sharing the screen, and why you'll see that. We also want to clarify in C borrower eligibility by proposing the exception to what will be considered having made a monthly payment and specify what is proposed to not be considered a payment. In subsection G, borrower reconsideration process. We propose that a borrower cannot request reconsideration when they have been denied Public Service Loan Forgiveness due to the denial of their employer as a qualifying employer, one of the requirements to meet Public Service Loan Forgiveness. Remember, one of the standards are that the employer verification form that is

completed by the employer, indicates whether or not they are participating in substantial illegal activity. So, it is a self-certification by the agency. We want to create, again, a standard for determining qualifying employer engaged in activities that have a substantial illegal purpose in subsection H, which we will discuss in depth when we begin our review of the proposed amendatory text. We want to develop the process for determining when an employer engaged in activities that have a substantial illegal purpose in subsection I. We plan to articulate what the Secretary would use to determine that a qualifying employer violated the standard under paragraph H, subsection H, of this section. So now we're going to move into the actual 685219B definition section. Do we have any questions on that before I go on? Okay.

MR. CAREY: So, are you asking for questions on the overall issue and the overall discussion, or are you asking, are you asking for questions on the definitions?

MS. ABERNATHY: We haven't gone through all of the definitions yet, so it's just basically setting the foundation for the rest of the discussion at this point.

MR. CAREY: So, because in looking at the proposal and the background I have an overall concern

that the terminology that's being used in the proposal and the background is too generic and is oftentimes internally contradictory, such as in one place we use disruption of public order and another we use threat to national security, and another we use threat to social and economic stability. We make a statement that someone is not providing a public service and instead is engaged in activities that are a threat to public order, substantial illegal purpose. And then I'm concerned that we're mixing tort and criminal activity in a way that wouldn't necessarily follow what I understand to be basic constitutional law. And then again, and then there seems to be some mixing in of things that are not necessarily illegal. While it may not be desirable for this administration for parents to provide transgender health care for their underage children, it's not illegal in many states.

MS. ABERNATHY: Remember, Bob, this is about the employer and not about the activity. So, hold on.

MR. CAREY: Substantial illegal activity.

MS. ABERNATHY: That's right. Of the agency, not a parent.

MR. CAREY: Okay. So, if an

organization is helping a parent receive legal health care in that state, how would that be substantial illegal activity?

MS. ABERNATHY: As we navigate through these definitions, we hope that you'll be able to see some of the ways that we've used existing definitions codified in other agencies code that establishes definitions for us. And if any of those definitions have a term where this is in violation of or this is not permissible in that definition, more of this will come to light as we navigate through. I believe many of the questions or many of the concerns that you're raising and establishing them, and how we plan to utilize them for the purposes of substantiating an illegal purpose or activity. It might be better suited during the definition discussion to kind of get that out there. Is that okay?

MR. CAREY: It is. I mean, my alternate, Faisal Sulman, from Student Veterans of America, has raised separately the issue of is the Department the proper agency to be trying to figure out whether organizations are engaged in illegal or criminal activity. I'd like to have that discussion during that time. I thought that now is the appropriate time to have that discussion, but I'm happy to have it when we're doing the definitions.

MS. ABERNATHY: Yes. For that particular piece. Let's get back to that. And and definitely hold us accountable and bring it back up, and we can have that conversation.

MS. HAMMER: Jacob.

MR. LALLO: Yeah, I just want to articulate putting aside the issue of the actual definition. We have broad rulemaking authority in this area. It's a program that's administered by the Department. So, the Secretary has the authority to promulgate regulations related to the administration of those procedures and the regulations governing the procedures related to those programs. So, it's still the proper form insofar as we're the ones running this show. If you want to put it that way. And we make the regulations for PSLF. The definitional stuff we can get into separately, but it falls within the purview of the Department to regulate a program that is explicitly delegated to the Department by Congress.

MS. WEISMAN: Jeff. And then Bob again.

MR. ANDRADE: Bob, to your point that you raised, probably when we get to the definition that deals with State Tort Laws and when we get to the standard itself, which is subpart H, the best places to

have those two discussions.

MR. CAREY: I'm not a lawyer, although I used to write bad law as a staffer, but I would say that the broad regulatory authority is still proscribed by the limits of the authorizing legislation in the underlying programs that the Congress then delegates such authority to the Department. That the underlying law upon which we're using that ability to negotiate a rule is still prescribed in and of itself. The way this comes across is that the Department is arguing that it can basically make new programs out of whole cloth. And I don't think that's what this Department or this administration would be trying to say.

MS. WEISMAN: Jacob, do you want to respond to that? And then we'll go to Thomas.

MR. LALLO: Yeah. Joe, in response to that, I'd say that we do have broad rulemaking authority. We routinely and frequently amend program regulations for the purpose of administering them more effectively. PSLF has been amended seven times since it was codified. Two of those have fundamentally changed the way that we address what is a qualifying employer and what is qualifying employment. In particular, in 2023, we moved directly away from the language that was lifted directly from the statute of what constitutes a public service

job. The reason that was done was to make this more efficient and to more effectively effectuate the intent of Congress. And we see this is a continuing evolution of that. We are bringing this in line with the intent of Congress. We are working to ensure that this only applies to people who are within public service, and that is very much within the remand of the Department from a legal standpoint.

MR. CAREY: I would argue that the stuff that happened in 2023 was clearly exceeded the ability- the congressional authority given to the Department, and that in and of itself, many of those things exceeded the authority of any government agency, especially in light of the setting aside (inaudible).

MS. WEISMAN: We're going to move next to Thomas.

MR. AIELLO: I would just echo some of the words that Bob mentioned. From our perspective, we have concerns that you're going after a few unsavory groups now, but what happens a few years from now when we rewrite the next administration, rewrites the law and goes after groups that support educational choice or school choice or lower taxes for everybody. Is there a point in which we come to that we are just going to go after a handful of groups at a time, make the process

more convoluted and complex, and at the end of the day is not best serving of taxpayers. And look, I think what the executive order does from a broad perspective is good. We want fewer people to take advantage of PSLF because that is better for taxpayers. That's my opinion. My constituency might disagree with that. But at the end of the day, how do we get to a point where it's even across the board and we're not just going after a handful of organizations that is broadly defined.

MS. WEISMAN: Jacob?

MR. LALLO: So, in response to that, I'd say while you're right, policy is sometimes shifting sands. The goal with this was to set up broad clear categories of what is and isn't within a substantially illegal activity. Again, we'll discuss definitions when we get there, but we modeled this off of the procedures that other agencies use. In part, we looked very heavily to the way the IRS approaches illegality doctrine and public policy doctrine. Specifically, in regard to illegality if your organization is involved in illegal activities in any substantial aspect, you lose your 501(c)(3). And public policy is a broader thing that mostly has been employed in the realm of racial discrimination but has been used more broadly as well. Which basically states that as long as something is, or

an organization that you know is acting in a way that is contrary to established public policy, does not deserve the benefit of a tax exemption. And we tried to follow that logic through. We think that that effectuated the intent of Congress with public service, that it's supposed to be providing a public benefit to the communities in which they operate, and that an organization that is either engaging in illegal activity or is operating a counter to established public policy is not, by definition, engaging in public service. And we've tried to work very clearly around that. We've set up an evidentiary standard. You have a an opportunity to respond. There's a preponderance of evidence standard. And we've established three buckets that are conclusive evidence that basically an organization has admitted that they have done something that violates one of those standards. Otherwise, they and even in those cases, have an opportunity to respond, opportunity to offer mitigating circumstances or explain the situation away, but we think that the way it's drafted is basically designed to be as clear-cut and content-neutral as possible.

MS. ABERNATHY: So, moving along, this is a very informative conversation. So, thank you very much for bringing up these points. As I mentioned just a

few minutes ago, we talked about amending the structure of the definitions to put it into regulatory paragraph structure. So, at this time, I would like for my colleague Michael to share and project a screen so that we can look at the actual terms that we're talking about and look at section B at this time. So, we'll give him just a second to navigate there. Okay. So here we're not necessarily talking about the individual terms. Okay? We're talking about the numbering the paragraph where B is definitions, and one is aiding and abetting, and two is AmeriCorps service, and three is what three is. So, what we're trying to do here is proposing the numbering changes to add paragraph organization, creating uniformity in this section just like other regulatory provisions. We want to add structure to the definition section prior to proposing adding new definitions. Therefore, we propose adding before each discrete determination- each discrete term defined under section 685219B an Arabic number 1, 2 or 3. And what that means is under each term under section B would have a corresponding number at the paragraph level. So, if you look at AmeriCorps service, it would be 685219B2. Whereas previously, the term was only cited under 685219B. As you can imagine, adding a bunch more definitions under section B would be slightly problematic, even if it was

in alphabetical order. So, every definition is still in alphabetical order; it's just a different way to identify and keeping it in line with regulatory paragraph structuring. So, throughout these negotiations, we're also proposing to add additional terms under paragraph subsection B. We believe the definition section as proposed would be organized to- for easier following along and easier to navigate when looking for these specific definitions. While these changes are largely technical, this does set up a framework for new definitions, which we will be discussing later today. I point your attention to the screen, and you'll see the red colored font, red means new amendatory text. So red doesn't mean stop here, it means new amendatory text. So, the new definitions are terms we are adding are in red colored font as well as the new restructuring numerals. The 24 existing terms are in black colored font, with a new red colored Arabic numeral before the term. The terms that have both red colored and black colored font are existing terms that we are proposing amending. This paragraph restructuring would be minor, and we seek the committee's feedback on these proposed technical changes. So, at this time, I'd like to turn it over to our facilitator to open discussion regarding the proposed change paragraph restructuring under subsection B.

Annmarie?

MS. WEISMAN: So far, I see no cards.

Okay. Mary Lyn?

MS. HAMMER: This is more of a technical question, but there's not consistency also in the use of whatever that sign is called, the little squiggly one that goes before the-

MS. ABERNATHY: The section symbol?

MS. HAMMER: Yeah. In some of the regulations, it's there, some of them it's not. I personally think it's easier to read with it. That's just a personal preference. Is this the new way of not using it?

MS. ABERNATHY: No. Sometimes we can use the word section. So, if it's the start of a sentence we would say section. If we use the section symbol to denote if we're doing 34 CFR section symbol 685219. That's just saying. This is the section of the Public Service Loan Forgiveness in the regulations that we are focusing on. So, we try to be consistent. But I will tell you, we have two different policy teams. And so sometimes one policy team does something this way. And usually, what we try to do is have uniformity. So, what I can tell you is that we will look at that and try to be more consistent going forward. I don't think there's a hard

pass one way or the other that's right, in my opinion. I'm not for sure, but we will confirm that in whatever way we are supposed to do it will be the way that we do that. But I do know that if it's the start of a sentence, we do spell it out. So that is the one thing that I do know we do. But other than that, you're probably right. There are probably some inconsistencies. But overall, whether it's the section symbol or we say section, it means the same thing. So, thank you.

MS. WEISMAN: Bob?

MR. CAREY: We're looking at definitions under all of section B, correct? You're asking for questions under section B in its entirety.

MS. ABERNATHY: What I'm looking for is the paragraph restructuring, which is the numbering under B. So, it's the one, two. Not quite- you're almost there, Bob. I promise you we're going to get to these definitions.

MR. CAREY: Some of it's technical, so I just want-

MS. ABERNATHY: Yeah, this is a very technical piece. It's only the numbering that goes in front of the term. And I wanted to say the red because it's new. We had to put it in there so that you could see that it was a new definition that's being proposed with

the number one. It would look kind of odd just starting with number two. So, what we try to do there is list all of the definitions that would be in propose those definitions for this section. So that's what you see by the red. But number two, you'll see the two is red and AmeriCorps service because that's already an existing definition in the Public Service Loan Forgiveness regulation. So, there's no reason to change that. The purpose of this lovely, very sensitive microphone and I are not getting along, the purpose of this particular section is to just show you we're numbering one, two, three, four, five, six, seven to like 37 or 39. Any other questions?

MS. WEISMAN: Bob, your card is still up. Do you have a question?

MR. CAREY: Just FYI. You have a blank in 27- Arabic 27, roman numeral one. Did you intend to not have a title for roman numeral one?

MS. ABERNATHY: So, what I was showing here was simply just the change of adding the Arabic numeral. And so, one is not blank. But for the purposes of what you're looking at is just the paragraph restructuring, not any of the words with roman Ette number one. So, I promise you, when we get to qualifying employer, which is 27, it will have lots of things

underneath there. We'll have roman Ette one and other things for your consideration. The reason I didn't include all of that in there is because throughout the rest of that 27, there are other additional changes to be in aligned with the paragraph restructuring. It got really confusing, and I thought, if we were going to test you all on this stuff, I wanted you to be able to pass. So, you're all passing with A's right now. Thank you very much. Now, the time that Bob was waiting for is here, we are going to discuss two particular definitions. One is qualifying employer under .27 and substantial illegal purpose under 30. Okay. So again, let's just do-

MR. CAREY: Just really quick, a technical thing under B1 18 U.S.C. number two, only applies to crimes against the United States. I don't know if you wanted it to be that specific.

MS. ABERNATHY: If we could table that until we get to the actual definition where we talk about number one, that would be really helpful. We are on just B, we're just B with the numbers. Don't look at any of the terms. Just look at the numbers. How about that? Will that help? Okay. Are we good so far? You're still getting an A, everybody. All right. Let's do a quick primer so that we do understand PSLF. And I know all of you have experience with PSLF, but the reason I'm going through

these things is because it's very specific as to what qualifies for PSLF. And that is eligible for Federal direct loans, including direct consolidation loans, full-time employment, a minimum of 30 hours a week during the period or the months being certified. Qualifying employer. United States based Federal, state, local, or tribal governments 501(c)(3) and other not-for-profit organizations that devote the majority of their full-time employees to providing qualifying public service. An example. Early childhood education. Public safety. Emergency management. We lost our screen. And then a qualifying repayment plan. That is payments made in full each month under an Income Driven Repayment Plan or a ten-year standard plan. These are the provisions that are requirements for Public Service Loan Forgiveness addressed in our current regulations. So, what has this committee been charged to do? We have been charged to work together to promulgate specific rules for the PSLF program. We've heard from the Deputy Assistant Secretary, Jeff, why we have been charged to promulgate these rules. The Secretary, under the authority of the HEA, has directed us to promulgate rules and comply with the guidance in the executive order. Now we're going to discuss how we do that, how we do what we have been directed to do. In the discussion draft, we outlined how

the Department believes we could best structure the regulations to stay aligned with the intent of the Secretary's direction. We're discussing two fundamental key terms. Definition for qualifying employer and proposed new definition for substantial illegal purpose. We specifically propose to revise the definition of qualifying employer under section 685219B27, to ensure that organizations that engage in activities that have a substantial illegal purpose are not considered qualifying employers. And we also propose to add a definition under section 685219B30 that will identify specific activities as having a substantial illegal purpose. And those activities or terms are separated into five clauses and must also be defined to the extent possible and as previously mentioned, the Department is proposing to adopt three existing definitions that are already established in Federal or state law. While we propose adding definitions, we will reserve our discussion on those terms for later. Let's begin with the amendments to the existing definition of qualifying employer and B27, and I'll ask Michael to share his screen for B27, please. Okay. You will see here, a qualifying employer means Roman Ette one capital A, a United States based Federal, state, local or tribal government organization, agency or entity including the U.S. Armed Forces or the National

Guard. B, a public child or family service agency. C, an organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501A of the Internal Revenue Code. D, a tribal college or university, or E, a nonprofit organization that 1, provides a non-governmental public service as defined in this section, attested to by the employer on a form approved by the Secretary. And 2 is not a business organized for-profit, a labor union, or partisan public organization. And in roman Ette two is what we propose to add. Everything else that we just talked about has already been defined as a qualifying employer in our current regulations. So, we propose to add and Roman Ette 2 does not include organizations that engage in activities that have a substantial illegal purpose, as defined in this section. In order for us to establish what a qualifying employer doesn't include, we have to add this to our regulations. So, the EO directive is clear here. Employers who engage in activities defined to have a substantial illegal purpose, which as you know, we're going to get there. That's definition 30. We're getting there. Those do not qualify as an eligible employer for Public Service Loan Forgiveness. So, the revised definition ensures that organizations that engage in these activities that will be defined and considered a

substantial illegal purpose are not considered to be qualifying employers. That is a fundamental piece of PSLF. You have to have a qualifying employer. It seems simple enough; except we have to understand what substantial illegal purpose is. So, let's pause. Talk about this definition before we delve into defining substantial illegal activity, which is a little bit more complicated. And so. Reminder that the focus here is on a qualifying employer. We're looking at the characteristics of the employer right now. And that's what we're doing here. We know what we're supposed to do. We're supposed to promulgate rules. And the very first thing that we've decided to do is to say, what does not, any agency that engages in these activities is not going to be a qualifying employer. So, I would like to turn this over to Annmarie for discussion, please.

MS. WEISMAN: Mary Lyn?

MS. HAMMER: Sorry about that. On paragraph two, I think we need to add a reference in there. So, in the second, or it's not the second sentence, but the bottom line of that after defined in and before this section, to add the language Paragraph B 30 of this section.

MS. ABERNATHY: Hold on one second, let me look at that.

MS. HAMMER: So, the last part of the sentence would read as defined in paragraph B 30 of this section.

MS. ABERNATHY: We're going to take that back because I want to make sure that we're not talking about the whole section of 685219, and we're just specifically here talking about this. So, thank you for that recommendation. We will circle back with you on that.

MS. WEISMAN: Thomas?

MR. AIELLO: Some of my taxpayer community would like to eliminate everything after A. So, eliminating B, C, D, and E, and only including that eligibility is for Federal, state, local, or tribal governments.

MS. ABERNATHY: We appreciate that. Laurel, can you hold on one second? Well. Go ahead. I'm sorry. Annmarie, you are in charge of that part.

MS. WEISMAN: Can you pass something to him? So, I thought we had agreed that we were going to go topic by topic.

MR. AIELLO: I did clarify that it was just some in my constituency that didn't represent everybody's view.

MS. WEISMAN: Okay. Jacob?

MR. LALLO: Yeah. In response to that, the authorizing statute for this program doesn't allow us to limit it to just government employers. It's very clear that it's to extend beyond that to nonprofits and a large, enumerated group as well. So, while we can put, limitations on some of the definitions, we cannot wholesale remove entire classifications from participation.

MR. AIELLO: Thank you. I was just making clear that, that was some feedback that I heard.

MS. ABERNATHY: I would like to hear what Laurel has to say, please.

MS. HAMMER: Thank you for the opportunity to speak, Tamy and Annmarie. So, I wanted to talk a little bit about, I think, the opening discussion as well, and the definition, because I did hear that the primary employer base and employee population benefiting from the PSLF eligibility today is governmental. As we move into the definition of qualifying employer. I think it's incredibly important contextually that we do give voice to the constituencies that represent taxpayer and public interest as it relates to definition. So, from a data perspective, I did want to present outside of government that there are approximately 1.5 million 501(c)(3) organizations that are not considered

governmental. That does employ one third of the employees who are pursuing Public Service Loan Forgiveness. So, these are not to repeat comments that have already been made, but these are in public service for health care education, and other professions. So, I think it's important to give voice outside of it. Sounds like the government and, and Thomas reinforcing government qualifying as a qualifying employer. As an alternate, what we've heard from constituencies over the past week in health care and education is significant fear and worry about losing that definitional ability to qualify as an eligible employer. For, I think the comments that Bob made previously, a period of time in which activity may not be legally illegal but may be out of favor. And so, I just wanted to present the voice that, again, about 12.8 million workers today pursuing the Public Service Loan Forgiveness that currently qualify, are fearful that that could be at risk. And thank you for the opportunity to speak.

MS. ABERNATHY: One of the things that I want to- thank you, Laurel, for that. That was very helpful information. We are not proposing to change the definition in any other way of the Public Service Loan Forgiveness program. All we are proposing to do is saying, hey, if you are an agency that participates in a

substantial illegal activity. And what you're not seeing yet is- you may have seen it in your read of the discussion paper, but what you haven't seen is the standard by which we've established that. And the way that we said, you have to be doing an illegal activity, you have to be found guilty agency of that illegal activity, not that it's just randomly up in the air and we're going to pull it down and grab it and apply it to these situations. That is not what we are proposing to do. What we are proposing to do is a very fixed, narrow way to look and identify what a substantial illegal activity is. And then we are going to apply a standard by which we would assess, or the agency would assess whether or not they meet that standard. Have they pled guilty? Have they certified that they participate in illegal activities? It's self-certification by the agency. Have they reached a settlement? Yes, we participated in this. We are not going to do this again. And we've also heard, I think, one of the proposals talked about, ineligible employer regain or non-qualifying eligible employer regaining eligibility. So, there are some things that we really want to get to. We are not looking at waiving wholesale cloths, right, and making these things- this is where the standard establishes what we will look at, what factors have to be met. It's not just about doing an

activity. It's about the conviction of the final judgment, that nolo contendere, reaching a settlement. And we'll get to that point. So, it's important distinction. It's not just about, just defining these terms and not- and thinking that an agency is going to lose their qualifying employer status. That's not exactly what is being proposed here. Does that help clarify? Okay. Jacob?

MR. LALLO: Yeah. And just to further tag onto that, because I feel like there's been some confusion on this. We define the term substantial illegal activity. We didn't leave it in its broad, undefined context. There are fixed definitions under there, as Tamy pointed out. And, regardless of, whether something is quote unquote illegal or not illegal, the fact that that term is defined there, we're not leaving the term illegal up in the air. Anything that is underneath that is the substantial illegal activity for the purposes of this statute or this regulation, rather. We're not leaving anything to the plain meaning here.

MS. WEISMAN: Other questions or comments. I see no other cards. Tamy, do you want to continue? I take that back, I now see, Betsy. Abby.

MS. ABERNATHY: Betsy. If you'd stay seated. Abby. We're going to have a microphone come to

you so we don't have- so that we can minimize the back and forth with the table. Well, you can stand up if you want to. Okay. All right. Well, if you want to go take a walk around. I'm just kidding. Mine is saying that too, but I'm ignoring it.

MS. SHAFROTH: Thank you. I appreciate it. So, I had a clarifying question, and then a possible follow-up. The clarifying question is, I just want to confirm my read of this proposal, that they would, that you would apply the new section two, which excludes organizations that engage in certain activities from the definition of a qualifying employer. But because of the and there that that applies to all of the types of employers identified in section, including local government, Federal government, and 501(c)(3).

MS. ABERNATHY: Yes, that is correct.

MS. SHAFROTH: Okay. So then, thank you for that clarification. I want to point out that that seems to directly conflict with the Higher Education Act language that specifically defines public service as including government work at state, local, Federal, and tribal levels with the sole exemption. The sole exemption is exempting time served as a member of Congress and defines public service as a service at a 501(c)(3) organization. Congress didn't provide for any carve outs

there. It specifically defined that. And I think for this committee to attempt to break from congressional definition and to carve out new ways to redefine public service that could exclude military, local governments, public schools, any number of, of bodies of government from public service is pretty, pretty clearly illegal and exceeds statutory authority.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah. I think in response to that, as I mentioned previously, our goal here is to be as flatly neutral as possible. We apply it to everybody included in the program the same way. I understand your point about state and local government. I think it's also unlikely that they are likely to be found to have violated some of the things that are included in there. It's pretty rare that you have a state and local government that's violating State Tort Law and their own law in the process. I understand the overarching concern, but I think the basis that we've established here that basically something cannot be in the public service, but also in violation of law stands willing to take a look more closely at the actual definitions within it. But I think the basic premise is we want this to apply as neutrally as possible to all programs within this.

MS. WEISMAN: Aaron, can we get the

microphone? I see Abby with a card out.

MS. SHAFROTH: Yeah. Thank you for that. It sounds like the position is that if a government or a nonprofit engages in any of these activities defined below that, that are sometimes illegal, that would therefore mean definitionally, that they're no longer providing public service. But I can't see how that could be the case. You could imagine our army fights to protect and defend our country. And sometimes it might be found to discriminate. That has happened before. That's the thing that can happen that I don't think any of us would say that that means the Army is no longer providing an incredibly valuable public service. A rural public school might provide a critical public service to its community and the students there in educating them. And it might violate the Americans with Disabilities Act by not having the proper ramps. There are plenty of ways consistent with this proposal that governments, nonprofits, and other organizations that provide incredibly important public services, might sometimes make mistakes. They might sometimes engage in activities that are out of step with current political favor. They might sometimes break the law, but that in and of itself doesn't negate the fact that they're providing a public service, and that Congress has defined them as providing a public service.

So, I don't think it would be consistent with our authority or humility here to second guess versus definition that way.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah. Just in response to that. We've set up, and we'll get into this later, but there are standards for evidentiary hearings. There is an opportunity to respond to this. But everybody involved has the ability to respond. There's a preponderance of evidence standard. We're not just basically going to go out and remove people's eligibility without a chance to actually respond to this, engage with us, and work on this. The intent with this is to remove bad actors from the program and not effectively provide a subsidy and benefit to organizations that are not complying with the broad concept of public service. I think your point is well taken. Governments make mistakes, laws are broken. That's the purpose of the evidentiary hearing. That's the purpose of working with the Secretary.

MS. WEISMAN: You have 30 seconds, Jacob.

MR. LALLO: Okay. But while we understand the point, we cannot make a broad exception for one and expect everybody to be treated fairly under the same rule set.

MS. WEISMAN: Jeff and then Tamy.

MR. ANDRADE: I will just point out in the example that you provided with regard to discrimination. On that particular definition, it refers to not just an incident but engaging in a pattern of aiding and abetting illegal discrimination, which is much different than the example that you provided.

MS. ABERNATHY: And I also want to make sure that we're not speculating on any kind of violations by any government agency. Right? We're not speculating on that. We can't simply do that. One of the other things I want to mention is substantial legal purpose has five clauses in it. These clauses are very contained, very specific, and is of these particular clauses that would substantiate the illegal activity should the agency be found under our standards to have violated the substantial, the non-substantial stuff. Right? So, let's get into the meat of this so that we can clarify further. Are we ready to go to the next?

MS. WEISMAN: I see no cards.

MS. ABERNATHY: Okay, so substantial illegal purpose definition is proposed under paragraph B 30. And I would like for Michael to put this up on the screen for us, please. These two definitions are entwined. So, we're going to be in a better position to

have a robust discussion after we have looked at the existing definitions for the five terms. You will see the US code as cited in the term. You were given a list of links to those codes so that you could click on those and see exactly what that coded definition was in its entirety. So aiding or abetting violations of 8 U.S.C. code 1325 or other Federal Immigration Laws. Roman Ette two, supporting terrorism, including by facilitating funding to, or the operations of cartels designed as foreign terrorist organizations consistent with 8 U.S.C. code 1189, or by engaging in violence for the purpose of obstructing or influencing Federal government policy. Roman Ette three. Engaging in the chemical and surgical castration or mutilation of children, or the trafficking of children to states for the purposes of emancipation from their lawful parents in violation of applicable law. Roman Ette four. Engaging in a pattern of aiding and abetting illegal discrimination or roman Ette five, engaging in a pattern of violating State Tort Laws, including laws against trespassing, disorderly conduct, public nuisance, vandalism, and obstruction of highways. More than likely, either this afternoon or early tomorrow, we will go over the specific clauses in the definitions of these five clauses that comprise substantial illegal purpose. Our goal for today was to

discuss the issue paper, make sure we had a clear understanding of a qualifying employer, clear understanding of substantial illegal purpose. So, when we come back this afternoon after lunch, we'll have other things that we will pivot too as well. But for right now, let's discuss. We'll turn this over to Annmarie to gather your feedback. And if you have other definitions that may be better suited to meet our needs, we encourage you to send them to us for us to consider or bring them up at the table. So, at this time, I'll turn this over to Annmarie for discussion.

MS. WEISMAN: So first we have Thomas, and then Alyssa, and then Emeka.

MR. AIELLO: Just a point on numbers one and two. I believe both of those things, if you're found guilty of, would put you out of compliance with the Internal Revenue Code and would therefore you would lose your tax-exempt status, which would obviously, therefore make you not eligible for as a qualifying employer. So, I really have no issues with one and two.

MS. WEISMAN: Alyssa?

MS. DOBSON: It just seems a little bit confusing to me, and how I would try to explain this to somebody who's entering repayment. Who is determining this? Would it be possible to put something in here as

found guilty by a court of law, or something, who is making this determination?

MS. ABERNATHY: Our standard that we will discuss later will make that perfectly clear. I promise. If not, you can tell us what isn't perfectly clear. Deal? I do want to speak to Thomas or just Tommy, as you, you stated we could call you Tommy, correct? But I lost my train of thought about what you said. Oh, we are not touching a tax status. So, if the IRS determines something, that is the IRS. So, for the purposes of this qualifying employer, we have provided you with proposed qualifying employer amendatory text and substantial illegal purpose. But we are not touching a tax status. So, like any other 501(c)(3), should we get notified from the IRS they are no longer considered a 501(c)(3), therefore not an eligible qualifying employer under 501(c)(3). Maybe they, they morphed into something else, and they still qualify. But that is something that we are not determining. So just so you know, we're not looking to go out and collect this information. If it comes to us, that's one thing. But right now, we are not touching—we don't have the power or the authority to touch the tax status. So, we're not touching that.

MS. WEISMAN: I believe Tommy had a follow-up, and then we'll go to Emeka.

MR. AIELLO: Yeah. Just a point of clarification. Yeah, that was what I was trying to say is I think the IRS would already take into account one and two. So, therefore, they would change the tax-exempt status, and they would let you know. So, I mean, is point one and two sort of moot if the IRS is already doing that?

MS. ABERNATHY: We still need to define it in our regulations. But you are exactly correct. And that's one of the reasons why we chose to codify our regulations based on other proposed- other codified definitions already, because it takes into account the very things that you're talking about. So, if that activity is considered substantial illegal purpose and it's already considered that by the IRS, and you're exactly right, you've already drawn the lines exactly where we were hoping that they would land. So, thank you, Tommy.

MS. WEISMAN: Emeka?

MR. OGUH: Thank you. So, at PeopleJoy, some of our constituents that we work with are these PSLF eligible agencies that represent a portion of the 12.8 million borrowers that we discussed were eligible for Public Service Loan Forgiveness, many of these do not have the financial resources to fight any of

these accusations in court, because I think we all said court is where we're going to settle these. For example, we have to explain to our constituents, whether they run (inaudible) of Federal Immigration Law. So, if I'm a teacher and there's an undocumented student in my class, do I violate section one? If I'm doing a peaceful protest and someone throws, I don't know, there's violence, no fault of my own. Am I obstructing or influencing Federal government policy? I think more importantly, one of the things that we've seen is that substantial legal purpose is applied consistently, inconsistently. So, some sections require a pattern of illegal activity while others do not. And so, my proposal is for consistency and fairness. All sections should use the phrase a pattern of and then that term should be clearly defined in the definitions. And I offered a suggestion of how to define a pattern of. So specifically for section 30, I guess 31, including a pattern of aiding or abetting violations, is my recommendation. And then again, for 32 section (inaudible), a pattern of supporting terrorism. Thank you.

MS. ABERNATHY: Thank you for that.

MS. WEISMAN: Tamy?

MS. ABERNATHY: Thank you for that.

MS. WEISMAN: Oh. You're welcome.

MS. ABERNATHY: You're welcome too.

MS. WEISMAN: Bob?

MR. CAREY: Okay. Sorry, I'm not following along. If we're going to discuss section 30 in detail this afternoon. What is the question right now?

MS. ABERNATHY: I don't have a question. We are simply discussing 27 and 30. So it's not that we're discussing-

MR. CAREY: We're going to go through 30 in detail later on.

MS. ABERNATHY: We're going through 30 now. And what will happen because 30 is separated into five clauses that substantiate an illegal activity or a legal purpose. Those clauses will also need to be those terms. And those clauses will also be defined, some of them later. But for the purposes of what constitutes a substantial illegal activity, it is one of these five clauses. Holistically.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah. I want to just briefly respond to-

MS. ABERNATHY: I'm sorry. Bob, Jeff thinks that you are confusing this with the standard, which is in H. So, we want to talk about that. Because we're having so many concerns about the standard, we're

probably going to change. Instead of going through the rest of the definitions this afternoon, we're going to switch and go to H and talk about our standard this afternoon after lunch, because we need to set the foundation of understanding and it will make more sense if we can establish what the standard is, so that these terms are not just dangling out there and you don't know what to do with the terms, that might help a little bit. We're going to try.

MR. CAREY: I'm relatively new to the process, so I'll shut up now.

MS. ABERNATHY: I can't say thank you to that. Sorry.

MS. WEISMAN: Jacob, did you have anything to add?

MR. LALLO: I actually wanted to respond to Emeka and Thomas's comments briefly. So, the reason we want to include these, while they are duplicative of things that are included in the (inaudible), we are making this determination separately. Public service is set out in PSLF so it still falls to us to make this determination. Our regs in several places overlap with the IRS. They are making determinations on things that we also make determinations on. The reason for this is in some ways, it provides a belt and

suspenders approach. We have similar concerns over certain areas, and we are very aware of the challenges administrative agencies face in terms of actually having the time and energy to address things. And we often depend very heavily on things that are being reported by the institutions and organizations themselves. And so, one may not necessarily catch something. And so, we rely on each other (inaudible) that, but we also like to be able to check it. In response to Emeka's comment about applying the concept of a pattern across the board, I think the reason we took this approach with some of these is that we view some of these activities as much more aggressive than others and much more problematic. It's not that they're all problematic by their inclusion, but there's a difference between an organization engaging in an instance of trespass and an institution engaging in aiding and abetting terrorism. They're qualitatively like separate. And I think they merit being included under slightly separate standards.

MS. WEISMAN: Betsy and then Emeka.

MS. MAYOTTE: My comment is related to the discussion that Bob and Tamy were having. I think it's difficult for us to really evaluate and comment, and on 30, until we go into the definitions. I don't think we can do those as separate pieces. I think they have to be

done as a package.

MS. WEISMAN: Emeka then Jeff.

MR. OGUH: Yeah. And Jacob, I appreciate your comments, and I understand your standpoint of different priorities. You also said earlier about shifting stance. And part of what we want to do is provide a layer of consistency because another administration could come in and say something else no longer requires a frequency and sort of changes. So, I think one of the opportunities we have here as a negotiation committee is to provide that consistency where it's two or more. Right? And just apply that across the board. I think that'll give a level of clarity for everybody involved going forward. Thank you.

MS. WEISMAN: Jeff.

MR. ANDRADE: Yeah, I think in some conversations that I've had with folks, I've found that if we talk about the standard before we get into the specific definitions, it might be easier for everyone to understand the impact of that definition when you understand the standard by which it's going to be determined. So, our proposal here is to talk about substantial legal purpose first, then to talk about the standard, and then to get into the definitions. And hopefully that will make things go smoother.

MS. WEISMAN: Tommy.

MR. AIELLO: Can I ask a question? If, as is the definitions where we accept, do you know about how many borrowers or qualifying employers this would actually impact?

MS. ABERNATHY: We do not, because we do not have any final determinations of these illegal activities based on our standard. So, there would be no way that we could assess whether or not an employer has, or unless they certify themselves on the employer verification form, that they are participating in a substantial legal purpose as defined. So no, we do not have the number at this point because these rules are not even- it's not even effective yet, and it won't be effective until July 1st of 2026. We have no way of knowing what employers would violate or commit what would be considered a substantial illegal purpose and meet our standard. So, it's not just about doing something, it's about the standard that we will discuss that establishes the violation of that solidifies that substantial illegal purposes that would remove that employer from being a qualifying employer. So, it's a both and it's not an either or. Here's the term. But if you don't meet the standard that we've set before you, then we would not know whether or not the agency did or did not violate

that.

MS. WEISMAN: Mary Lyn?

MS. HAMMER: I don't know if anybody else looked at the data behind this. I'm a data freak so, I dove into it. So about 60 to 70% of the approved PSLF forgiveness is government, and the rest of it is the private sector. Just to put it in perspective. That doesn't make sense to me based on what I know of number of workers and all of those different categories, it seems like it should be higher in the private sector. And then the ineligible or non-qualifying employers, a lot of times, is that they never complete the application properly. They're part of it. And about 40% of those that are not approved yet are waiting on the employer to certify that they are a qualified employer. So there's a hiccup that's not necessarily anything that we're going to address in regulatory language. It's more of a process issue. And looking at the data, there are issues, but they're not anything we can address here.

MR. AIELLO: I wasn't looking to address it. I was just curious if the Department had an estimate for is it, ten employers? Is it 10,000? Is it a million, which I don't think we would anticipate it to be anywhere close to a million.

MS. ABERNATHY: Well, if it helps, we

only have about 2000 employers that are right? 2000? Is Eric Hardy here?

MS. WEISMAN: Yes. Can we get a microphone for Eric? Eric is a member of the Department staff.

MS. ABERNATHY: And Eric is our data guy.

MR. HARDY: I need to confirm the exact number of players. I'll have it in about ten minutes.

MS. ABERNATHY: Yeah. So, we'll come back to that. But no, Tommy, at this point, it's too early for us to even render an educated guess. We wouldn't want to do that because I would hope we would be wrong.

MS. WEISMAN: Emeka?

MR. OGUH: I mean, just hypothetically, you have about 5000 nonprofit hospitals, about 3000 academic universities. So just 8000 entities just right there. And this is like we're talking like 2000 employees. And when you start going into smaller nonprofits, ten or more employees, I think somebody mentioned something in the millions. The reason to your point, Mary Lyn, I'm a data junkie, too, I would wonder if the reason why it's so low on the private sector side

is that complexity that you talked about. And a lot of that is what we help with. Because like you said, not only is it a qualifying employer, which is what we're here to discuss today, is making a qualifying payment. And the definition of a qualifying payment has changed administration to administration, even year to year in some respects. And so, I agree that's a separate conversation. And there's a lot of talk around that. But I don't want to seem that because it's low, it means that there's not a need there. I think it's low because of these inefficiencies that we talked about. And so, I think that number is going to be a lot bigger going forward on the nonprofit non-government side, which again goes back to that, a pattern of which is why I think there's some importance to having that consistency across all the five definitions we discussed.

MS. WEISMAN: Jacob and then Mary Lyn.

MR. LALLO: Yeah. This is just a broad comment about the numbers, generally. The Department plans to address aspects and get the overall impact in the (inaudible), and then we'll work to get more numbers as soon as possible. But as Tamy said, as we don't have the finalized rule yet, we can't necessarily address the numbers just yet.

MS. WEISMAN: Mary Lyn?

MS. HAMMER: This is just a little bit more data behind it. But from all of the applications that were submitted, which was around the 4 to 5 million range, from 2020 to 2023, 53% were processed. And in 2024, it was like six months of processing, and it was 51%. So, so it's a relatively low number. I mean, that's not acceptable. I don't think by anybody's standards. So again, it's more procedural than definition at this point. So, I'm sure they'll be putting together committees or asking for input on the application itself, which is not a regulatory issue.

MS. WEISMAN: Laurel?

MS. HAMMER: Thank you. As we're moving through the definition of qualifying PSLF employer and the question of the number of employers, which is about 1.5 million and a third of what you shared. I do want to, and this may not be the right time, but from a procedural perspective, the downstream implication. There was a document socialized last night, if the administrator who is responsible for signing the employer certification form, if that administrator is, or let me pose this as a question. Is there any exposure that an individual working for a critical service provider, a health care system, an education system, are they exposing themselves to any legal action if they attest

that there's no substantial legal activity, they are not aware of illegal activity? So again, from a procedural perspective. Even fear around potential exposure could have a massive impact on the volume and throughput, and success of the program. Is there any legal exposure to the administrator signing the PSLF form?

MS. ABERNATHY: No. We do, I believe, and I'm getting clarification whether or not on the form, we indicate what we constitute the certifying official, if there's a definition of the certifying official. And what we would expect is whomever the agency deems as a certifying official. Again, remember, this agency has to meet the standard. It has to be found failing the standard to be able to be a non-qualifying employer. So, it's the agency, not a specific individual.

MS. HAMMER: Thank you for that clarification.

MS. ABERNATHY: But we are going to get clarification later today on the PSLF form, if we define who can sign it.

MS. WEISMAN: So, we have Betsy and then Scott, and then Emeka.

MS. MAYOTTE: I got an email from my constituency, specifically the hearing impaired, that when we're having discussion, and I hope I'm

understanding the issue correctly, that we take that stuff down so they can see the negotiators talking. So, I don't know what the people online can see, but I'm getting a sense that all they can see is that screen. They can't see those screens, and it's causing an issue for the hearing-impaired.

MS. WEISMAN: We'll take care of that. Thank you for letting us know. Scott?

MR. BUCHANAN: Yeah, I would just point out on that topic we've had for many years in servicing of total and permanent disability applications, the requirement physicians fill out that information and certify. So that might be one cognitive area to look at. And as I'm aware of no situations under which the doctors were pursued regarding their certification. So, I think if you're looking for sort of an analogous process, then that is one to look at.

MS. WEISMAN: Emeka?

MR. OGUH: So, I had raised that concern in my comments that I sent out yesterday. So, as we all know, a borrower needs a signature from an authorized official, that's usually an HR administrator. These staff members typically just confirm employment date and employer identification number. They're not legal experts and may be unwilling to certify that their

employer has not engaged in illegal activity. Some may refer the form to a legal counsel, which is going to cause long delays, and millions of borrowers can be affected across the board. So, one of the things we did look through that PSLF employment verification form, specifically section 5 B, and we added some commentary around if your employer is unwilling to sign section 5 A due to concerns about the legal attestation now required giving employees and other alternatives essentially to get that verification to their employers and willing to sign again. Going back to the context that we work with dozens of employers, and these HR admins are not going to attest. They're not going to be comfortable signing that. And so, it's just going to lead to long delays. So, just a point that I wanted to address.

MS. WEISMAN: Tamy and then Jeff and then Rebecca.

MS. ABERNATHY: We do have a process in place right now for employers that do not sign the form. So, we will take that back and look at that as well. But currently we do have the ability to look at that.

MR. OGUH: Because it says if you're unable to have this form completed by an authorized official because the organization has closed, or you are

unable to contact your employer to obtain an acceptable signature. Would this fall under? Or you are unable to contact your employer to obtain an acceptable signature?

MS. ABERNATHY: We're going to take that back to define and confirm that before we answer that. If that's okay. We want to talk about it a little bit, but we will look at this.

MR. OGUH: Thank you.

MS. WEISMAN: Jeff?

MR. ANDRADE: I just wanted to announce that the issue for the hearing impaired has been addressed. The interpreter now appears on the stream to the left of the screen, and the rest of the video is just reduced to include the interpreter.

MS. WEISMAN: Rebecca has withdrawn hers, so we'll go to Jacob next. And then Tamy. We'll go to Jacob next, and then we'll look for other cards.

MR. LALLO: Yeah. I wanted to address the question about who signs the PSLF form on behalf of the employer. The current language just says an authorized official of the organization. That's anybody who, therefore, has the authorization delegated to them. It does include a currently a perjury statement. Anyone who signs it and is making a representation improperly could be subject to a violation of Federal law for

perjury. That being said, in terms of having an authorized official signing it and delegating it, I understand the concerns about it, but I think there are quite a few of forms that fall under that basis. Accountants file tax forms all the time. People, contracting officers sign forms with attestations. It's very much the same thing.

MS. WEISMAN: Laurel. We can bring you a microphone if that's easier.

MS. HAMMER: That would be fantastic.

MS. WEISMAN: Aaron, can you bring me over the mic? Thank you.

MS. HAMMER: So. As we're moving through the definition of employer, we're also recognizing the process issue and the throughput issue. I do want to highlight, I think that the exposure of potentially being under perjury is- will have a massive impact on the success of the program. We're also Mary Lyn, you as a fellow data, well, I'll call myself a data nerd, we socialized last night. Thank you, Annmarie, the economic impact of the PSLF program. As it relates to the definition of a qualifying employer, we do see a 20 to 1 cost efficiency ratio for employers who are considered qualifying employers. So, I think that there was a question around kind of how many employers are we talking

about, and what would the economic impact be of narrowing that definition? So, the current program costs, we understand about 10 to 15 billion annually, 90% of the costs, 110 billion of the program, we understand has been realized in the last four years. So, it was a very atypical four-year period because of the PSLF waiver and other anomalies during that period. When we look at the value of delivering recruitment and retention to the 1.5 million employers we've spoken to, that is equivalent to \$302 billion in salary increases from the private sector and the private sector, of course, non-profits not for-profits. These are individuals that are working below market. So, there isn't the \$302 billion for these private sector employers to provide. So, as we are discussing the narrowing of the definition, what the purpose of what I'm trying to highlight is that restricting qualifying employers could impact the efficiency of the program and could impact that 20 to 1 ratio, which would then more than likely increase the rate of delinquency and default, which currently at 31% delinquency and default, including prime and super prime. So, as we're having the discussion about qualifying employer, I just think it's really important that that larger economic picture is part of the consideration. Thank you.

MS. WEISMAN: We're going to go to Jacob and then Tamy.

MR. LALLO: Yeah. I want to respond briefly and narrowly to the perjury aspect that you brought up. So, the statute referenced in the PSLF form is 20 US code 1097. It requires knowing and willful violation. So, an organization that is unaware that it has done something here is not knowingly and willfully violating, especially the HR person who's signing the form is not. It, it requires an intentional, hiding the ball, if you will. So, we're not overly concerned about the impact of that aspect.

MS. WEISMAN: Tamy and then Todd.

MS. ABERNATHY: For any of you around the table, and I believe Rebecca, you specifically certify forms. What are your thoughts about this particular aspect of providing the authorizing official signature for these PSLF applicants?

MS. STANLEY: I did have one concern come up when you were talking about it, because some of the things that changed during the waiver, there were contract times allowed. They might not have been an employee that was actually employed with the government, meaning they weren't a county or state employee, but they were contracted, and that time was allowed during the

waiver process to be accepted as qualifying PSLF service if they were full-time. And I was thinking, if you shift that and change it to an HR doing it that contract time may not show up versus allowing a department supervisor or the person that's over HR or the accounting in there to sign up that knows that they have that qualifying time. So that is something that sort of concerns me a little bit if that changes. I think, like you said, that there was already a statute in there that's listed that, you know, that you're signing it anyway. I mean, this hasn't changed it for me. I knew that I had to be very accurate in the time that was being reported. And I better have good backup because if they're questioned about it, then they need to have the backup that showed that they had that time. So, it didn't change it. And I haven't seen it for, and I counsel hundreds of government and nonprofit employees. I'm not really seeing them being afraid of signing on the time, just they want to be accurate with what they're given.

MS. ABERNATHY: Absolutely. Thank you so much for that. Anyone else want to share their experience?

MS. WEISMAN: I have cards up already from Betsy, Mary Lyn, and Alyssa.

MS. MAYOTTE: I have significant

concerns about this new (inaudible) check box. I mean, I think whether it's someone in HR or a supervisor or some other authorizing official, I think anyone from the general public can look at, at timesheets or time records and say, yeah, I'm willing to say under penalty of perjury that this person worked from X to Y for this many hours, but I think there will be a lot of concern about checking a box that essentially you're almost requiring these people to have a professional degree, and maybe the associated six figures in student loan debt to help them define for themselves whether they're engaging in substantial gainful activity. And I get the, I didn't know about it, so I'll be okay. But it's not even whether they knew about it or not. It's whether they're- we're having a hard time figuring out the definition. And we want these people that in the past just have to say whether you worked 30 hours or not to make this determination.

MS. WEISMAN: Jacob, I saw your card up. Is it about a new issue or in response to that? Okay, then go ahead.

MR. LALLO: No, I understand your concern there. I think it's not like a just blanket, "I don't know. So, I can't get in trouble", standard. That's not how perjury works. But again, perjury attestations

are very common on these forms. We are not going to hold an HR person who certifies the form accountable for this, unless we know that they've been specifically directed to do this, or they personally had knowledge that something else was going on. This is not a standard that requires them to actually go dig through and basically determine what their organization is doing. It only goes to their basic knowledge of it. Or if they have been specifically directed by their employer, at which point it would be the employer is liable for perjury themselves by directing the HR person to do it. And then they would be with, as you know, aiding and abetting within that. But yeah. A basic concept, an HR person checking this box is not going to get hung up on perjury if they didn't dig through all their organization's records to determine what's happening. It's defined in statute as knowingly and willingly, willfully. We can consider adding some clarification. We can take that back. But that doesn't really fall within the purview of whether or not the perjury issue applies.

MS. ABERNATHY: Betsy, we would address this in the NPRM very clearly. We would also in sub regulatory guidance, we would be able to do such on the website, and things like that. So, there would be clear-cut information that would provide more details for

this respective section. It's a sub regulatory guidance thing. It doesn't have to be in the regulations, but we would want to address it, and we would address that in the NPRM and elsewhere on the form and the corresponding instructions, and information on the form and website as well.

MS. WEISMAN: Thank you for your patience, Mary Lyn. You're up.

MS. HAMMER: I just want to point out that the perjury statement is consistent through all of the documents used by the Department. The loan application, all the Departments, and forbearance, this is nothing new. And just using unemployment deferment as an example, there's mistakes made on that form all the time. And about 30% of the defaults on student loans are technical defaults that never should have happened. So, mistakes are going to happen. There's no way that we can regulate that everything is going to be done exactly right. And I think that making an assumption that all these employees are going to go away, because we're asking them to make as accurate statements as they possibly can on these forms, is not an overstretch. And there's a lot of employees. You can tell by the numbers that there's a lot of employers that are simply not participating in this program. And I think that's a

tragedy. And I think that's a totally different issue that, again, is not regulatory. I think this is something that could be promoted at the nonprofits where if they understand it better they could offer it as an employment benefit. And it's not being done like that right now. So just by the numbers, there's other things going on. But I don't think we're going to see a mass exodus of employers. It doesn't make sense.

MS. WEISMAN: Alyssa.

MS. DOBSON: So my students already routinely experience resistance to filling out the form without this extra onus of now another layer of certification. So, it is concerning to the borrowers who are trying to get the form filled out.

MS. WEISMAN: Rebecca.

MS. STANLEY: Well, I may be on the opposite spectrum. Because I'm finding that the form is actually improved somewhat. I do agree with you that there is so many organizations that are not participating that should be. Not just nonprofit. It's government as well. When I was reaching out to different constituencies, and I mentioned it to Thomas, they were, what was at the state higher education and approving agencies. Do you know how many of them didn't know how to participate in PSLF? I have two Webex's scheduled to

counsel their employees, one's a deputy director, did not know that they qualified for PSLF or Parent Plus Loans. 30-year employee. So, it's not just that level. I do think there needs to be a lot of education regarding it and the benefit for state and nonprofit. I do believe what Tamy had mentioned would be important to me with signing PSLF form is to make sure that it does somehow state on the form, like Betsy stated, that you're, to the best of your ability, are stating that this organization is not participating in something like that. You're not certifying that it's not, or you're not signing that it's not. Because that would concern me. But stating that to the best of my knowledge or, you know, that would make me more comfortable in signing a form.

MS. ABERNATHY: I'm going to ask my team to make sure that they have that down as an official recommendation, please. I've got it down, but my notes are a little harried right now. Thank you for that. And I do appreciate you saying that the form has improved. We really have been trying desperately to improve all aspects of our forward-facing materials for our borrowers and those agencies. I do have the numbers. If Betsy, would it be okay if I read the numbers on the employers? Okay. I love the thumbs up. She's very animated. I like that. We have 1,945,568 eligible PSLF employers. I knew

it was 2 something, but clearly 2000 was wrong.

MS. WEISMAN: Okay. Betsy, back to you.

MS. MAYOTTE: This is in response to Jacob and Marilyn. I just want to make sure I'm clear. I'm not asking to get rid of the perjury statement. That's like a long tradition. That's like not having a tree on Christmas, if that's what you celebrate. We don't have a perjury statement. I'm asking to get rid of the box. We don't need the box to be checked, saying we don't do the bad things. If you have this other definition where you're defining how you're deciding whether someone has done the bad things. So again, perjury statement. Keep it. Box-

MS. WEISMAN: Tamy.

MS. ABERNATHY: We appreciate that suggestion. We certainly will take that back. However, we are looking at an agency self-certifying that they are not participating in substantial illegal activities. So, we can take it back. We will take your concern and address that. But at this point our proposal is to have the agency have some skin in the game. But let us take that back and let us look at it, and let us talk about your concern, and we can go from there. So, thank you. We appreciate that.

MS. WEISMAN: We have about ten minutes before lunch. So that would be time for three more comments if we have them. Laurel?

MS. HAMMER: Tamy, thank you for your receptiveness around the agency and the self-certification process. Just to pull on that thread a bit further, I'm curious if there would be an opportunity to have an interval in which the agency provided that self-certification or attestation, rather than on every form that is submitted, out of concern for a chilling effect. As an individual who may be fearful of the ongoing attestation required. If there are developments, for example, that have occurred so more of an employer specific process that may be batched rather than on every individual form. If the goal is maximum uptake of the benefit, but again, ensuring that the agency is not conducting illegal substantial activity.

MS. ABERNATHY: Based on how we exist-how we currently do things, I'm not sure how that would work. So let us take it back and let us talk through with Eric and others in our operational division. No promises, but we can at least engage in conversation and see what, if anything, we can do around that. I don't know that we'll have the ability to do that today or tomorrow, but they are in the room, so they have heard it and they are

very good at telling me yes or no, we can do something. So, I feel certain that if it's a possibility, we can talk about it. If it's not, then we can let you know that, too as well. Thank you for that suggestion.

MS. WEISMAN: Next up, we have Abby. Aaron, could you bring over a mic?

MS. SHAFROTH: Thank you so much. As I think it sounds like we're wrapping up the discussion of this (inaudible), and then we'll go line by line into the different ones. Am I correct on that plan procedure?

MS. ABERNATHY: One point of clarification. I was planning on going to the standard and talking about C, H, and I after lunch. Unless you all would rather stay with the definitions, speak now or in the next couple of minutes before we break for lunch, and we'll, we'll go from there. Okay?

MR. CAREY: Going back to my original question then, we're not, we're not taking a consensus poll on the standards right now, correct? In section 30.

MS. WEISMAN: No.

MS. ABERNATHY: Section 30 is the substantial illegal purpose. The standard is an H. So, we haven't even discussed H yet. No, sir. We're not taking- today is discussion. Yes, sir. Exactly right.

MS. WEISMAN: Abby, do you want to

continue?

MS. SHAFROTH: So, it sounds like we'll go through different sections then, because I think we'll want to discuss.

MS. ABERNATHY: Absolutely. Each one of those clauses we will discuss as part of the definitions. Some variations thereof. But yes, we're going to switch gears and talk about our standard, and then we'll come back. More than likely, I have a feeling we're going to be talking about the standard and all the different provisions for a little while this afternoon. So, let's say maybe tomorrow morning, mid-morning, we'll get back to the definitions again. But it's very important for us to change how we're presenting this information to you so that there is a clear path of what we're doing, and we want to make it as painless- it's not easy to sit here and talk about definitions and how they impact, and oh, there's a standard really, where is it? we want to talk about it. So, we're hoping that by putting that in there, we can pull all the pieces together and then go backward and look at the definitions that would therefore give you a foundational knowledge of this is what we mean by, and this is why this is okay, or this is why this may or may not work.

MS. SHAFROTH: Thank you. So, then I

just wanted to sort of wrap up on this bigger picture. First, I wanted to respond to Jacob's earlier suggestion. When I raised concerns about the legality of carving out 501(c)(3)'s and government actors from the definition of public service when Congress defined them as public service organizations. Jacob seemed to suggest that we will talk later about the process, the standards and process for excluding those. But my point is that it doesn't matter what the standards or process for excluding them is if Congress never gave the Secretary or this committee the authority to exclude any government agencies or any 501(c)(3)'s, as approved by the IRS, from the Public Service Loan Forgiveness. So, I don't think that the process is necessarily relevant to that question, though I understand we'll discuss that later. My other point just on the big picture of definition 30 is that it strikes me, as prizing that all out of all of the various laws that the Department may be concerned with organizations breaking including Federal laws prohibiting fraud, corruption, medical laws that that prohibit hospitals from turning away people for inability to pay or lack of insurance, that these are the five laws that we've decided to focus on here today including small potatoes, things like state trespassing law. So, I wanted to point out that that feels unusual and sort of

inconsistent with my sense of what we should be doing.

MS. WEISMAN: Emeka?

MR. OGUH: Is there a process whereby we don't have to have this attestation on each form? I think back in 2020 faith-based organizations were made to be PSLF eligible. There was an adjudication process where these entities, who at one point were not listed in that dropdown for PSLF entities, were included. And so, you had to submit some documentation. A one-time process, but it took a while, and we helped dozens of faith-based organizations get PSLF eligible. I'm wondering if maybe that form could include something like this. And maybe there's a reeducation process for employers. So, as I mentioned earlier, it's a one-time thing versus having to be every single time. Just a thought.

MS. ABERNATHY: We'll be happy to take that back. At this point, how we look at employers is holistically, right? But this eligibility part we're going to have to look at that and see what we are able to do as part of our own systems. And I don't have answers to that. I'm not on the operational side any longer, so I don't want to speak to it. But we do hear you, and we will take that back, and we will discuss this and hopefully be able to provide some additional clarity before we conclude our sessions Wednesday.

MS. WEISMAN: The last comment before lunch is Rebecca.

MS. STANLEY: Just expanding a little bit on what Emeka said was the fact that when you do the PSLF form, and it says eligible ineligible. So that's pulled from IRS data this time, is that correct? Like 501(c)(3). So, if that, if the standard is it's already been determined that they're participating in those things. If it could be, then you have eligible ineligible, maybe they're in a red flag status or something, and their form is differentiated.

MS. ABERNATHY: So, one of the ways I know that, however, we finalize and promulgate our rules, the way right now, that we have a database of eligible and ineligible employers already. So, if we were to receive notice for whatever reason, separate and apart from this particular rule making, that an employer is no longer an eligible employer for whatever reason, maybe they lost their status, or maybe they're no longer nonprofit, they're for-profit or whatever the case may be, we would adjust our database accordingly. So, we already have a mechanism in place to identify borrower, excuse me, employers in that employer database. But specific to what we're doing and how, there is already an employer verification form that exists for borrowers to

submit to their employers or to do so online. That is the process and the constraints by which we operate in and that we will continue to operate in. So how we get through this, I don't have those answers yet, but we will go back, and we will talk about it, and we'll have to rely on our operational team to give us the best scenarios for what we're trying to accomplish here. And there in the room, so they've heard you as well, and I just want to make sure we've heard everything, and we're going to try our best to come up with an amenable solution. I don't have any idea what that is, but we're going to talk about it and get back to you guys.

MS. WEISMAN: That concludes our morning session. Thank you all for the great discussion. We will resume here at 1:00 Eastern time. Thank you all very much for your flexibility and for, again, the great cooperation. We'll see you in an hour.