

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

On the 30th day of June, 2025, the following meeting was held in-person, from 1:00 p.m. to 4:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good afternoon, everyone. It's time to start our afternoon session. We made a lot of really good progress this morning and I appreciate the discussion. I do want to make one clarification. I've been asked by a couple of people to explain whether we were going to cover this content again. And the answer is yes. So, everything that we go over, we will be discussing at least one more time, but likely more than one more time. I think that we are trying to do an overview, a high-level walkthrough of some of these things, get some initial thoughts that people have. But clearly, negotiators, whether primary or alternate, will need to get back in touch with constituents and get feedback on what they've heard, what you've heard, and come back to the table tomorrow and Wednesday so that we can discuss those things. Does that make sense? You're welcome. Asked that by more than one person, so it's not all on Betsy. Just a reminder, we will have public comment starting at 3:30 and then a hard stop at 4:00, so if you do have negotiators, if you do have meetings with each other or constituents, that'll be a good time to do that. We will have that hard stop at 4:00. Any other questions before we get back into discussion? Jeff.

MR. ANDRADE: Just one quick update for you all. First, congratulations, because we had a very spirited and lively policy and legal discussion at lunch, so congratulations on putting those in. But in all seriousness, thank you for some of those speaking. It got us rolling. It gave us enough time to start, to start thinking about this and doing research so that we can come back to you tomorrow on a few things. So, thanks again. I just wanted to this morning's discussion, I think, was fruitful from our perspective.

MS. WEISMAN: Okay, then I'll turn it back over to Tamy for a more lively discussion.

MS. ABERNATHY: Yes, let's have more lively discussion. I do want to- I was supposed to tell- I will get back to you on this- I had a note to clarify something that was said earlier that was not entirely what happened operationally, but I (inaudible) ways to let me get back to you on that. I certainly don't want to misspeak. Alright, we're getting ready for the fun stuff, friends. Here we go. Okay, so, Mr. Michael, if you'd be so kind as to share 685219C on the screen for me. And please make sure that you guys have your copy of this, because after we get done discussing it, we're going to take it down so that the viewing public- my goodness, this mic and I are having issues- the viewing public can

see our discussion, see our faces as we're having those discussions. So, I just want to make sure you have it close at hand in case you need it. Alright, borrower eligibility for forgiveness under the PSLF program. The Department seeks to propose a standard by which a qualifying employer would become ineligible as a qualifying employer for the purposes of the PSLF program. We propose that the Secretary begin removing PSLF qualifying status from an employer for activity that takes place on or after July 1, 2026. Determinations will be prospective, meaning that a borrower will not lose qualifying payments retroactively if an employer is no longer a qualifying employer.

MS. ABERNATHY: However, on or after a date, the Secretary removes qualifying status from the employer, the borrower payments made while employed at the non-qualifying organization would not count toward Public Service Loan Forgiveness. So, the text in C outlines borrower eligibility criteria. And generally, our borrowers have to meet the criteria for PSLF qualifying employment, qualifying payments, qualifying full-time employment, qualifying loans. And so, where we propose employment with an employer would become ineligible on or after the date that a qualifying employer is determined to have engaged in activities that

have a substantial illegal purpose. Okay? We would amend paragraph (c)(2) to include an exception clause to when a borrower would be considered to have made a qualifying monthly payment for PSLF purposes. Second, we would add a fourth subparagraph to reflect the effective date for regulatory changes that may impact borrower eligibility. Effective on or after July 1, 2026, through a standard we will discuss shortly, no payment would be considered creditable for PSLF purposes for any month subsequent to a determination that the qualifying employer engaged in those illegal activities. To that end, the entirety of proposed paragraph C reads, borrower eligibility. And number two is, except as provided in paragraph (c)(4) of this section, a borrower will be considered to have made monthly payments under (c)(1)(iii) of this section by and then effective on or after July 1, 2026, through a standard as described in paragraph H of this section. No payment shall be credited as a qualifying payment for any month subsequent to determination that a qualifying employer engaged in activities that have a substantial illegal purpose, as described in this section. We believe these changes are necessary to make clear any final regulations impacting borrower eligibility for the PSLF program are effective on or after July 1, 2026. They are not retroactive. What that means is we will be looking at

it from the date prospectively forward. We will not remove any borrower eligibility that they received up until July 1, 2026, on or after July 1, 2026, even if the borrower has waited all ten years before submitting their complete employment history for consideration for PSLF. Now, they don't have to do that. They can submit it on months- six months, whatever they want to do, they can do it monthly. They have a choice to wait till the end or do it incrementally all the way through. So, in this particular instance, we wanted to protect our borrowers as best we could so that if their employer does lose eligibility as a qualifying employer, what they've already done is protected. What they haven't paid or payments after that time will not be counted. So, I'm going to turn it over to Annemarie for lively discussion.

MS. WEISMAN: We have Alyssa up first.

MS. DOBSON: So, I struggle to see how punitive action toward an individual, because they could have made 119 payments as of July 1, potentially. I struggle to see how punitive action towards an individual gets at changing the behavior of the entity. I would like to suggest adding some language that would protect borrowers who are currently working towards forgiveness at an employer. I submitted some language right during lunchtime if you wanted to share that. But you know, it

makes sense to close off that opportunity for new borrowers entering the system. But to make somebody change employers who's already accumulated many months of qualifying payments seems harsh.

MS. WEISMAN: Betsy, and then Tamy.

MS. ABERNATHY: I can wait. Thank you, Betsy.

MS. MAYOTTE: Thank you, Alyssa. That was half of what I was going to say, almost word for word. So, thank you for that. So, I think I understand what you're saying about retroactivity, Tamy, but I want to give a specific example and see if I'm right. Okay? January 1st, the employer does bad things that fall under the definition of this regulation. February 1st, the court goes, they did bad things. March 1st, the Department finds out about the court decision and says, yep, they did bad things. April 1st, the borrower submits an employer certification form that goes back to January 1st. June 1st, they submit a buyback request for that same period. My understanding is that the borrower would get credit for everything up until- the way it's proposed right now, up until March 1st.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, the borrower will get credit until the point that the Secretary has issued

a determination on the subject.

MS. MAYOTTE: (inaudible) timeline
(inaudible)

MR. LALLO: Yes. Yes.

MS. ABERNATHY: Yes.

MR. ANDRADE: (inaudible) July 1st of
2027.

MS. MAYOTTE: Right.

MR. ANDRADE: Yeah. Okay.

MS. ABERNATHY: Right, 2020- yeah,
we're assuming you're talking about 2026. Yeah, let's go
with that. Or it would be 2027 because it does- not
effective till July 21, 26. Yeah. Alright. Let's do that.
Yes. So, the key here is as we move through these
definitions and we get to that final standard- so in this
case, the key right there was the Secretary said on March
1, 2027, that at that point she agreed, because of the
court case and the findings, this agency did participate
in a substantial illegal activity and therefore they no
longer qualify as a qualifying employer. So yes, that's
the trigger date.

MS. MAYOTTE: Thank you.

MS. ABERNATHY: So, Alyssa, I
understand your concern about being punitive because it's
the one year. Punitive- we're not taking the 119 away.

So, at the date that the Secretary determines that employer has met that standard, it's from that day forward.

MS. WEISMAN: Rebecca, do you have something new or is it okay if Alyssa-? Okay, Alyssa, and then Rebecca.

MS. DOBSON: So, I disagree politely. To make somebody change an employer for a handful of payments or more, they're going to be giving up potentially retirement benefits, time served, vacation time accrued, all sorts of different things for something that they may potentially not even participated in.

MS. WEISMAN: Rebecca? And Tamy, your mic is open.

MS. STANLEY: I just want to verify. So, on that March date, using that hypothetical situation, that's when the status like, say, a new hire was looking at that employer, is that when the status on the PSLF- you know, you can go in, and you can check, see if your employer is an eligible employer? Is that when the status would change to ineligible? Okay. Because-

MS. ABERNATHY: Yes.

MS. STANLEY: -(inaudible) the courts made that decision.

MS. ABERNATHY: No.

MS. STANLEY: Okay. Just so for future employees too, to protect them, that would be helpful as well.

MS. ABERNATHY: No. Let me clarify something. If the Secretary receives information, the Secretary gets to determine the date. We're saying prospectively, right, we want to go forward. So, if it's before July 1, 2026, it's not effective. So, it would have to be after July 1, 2026. But if the Secretary is looking at this and the court case was finalized, it could be that date. But more than likely it's going to be a date in the future, not a date in the past, because the way we're working this is to go forward so that borrowers are not harmed as much as possible. Make sense? But if there's an egregious part and the Secretary chooses, I want to protect the Secretary's discretion here, but mostly it's going forward. It would be the date- on that date that she determines that substantial illegal activity did happen, even if it was in the past, she's choosing from this day forward for it to hit.

MS. WEISMAN: Jeff?

MR. ANDRADE: I just wanted to address Alyssa's point. Right now, the situation is if an employer ceases to be a qualifying employer, the number of payments that a particular borrower has made are

immaterial to whether or not they get forgiveness. So, if they lose eligibility, if they close, if they go, it's a bad deal for the borrower, we're being consistent with how things have been in the program since it's been enacted with regard to loss of eligibility.

MS. WEISMAN: Tamy?

MS. ABERNATHY: This also encourages employees to encourage good behavior by their employers as well. And so, to your point, they would have to be found in violation of this standard. And all of those pieces and parts would have had to have fallen into place before the eligibility for qualifying employer stopped their eligibility for qualifying employer.

MS. WEISMAN: Rebecca? Can you put on your microphone?

MS. STANLEY: Sorry.

MS. WEISMAN: Thank you.

MS. STANLEY: Say they reached 120 payments and then they were found ineligible. Right now, don't you have to be employed by a qualifying employer at the time of forgiveness?

MS. ABERNATHY: At the time you apply.

MS. STANLEY: At the time you apply.

MS. ABERNATHY: Mm-hmm. So, at the time you apply, that was changed in the 22-23 rule. Well,

from the 21-22 negotiations be and we understood that there were times that borrowers had to stay employed for a considerable amount of time until their PSLF forgiveness discharge was fully processed. So, the words in the regs are at the time you apply for PSLF, at the time you apply. So, say for instance, you're submitting your last employer verification form, right? Your last certification of employment. And you have six months and this particular form covers those six months, at the time that you've submitted it, you were still employed, so you're covered.

MS. WEISMAN: Okay. Seems like a good time for a very quick commercial. Alyssa had mentioned sending language out this afternoon. So, I just send that to your mailboxes at 1:16. So I did get that out. You probably did not see that since we were all speaking. Also, just a reminder, please use your microphones because the live stream will only pick it up if you're on mic. Commercial over. Now back to our regularly scheduled programming as soon as we see a card. Alyssa?

MS. DOBSON: I- just a point and then maybe a clarifying question, but I think that you think that employees have a lot more control over their employer than they do. I think it's going to be difficult for them to inject any sort of behavioral change in this

space. I fully understand that they get to retain any payments that have already been made. It's the thought of them having to, again, change employers. I can imagine a space where somebody does these bad things but retains their 501(c)(3) classification, or they're still a state agency or whatever, so the potential to continue working for them would still be there. And in the event that they did close or somehow lose their status, that in itself would be an action that wouldn't even be necessary to have all of these things written in place. So, I think that it does impose a sincere punitive action against the individual.

MS. WEISMAN: Mary Lyn?

MS. HAMMER: I'd like to go back to what you were saying a little bit ago, Tamy, where, where the employee needs to be working at a qualified employer at the time of the application because if they lose eligibility, but they've already fulfilled the 120 months of employment at a qualified employer, then I think that's also not fair to the student because, you know, like, say, if it's the IRS that takes action against them, that's an immediate action and the borrowers wouldn't have time to even apply for the- you know, by the time everything goes down, they go to work, the doors are locked. What are they going to do? Then they lose all

those benefits. So, I really don't think that's fair. And it's not part of the language you have today. I know we're addressing that first, but I think that's something worth adding to our agenda.

MS. ABERNATHY: Clarify for me where you think we would add that, and I just want to make sure I'm understanding. I hear what you're saying, but maybe it's because it's after lunch. I'm having a little bit of a hard time pulling those pieces together. So, can you kind of show me where you would think that would fall?

MS. HAMMER: I would have to look it up, because it's not the language that I concentrated on, because-

MS. ABERNATHY: (inaudible) why
(inaudible)

MS. HAMMER: But I would have to go back and look it up, but it would be in the same section where it was changed last time to be that there would be have to be some kind of process to get that certification done by the employer, even if they're out of business.

MS. ABERNATHY: So, there is a process for that already. So, if an employer closes or an employer is unable to certify that verification form, there is a process by which we already permit borrowers to submit their documentation to us for adjudication.

MS. HAMMER: So, would that be the section where we would add that if the employer is no longer qualified, but the borrower has fulfilled the 120 months of employment?

MS. ABERNATHY: Prior to the qualifying employer losing their eligibility, then yes, I would say that would be what we would want. But we're not a- see, this is about an agency losing their qualifying employer status. And so, we don't want borrowers resubmitting a request, right? Filing another review of the file. But if there are cases where a borrower has met 120 qualifying payments under a qualifying repayment plan, under the right loans, was working full-time, qualifying employer, all of those conditions are met, and the borrower just has not submitted their form, and then the employer closes, we would have a way to look at that, in addition to whether or not the date of the employer's loss of qualifying employer status, right? So, say it's after and, and all of the employment is before that date, that employer meets the standard or fails to meet the standard and then therefore they're no longer qualified, that borrower would get their forgiveness.

MS. HAMMER: Well, I think that's the intention.

MS. ABERNATHY: Yes.

MS. HAMMER: However, the word- the date of the application, that particular wording, it's problematic.

MS. ABERNATHY: No, what's supposed to happen is they have to still be working.

MS. HAMMER: (inaudible). That they have to be working at a qualified employer on the date of the application. That's problematic. So that's what I would take a look at, and I would have to look it up.

MS. ABERNATHY: Right. Let us take a look at that.

MS. WEISMAN: Next, we have Emeka and then Bob.

MR. OGUH: I just want to piggyback off some of the comments that were made. So, Jeff, Tamy, and Jacob, let's say- you mentioned, you know already it exists that someone can, if a nonprofit is going bankrupt or is getting acquired by a for-profit entity, the same rules apply. Typically, in those instances, there's a time period your company's going to be acquired. Your company's going bankrupt. There's a three-to-six-month period, some sort of grace period. Is there a way to mirror that situation where if I know that my company has done something wrong, I've done everything I possibly can to make a change, I can't do it, powers that be, I want

to leave, can we give some sort of grace period, if you will? Because it sounds like, kind of to the point that Betsy made earlier, there's some arbitrary if they were found guilty in February, that could be the shot clock period when it starts. Is there an opportunity to maybe extend that to at least six months after the date of- just again, to mirror what already exists? No one sort of just announces, hey, we're bankrupt and shut the doors. Typically, there's a time period before that happens. And during that time period I am eligible for PSLF, so just wondering. Thank you.

MS. WEISMAN: Bob?

MR. CAREY: Maybe this is a subsection H discussion, but on section 30 sub 5, and then, you know, going back to the issue of termination of a qualifying employer, how would things like Federal Tort Claims Act claims, or Camp Lejeune Injustice Act or medical malpractice claims against the military not expose the Department of Defense to be found in violation of State Tort Law or Federal Tort Law, and thereby lose their status as a qualifying employer?

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, so there's a definition for that. 34 defines what violating State Tort Law means. We're not talking about torts in the civil

sense of I hit you with my car and then you sue me. There's a defined set of standards for what we mean when we say violating State Tort Law. And those would be five acts within that.

MR. CAREY: Only the five in 34 are qualifying as violating State Tort Law.

MR. LALLO: That's correct. Definitionally, those are the only five things that we mean when we say violating State Tort Law. So, trespassing, disorderly conduct, public nuisance, vandalism, or obstruction of highways.

MR. CAREY: But on public nuisance like the tobacco cases and the opioid cases were based upon a public nuisance concept, and I could see where Governor Newsom would apply a public nuisance application against the federalization of his National Guard or the deployment of the Marines.

MS. WEISMAN: Do you have a follow-up, Jacob?

MR. LALLO: Yeah, just in response, we don't want to speculate on what a state might or might not do here. So, we don't want to get into that.

MR. CAREY: If the state were to raise a public nuisance case against the Federal Government for the misutilization of government resources, that would

then qualify as a public nuisance under 34.3.

MS. ABERNATHY: Only if they were found guilty. Or nolo contendere (inaudible). And Bob, it's also engaging in a pattern of. So that particular definition requires more than just one single.

MR. CAREY: Where's that?

MR. ANDRADE: Thirty, 35. 30, romanette five.

MS. ABERNATHY: Thirty, romanette five.

MR. ANDRADE: Bottom of page- top of page seven.

MR. CAREY: And what defines pattern?

MR. LALLO: Yeah, I think the plain language is there. It's got to be more than one thing. You can't have a pattern with more than one.

MR. CAREY: So, two would be sufficient to be a pattern?

MR. LALLO: If it looks like a pattern, I think it is a pattern in this case, like not to be overly vague about it. I think the plain language of the term pattern works here. I don't think it serves us right now to get into hypotheticals of how a public nuisance law could be applied to intentionally trigger this, to block somebody from qualifying.

MR. CAREY: The whole evaluation of this prospective regulation is conjecture. We are evaluating this in terms of what we think may happen. Originally, I was worried that the International Criminal Court could come in and bring charges against military personnel for their actions overseas and the United States- and that would be sufficient to say that the United States military is no longer a qualifying employee. But what I'm worried about right now is that there are a lot of states that don't like what the Federal Government is doing, and they may very well bring case and they may very well win, in which case all or some of the Federal Government may no longer be a qualifying employer.

MS. WEISMAN: Does the Department want to respond to that, or should we move on? We have a lot of cards up.

MS. ABERNATHY: We can move on. we'll need to take that back.

MS. WEISMAN: Okay.

MR. ANDRADE: I do have a response to Emeka with regard to the timetable. So built into the way we've approached this is a final determination, final judgment. So analogous to the situation of a company going bankrupt there's a legal process. There's an

appeals process. And that, in our view, gives us a significant amount of time to the employees that the employer is currently in either litigation or some pending action is happening.

MS. WEISMAN: We have Scott next.

MR. BUCHANAN: Yeah. I just want to go back to the section we've been talking about here. I think it's on the table right now. And I understand sort of the Department is taking steps to make sure that payments not counted in a prospective manner after the determination by the Secretary that the qualifying employer is no longer a qualifying employer. But Tamy, I think you made one comment that I just would want to highlight. And I don't know if you need to deal with this in the rulemaking proper. It could be done on sub-regulatory level, but you raised the possibility of the Secretary determining that a previously qualified employer was no longer because they had met the standard as described in the rulemaking here for being kicked out, that that could be a date prior to the date of announcement of the fact that they were no longer qualifying employer. I just want to clarify that because I just want to make sure that not only on the farer side were being prospective, but also because otherwise it would be very difficult if the Secretary announced a

month ago, an employer lost their qualified status.

MS. ABERNATHY: This is- number one, it's not effective till July 1, 2026. But no, we would not. What I mean by that date is it's going to fall on a date that she chooses. It's going to be after the court cases, after whatever the, the pieces of the standard that have to still be met, settlement, nolo contendere. It's going to be after that point. But say, for instance, it takes a really long time, and she chooses to say, okay, on March 1st, she wants it to be February 28th. She could say that because the court case was done at that point in time, it's after the court case is done. More often than not, we're expecting her to, to decide what that date is going to be, because typically we thought that we'd be getting these from the forms coming in, right? The form notifying us of this agency no longer- you know, they've participated in this illegal activity, and now they no longer meet. So, she's going to have to look at that and say, okay, it's effective this date, like going forward. So that's what we're thinking about on that. Now all of that changes when we're looking now at our conversation from before in the form. So, we have to kind of look at those things. But no, you're exactly right. She's not going to pick some way date in the back to do that. Not at all. It's going to be- and I think

that it is in here somewhere, I don't think we've gotten to it yet, but it talks about the timing for her.

MR. BUCHANAN: Yeah. And I just want to highlight, I think it would be challenging operationally if the date was even, not even way back, but even a day or two before where you have a window of someone on the Department website, as well as guidance to servicers would think they have a qualified employer, and the Secretary retroactively makes that change. So, I like that.

MS. ABERNATHY: Yes. That's a very good point. And also, typically when an employer loses status, say it's in the middle of a month, it's not effective that month where we're going to go backwards and take that month away. It would start the next month. So that's even another way our normal practice is that already. So, we would hold true to that normal practice. So, if it was the 15th of the month, the effective date would be the first of the subsequent month. It would not be the 15th. And therefore, losing that, that current month of eligibility, it would be that next month's eligibility. We would start fresh on a month. Make sense? Thank you, Scott.

MS. WEISMAN: Betsy?

MS. MAYOTTE: Thanks. Going back to

the discussion that Bob and Jacob were having and understanding that you don't think it's productive right now to deal in the world of hypotheticals, would you give me a real-life example of an employer that today would fall under this proposed status that would not already be an ineligible employer under current PSLF rules?

MS. WEISMAN: Jacob?

MR. LALLO: I can't. I'm sure that there are some that fit into that. But because these are not rules that we fixed, we haven't gone out and looked at the entire world of PSLF qualified employers. Yeah.

MS. MAYOTTE: What problem are we trying to solve?

MR. LALLO: Because this problem is being solved prospectively, we're not going out and digging this up. If we were doing that would be effectively ex parte. But you know, we can't just pick employers. We're not targeting specific employers. We're targeting a specific set of actions. And we're concerned with basically ensuring that employers who are participating in the Public Service Loan Forgiveness program are actually acting in a way that promotes public service. And so that is a prospective look at things. We're not going back and picking particular employers and drafting regulations that are designed to remove certain

people from the program.

MS. WEISMAN: Betsy, did you have a follow-up before we go to Laurel?

MS. MAYOTTE: You know, historically- so I've been around this since the Earth cooled. And you know, any time I've been involved in a regulatory process, there's always sort of a we're doing this because of this. This is the problem we're trying to solve. I'm concerned about this in general, and I'm really concerned to hear speaking of not wanting to do hypotheticals, it feels like if you don't even have one single employer that you had in mind when you were writing this, it feels like you're drafting a regulation based on a hypothetical.

MR. LALLO: I would say in response to that, I'm not comfortable answering that in the capacity as a member of the Office of General Counsel. We're not looking at specific employers in this. Policy may have specific behaviors in mind or specific concerns, and I'm sure they have done substantial research into what they are concerned about. But again, we are looking prospectively, we're not targeting specific employers or organizations. And we are instead trying to coalesce around the idea of, again, promoting public service as a service to the public rather than something that may have

a detrimental effect.

MS. WEISMAN: Let's get Laurel in here.

MS. TAYLOR: Thank you. The central theme of conversation that we're having about how to implement the definition of qualifying employer, I'd like to go back to a comment that Alyssa was making, and I feel responsible for bringing in direct quotes from borrowers who, as an alternate, we had offered to represent as part of public interest. My loans are overwhelming. PSLF is what makes paying them possible. Without PSLF, I couldn't serve and provide for my family. I'm concerned I won't be able to provide for my children if PSLF has changed. It's a lifeline for many of us. Our financial situations are already precarious, and this program helps reduce some of the uncertainty we face. So just to put a more specific ask on Emeka's comment as well. It's worrisome to think about a healthcare giver or someone working in the education system who may be somewhere in that process of 120 qualifying payments if they find employment is more difficult. Depending on where we are in a macroeconomic cycle, depending on where they are in age, depending on where they are in, in experiencing discrimination in the workplace. If there could be some sort of predefined period of the amount of

time that that employee could continue to make payments as a qualifying payment to PSLF, particularly at a time where if there if this individual finds it difficult to seek employment and other PSLF-eligible institutions. From a taxpayer perspective, the other constituency, my worry is delinquency and default. So, if someone is in that period, they're in the process of pursuing forgiveness. They then lose hope that they may not be able to find employment again. They're already going to be struggling or employment with an alternative provider. They may already be struggling to make those payments, but I think that's a big part of why people are making payments. So just to bring that, that direct borrower perspective into the discussion as well, some sort of on-ramp period, grace period. Thank you.

MS. WEISMAN: I see no other cards. Any last thoughts on this issue? Oh, I'm sorry, Mary Lyn?

MS. HAMMER: I found the section. It is little c2B, and I think the whole section could be removed, and that would take care of the problem.

MS. ABERNATHY: Thank you. Let us take that back. Thank you so much.

MS. WEISMAN: No other cards. Oh, I see we do have one. And it is Kaity.

MS. MCNEILL: I just had a question

about the process for disqualifying an employer. At any point will there be an opportunity for a back and forth between that qualified employer and what that process might look like, and how that might impact the timing as well? And what notification that borrowers might have that this is sort of happening where they might not normally get that information.

MS. ABERNATHY: So, through the rest of our proposed standard and what we're going to continue to discuss, yes, there is a notice and comment. So, before we finalize the action and remove a qualifying employer, we notify them. And then if they engage in conversation with us, that's when the Secretary would determine the date. Either we agree with the evidence that the qualifying employer or the employer has submitted to us and it's like, yes we understand this really isn't a violation of substantial illegal activity, so therefore you don't have to lose your qualifying status. we would engage in notice and comment back and forth between the agency and the Secretary. That is part of the process that we're talking about. We've also heard around the table a potential of an employer regaining eligibility. We would like to take that back and look at some of the proposals that were on the table, and also look to see if we can't come up with some regulatory

language about regaining an employer, regaining their eligibility. We're not sure what that's going to look like, but- excuse me, one second, sir. Yes. Heidi, do you have a suggestion of what you would consider an adequate notice and the notice and comment back and forth, the timeframe? And you don't have to jump and tell us right the second, but if you do, could you think about that and get back to us on that? Thank you.

MS. WEISMAN: Next, we have Todd and then Rebecca.

MR. JONES: Since you raised the issue that you're considering having a time frame for regaining, I think it would be a better structure to avoid years- let's say this is enforced for many years to have years and years of nonprofit organizations, public entities that are no longer eligible to simply have a fixed date, that regardless of what is transpired, seven years, six years, ten years, what- you come up with a number, we'll debate a number. that there be some fixed term that just by operation of law, you now are no longer an ineligible employer.

MS. ABERNATHY: Thank you. That's helpful. We'll take that back.

MS. WEISMAN: Rebecca?

MS. STANLEY: Is there a way to

include the notification to include the borrower? And I think that would be good if the borrowers were notified as well as the employer, because then that gives them a heads up. Hey, you may want to be on alert. You're at 118, whatever payments are.

MS. ABERNATHY: So, I see it two ways where that's important. I'm not sure that we would do that until after a decision, a final decision has been made. So, if we're in the process of engaging in these conversations back and forth with the employer, and we're looking at a preponderance of evidence and they're coming back and they're saying, no, that this is wrong and here's why and we're still engaged in discussion, we would not want to inform that borrower that they are losing their qualifying employer status, right, at their agency. So, at some point, the borrower would most definitely be informed. It would be the agency's responsibility. We're expecting the agency to notify the borrower that they've lost their status.

MS. STANLEY: But if the standard said that they had to be found guilty, the state or federal court that engaged in activities that have a substantial legal purpose, I feel like they have a right to be informed that they're being investigated.

MS. ABERNATHY: Yes. So, you were-

you're proposing a warning?

MS. STANLEY: Yes, I think that-

MS. ABERNATHY: Okay.

MS. STANLEY: -the borrower.

MS. ABERNATHY: We can take that back.

MS. STANLEY: -is entitled to that.

MS. ABERNATHY: Got it. Thank you.

MS. WEISMAN: Scott?

MR. BUCHANAN: Yeah, I certainly agree. You know, having borrower notification. I would highlight, though, that that in the current structure of the application process for PSLF, that's going to create borrowers who get notified and borrowers who do not get notified because they have not filed the paperwork necessary. And so, I think the Department needs to consider- again, I think notifying borrowers that this is probably a good thing to do, but today, probably the Department does not have an apparatus to notify all of those borrowers. And you'd have to consider equity issues of treatment and communication with people about that matter.

MS. ABERNATHY: And I do know one of the ways that we plan to build this out is on the qualifying employer database, where we would indicate the loss of eligibility. And so we are, as an agency, looking

to make sure that we're clearly and conspicuously communicating this information in the most timely way on the website for the qualifying database. So, this is all good stuff. Everything that you're saying, we want to take that back and we kind of want to massage this around a little bit and come back with (inaudible)

MS. WEISMAN: Jeff, and then Jacob.

MR. ANDRADE: To Scott's point, before we go back on that, I just wanted to ask a question whether or not people felt the employer could make that notification once they had been given notice by the Department.

MS. WEISMAN: Alissa, and then Laurel.

MS. DOBSON: Maybe if the employee had submitted some paperwork in the past. But remember, an employee can wait up until they've completely served all of their time and made their payments before even submitting something. So again, to- I believe it was your point, it's going to be very hard to identify who to notify and when. And so, what also- and also what would happen if somebody certifies an employee submits a form because they are completely unaware that their institution is now on the naughty list. And so, they submit a form to their employer. And the employer is, whoever the certifying official is, is brand new, and

they submit the form as if it is legitimate and it is not. What happens in that space?

MR. ANDRADE: Before I answer the question of me, let me throw one question back, which is the employer could notify all employees by email, for example, or publish a notice.

MS. DOBSON: Which would then maybe educate them that they're eligible and then they could apply. But now their certifying official has to falsely certify a form. Because if you receive a form that says we have engaged in substantially illegal activity, because now they have been found to have done that, how can a certifying official submit that form for them even though they're eligible?

MS. ABERNATHY: So, I think that goes back to what Jacob was saying with knowingly and willfully, right? That's not knowingly and willfully. I mean, they're not- they haven't been notified yet that they are a non- that they have, violated the standard for-

MS. DOBSON: I thought that's what we were talking about was notifying the employees that they're no longer eligible?

MS. ABERNATHY: Yeah.

MR. LALLO: So, I think we were mixing

a couple of things. So, if we're talking about notify- I think what we're saying when we're talking about notifying borrowers is after an employer has basically received notice that we think you've done this thing and we're going to basically give you the opportunity to submit evidence to state your case- so I think the reason that we very much take the point that we want to protect borrowers here and want them to know about it, we also have to balance the interest of the employer. And I would say a good employer should notify their employees and warn them about this. But we also want to be careful that we are not violating their due process that we've set up here by telling their employees prospectively, you're going to lose your PSLF status, or your employer is under investigation for this because that would have a definite chilling effect on the employer before we've completed, you know, the evidentiary process.

MS. DOBSON: So, what are we notifying people of then?

MS. ABERNATHY: It was suggested that they receive a warning, and we suggested that the employer provide their employees the information that it is a possibility.

MS. DOBSON: Within that warning, would you be willing to say something like, you can still

certify applications?

MS. ABERNATHY: It is not our warning; it is the agency.

MS. DOBSON: So, when you tell the employer that they're being investigated for these things, how is that person in HR going to know that they can still submit eligible forms?

MS. ABERNATHY: Because they have not been found in violation of the standard.

MS. DOBSON: Okay.

MS. ABERNATHY: So, if you meet the criteria under the standard, you'll know when you and the Secretary chooses that date, your agency will know. It's not an arbitrary date, right? It's going to be you violated the standard, but we're going to give you a way to come back to us and engage in conversation about it and then, okay, alright, we've listened to you. No, you really have violated the standard. You really are participating in a substantial illegal purpose. As of this date, you no longer qualify as a qualifying employer. If it's in the middle of the month, it's going to be the, the very next first of the subsequent month.

MS. DOBSON: So, then the warning period would serve as hey, hurry up and get your applications in.

MS. ABERNATHY: You know, I can't speak to what it would or would not do for a borrower. If it were me, I wouldn't be waiting until the last minute to fill out my form in the first place. So I can't speak to what a borrower's behavior is, nor can we draft our rules, anticipating every single way that this impacts. What we can do is expect our agencies that are participating in the PSLF program, filling out forms for these borrowers to give as much notice to their borrowers as possible. And we would ask them to do that, and we would put the stand our view is, yes, we expect you to do this as good faith to your employees. And I would think that any agency would want to do that in anticipation of a potential loss.

MS. WEISMAN: Laurel?

MS. TAYLOR: Jacob, your comment on due process, I think, is so important. Tamy, and when that final ruling is made as the final decision date. So, we serve about 1,500 employers, and although we have not spoken with them about this particular issue leading up to today, the, the voice that I hear in my head is because of the chilling effect. They would want to work the issue really hard to evidence that they are not engaged in substantial illegal activity and were to avoid the significant- for those who have agency and choice of

other employers that are also PSLF eligible institutions, I think there would be a significant impact on the retention of that organization if under investigation. And then the employer can choose, to your point, how they communicate. But I think they would very much want to have that agency to communicate across their population. Thank you.

MS. WEISMAN: Emeka?

MR. OGUH: I just have more of a clarifying question. I just want to understand. So, if they've violated the standard and there's a way to come back and I'm assuming there's going to be like 90 days, 120 days from when the Secretary- whatever, we pick that number. And then the Secretary comes back and says, we listened to you, and we still see that you violated the standard. Is it on that date that they would become PSLF ineligible? Because otherwise, then I don't understand the purpose of giving a heads up if it's still going to be-

MS. ABERNATHY: No. So, when it's a final case, when the Secretary has rendered the decision, and this is after the back and forth and all of this and the reconsideration or whatever the case may be, I don't know what the regaining the eligibility component is going to look like yet. But I would assume that this is

well before they're regaining eligibility, because you actually have to complete a time frame of ineligibility before you can regain eligibility. And if you didn't violate, then you would never lose eligibility. So, you wouldn't apply for re-eligibility. So, you would want to make sure that it's that final date. We are driving everything on the final date of determination. If it takes ten years in a court, that's not a final determination. I'm sorry. We are not going to penalize an employer for a what-if, maybe. It is you have to have violated this standard. You have to be an employer that is participating in a substantial illegal purpose for you to no longer be a qualifying employer. It's not an arbitrary thing. It's a finite yes, here it is. We've collected the evidence. If it's back and forth, we're rendering our decision. Here we go.

MS. WEISMAN: Betsy?

MS. MAYOTTE: So, if you're notifying a state or city or local employer that they did bad things, but let's say it was the Boston Health Department that did the bad thing. But the Boston public school system didn't do a bad thing, and the mayor's office didn't do a bad thing. And my understanding is that everything with PSLF processing is hinged on EIN. My understanding is also that at least states, cities,

localities, maybe even tribals all share an EIN. How's that going to work? And my question started off as- using my example, if the health department is the one that did the bad thing, are you going to notify all of the city of Boston that they all did a bad thing, and now they're all going to lose eligibility?

MS. WEISMAN: Do you want to respond to that, Tamy?

MS. ABERNATHY: I do. The way we currently have it designed, yes, that would happen. However, we have already been thinking about the way in which we would mitigate circumstances for these states that use one EIN. There are additional codes that come in on the EIN, and we would label them, and it would be specific to I'm speaking in hypotheticals. I know we're looking at this and I know that we're going to do it. Can I speak to exactly how? I cannot. I just know we know this was identified early on as an issue, and we have found a way to look at our systems. For those- we only want employers- the employer that is participating in that substantial illegal activity. And because of these states that use one EIN, there are ways for extensions to be put on that EIN for those that are qualifying and those that are not qualifying. And that's the extent of my knowledge. So, I know it can be done. We are looking

at doing that and it's, it's just another extension. I think it's either a two or three-digit extension on the employer identification number. That would allow us to determine whether or not that agency would still qualify. I would not know the answer to that question. Jacob said it's up to Treasury how granular that is. I do not know what we're going to build in our systems yet. So, I would suggest that as we draft the NPRM and we explain how we will do certain things, that should you think of something or you think of something now that would help us as we're crafting how we're going to do these things, that you get that information to us.

MS. MAYOTTE: Thank you. I sort of have a like new fear-unlocked feeling on this whole thing now. If there's any way, we could get an example of what you just described by day three, so we could see it, that would be awesome.

MS. ABERNATHY: I can try. I will do my best. I don't know if Eric is still in the room.

MS. WEISMAN: Yes.

MS. ABERNATHY: Okay. I'll get with Eric after today, and we'll see what we can do to accommodate that request. I don't know the answer to that question, but we'll try.

MS. WEISMAN: Alright. We've got a few

waiting. Mary Lyn, thank you for your patience. You're up next.

MS. HAMMER: You're welcome. There's two things. One is the document that was sent out earlier that had my suggestions. One of them was notifying the borrowers, and I had suggested seven days from the date of determination that the employer notifies their employees that they're no longer eligible. And it also included language around making sure that the data that's available to borrowers includes the dates of eligibility. So, if there's any gaps, they know exactly which months or years or whatever the employer was not eligible. So that's one thing. And that was sent out earlier today. And then the other thing is I must have been having a lunch fog also. So, I just sent the suggested language, and the reference is actually (c)(1)(ii)(B). Two little Is. Yeah, B. Capital B. And I sent that out, Annmarie.

MS. WEISMAN: I have language that I'll be sending you in just a minute from Mary Lyn, as well as from Tracy. We'll go next to Rebecca.

MS. STANLEY: One thing that you had mentioned, Alyssa was about, like, if an HR person signed it, they weren't aware that they were in a bad situation. One of the things that I think could help that is if-right now you can submit a PSLF form manually or by using

the help tool. And I think if we stuck with the help tool, then when they go to try to submit it, it's going to automatically show it's an eligible employer. So, versus accidentally getting the date and not realizing they were ineligible at that time because sometimes an employee holds their form and then somebody will get it. But I think if you stuck with the help tool- and hopefully the help tool is being refined and you're seeing that it's helping in a lot of situations, maybe you just get better and better and stick with one thing so we don't get- and also, I think that will hopefully- because that new fear is unlocked for me as well. I mean, because the county operates off of an EIN that's so many departments and I see it with state employees too. So, if the help tool is the only way doing it, then that too would help a little bit more- being a little bit more specific than a manual and somebody writes (inaudible) county but doesn't say solicitor's office or whatever.

MS. WEISMAN: Todd?

MR. JONES: Well, since we got into the discussion of different ways to (inaudible) what's an employer, I'm going to raise three issues related to the nonprofit sector. And I'm thinking particularly of colleges, but it certainly could apply in other contexts. One is evolving structures of what higher education looks

like. For example, in my state, I have an institution that, as of January 1, will be a separate campus under a university in Erie, which already has an institution in Florida. Now, if something happened at the Florida institution, and that brought the consequence for anyone who's getting Public Service Loan Forgiveness at the other two institutions that that's certainly not an equitable kind of operation- an equitable kind of remedy, but it's also one that it may have because of the different manners of control and independence of other subsidiary entities creates complications. What does it do in the case of acquisitions? I mean, we know that institutions are going to be closing or merging. If we have an institution that is already barred from Public Service Loan Forgiveness, and they are in financial trouble and they're being acquired by another institution, does the acquiring institution acquire the problematic, the problematic status under the statute? And now all of their individuals are going to lose Public Service Loan Forgiveness, or the reverse. You have- let's say you have an institution that's been found to have engaged in inappropriate activities. They are financially strong. They identify a smaller institution to do an inverse acquisition, where they merge into a smaller organization, take over its taxpayer ID number, take over

its board, take over its operations, fund them with some large sum of money to make the sweetener happen, and all of a sudden, they have cleansed themselves of this problematic behavior for purposes of the statute. And then the other example is least employees. There are plenty of nonprofits or higher ed institutions, who will have an affiliated nonprofit entity with its own 501(c)(3) number and its own board of directors, but the employees are all EIN of the parent university, and they're leased to the other nonprofit, yet the other nonprofit board controls them. And so, the consequence of bad behavior by that small board, either it opens the question of how do you get out at them, or those are employees who are now tainting because they are EIN for the larger entity. They're-

MS. WEISMAN: You have 15 seconds left.

MR. JONES: -they're tainting the larger entity. How do you deal with that from an EIN perspective?

MS. WEISMAN: Jeff?

MR. ANDRADE: So, in the first case with the evolving structures and mergers and acquisitions, as long as the entities remain eligible employers, does it matter that they are the same eligible

employer? I mean, it's analogous to transferring to go from one, one college to another. The (inaudible) of the Bard Institution, I think, is problematic. And we had that issue with default rates and, and so I think that's, that's something I think we can definitely take back. The least employees I would say is very similar to the first instance where does it matter if they're working for another eligible employer.

MS. WEISMAN: Jacob?

MR. JONES: Can I respond to his question? Because it was a question.

MS. WEISMAN: Sure.

MR. JONES: So, the question of- its who they work for, but they are not under the control of that parent institution. What you do is you contract to allow other people to control your own employees. They obviously you're now outraged by what they do. You end the arrangement, but your employees engage in the action. I employ 100 people. I have four who are under the control of somebody completely outside of my board's control. They do things they shouldn't have done. We sever the relationship with that board, but they're still employed by my organization. Or even if we fire them, we're now in the situation that we've lost our eligibility because of the actions of people we didn't at

the time control.

MR. LALLO: To clarify, are you suggesting that the employees who are leased- so organization A leases employees to organization B and then Organization A's leased employees engage in illegal activities for organization B?

MR. JONES: At the direction of organization B. Let me give you a more concrete example. I have an environmental justice center where the leadership decides, it's great that we're going to vandalize- spike trees and vandalize road graders, and they go out and do so. That might qualify for vandalism tort here. But they were not under the control of the university. They were under the control of this little board and followed their directions and did so. Yet they're technically employees of the larger university. Why should the larger university, upon discovering this, that people they didn't control actually engaged in behavior and they were technically their employees?

MS. WEISMAN: Jacob, and then Heather.

MR. LALLO: Yeah. I think you're getting at a more complicated issue of agency and control overall. I don't think least- like the hypothetical of least employees being directed to destroy bulldozers is going to affect organization A's qualification for PSLF.

You have a broader issue of whether your employer can direct you to engage in illegal activity regardless, because you're talking straight common law destruction of property. So, I think that it's an interesting hypothetical, but I think it would probably not affect organization A, because presumably these employees are at the very least operating under the control of another organization. And two, it's not organization A directing the behavior. And so, it's not Organization A's behavior because they would not be found responsible for it criminally because they didn't direct it, unless they did it with the knowing consent of organization A, who effectively implicitly allowed the conduct.

MR. JONES: Some language to that effect might be nice.

MR. LALLO: I mean, it's a narrow situation, though. I don't disagree with you. I understand your principle, but like, we're getting into very arcane issues of agency law at that point. So, do you have proposed language that you would like to submit to us? Because I think it would be useful to see it. I think your point is well taken, but I would like to see how that would be written out and explained.

MR. JONES: In response to it, I would like to say no, I am a lawyer and I, having worked here,

noticed that there are a lot of them here, and maybe in developing this language they could come up with something.

MS. WEISMAN: Do you want to respond to that?

MR. LALLO: Point well taken. We could. I just didn't know if you had anything in mind already. I do want to respond to your other point previously, though, about mergers and acquisitions within colleges. So, tying it to the EIN structure, I think is useful. As Tamy noted, there might be some capacity to split EINs. That's going to depend a little bit on the ownership structure of universities and who signs the paycheck, right? It depends on who the owner is and who's actually paying the employees. If you have a structure where you have entity A that owns three locations and the employees at- or, it's the organization itself that gets in trouble, not the institution. So that would probably apply across the board. I think with your other hypothetical where you're discussing a college taking over another college, if the surviving entity has the tainted EIN, then yeah, they wouldn't qualify because it's that organization's employees. If another organization comes in and purchases that one, and the surviving EIN is a clean EIN, I think they would be fine,

at least under our current structure.

MS. WEISMAN: Let's move on to Heather.

MS. BOUTELL: I was really pleased to hear the response to Betsy's question about how the City of Boston is huge, and how it could be one entity of Boston that is breaking the law. And so that entity would be the entity punished. So, I'm just thinking in terms of not-for-profit institutions or public institutions of higher education, where there could be one aspect of one small department on campus like Todd mentioned, a specific area, whereas across campus that's not happening at all. So, we're not thinking of getting into the granularity of EINs for institutions, but just governments.

MS. ABERNATHY: Let me get back to you on that, because I don't know.

MS. BOUTELL: Yeah, I think that's many of our worry is that there are going to be certain aspects of campus that could possibly commit one of these acts, and other aspects of campus have nothing to do with it. And so, I never thought of the fact that it wouldn't be the whole campus punished. But in this case, when you mentioned the government, I thought I should ask at least.

MS. ABERNATHY: Well, Heather, we can always count on you to give us something to think about. Let us take that back. I don't know. I just simply don't have the answer for that right now.

MS. WEISMAN: It's about 2:15. I don't see any other cards up right now. How would we feel about a ten-minute break?

MS. ABERNATHY: We would feel fabulous.

MS. WEISMAN: Ten-minute break, it is. See you all at 2:25. Welcome back, everyone. Thank you for returning from the break promptly. We had some really good discussion beforehand, and I just want to remind everybody that we are going to have a little bit more, about another hour, and then we'll break for public comment. I'll do a quick intro for public comments. We'll finish out about 25 after 3:00. We'll do public comment from 3:30 to 4:00, and then you will be finished for the day. They were thinking it. That was the inside the head voice. I do not see any cards yet. But that is your invitation.

MS. ABERNATHY: If it's okay, we're going to move to the next point, unless you all have further discussion from what we were discussing earlier before the break.

MS. WEISMAN: We have one from Rebecca and then we'll move on.

MS. ABERNATHY: Okay.

MS. STANLEY: One quick question, and probably just clarification. And this is- I'm a new negotiator. So, no matter what we do in this process, we're not changing things. This is going forward to our best, and this is, from my own perspective, the best thing that we can do then is say, hey, some scary stuff has come up in verbiage or whatever, you know, that you brought up, brought out about the EIN numbers maybe being associated with the whole county and the whole state or whatever. So, if we're not going to stop it, then the best thing that we can do to reach a consensus is to say, what can we put in place to protect us as best as possible with the way that it's moving forward? I just want to make sure I'm understanding it correctly so I can be productive, because it isn't like we can, we can make you change your mind because you have to do it. And, and then it's in our best bet to say, okay, based on that, then let's all get busy on some revision ideas or whatever. I just want to make sure I'm understanding.

MS. ABERNATHY: Well, first of all, thank you for saying that because you said it probably better than any of us could. What we are doing is we've

come to the table now with proposed regulations. We're walking through the discussion paper, you're giving us proposals, you're giving us things to think about. We're going to go back to the table. We're going to evaluate our proposed language. You're going to continue throughout our discussions to give us more things to think about. And then at some point, we are going to come to you close to the end of all of our additional discussions with another set of proposed regulatory texts that you as a committee, the primary negotiators, will review and decide when the facilitator says, let's do a consensus check or a final consensus on whether or not you agree with our proposed regulatory text, and we can either reach consensus or you- we don't reach consensus. That's kind of how this process works. What we did is propose the language. You're exactly right, though. We, we are doing this is still being negotiated, but we are promulgating rules for this particular purpose. So yes, we are doing that. But we're hoping that by all of the robust conversations and all of the many ways that you guys are trying to play stump the fed, we are going to come to the table with modified proposed regulatory text for consideration as we move through these negotiations. So, we're taking all of your proposals, which is why we're not discussing them in depth, because we haven't

had a chance to look at them. So, you have us at a disadvantage, right? You've all- you've seen them. You know what you want to do. We've got to take a look at them. So, this afternoon, when you all go home or do whatever, we're going to go back up to our huddle room and start looking through proposals and start talking through things that came about, just like we did during lunch. So, we'll continue to meet during negotiations so that we can continue to have the robust conversations and eventually come to the table with the final set of proposed regulatory changes for your consideration. Make sense? Is that better?

MR. ANDRADE: And to add to what Tamy just said, because I know your new ones. This is the stage before we actually even issue a notice of proposed rulemaking, which is the way most agencies normally do it. So, there's also another opportunity that- but our hope is that we iron out as many of the wrinkles. So, when it comes to issue the notice of proposed rulemaking, there's a lot fewer issues and a lot fewer problems that people see. But there will be another opportunity to comment on the proposed regulations before they become final.

MS. WEISMAN: Tamy, are you ready to move on to a new topic? And if you could announce what

the topic is in case anybody wants to change seats?

MS. ABERNATHY: Yes, ma'am. So here you thought we would just jump right on into H. Because I know you're just burning to have us discuss H. But we've decided actually, that's what we're doing. We're not going to G. We're going to H. I was all excited to trick you, but I failed in that delivery. But we have talked about C, so we will talk about H. Then we will talk about I. And so we're a little bit out of order. But we do know how to go through the alphabet, I promise. So, if my colleague will share section 685 219(h), we will go ahead and start navigating through subsection H. The standard for determining a qualifying employer engaged in activities that have a substantial illegal purpose. The Department proposes a new paragraph. Excuse me, a new subsection H, to set standards for determining if an organization engages in activities that have a substantial illegal purpose. The Department believes it needs a consistent way to determine when a qualifying employer engaged in these activities. The Secretary of the Department has broad authority to promulgate regulations to administer the direct loan program. As stated in the PSLF discussion draft, the executive order tasked the Department with ensuring that employers that engage in substantial illegal activity are excluded under

the PSLF program. The Department will ensure transparency throughout the entire process. The Department will make consistent determinations based on the preponderance of evidence and will notify employers of this determination. All employers will have the ability to contest a finding by the Department that it engaged in substantial illegal activity on or after July 1, 2026. In crafting options for proposed subsection H, the Department explored judgments and legal proceedings in a state or federal court or tribunal of competent jurisdiction. Judgments and legal proceedings in a tribunal would reduce the burden on the Department, since the Department itself would not adjudicate whether the organization engaged in these illegal activities. Instead, we would rely on processes that took place in court to determine that the employer engaged in illegal activities that have a substantial illegal purpose. To that end, the full proposed text at paragraph at subsection H reads: The Secretary determines by a preponderance of evidence and after notice and opportunity to respond that a qualifying employer has engaged on or after July 1, 2026, in activities that have a substantial illegal purpose. In making such determination, the Secretary shall presume that any of the following is conclusive evidence that the employer engaged in activities that have a substantial

illegal purpose. (1) A final judgment by a state or federal court, whereby the employer is found to have engaged in activities that have a substantial illegal purpose. (2) A plea of guilty or nolo contendere, whereby the employer admits to have engaged in activities that have a substantial illegal purpose, or pleads no low contendere to allegations that the employer engaged in activities that have a substantial illegal purpose, or, (3) A settlement that includes admission by the employer that engaged in activities that have a substantial illegal purpose, as described in subsection H of this section. We're going to go on to romanette I.

MS. WEISMAN: Mary Lyn.

MS. HAMMER: Sorry about that. In number three, does that include civil?

MS. ABERNATHY: Yes, it does. So, let's go on to I, and then we'll discuss both H and I. Oh my goodness. Could we- thank you, Michael. Proposed paragraph I describes the process for determining when an employer engaged in activities that have a substantial illegal purpose. The Secretary will determine that a qualifying employer violated the standard under paragraph H of this section when the Secretary receives an application as reference under subsection E of this section and paragraph E outlines the PSLF application

process- the current PSLF application process which the employer does not certify that it did not participate in activities that have a substantial illegal purpose, or determines that the qualifying employer engaged in activities that have a substantial illegal purpose under subsection H. Paragraph I means that the employer will lose eligibility at the time the Department removes eligibility after weighing all the information and evidence. Now we are discussing some changes to the certification part. So, we're proposing this, but we heard all of the conversation from before about the certification and all your concerns. So, we've got that. We are looking at- but for right now, we were prepared to just discuss this as our proposed language, and we hope to have something additional for you to consider tomorrow. So, at this time, I'd like to turn it over to Annmarie. We invite your thoughts on this proposed framework for our standard.

MS. WEISMAN: Alyssa, and then Todd.

MS. DOBSON: So, I know we talked a little bit about how an institution or an entity would regain eligibility. And I think this is the space with which to address that. Maybe some sort of time frame and appeal process, because it seems right now the way this is worded is once this happens to you, it's forever.

MS. ABERNATHY: May I respond to that, Annemarie?

MS. WEISMAN: Sure.

MS. ABERNATHY: As you, you may or may not know. We don't have that language ready yet. We just have heard from you that you would like to see an eligibility, a regaining an employer have a reinstatement of considering qualifying- being qualifying. We're going to need some time to get that language for you. So yes, we will have something to share as soon as possible. It will not be today, but as soon as we get that, we'll get that to you. But yes, we are considering that. Thank you for those suggestions. We've heard you. See, we do listen.

MS. WEISMAN: Todd?

MR. JONES: My concern is related to the bootstrapping of privately engaged tort litigation towards non-profit colleges versus the public. The public entities are in various ways, not going to be subject to the same risk of tort lawsuit because of limitations on the ability to sue state governments that nonprofits are. But to take it a step further, if the standard here is that you're engaging in a pattern of behavior that is tortious, and let's say that it is discrimination. A series of Title IX suits against a

higher ed institution would constitute a pattern. It may be only part of a campaign to leverage some other end for a college that lacks resources and the ability to respond to these lawsuits. And I gave Title IX as an example. Believe me, there are a whole host of other examples. That institution would then, if they settle, saying we did this just to get the litigation over with, has now engaged in a pattern of discriminatory behavior based on tort suits brought by private individuals. How- a) that's not going to happen to a public institution for the most part or the same extent, and b) how do you deal with that issue?

MS. WEISMAN: Jacob, did you want to respond to that?

MR. LALLO: Yeah. So yeah, that's where I was going.

MS. ABERNATHY: Okay.

MR. LALLO: Yeah. So, in regard to state tort suits, , like I said, we discussed previously what violating State Tort Law means within this context. I think your point with the issue of you could target an institution with a large amount of complaints or seemingly the purpose of forcing them out of PSLF or be difficult. I think that's where really that preponderance of evidence standard comes in. We would look at that. If

it just- they're just a bunch of complaints that haven't been substantiated, there's nothing there. If we had conclusive evidence that there's an admission of guilt in a settlement that you discriminated, that's conclusive. And I think that's significant because you mentioned you're an attorney. You know as well as I do that most of the time when you enter into a settlement agreement, there is no admission of guilt. An admission of guilt in a settlement agreement is significant in of itself. And I think otherwise. We're talking about a proof of discrimination of some kind in this hypothetical in state court or some other conclusive statement by the entity itself, which that's what a settlement agreement where you admit guilt would be. It's conclusive evidence against you. And I think it's a narrow issue.

MR. JONES: First of all, as we know, it's not guilt, in a civil case, it's an admission of liability. Am I on? Yes. It's an admission liability. And in fact, those do go on especially the ability to bring legal expertise and resources to bear against smaller colleges. I'm not going to do it here publicly, but I know numerous nonprofit colleges around the nation who are being actively attacked right now from the right. I also know of a significant number of institutions, and you've read in the papers who were being attacked from

the left just a few years ago. It swings, not surprisingly, with the nature of who's running this building. Okay? And my concern remains that if the choice is institutional survival and loss of public sector loan forgiveness or litigating and risking the entire enterprise, they'll write whatever they can to get out from that wave of litigation, which can be undertaken as a political pursuit. And if we're- anyone here-

MS. WEISMAN: Thirty seconds left.

MR. JONES: -from the left and right, you know, in the modern era, we're kidding ourselves.

MR. LALLO: So, to respond first, I apologize for (inaudible) guilt and, you know, liability. You're correct. That being said, it's still a statement against interest. You're admitting that you did a thing that we said that you can't do and participate in the program. And I think that alone is enough to put you out of it. I understand your point that you could have politically motivated complaints and people can bring suits very easily against institutions. But at the end of the day, that is a statement against interest. And I would think that a university that's concerned about this is going to weigh the balance of benefits in admitting to something if they genuinely believe they didn't do it. And I mean it's part of what would go into the concept of

making a settlement. You have to weigh the balance of harms.

MS. WEISMAN: Betsy, and then Tommy.

MS. MAYOTTE: Thanks. So, I want to talk about the word substantial. I think it's in the wrong place. Taking aside that this whole section H just brings back the whole discussion we had, my concerns about the EINs and different departments. But say you have a let's call it a public service university and they're huge, they have a thousand employees and their history department they've been studying history too much. And because of that, they've gone back to medieval times. They have a bunch of lawsuits against them for discrimination, and they've agreed to multiple settlements of it, but they're the only part of that university that falls under that. So, under this definition, that whole university, my understanding, would lose their eligibility. I question all of this, but shouldn't we be mimicking the existing definition for an eligible employer under PSLF? So, if you think about non-501(c)(3) nonprofits, in order for them to qualify, their primary reason for being, the substantial activities that that nonprofit performs has to fall under one of the categories. So why doesn't this say that the substantial amount of activities that the entity does has to be

illegal in order for it to lose eligibility? Rather than the example I gave, which maybe not clearly or only a tiny part of it was doing the bad thing and the rest of it wasn't? Did I make any sense at all?

MR. LALLO: So, you're suggesting that we near the 501(c)(3) Organizational and Operational Test Effect, or the Operational Test Language?

MS. MAYOTTE: (inaudible) your 501(c)(3) eligible today. Full stop. No ifs, ands, or buts.

MR. LALLO: No, I understand that. But you're talking about the test the IRS implies in terms of substantiality.

MS. MAYOTTE: I'm talking about the test you that you have. So, for non 501 C3 nonprofits, the example I like to use-

MR. LALLO: So yeah, no, I get what you're saying. You're talking about the substantiality of conduct within the thing.

MS. MAYOTTE: That's right.

MR. LALLO: Yeah. Okay. That's what I was getting at with the IRS thing. So, we have looked at that issue. We're taking that into account, and we will probably make some revisions and propose some new language with that soon. We've been workshopping some

changes to it, but we were considering the materiality of conduct and how much it should affect the whole. So, point taken, and we are looking at that. Yep.

MS. WEISMAN: Abby, is your card up? Then you're next. Aaron will bring you a microphone if you like.

ABBY: Now it's on.

MS. WEISMAN: Now it's on.

ABBY: Thanks. On subsection H, I just wanted to make sure that we're all very clear and confirm with the Department. I think earlier in the rulemaking, there was sometimes a suggestion that institutions would only be deemed to no longer be qualifying employers if there were a judgment in court or a settlement with an admission or a guilty plea. But my read of subsection H is that that yes, all of those things are conclusive evidence, but that the Secretary, even in the absence of such conclusive evidence, can still determine that an organization or a government agency has engaged in activities with a substantial illegal purpose by using a preponderance of the evidence standard and looking at other evidence that is inconclusive. And so, I wanted to confirm that that's correct, and then raise some questions about how the Secretary would be in a good position to adjudicate potential violations of terrorism

law, potential violations of immigration law, potential violations of state medical treatment laws, etc.

MS. WEISMAN: Tamy, do you want to respond to that, or do you want to get to some of the other comments first?

MS. ABERNATHY: I want to respond just to some of that. First of all, it is not just a preponderance of evidence. So, if you have one of these three, one, two, or three, right? It is conclusive evidence that the employer engaged in activities that have a substantial illegal purpose, a final judgment, a plea, a settlement. Those are conclusive. If there is additional evidence, then the Secretary would determine by a preponderance of evidence after notice and opportunity to respond, that they have engaged in a substantial illegal purpose. So, when it says here the second part of that, the following is conclusive evidence. So, we don't need the preponderance of evidence at that point because this is inconclusive evidence, one, two, and three. So that clarifies your- no, the Secretary is just not going to determine any of those things. If one, two, or three are done, whether it's final settlement, a plea or- I'm sorry, a final judgment in state or federal, those things are conclusive. Okay? So, then they don't have to- she doesn't have to engage in

the preponderance of evidence review.

ABBY: Maybe my question was unclear. I apologize. My question was, in the absence of such conclusive evidence, in a case where there's no final judgment, in the case where there's no guilty plea, in the case where there's no settlement, this language would still permit the Secretary to nonetheless declare that an employer is no longer a qualifying employer, because of the Secretary's opinion. The Secretary's preponderance of the evidence determination that organization has violated terrorism law, immigration law, state tort. One of these other categories, maybe it doesn't apply to state tort, but the other categories it would seem to apply. So, I want to clarify.

MS. ABERNATHY: After notice and comment, notice is an opportunity to respond. Right? So, it's not just the Secretary is going to say it's done. There's going to be a conversation about it. Do you want to add something, Jacob?

MR. LALLO: Yeah, so you're specifically referencing one and two violations of federal immigration laws or terrorism laws.

ABBY: Or discrimination law.

MR. LALLO: Well, I would say discrimination law already falls within the Department's

purview to some extent. Several of the programs that we administer involve considering issues of racial discrimination. I think within the first two, because we've referenced directly to other aspects of the U.S. code, and those are specifically enumerated federal offenses, we would not be making those determinations on our own. The Secretary would not be determining if somebody had committed acts of terrorism. The Secretary would be looking to whether DOJ has brought a prosecution for that. I think in the other cases there are- where there's not specifically enumerated offenses, that's something that can be weighed by the Secretary under the preponderance of evidence standard. But the other- those two in particular is because they're tied directly to offenses, we're going to rely on DOJ and then ultimately the courts before there's any determination made on that.

ABBY: Could I do one thought?

MR. LALLO: Sure.

ABBY: Thank you for that point. I just want to say that none of that's in the language. So as written, I don't think necessarily the public can have confidence that, that the Secretary would limit her discretion in that way. She wouldn't be bound by these regulations to limit her discretion in that way. I would also add that while absolutely, the Department does a lot

of work on anti-discrimination in the context of education, the Department is not normally in the habit of policing discrimination in non-educational settings. We have other branches of government, the Department of Labor, the EOC that manage employment discrimination, for instance. So, this would be still the Department getting involved in new areas of law and enforcing bodies of law that we've generally and that Congress has generally given other agencies the power and the responsibility to enforce.

MS. WEISMAN: Over to Tommy.

TOMMY: Thank you. Just a couple of questions about the timeline. (inaudible) a final judgment. That means after you've exhausted all your appeals, correct?

MR. LALLO: It would be- yes.

TOMMY: Okay. And then can you help me understand when an employer would be notified and when the Secretary makes their determination that yes, this entity is engaged in illegal activities, we will no longer count their employees' payments. Does that start at the final conviction, or the final judgment, or does that start after the Secretary says, okay, on X date, anything up to that you are not able to count as part of your payments.

MS. ABERNATHY: It would be the date the Secretary determines, and it's not that they would not be able to count up to that. They are able to count up to that date. They cannot count prospectively going forward, but they can count. So until that date is final and, and the Secretary says as of this date, you are no longer a qualifying employer, up until that date, they would be considered a qualifying employer.

TOMMY: And then you guys are currently working on language that will narrow the definition of when the Secretary is able to put in that next date?

MS. ABERNATHY: Well, I will tell you, having just had it surface right now, I have a note that says, tell Abby we're going to take this back. Thank you very much. And so, we do have some additional brand spanking new language that we would like to share with you in just a second. But we are going to take some of the things that have been mentioned here back and discuss. But I do want to share the new language with you so that we can kind of- we've heard you already, and this is how we work. We just kind of really come together and try to hear what you're saying and mitigate some of the concerns that you're presenting. So, what you're doing is working, and we'd like to share some hot off the press

with you, and we'll go from there.

MS. WEISMAN: Can someone send me that text? I've been sending out messages with updated language as I've received them, and I know we have some people who are struggling to see the monitor, so.

MS. ABERNATHY: I'm sure they'll send that to you. Now that you've mentioned it.

MS. WEISMAN: Thank you. Next, we have Rebecca.

MS. STANLEY: I have a question if- and I hope I'm not speaking on an appropriate topic at this time. But when we're talking about standard for determining a qualifying employer engaged in activities, it's very hard to eliminate any of the verbiage in there that you're required to have. For instance, all those things that it said, what was illegal activities. What if instead we could to protect our borrowers and to protect using the county as an example, one department from the other department that's doing something incorrect, what if we just fine-tuned what a qualifying employer is? Because when you look at that verbiage, it's very broad and it's a United States-based federal, state, local, or tribal government organization, agency or entity, including the US Armed Forces of the National Guard. Or, like you were saying, universities being held liable for

some of their subcontracting or leasing to. If we could somehow fine-tune what a qualifying employer is, that might be easier to control so the rest of us could be protected from the bad guys.

MS. ABERNATHY: So, what I would say to that is if you have proposed amendatory text that you would like to share with us, we would welcome that. Cannot commit us to anything at the moment, but we would certainly be interested in seeing any proposed language you have for defining qualifying employer differently than we have.

MS. WEISMAN: Bob?

MR. CAREY: Two questions. One, does the opportunity to respond also include judicial appeals, or does the first conviction start the clock? The first judgment.

MR. LALLO: Opportunity to respond or- I think we're conflating two things. If we're talking about the court case against an organization, that the opportunity to respond would be after that is finalized, assuming I think the Secretary moved very quickly after there was a district court case. If we- or they were put on notice at that point, that would be stayed until all appeals were exhausted, and that moved up. And then the determination could not be made until it's finalized.

MR. CAREY: Thanks. Okay. And then the second thing is, how would a gender transition medical treatment be found to be a substantially illegal activity if there's no judgment, if it's in a state where there's no prohibition.

MR. LALLO: Yeah. So, our perspective on that is that it fits within the broad concept of public policy doctrine as articulated by the IRS. There's an established public policy against supporting these kinds of activities that's been articulated by the Federal Government and by states. Twenty-six states have passed laws related to this kind of care. The President has issued eight executive orders, all dealing with this in some capacity. And we recently had a Supreme Court case which upheld a Tennessee Law related to this kind of care. So, we understand the overarching point that you're making. But we have considered that within the public policy doctrine. So, while it may not be strictly illegal in terms of there is a crime on the criminal books that says it, we think it fits within the larger concept of public policy and policy that has been- or is contrary to public policy, as has been espoused by the Federal Government and the states at this point.

MR. CAREY: So, then that would be determined under the first sentence in section H of the

Secretary determining by preponderance of the evidence?

MR. LALLO: Not inherently. In states where there are laws on the books related to it, those things are there, and you can still have a settlement agreement in which an organization admits to it.

MR. CAREY: No, my question was with regards to states where there was no prohibition.

MR. LALLO: Yeah. In that case, it would mostly it would be either preponderance of the evidence or admission in some other capacity of liability of whether or not they were liable for that precisely. But in a settlement agreement or some other admission against interest, otherwise we're talking about it wouldn't be under the conclusive standard, it would be under the preponderance of evidence standard.

MR. CAREY: Thank you.

MS. WEISMAN: So, I just sent some revised language, including from the Department. You should have that in your email boxes now. We have about 25 minutes left before we begin the public comments. Tamy?

MS. ABERNATHY: If I could ask my colleague Michael to share the new H. Todd, is this something you want to wait to discuss or? Okay. So, Annmarie, we would like to look at the new H, but I'm

going to need it up on the screen, please. It's so new. I have yet to see it all. How's that for new? Oh, my. Is this the new stuff? Yes? Michael? Okay. Alright. New H, standard for determining a qualifying employer engaged in activities that have a substantial legal purpose. The Secretary determines by preponderance of the evidence and after notice and opportunity to respond, that a qualifying employer has engaged on or after July 1, 2026, in activities that have a substantial illegal purpose, by considering the materiality of any illegal activities or actions, by gauging both frequency or severity, and will not find that the organization has a substantial illegal purpose if it has only engaged in illegal activities or actions that are minor or purely technical. In making such determination, the Secretary shall presume that any of the following is conclusive evidence that the employer engaged in activities that have a substantial illegal purpose. And I believe the three of those have stayed the same. So, it is only that leading paragraph of H. And it's the materiality. Hold on, I can't find it. Materiality of any illegal activities or actions by gauging both frequency or severity and will not find that the organization has a substantial illegal purpose if it has only engaged in illegal activities or actions that are minor or purely technical. Period.

MS. WEISMAN: Laurel? We've got a microphone on the way for you.

MS. TAYLOR: Thank you for so quickly surfacing that language. So, materiality, when we go back to the example that Betsy raised, just to ensure that I'm understanding that correctly, if it is one small group of people versus multiple organizations across the state, as an example, I think the problem we're trying to solve here is not penalizing the whole by adding the materiality language. From a definition perspective, can we talk a little bit about the difference between substantial and materiality, in terms of what materiality lends to the assessment around illegal activity being conducted? Where's the bright line between substantial shawl and material?

MS. WEISMAN: Jeff?

MR. ANDRADE: So, what we heard with regard to this discussion and the need for materiality was really not penalizing organizations for the one-off occurrence. And also, not penalizing organizations for violations that were generally technical or minor. So, this looks at both the severity- because in in the instance of- let's give the example, probably the worst example, which is terrorism, supporting a terrorist organization. From our perspective, and I think Jacob's

talked about this from the qualitative perspective, that is at such a level that even one instance is too much. As opposed to let's say maybe the state tort violations, which are more as a pattern of violations. So, we're looking at both frequency and severity in the standard.

MS. WEISMAN: Tommy.

TOMMY: So, I work at a nonprofit, whereas my side is a C4 (inaudible) the advocacy side. We also have a C3 side. And it's a little bit separate. We don't always comment on the work that they do, but, they have those intellectual principles that are important and they put out. So, as I'm reading, you guys will look at, if it's something minor or purely technical, if there is a nonprofit that is called the Transgender Advancement Institute, they comment on why transgenderism is good. We encourage lawmakers in states to promote this type of policy. Would the Department look at those writings, whether it's a white paper or an op ed, if it's a series of them, and that would not count?

MS. WEISMAN: Jacob.

MR. LALLO: Yeah. So, I think that's a separate thing. I think the definitions of which are the actual items outlined as substantially illegal activities are more narrow than that. We're not talking about statements against or in interest of one thing or

another. That's a separate ball of wax entirely. We're not looking at limiting speech. We're looking at trying to curb behaviors that are either illegal or against public policy. Advancing a certain viewpoint in a peaceable legally permissible manner certainly does not fall within that. I think, and this kind of goes back to Laurel's point as well the purpose of adding in the materiality qualifier is if something becomes substantial at the point it becomes material, or if it's material, it becomes substantial. So those two things are intrinsically tied together here. And I think that that's really where the technical compliance comes in. Small things where an organization isn't really aware of what's going on or it's something very small, that's not going to knock you out. We are looking for stuff where you are willingly and actively engaging in illegal activity or activity that is clearly against public policy.

MS. WEISMAN: Tommy.

TOMMY: Gotcha. Thank you for the clarification, and I'm very happy for it, because obviously we don't want to penalize people based on things they write or what organizations put out. So, thank you for the clarification.

MS. WEISMAN: Tamy?

MS. ABERNATHY: I also would like to

add this is not about a personal opinion. This is about what activities the employer engages in and if those activities based on this standard, are material. And so just keep the distinction. We're not saying whether or not someone with transgender beliefs- we're not going to the person. We're talking about the employer activities. I just want to make sure that we all understand it's the activity for which we are looking at for the employer, which I know what you're saying, it was about a topic, but that is not the employer per se. Right? That's just an opinion piece. But that's not committing substantial illegal activity.

TOMMY: Sure. I think my broader point was, if you have an organization whose mission is to promote illegal immigration or promote transgenderism or some of these things that we're talking about, would they be penalized for putting out writings that support those sorts of things, even if they're not directly engaging in illegal activities themselves, like helping people across the border or doing some of these surgical things. But if they're talking into the ether about why we should encourage those types of things, would that be penalized?

MS. WEISMAN: Jacob?

MR. LALLO: Yeah. I think you're addressing a kind of interesting issue that falls under,

where- I apologize, I put a Lifesaver in- what isn't protected speech. Again, the goal of this is not to limit speech, it's to limit activities. I think if you're just talking into the ether about why something should or shouldn't be illegal, that's a completely different thing than actively engaging in that activity. I think obviously there's some lines that you could draw if you're encouraging people to commit acts of terrorism, that doesn't really fall within protected speech, period. So that's a little bit of a different issue. But I think within your broad concept that, yes, you have organizations that have perspectives that they're advancing again, legally, peaceably, and within established channels, we're fine.

MS. WEISMAN: Laurel?

MS. TAYLOR: Just one more question, because we've had a number of employers just write in this morning. Is providing patient care to illegal immigrants considered illegal activity?

MR. LALLO: So, the language that, as written in 30, is aiding and abetting violations of immigration laws, it's only illegal activity if it's violating that specific section or other federal immigration laws. So, unless that care somehow fits within one of those buckets and would somehow violate

federal immigration law, no.

MS. TAYLOR: That may be helpful just as a takeaway for those in Texas and California. This is emerging as a very strong trend around fear. Additional language to clarify, just to give those, those agencies comfort around that definition and consideration. Thank you.

MS. WEISMAN: Tamy, did you want to respond to that?

MS. ABERNATHY: I do want to respond to one piece of it. That is exactly what I was supposed to clarify earlier about qualifying employer. The definition that we changed in 21-22 was to include contractor work in the case where you get a 1099 because the state has a prohibition of hiring you as a full-time employee, like the state of California and Texas does. They do not hire the doctors and the nurses. They are considered contract workers. So, it is only when you mentioned, Laurel, the contract workers. It's a very rare instance. It's when the state has a prohibition of hiring them as a full-time employee. And the only way they can work in those, those healthcare positions is to be a contract worker. They do not have them hired as full-time employees of that hospital or agency.

MS. WEISMAN: Betsy, and then Tommy,

and then Heather.

MS. MAYOTTE: I just want to make sure I understand this edit. So, I know you figured out I love my analogies. So, say you have Arizona State University. They have 18,500 employees. Their School of Interdisciplinary Studies is the smallest of the entire employer. They have 30 employees. Those are real numbers. That school ends up signing a settlement where they agreed that they performed illegal discrimination against a former team member. Under the new draft that you just supplied, does that mean the entire Arizona State University system is now excluded as considered an ineligible employer from PSLF? Should that be considered minor?

MR. LALLO: So, I think there's a couple of issues there. First off, it is the school independent of the university or are they the same EIN?

MS. MAYOTTE: (inaudible)

MR. LALLO: Okay. So, then we're still talking about these same organization. It's an aspect of that organization. But that's equivalent to me saying that our HR department is a functionally different employer. That's different than I think than when we're talking about a county that's segmented into completely different divisions, which are functionally completely

distinct from each other. That being said the materiality part does come into that. That's where that gets weighed. And previously we talked about a pattern of discrimination and how that is one incident, a pattern. And the materiality qualifier is designed to address that. It lets us look at exactly what's happening and determine whether or not it fits within that. And it lets the Secretary weigh rather both the qualitative and quantitative aspects of it.

MS. MAYOTTE: (inaudible)

MR. LALLO: But the definition of substantial legal purpose also says engaging in a pattern of aiding and abetting illegal discrimination. So we have that flexibility. What's a pattern? And that's where the materiality qualifier comes in. So yes, you have a statement that there's conclusive evidence that you did this thing. But there's still that materiality qualifier. And there's still the room to explore that.

MS. WEISMAN: Heather, and then Abby. Aaron, could you come over to Heather first? Thank you.

MS. BOUTELL: Thank you for clarifying that question about healthcare workers treating illegal immigrants. I would just like to ask the question; would it be the same answer for teachers teaching illegal immigrant students in their classrooms?

MR. LALLO: Yeah, I think it would be the same. Again, the standard is not, I don't think there's a federal law against providing healthcare to somebody or teaching somebody in a school. There are federal immigration laws and there is one specific enumerated one, and then there are other federal immigration laws. So, if that teacher in this hypothetical scenario is actively violating those immigration laws at the behest of her employer, then they lose eligibility. If she's just teaching a kid in a school and there's no violation of an immigration law, then no, there would be no issue.

MS. WEISMAN: And then over to Abby.

ABBY: Thank you. And thank you for iterating on this language. I appreciate that there have been some additions in terms of trying to cap in the type of conduct that would render an employer non-qualifying by adding the materiality provision, engaging frequency and severity. I would say that that still doesn't really address the broader concern about how much discretion is still provided to the Secretary to make these determinations on areas far outside of the Secretary's expertise. And without a federal court finding. Normally determinations again about immigration law, anti-terrorism law, medical law, etc. would be left to other

agencies to determine, courts to determine. And I'm not sure why we would give the Secretary the authority to determine whether or not a nonprofit or New York City or any branch of government is violating these laws that have nothing to do with education. And then having the Secretary use her own judgment to decide sort of how severe is this violation of this body of law? That is not my body of law, that is outside of my expertise. So, it doesn't really resolve that concern. And I would say as an example, and I also don't think the pattern or practice quite addresses that, many discrimination cases, for example, are brought on the basis of pattern or practice of discrimination. So, for example, New York City Fire Departments were sued for many years and they resulted in settlements for gender discrimination. There were findings, patterns of practices of gender discrimination. I don't think that even people who are very concerned about gender discrimination, would consider that a severe violation, would think that that should result in all firefighters, including all the women firefighters who are the ones who raise these concerns, should be punished as a result and lose their public service, and should no longer be treated by the government as people engaged in a public service.

MS. WEISMAN: We'll go to Jeff and

then Tamy, and then we'll go for public comment.

MR. ANDRADE: Okay. Where do I start on this? Let me start with just making sure everyone understands on the education of students who are here who are not citizens, who are here and not under a green card that there's the Plyler vs Doe Supreme Court case so that they are able to receive a free and appropriate public education, and they have a right to that. So that, that issue- and I believe there's also sort of similar federal law with regard to emergency healthcare as well. So, I want to get both of those on the record. With regard to- what was the- help me out here on the topic. So, some of the other ones that we had here just to address them. Oh, Secretary's discretion. The issue there is we cannot prejudge the case. So, we couldn't say Secretary determines only based on this information. So that's why we have the language in there about preponderance of evidence, that we're looking at a number of things. But again, we're signaling that these activities, unless they are effectively rebutted, our activities that will result in, there's no intention on our part with regard to having the term preponderance of evidence that we're looking for additional information. In fact, we don't have a term, any other information in there. By preponderance of evidence, we're essentially just making

the statement that we are going to look at it on its merits and not prejudge based solely on the three criteria that we have in the regulation.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah. I just wanted to add also because Jeff pointed this out. With undocumented immigrants and medicine that's established in federal law at the Emergency Medical Treatment and Labor Act, which provides right to emergency medical treatment as a matter of course for everybody. So that's a matter of settled law.

MS. WEISMAN: Jeff? Okay.

MS. WEISMAN: Why don't we take just a brief five-minute break? Please try not to leave the room. We've got public comment coming, and I want to be respectful of people's time and start on time. I'll have just a little intro before that, but I think we could all just use a quick stretch break. We'll now move on to the public comment portion of the day. For those who are commenting, each speaker will have up to three minutes. I'll call your name when it is your turn. If someone is not here when it is their turn, I'll move on to the next person and then circle back to see if that person arrives. Comments will be recorded as part of the public record, so please say your name and any affiliation that

you'd like to mention at the start of your comment. Again, you'll have up to three minutes. There is a series of a set of lights that are sitting here over on my table. The light will start out green when you begin. The yellow light will shine when you have 30 seconds left, and the light will go to red when your time is up. I will also give you a verbal cue that you have 30 seconds left so you can wrap up. Lastly, I would ask that those providing a public comment please speak and act in a way that is professional and courteous. I do reserve the right and the discretion to mute the microphone of a speaker who uses foul language, acts unprofessionally, or refuses to stop speaking when their time is up. Our first speaker is Jennifer Turner from Institute for Women's Policy Research.

DR. TURNER: Good afternoon. Good afternoon.

MS. WEISMAN: We'll send someone up for you, hold on.

DR. TURNER: Thank you.

DR. TURNER: Okay. Good afternoon. My name is Dr. Jennifer Turner, and I'm a senior research associate at the Institute for Women's Policy Research. Thank you for the opportunity to provide comments today. Research shows that college education plays a crucial

role in driving economic mobility. As you know, however, rising college costs have outpaced inflation and income growth, widening the gap between the financial aid students receive and the full cost of attendance. The high cost of college means many students rely on loans to pay for college, and as a result, 1 in 4 adults in the United States has student loan debt. As of June 2024, federal data shows that about 42 million borrowers collectively owed just over \$1.6 trillion in federal student loans. In general, analysis shows that two-thirds of these debt holders are women. IWPR research shows that black women hold the highest average student loan debt, followed by white women and subsequently Latino women. According to data published by the Federal Reserve, about 16% of borrowers reported in 2023 that they were behind on payments or in collection for a student loan. And those with lower income levels are most likely to be behind on payments. There is also evidence that some groups of borrowers, specifically Black, Native American and lower-income student borrowers, make slower progress, paying down the original principal amount of their student loan obligations than do other borrowers. Finally, IWPR's research has highlighted that student parents face unique challenges around student debt. They are more likely to take out educational loans and have

greater difficulty paying them off than students without children. All of these factors have negative long-term impacts on the financial decision-making, security, and stability of all borrowers and their families. For these reasons, we need policies and regulations in place to make higher education accessible and affordable for all, including addressing existing student debt obligations. As this committee continues to prepare to propose new regulations for the Federal Student Aid programs authorized under Title IV of the Higher Education Act of 1965, IWPR strongly encourages the committee to explore ways to expand debt cancellation, particularly for individuals experiencing financial hardship and instability. Further, rather than diminishing the public service-

MS. WEISMAN: You have 30 seconds left.

DR. TURNER: Thank you. Rather than diminishing or- diminishing the Public Service Loan Forgiveness Program or PSLF, IWPR would encourage this committee to seek proposals to bolster PSLF and identify improvements to the program, to ensure that it is able to fully utilize- to be fully utilized by all eligible workers. So, thank you for your time, attention, and commitment to this process.

MS. WEISMAN: Thank you. Next, we have Blake Stilwell, Student Veteran.

MR. STILWELL: Hi everyone. My name is Blake Stilwell. I served in the Air Force as a combat photojournalist between 2001 to 2007. While I was in the Air Force, I enrolled at American Intercontinental University online for graphic design, and one of the reasons I chose that program was for the web design component of the school. I paid the substantial tuition with student loans and tuition assistance from the Air Force. But as soon as I joined up, the school told me it had limited web design from the program entirely. I got bait and switched but at the time, I didn't know any better. On top of this, there was a series of problems with my education. Professors always gave the same grades, regardless of the quality of my work. They were unapproachable, and all of my instructional materials were found at Barnes and Noble for cheaper prices. I got nothing out of my classes, and the promise of a career in the design world of the future certainly wasn't part of what I got. The quality of the education made me wonder how the school was even accredited. When I left the school with a Bachelor of Fine Arts in graphic design, but not with any real skills. My diploma was nothing more than a useless piece of paper. When I got out of the

military, I didn't know that this degree would never help me work in graphic design, and that I was woefully unprepared for that career. I completed a master's degree from Syracuse University in media and eventually kickstarted my civilian career, but that's how I learned that my AIU degree was useless, as Syracuse showed me the power of a school that delivers on its promises and reinforces the problems with low-quality schools like AIU. All of this is to say that I believe that dismantling the Department's gatekeeping puts veterans at risk. The VA depends on its oversight mechanisms, especially accreditation, to facilitate GI Bill school approval. I'm concerned there won't be adequate protections to keep veterans from becoming targets of predatory, predatory schools. Most military personnel leave the service after one or two enlistments, and many expect to use their GI Bill. But we don't know what we don't know when we're young. And there needs to be oversight to help impressionable young vets entering the civilian world for the first time as adults. Also, the Department needs to continue to provide loan discharge programs and affordable loan repayment options for students who never see the promised benefits of their degree. I'm speaking out so other veterans don't end up trapped in debt or misled by schools that take advantage of those who serve.

Above all, I believe it's important to realize that employment trouble and financial issues are one of the top drivers of veteran suicide, an epidemic that we have only recently begun to turn around. You may have heard this statistic of 22 veterans taking their lives every day. But thanks to the hard work by our community and the government agencies like yourselves, that number-

MS. WEISMAN: You have 30 seconds left.

MR. STILWELL: That number is down to 17 per day. And we must continue to build on that success. Rejoining civilian life is hard enough for young troops, and even the smallest protections can have an outsized impact on our futures. Thank you for your time and consideration.

MS. WEISMAN: Thank you.

MR. ANDRADE: Annmarie, can we remind folks that we're here to talk about PSLF and try to keep- at least give us some feedback on the regs that are before us?

MS. WEISMAN: Yes. Keep in mind that this committee can only work on the proposals that are in front of them. So, while we're not restricting your public comments, we would ask that ideally you speak to things that they can actually do, and they're not able to

add other content to their negotiations. Next, we have Michelle Poitier, who is also a student veteran.

MS. POITIER: Good afternoon. My name is Michelle Poitier. I'm a US Navy veteran who served faithfully for 13 years. In the intelligence community, and after separating from the military, I stepped into what I believe would be a path of purpose enrolling into the University of Phoenix to pursue a business management degree using my VA benefits. But instead of opportunity, I encountered deception. I was told that none of my prior credits were transferable after registration and enrollment, forcing me to retake courses that drain both my time and my benefits. I did graduate in 2010, but despite my diligence, I didn't secure a job in my field. I couldn't even get an interview. The promises Phoenix made about job placement and success were empty promises. Their degree became a paperweight. It was not power, and it was not my pathway forward. I later discovered that I had student loans that I never knowingly agreed to. I was told my VA benefits would cover everything, but buried in the mountain of paperwork I was rushed to sign were documents enrolling me into loans that I never asked for. I didn't learn about the \$30,000 debt until I applied for a home loan and was denied. I enrolled with dreams of obtaining a six-figure future, only to graduate in the

same struggle that I started with, including crushing debt. Fourteen years later, I finally received relief through the TPD discharge program, but the trauma lingers. The challenges linger. I encountered challenges with mental health and a silent weight, other weights that I've carried daily. My experience with the University of Phoenix shook every aspect of my life, my quality of life. I battled for over a decade for freedom from debt that I never chose. And while I desire to return to school, that fear of being entrapped again, it's still a challenge. I share this testimony as a warning and a war cry. No student veteran should be deceived or defrauded under the flag they once served. I've seen fellow veterans lose homes, marriages, even their will to try, and some have lost their lives because of situations like this. The recent staffing cuts at the Department don't just shrink a budget. They shrink access. They shrink equity and they shrink an opportunity for our veterans. Education is a lifeline for those transitioning from service to civilian life, and we must ensure that that pathway is protected, not paved over. Because this isn't just policy, it's personal. We fought for this country and now we fight for the right to rebuild in it. Thank you for your time and for hearing not just my story, but for our collective cry for

justice. Thank you.

MS. WEISMAN: Next, we have Winston Berkman-Breen, the legal director from Protect Borrowers.

MR. BERKMAN-BREEN: Good afternoon. My name is Winston Berkman-Breen, and I'm the legal director of the Student Borrower Protection Center, a nonprofit organization focused on eliminating the burden of student debt. I'm providing public comment today to highlight the ways in which the administration's proposal is unlawful and represents a gross overreach on behalf of the Secretary to wide-sweeping, protected, and intimate aspects of our lives. To be clear, if implemented, this proposal would allow the Secretary to disqualify from PSLF any employees of school systems that accurately teach the US's history of slavery, of healthcare providers who offer gender-affirming care, and of legal aid organizations that represent individuals against unlawful deportations or the entire public workforce of a sanctuary city. Borrowers who believe in the promise of Public Service Loan Forgiveness and committed to working towards the public good will be penalized and saddled with debt just because the Trump administration has a different opinion of what the public good is. The proposal is unlawful because it violates the constitutional right to free expression and association

by targeting and penalizing public service workers and organizations who take a stance at odds with this administration's policies. The categories of so-called substantial illegal activity are clearly being used as proxies for the legal and protected rights to disagree with the government, to demand due process, and to gender, sexual, and racial equality. This was true in the president's executive order on (inaudible) in March, and it is true of the Department's proposal now. It is also unlawful because the Secretary does not have the statutory authority to exclude government and nonprofit employers from the PSLF program. When a bipartisan Congress created PSLF in 2007, it provided in statute that qualified employment for the program included anyone working at any government employer or at any 501(c)(3) employer. Full stop. Congress did not empower the Secretary to subdivide these employers into eligible and ineligible for any reason. The executive branch does not have the authority to rewrite the PSLF statute for-through regulation. One of the negotiators raised this twice today and twice the Department did not respond. I want to conclude by stressing that although this is not a serious proposal, it is a dangerous one. If the administration has true concerns about whether employers across the country are engaged in unlawful activity, its

law enforcement officers should conduct investigations and then allow courts to determine the merits of those allegations. Instead, it is proposed letting the Secretary police American Society on topics ranging from immigration rights to gender-affirming care to the right to peaceful protest.

MS. WEISMAN: You have 30 seconds left.

MR. BERKMAN-BREEN: I urge the committee members to recognize that they've been roped into a sham proceeding meant to validate a clearly unlawful proposal, and to vote against this attempt to weaponize PSLF to further the Trump Administration's illegal culture war. Thank you.

MS. WEISMAN: Next, we have Tiffany Gourley Carter from the National Council of Nonprofits.

MS. GOURLEY CARTER: Good afternoon. My name is Tiffany Gourley Carter. I'm the public policy director and counsel at the National Council of Nonprofits. Thank you for the opportunity to speak today on the importance of PSLF to the charitable nonprofit sector and most importantly, to the people who dedicate their careers to public service. For more than 30 years, NCN has championed, connected, and informed the nonprofit sector. We and our more than 30,000 nonprofit members

strongly oppose any efforts by the Department to unlawfully restrict which 501(c)(3) nonprofits are eligible employers under the program. The proposal to limit nonprofits based on their missions and who they serve exceeds the Department's legal authority.

Nonprofits make up approximately 10% of the workforce, employing more people than the construction, finance, and manufacturing industries, and we are unique in that nonprofit employees are dedicated to public service.

That's why charitable nonprofits are the second largest category of eligible employers, with PSLF second only to service in government. Charitable nonprofits rely on PSLF to attract and retain the high-performing workforce needed to address the pressing needs of everyday life.

Nonprofits run local food banks. We serve veterans. We assist domestic violence survivors, deliver meals to seniors, provide faith-based services, teach kids after school, and much more. Nonprofits are woven into the fabric of every community in America, and they must be able to identify and meet those needs without political interference, fear of retribution, or removal from a program designed to support their employees. The PSLF authorizing statute clearly states that the term public service job includes full-time work at 501(c)(3) organizations. The bipartisan law states that an eligible

employer is an organization that is described in section 501(c)(3), quote, but simply the Department does not have the legal authority to restrict which 501(c)(3) organizations do or do not qualify under the law. In addition, this proposal risks politicizing the nonpartisan work of nonprofits. It would allow each administration, regardless of political party, to decide what counts as an allowable employer under PSLF without an objective set of criteria. Non-profits are the most transparent sector in civil society, with strong oversight at the federal and state levels. Moreover, the Department's proposal is rendered moot because the IRS has- already has a process to determine 501(c)(3) status. The Department is required to cover these organizations that meet those rigorous standards. PSLF is designed to make-

MS. BOUTELL: You have 30 seconds left.

MS. GOURLEY CARTER: -(inaudible) who choose this career path, despite often lower paying jobs. It allows them to contribute to society and the economy by giving back to others without having to worry about the overwhelming burdens of educational debt. Preserving the current definition of employer without limitations serves the best interest of nonprofit employees, recent

grads pursuing work in public service, and taxpayers who depend on a strong, community-based solution. Thank you.

MS. WEISMAN: Next, we have Melissa Byrne from We the 45 Million.

MS. BYRNE: Hello. I'm sad to be here today because I wish we didn't have to be here today dealing with this mess. Jeff said I had to use nice words, so I asked Saint Francis for some help. He said, Lord, make me an instrument of your peace. Where there is hatred, let me sow love. Where there is injury, pardon. Where there is doubt, faith. Where there is despair, hope. Where there is darkness, light. Where there is sadness, joy. What this administration is doing here is the opposite of the prayer of Saint Francis. It's sowing hatred against people that are transgender. It's sowing hatred against people that are immigrants. It's sowing hatred against people who disagree with Donald Trump and with the Secretary, who is a billionaire. What this is doing, it's telling kids that are poor, who were born poor, who were born working class that it's not just good enough for you to do well in school and go to college. You must agree with all of these other people's ideas of what it means to be American and how it is to present, or you're not going to get support. And so, what I really want to do is ask each of you on the committee and remind

you that you always have a choice. You always have power. And sometimes the most important thing you can do for democracy is a simple word of no. A simple thumbs down in the honor of our hero, John McCain. And that is the most important thing that you can do to tell everybody else in our country, and to tell people globally that our democracy is going to survive this blip that we're going through. And by saying no to this proposal, that is about authoritarianism, not about democracy, not about rules, not about rule of law. And that's your way to be a hero right now. You're sitting in a building with leadership that illegally fired 1,300 people and has illegally refused to let them get back to work, despite a court order. Those are the people that actually help borrowers. They're all being paid to do nothing, which is like the opposite of efficient, as in the words of DOGE. So, I'm just here today because as a borrower, I don't qualify for PSLF because I don't do the C3 work, that you have the power to say no. And saying no is an affirmation of democracy. It's an affirmation of the dignity of the people. And it's a way to show that love will win.

MS. WEISMAN: You have 30 seconds left.

MS. BYRNE: That love will win in the midst of all this hatred. And you guys can go home after

saying no and know that advocates and other people will pick up where you left off. And we will fight for the dignity of everybody. And that even means for me, it means people that work for MOHELA, who did the lawsuit, who helped with the lawsuit to block student loan relief, they deserve loan relief as PSLF even though I hate what they did to student loan borrowers two years ago today. But-

MS. WEISMAN: Your time is up.

MS. BYRNE: -it's not about politics. It's about dignity and love.

MS. WEISMAN: Next, we have Tracey Blake representing herself.

MS. BLAKE: Thank you. My name is Tracey Blake. I'm coming to you today to speak about my experiences as a student loan borrower and public servant. I currently live in Maryland, but I grew up in Iowa. My husband is from rural Vermont and is the first in his family to graduate college. Together, we have more than \$240,000 in student debt. Because of the promise of PSLF and the flexibility of IDR plans, we were able to scrape by with low salaries early in our career, and we recently bought a house. I am now two years away from receiving PSLF, assuming the buyback program remains intact, but I am terrified that the rug is going to be

pulled out from under me with today's proposed regulatory changes. Congress decided years ago that borrowers who worked at public institutions and 501(c)(3) nonprofits provided an important public service. What we do is often underpaid and underappreciated, and we are owed what Congress promised. Full stop. I made choices for myself and my family. Major choices. Trusting in the assurances that the PSLF program would continue to exist in its current form. Moving away from recognizing all 501(c)(3) nonprofits by picking and choosing who deserves forgiveness is unfair, and would have families like mine get left in the lurch? My first job out of college was working in a large nonprofit hospital supporting doctors, treating cancer patients, and investigating possible cures. I hope we can all agree that that is noble and necessary work. Should I have lost PSLF eligibility because other parts of the hospital provided medical care in a way that a small minority of Americans didn't like? My current role is at a nonprofit policy research organization that works with a wide range of federal agencies, delivering policy analysis that they commission. I personally work as a financial administrator on projects for the homeland security community, projects that this administration needs to meet its goals. Should I lose PSLF eligibility because of

subjective new standards for the eligibility of nonprofit organizations? The proposed regulations will harm more borrowers who are already struggling to keep pace with all the other regulatory changes over the past few years, creating a new minefield of eligible and ineligible nonprofit employees will cause an even bigger-

MS. WEISMAN: You have 30 seconds left.

MS. BLAKE: Thank you. -an even bigger paperwork nightmare on top of thousands and thousands of PSLF borrowers already waiting in line, waiting in line for FSA's help to resolve past servicing issues. I urge the negotiators not to leave huge numbers of public servants like me out as you work to make sure the Department delivers on the promise of PSLF. Thank you.

MS. WEISMAN: Next, we have Marissa Ditkowsky, a staff attorney from Disabilities Community Project, TZEDEK DC.

MS. DITKOWSKY: My name is Marissa Ditkowsky. I'm a staff attorney at TZEDEK DC. TZEDEK DC appreciates the opportunity to provide feedback on the Department's 2025 Negotiated Rulemaking on PSLF, a critical program for borrowers, employers, the economy, and the American people. We urge the negotiated rulemaking committee not to move forward with any changes

to the definition of what is a qualifying employer, and, by implication, what counts as public service. TZEDEK DC is an independent public interest center in DC whose mission is to safeguard the legal rights and financial health of DC residents with low incomes, dealing with the often-devastating consequences of abusive debt collection practices and other consumer issues. We provide support to student loan borrowers, including PSLF participants. The district currently averages about \$54,945 in student loans per borrower, with an overall student loan total of \$6.5 billion, putting it above all 50 states in debt per borrower. DC also has a significant number of employees in public service. DC nonprofits employ about 134,591 individuals, about 26% of DC's workforce. A number of these public servants are eligible for TZEDEK DC services and PSLF. District residents and all Americans need doctors, lawyers, teachers, librarians, EMTs, and more. Without meaningful PSLF, people with low to moderate incomes will not be able to repay loans, and only those who can afford higher education without support will be able to access it. This is contrary to the purpose of the College Affordability Act. Aside from the Department's lack of authority under this act to implement these changes to the definition of qualified employer, these proposed changes could lead to shortages in critical

infrastructure and staff that keep America and DC running. The Department's vague proposed changes would introduce tremendous uncertainty for borrowers and employers, and extreme implementation difficulty for servicers and the Department. They would leave borrowers, including employees who are currently eligible and relied on this program in their employer choice, saddled with thousands of dollars in student debt they can't afford to pay and deter graduates from making the choice to do public interest work. The cost of higher education has increased astronomically, and PSLF serves as an important incentive to enter the workforce in public interest, including work to support those living in or near poverty. The proposed changes would force public interest employers to make a known choice between attracting and retaining staff and providing critical services in line with their mission. The confusion and uncertainty will also lead to constant staff turnover.

MS. WEISMAN: You have 30 seconds left.

MS. DITKOWSKY: TZEDEK DC opposes any regulatory changes that would reduce the number of approved employers and create inconsistent status for nonprofit employers within the PSLF program. Thank you.

MS. WEISMAN: And our last public

commenter for today is Jill Pezza, representing herself.

MS. PEZZA: Hi, my name is Jill Pezza, and I'm a parent that relies on Income-Based Repayments and Public Service Loan Forgiveness. As a single parent whose children had chronic medical conditions, having access to Income-Based Repayments was the only way my three children could attend college. I was outraged that the Senate tried to bury a clause in the reform bill that would have prevented current Parent PLUS borrowers from accessing Income-Based Repayment unless they were currently on an ICR plan on the day before enactment. I thank God for the Byrd ruling that found it to be unlawful. Had the bill gone through as worded last week, I would have been stuck on a \$1,200 a month standard payment since my ICR requests had not been processed yet. Not only would my repayment have been unmanageable, but it would have disqualified me from PSLF. The Byrd ruling has protected my eligibility for a \$230 a month IBR payment and allows me to continue to pursue PSLF. The Senate Parliamentarian is my hero. Although the final bill has not passed yet, it appears that I will not have to worry about how I will buy groceries and pay rent, doctor's bills, and living expenses. My youngest daughter is entering her last year of college as she pursues a career to teach high school English. We were able to fund

her college education because the cost of attendance was covered by Parent PLUS loans, and as a public servant, I had a pathway to loan forgiveness. We are fortunate that the new loan limits will not apply to us. My heart breaks for the millions of students and their parents, whose access to loans that cover cost of attendance with income-based payments is being ripped away by the bill being pushed through Congress. These students may either have to forgo a college education or rely on predatory private lenders. I may be fortunate, the new proposal from the Senate seems to have my interests protected. Since I work for a school district, I am optimistic my employer will continue to qualify for PSLF. I am fearful for my fellow Americans who have devoted their careers to serving marginalized populations who are no longer deemed worthy of recognition. The lack of humanity being shown to our immigrant, migrant, transgender, and LGBTQ+ communities and those who serve them is mind-boggling. Americans should have their public service recognized no matter what populations they serve. I'm also concerned about what the restrictions on funding of professional loans will do to the future doctors and lawyers this country desperately needs, especially those who serve our neediest populations. These new limits will make it prohibitive for a majority of students to enter medical

and legal careers. My-

MS. WEISMAN: You have 30 seconds left.

MS. PEZZA: Thank you. My eldest daughter is a second-year medical student who would not be enrolled today if I didn't have a pathway to help fund her undergraduate studies with Income-Based Repayments and PSLF, and she didn't have the same pathway to fund her medical studies. We are on the verge of an educational crisis and need to keep the pipeline open for future teachers, doctors and other public servants. I ask that you continue to provide PSLF for public servants and ensure that regulations don't rob parents of the opportunity to provide a better education for their children. Thank you for the opportunity to speak today.

MS. WEISMAN: Thanks to you and to all of our public commenters. I just have a couple of items for the committee before you go. I first want to thank each of you for your participation. We truly have covered a lot of ground, and it's clear that you've all prepared really well for this and for the discussions. I appreciate especially the language suggestions that people have submitted. I forwarded all of those that I've seen. I will continue to monitor messages tonight and send you anything that I receive. We'll do the same in

the morning. The Department has asked that you submit any proposals no later than noon tomorrow, so that they have time to review and discuss your suggestions. Don't forget, as you're preparing for tomorrow, review any updated materials, bring any questions, and any constituent feedback that you have for the morning. Before we go, do you have any questions? Any final words, Tamy, Jeff, Jacob?

MS. ABERNATHY: We certainly have had an enjoyable day with lots to think about. I don't know whether to say thank you or I'm really, really tired and we're never going to sleep tonight. Thank you so much. Annmarie said it best when she said you really came prepared to have these very robust discussions and engage with us on this rule. Thank you so much for what you're doing. We look forward to another very good day tomorrow.

MS. WEISMAN: As a housekeeping item, you can leave your name tents where they are. You- please take any trash that you have with you. We will start again promptly tomorrow morning at 9:00. And again, I will send out any proposals that I receive tonight, and we'll do, again, the same in the morning. Thank you all so much. And I know that you have lots of work that you're going to be doing, but I hope that you can have a restful evening as well.