

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
SESSION 1, DAY 2, MORNING
JULY 1, 2025

On the 1st day of July 2025, the following meeting was held in-person, from 9:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good morning again and welcome back. Yesterday we had a quite lively conversation and laid a really strong foundation for the work that we're trying to do here. The Department heard a lot of very helpful feedback on their initial language, and I circulated a proposal last night with some new language, which we'll discuss more today. We will later in the day use some polls to gauge where you are on that new language. Remember our goal is for consensus. I told you yesterday I'd be the consensus cheerleader. Nobody brought pompoms. But just a reminder, that is our goal. And also to just remind you that this is not a vote. When we go for consensus, it's not a winner take all mentality. It is about identifying shared positions and whether the group can support moving forward with proposals and language. It may be that you don't like something that's in there, but you choose not to block it because you like the rest of what's in the proposal. So, keep that in mind, and we'll talk about that more as we get closer. One housekeeping item at lunchtime today, when we break, we are going to have staff bring in tables for the alternates. And so your seats may shift just a little bit, but that will give you space to use your laptops and have some of your materials out, and

hopefully make it a little bit easier to see and be seen. At this point, I'd like to just go around the table quickly so that I can take attendance. And I see the Department staff are all here. So, if we can start up at the top of the table with Scott. And if you can just give your name and your constituency, and then we'll go around and do the alternates.

MR. BUCHANAN: Yes, good morning, Scott Buchanan, FFEL lenders and guaranty agencies.

MR. JONES: Todd Jones, nonprofit institutions of higher education.

MR. IRELAND: Good morning, Tracy Ireland, public institutions, tribal institutions, and HBCUs.

MS. DOBSON: Alyssa Dobson, financial aid administrators at postsecondary institutions.

MS. HAMMER: Mary Lyn Hammer, Champion College Solutions, proprietary institutions.

MS. STANLEY: Rebecca Stanley, state officials, including state higher education executive officers, state authorizing agencies, and state attorneys general.

MR. AIELLO: Good morning, Thomas Aiello, representing taxpayers in the public interest.

MR. SULMAN: Good morning, everyone,

Faisal Sulman with Student Veterans of America, US military service members, veterans, and groups representing them. I am the alternate also for Student Veterans of America.

MS. MAYOTTE: Betsy Mayotte, consumer advocates, legal aid, and civil rights attorneys.

MR. OGUH: Good morning, Emeka Oguh, PeopleJoy, representing student loan borrowers and repayment.

MS. WEISMAN: We want to go this way for the alternates, please.

MS. DORAN: Sarah Doran, representing student loan borrowers and repayment.

MS. SHAFROTH: Abby Shafroth, representing legal aid organizations and consumer advocates.

MS. TAYLOR: Laurel Taylor, founder and CEO of Candidly, representing taxpayer and public interest.

MR. RICCI: Alex Ricci, with the FFEL lenders and guaranty agencies.

MS. BOUTELL: Heather Boutell, representing nonprofit institutions.

MS. MCNEILL: Kaity McNeill, representing public institutions, including tribal

institutions, HBCUs, and historically minority-serving institutions.

MS. WEISMAN: One more.

MS. FAITH: Helen Faith, representing financial aid administrators at postsecondary institutions.

MS. BOYD: April Boyd, proprietary institutions.

MS. WEISMAN: Thank you all so much.

Does anyone have any questions before we get started, any housekeeping kind of things? Schedule? Like yesterday, we are going to go from 9:00 to 4:00. We'll do a mid-morning break, an afternoon break, and a lunch break at around noon, and will break for public comment so that they can start at 3:30. Alright then, Tamy, are you ready to dive back into content?

MS. ABERNATHY: She was like a bad waitress, waited just until I took that sip of coffee to ask me a question. Sure. Good morning, everybody. Oh, no. Let's try that again. Good morning, everybody. I like that, that's much better. Thank you so much for making us work really late last evening to review all of the proposals and revised amendatory text that you gave us. We are going to, at a later time, go through the revisions that we've made because of your proposals, and

we'll talk through a little bit of the narrative now and on the things that we weren't able to accept. But we did draft a new regaining eligibility provision, subsection (j), because of you. So give yourselves a hand. Come on. This is how this works. Come on. And so, we're very thankful that you took your role very seriously to help us promulgate regulations on behalf of the Secretary and to further the mission of restoring Public Service Loan Forgiveness. So, thank you. As we go through some old business today, we received nine proposals last night or by last night. We received another one from Rebecca this morning that we will be tabling until we get all the rest of the proposals by noon today. And then we will look at those and we will make decisions either this afternoon or again tomorrow morning. So, if there's additional things that change, we will of course circulate that material for you to consider this evening at some point. I'm not going to go over the reg text changes, but I'm just going to say, you know, were we able to honor some of the things that you suggested or not? Just so you know, that we have really reviewed each and every one of them. We did receive suggested text from Tracy Ireland on substantial legal purpose definition. Tracy, when we go through that later today, you'll see that we did make some changes that were a result of some of what you

started and then the rest of us discussing it, so stay tuned for that. This is one from Miss Mary Lyn. A lot of what Mary Lyn was saying for us, we do- the flexibility with payments and things like that, we're kind of locked into some statutory provisions, but we do satisfy payment advances and the due date and, and those do catch up, so we feel like we have addressed that already in our current regulations, and so we were not able to accept any of the other proposals attached to this particular one. But we are still looking at other things around the things that you pointed out, so thank you for taking time to give that to us. Again, I still have my little note, Emeka Oguh, I want to make sure I pronounce his name correctly. Some of what he suggested for us resulted in us, you know, capturing (j) and looking at additional changes in the reg text as we go through that, so thank you. Betsy, we're still looking at this. We're not quite ready to take action on your proposal. We are still evaluating it. We have servicing systems, and so that kind of stuff is not in the regulations. We don't regulate ourselves. So, we are trying to look at this and evaluate your proposal. So be patient with us. We're still looking at it. Thank you. Oh another one from Miss Mary Lyn. She had a suggestion for notice to the employers. We have looked at this. We have created a way

to do this. We have a new sub section (e) as a result of your request and others around the table. So, thank you for jumping in and allowing us to navigate through that. Let's see, Tracy gave us another consideration for (c) (4). Tracy, this is already kind of duplicative already, so we did not accept that reg language, but thank you so much. Another borrower eligibility from Mary Lyn Hammer. We're constricted a bit with legal reasons in the Higher Education Act. So, we were not able to look at the borrower eligibility provision under (c) (1) romanette (2) (b). But thank you for putting that forward for us. Alyssa, Helen, Tracy, and Kaity, we think that this is contrary to the objectives and the regulations and the type of relief that you're seeking can be addressed in regaining the eligibility provision in (j). So, what we did is we took what you asked us to look at, and it helped form (j), the regaining eligibility or reinstatement, so thank you. Laurel, thank you so much for your proposed amendatory text. I think this was just an analysis for us to look at, correct? Okay. I'm like, there's nothing here that we did, so I can't remember. Yes, thank you for providing this for us. It's not necessarily a proposal, but it was an economic analysis for us to consider. We did take a look at that, so thank you. Any questions, comments, or concerns about the

proposals? Are you guys quiet today? Or are we just doing such a great job because we gave you tables and now-? Just kidding.

MS. WEISMAN: We have a card up from Mary Lyn.

MS. HAMMER: I just wanted clarification on the date the application is made if the employer is already found ineligible. So, does the Secretary have discretion to override that somewhere?

MS. ABERNATHY: We are still looking at some of that. But right now, the statute is very specific as to when the application is submitted, the statute specifically states they're supposed to be working and how we massage that is saying that at the time of the application. So, we really are locked into some very finite language right there. So, we are still looking at that. I wouldn't say that we have discretion over what the Higher Education Act requires us to do, but as we have the ability to look at this from an operational standpoint and from subregulatory guidance, that may be where we address that concern instead of regulatorily.

MS. HAMMER: May I respond? I just wanted to ask if we can stay in touch on that issue, because if it's something that needs to happen in

statute, I'd like to know so that I can request that.

MS. ABERNATHY: Absolutely.

MS. HAMMER: You know, I just feel like that's a sticking point of, of borrowers possibly being denied. And they're the exact borrowers we're supposed to be protecting in this language. So that's where my concern is around it.

MS. ABERNATHY: Absolutely. So the way that we have designed this regulation is not to be punitive to our borrowers. So, we will still consider that going forward, we will look at ways in which we can adapt that. But when it's fixed in statute that they are to be working at a qualifying employer when at the time that they receive forgiveness, we've got to look at that, and we've got to weigh out all of those pieces and craft the regulations and the operational pieces for that in line with the statute as well as the regs. So, we are very mindful of your concern, and we are doing everything we can to look at that from a subregulatory level to make sure that we have all of our I's dotted and our T's crossed. So yes, we can keep in touch. If you don't have my contact information, I'll be sure to share that with you. And I'll be more than happy to keep in touch with you and keep you apprised of things that are going on.

MS. HAMMER: Thank you.

MS. WEISMAN: Over to Bob.

MR. CAREY: So, I was watching vote-a-rama last night on the Senate floor, so point of parliamentary inquiry. Do we have like a regular order for the consideration of all these changes? Do we, like, make a motion and then will we vote on it, or will we go into informal session and get out some butcher paper and start writing? Or how's that work? I didn't see that in the protocol.

MS. ABERNATHY: So, what we do is exactly what we did last night. You submit the proposals. We would like your proposals by noon today. As you can well imagine, it takes a village of us to go through the material that you give us. We need to read it. We need to know what you're asking us to do. We need to discuss it. We need to vet it all the way up. And so, it takes us a while to make sure that we're looking at everything and giving everything the eagle eyes that it deserves to have. And so we're sitting around the table looking at every single word because, you know, in regulations, every word matters, right? We want to get it right. We're taking what you're giving us. You have the ability to caucus. And so that is something if you would like to do that, that is your right as negotiators to caucus and you can have discussion at that point. We are not at the

point where we are still going over our discussion draft and still going over now new changes that you presented last night. We have two new sections that we want to mention today. We're not to the point where we're saying, okay, let's take a consensus. We're not doing that until later tomorrow. We might do some poll checks or some pulse checks, but right now, what we're trying to do is still establish what we've done in the regulations through all of the regulatory subsections and additional language that we put forth for you to review. So, we're still kind of in the review stage. Does that answer your question? I don't think it did?

MR. CAREY: No. So, what I'm not seeing is where the rulemaking committee determines what language they want between our submission and you guys crafting it and presenting it to us. That's step one. And then step two seems to be going right to consensus.

MS. ABERNATHY: No, we're going to discuss it.

MR. CAREY: Okay. So there'll be a process for us to further wordsmith the language in between you guys presenting us language and the consensus portion?

MR. ANDRADE: Let me try it another way, Bob. So, we're working through section by section.

You know, so we're calling them topics in this case or- and as you have brought us issues, we have gone back to sort of our strawman document and made edits to that. We pushed those back to you guys, but we will go back and continue to go through section by section. If that section has been amended, you'll see where that section has been amended with the changes from folks here. At that time, they'll still be additional discussion on it. But Annmarie will make several passes, and Annmarie will ask for consensus on each section. And hopefully what we will be doing is at least locking down or not locking down but putting a pin in where we have tentative agreement on some sections. So, at the end of the process, all we're really looking at are the sections that we don't have tentative agreement on. Is that a fair way to describe the process, Annmarie?

MS. WEISMAN: Very, very close. The only thing I would say is we're not going to do consensus checks initially. We'll be doing kind of like a pulse check so that the the consensus check is usually at the end. And the difference is when we're looking for more tentative agreement, you may change your mind. We're still discussing. By the time we get to the consensus check, that's where we say we're not going to go back and keep renegotiating. We're going to keep asking people, do

you think we can get to consensus now? How about now? What about now? The goal is to do those pulse checks, do a poll, figure out where people are, what might need to be fine-tuned, and where the Department feels it can move on those issues so that you've had the discussion, you've heard what's going on, and you can react to those proposals.

MR. CAREY: And we have not done any pulse checks or consensus checks today.

MS. WEISMAN: No.

MR. CAREY: Okay.

MS. WEISMAN: So, there's lots more to do, lots more to discuss. And I would imagine we would start to get to the pulse checks later this morning, but we'll play that by ear and kind of see how you feel about the language you see. Jeff?

MR. ANDRADE: And I think what we tried to do is on the sections where a lot of people had concerns, we tried to get those up early so we could rework some language. And we appreciate that you all submitted language to us early as well so we could start, start looking at that. So, as I said, as we go through this, the list of disagreements should get narrower and narrower.

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

Tamy, do you want to start to go over some of those revisions?

MS. ABERNATHY: I most certainly do. Thank you, Annmarie, I thought you would never ask. Let's start with (j). If my wonderful colleague would put the screen share up, and I need to get to my notes. Give me just a second. There we go. We are calling this the Employer Reinstatement Option for the Public Service Loan Forgiveness. And these are our proposed regulatory amendments. And it would be a new subsection (j), regaining eligibility as a qualifying employer. So, let's just go ahead for the sake of- when we went back last night, we wanted to show a good faith effort in hearing you. A lot of times it's hard to make sure that you know that we are hearing you. We are listening. Every word that you're saying to us is extremely important. And as a result of such, here is amendatory text, because we've done that. So, an issue came up yesterday about negotiating in good faith. And that is exactly what we're doing. And we're talking and we're getting to results here. So as a direct result of everything that happened yesterday, we're sitting here with this new subsection. And so I'm going to read it so that we can all be on the same page. Regaining eligibility as a qualifying employer. An organization that loses eligibility for

failure to meet the conditions of paragraph (b) (27) of this section is qualifying employer, may regain eligibility to become a qualifying employer after (1) Five years from the date the Secretary determines the organization engaged in activities that have a substantial illegal purpose in accordance with subparagraph- subsection (h) of this section. If at or after that time, the organization certifies on a borrower's subsequent application that the organization is no longer engaged in activities that have a substantial illegal purpose, as defined in paragraph (b) (30) of this section or, (2) The Secretary approves a corrective action plan signed by the employer that includes a certification that the employer is no longer engaging in activities that have a substantial illegal purpose, as defined in paragraph (b) (30) of the section, a plan describing the employer's compliance controls that are designed, that are designed to ensure that the employer will not engage in activities that have a substantial illegal purpose, as defined in subparagraph (b) (30) of this section in the future and (iii) any other terms or conditions imposed by the Secretary designed to ensure that employers do not engage in activities, actions or activities that have a substantial illegal purpose. So, the employer would lose eligibility for five

years. They would automatically regain eligibility thereafter. As soon as the first borrower from the previously disqualified employer submits a PSLF form, an income verification form that confirmed- I don't believe we're going to continue- we're still massaging the language around the confirming whether or not they're participating in illegal activities, so we're going to change this slightly once we finalize that. But basically, we need to make sure they're not continuing to participate in those activities. And then the qualifying payments would be backdated for the borrower to when the employer completed their five years. So, if the borrower continues to make payments for the five years that the employer is not considered, you could look at that after the five years- after the punishment has been- it's not punishment, but after the five-year period of time has been completed. If the employer did not want to wait five years, it could submit a corrective action plan and statement that it is no longer engaged in a substantial illegal activity. The Department does not intend to regulate here on the process for that corrective action or the signed statement. So, in other words, if they don't want to wait five years, they submit a corrective action plan to us in a process to be determined subregulatorily, then they regain their eligibility. So,

we had concerns yesterday about what do we do if the borrower is one or two or three payments shy of meeting Public Service Loan Forgiveness, 120 qualifying monthly payments? So, in those instances, we are trying our very best to mitigate and give every available ability for the employer to regain their eligibility and for us to continue honoring those borrowers who are serving in our public service fields. At this time, I'd like to turn it over to Anmarie for discussion.

MS. WEISMAN: Emeka?

MR. OGUH: Tamy, Jeff, and Jacob, thank you for taking the time to consider and incorporate our feedback. Your recent revisions give me confidence in the integrity and responsiveness of the negotiated rulemaking process, so thank you. I did ask for one year, you gave five. But I know there's a compromise here. I believe there's an opportunity-

MR. ANDRADE: I was at ten, so.

MR. OGUH: We split the difference. So, I believe there's an opportunity to further strengthen the proposed rule by both encouraging employer compliance and preventing unnecessary interruptions in the PSLF eligibility for borrowers. Specifically, we are recommending that if an employer is actively participating in a good-faith corrective action plan, the

Secretary allow affected borrowers to continue earning PSLF credit retroactively from the start date of that employer's active participation, obviously pending final reinstatement approval. This approach would preserve borrower trust and continuity of service while maintaining accountability for employers. So, thank you again, and just wanted to recommend that. Thank you.

MS. TAYLOR: Rebecca?

MS. STANLEY: I like what you proposed. And I think that just a step off of that is when we were looking at the liability if the EINs are attached to other organizations that are not under investigation, that it be very clear that they do not lose their opportunity to do a PSLF buyback or to go retroactively as well. I think if they're not under investigation- it'd be one way for us to appease counties and states that could have impact from one organization causing the whole shutdown and everybody to be out of PSLF is to offer the opportunity for them to be able to buy it back. That is not the simplest solution, that is complicated, but it may be what you were suggesting the retroactive going back and allowing them to have it after. So, I do think that would be a good idea.

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

MS. ABERNATHY: Thank you for both of those suggestions. We, of course, are going to need to take that back and look at that a little bit more, but we do appreciate if you do have any proposed language, please feel free to get that to us so that we can take a look at that. Again, this is a new subsection. So, we expect to see some, some of your brilliant minds at work here. Thank you.

MS. WEISMAN: We'll go next to Tommy and then to Laurel and then to Kaity.

MR. AIELLO: I just want to thank you guys again for taking our feedback yesterday and incorporating this section. I very much like the five-year proposal that you guys have. It's obviously extremely- it can be onerous for the qualified employers, but I think that's the point. We want to encourage employers to change some of their behavior and find corrective measures. So, I think that's very important. And in order to achieve that, you need to have some strong teeth and forcing mechanism. I just have two questions as it relates to the process by which an employer submits their plan, and the Secretary can approve or decline it. If an employer submits their plan and the Secretary decides this is not up to par, we're going to reject it, are they able to submit another plan

or is it a one-and-done situation? Then- I'll deal with that first question and then I'll go to my second one.

MS. WEISMAN: Jacob?

MR. LALLO: So we don't plan on defining this piece in regulation. We view this very similarly, the way you would negotiate a settlement. These will be case-by-case basis. It may be articulated at some point in guidance, but we want to preserve that flexibility because we recognize that each one of these situations may be unique. And, as we've already explained with the materiality clause that we added into the language for (h), we're very interested in looking at the frequency and severity. And so we want to take that into account when we craft a corrective action plan for an organization.

MR. AIELLO: Then my second question would be, can you go into a little bit more detail? You, you said that a borrower may still have their payments counted. Is that even during that five-year period or you're still checking them, that they're still paying, but they're not counting? Is that they are once again counted once the corrective measure is taken or after the five years ends? But you're not counting those, 5 times 12, 60 payments?

MS. ABERNATHY: At this point with

this with this particular proposal, there would be a gap. So, we are hearing you. We are looking at Rebecca's proposal. And Rebecca, we want to make sure that we get this right. So, if you could just kind of articulate and send that to us to make sure that we have exactly what you were looking at, we want to make sure that we vet that thoroughly for you. We know you want the buyback, so it's more of a retroactive looking back. And that may be one thing that the Department can consider, given that this is pretty fixed on a qualifying employer and that status, but the ability to perhaps do that, I want to make sure that I get with my colleagues on that before I stick my neck out and say, sure, we can do that. So, thank you for bringing those suggestions up. We are hearing you, and we hope to circle back with some positive information later.

MS. WEISMAN: Next, we'll go to Laurel.

MS. TAYLOR: I'd like to echo the feedback. Thank you so much for the responsiveness and the sincere intent of really hearing our voice and providing feedback immediately. A couple of comments and then a question for the primaries as well. So, as we look at that five-year period of time and the ability to remediate. And I'm hearing that there is a program and a

design to help the agency, or the employer remediate action prior to that five-year period of time. Up leveling a bit, as we are working to refine and restore Public Service Loan Forgiveness, and the purpose of the economic analysis was really to underscore the value of the PSLF program and the uptake of that program and its efficacy, the 20 to 1 efficacy for that participating employer. The concern that I have is losing that status, the discussion around the ability to immediately engage in a remediation because many of the 13 million borrowers that work for an employer that are not governmental, they will not have the 9 to \$13,000 average to provide to their employee population to retain them. I understand the design of the intent is to encourage non-material, substantial illegal activity. One of the concerns I have that surfaced yesterday and Rebecca, you made this comment. So, a question I have is, can we caucus so that we can provide you all- and I'm not sure as an alternate, that I can ask for a caucus. I think one of the most important work products that we can provide to you all in the next two days is a work product that further defines the action that should be taken for an agency or activity engaged in substantial illegal purposes, and compartmentalize that punitive treatment to that particular organization. As we look at the 70% that work

for governmental employers, if at a state level, everyone within the state- let's imagine it's 2,000 employers- loses their PSLF status where the activity conducted by one, that is a massive failure of the PSLF program or the design of encouraging civilians to go into public service work. And I'm really concerned we're going to see a huge increase in delinquency and default. And those-

MS. WEISMAN: You have 30 seconds left.

MS. TAYLOR: -no longer working for those who offer Public Service Loan Forgiveness, because the risk is too high to devote ten years when the ability to pursue the program can be lost. I think buyback is very helpful. It's super complicated. So, unless you have access to Rebecca or Candidly or others, you're probably not going to get into that program. So can we caucus to present an alternative that would enable compartmentalization to address substantial legal activity, but not infect the whole of an entire system?

MS. WEISMAN: Your time is up. So, let's get a sense. We have at least five, six cards up on the table. I know some have come up and back and then back up again. We have a call for a caucus. Does the group feel that it would be helpful to hear the other cards that are out there now? I think there's some value

in that just so you have a sense of what all you want to caucus over. If you want a caucus, keep in mind, you tell me who you want in the caucus. If the caucus is all negotiators, everyone else leaves the room. If the caucus is a subset, we have some rooms that you can go to in smaller groups, if that's your preference. So be thinking about that. But I do want to go next to Kaity, who's been waiting very patiently.

MS. MCNEILL: Thanks again for the reinstatement language. I know that Emeka mentioned that he was shooting for one year, and I think, Jeff, you said that ten years is on the table, and I just wanted to get more information about the rationale of the five years. Is that sort of like a standard time frame for other things that happen? And then the second thing I wanted to ask us to consider after you answer that question, in terms of that review of the corrective plan, could we have a timeline to keep that process moving? Considering maybe that review could take two or three years, if we could discuss including a timeline in that?

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

MR. LALLO: Yes, please. So, two things. On the five years, we looked at the way that losses of eligibility of other types are handled across

the government. There's a lot of case law that uses six years as a reasonable time frame. Five is a round number, and it is less than six. And we thought it was fair to be both punitive to an organization that is non-compliant, but not so aggressive as to penalize them indefinitely. And we do want to be sensitive to the fact that an organization will change over time even on its own. Within the corrective action plan, we actually think that we could start negotiations almost immediately. Even really prior to a decision being issued about the organization's ineligibility, that would be very similar to the way we handle issues with schools where we approach potential audit findings or program determinations and work out a deal ahead of time with the school to avoid an adverse impact. So, in such cases, we would probably immediately start negotiating with the qualifying employer and generally we'd like to make an offer of these are the changes we'd like to see. If this correction action plan is put into place, we won't have to remove qualifying employer status. So, we would like to do that immediately. In terms of actually baking in a timeline, we can take that back and consider it. But I think in general, we would like to start that approach prior to the loss of qualifying employer status (inaudible) take effect.

MS. WEISMAN: Next, we'll go to Scott.

MR. BUCHANAN: Thank you. Just a couple of observations on sort of administration since that's primarily on regulation. It's great to talk about. It's the question of how can you do it? So, I would highlight I think this is something that the Department as well as the rulemaking committee needs to consider here, is that under statute, if an employer is not a qualified employer during that period of time, payments are not eligible. And so, therefore, discussion of buyback, discussion of retroactive consideration, that would be in conflict with the statute. And so that's something that needs to be carefully thought about here. And so the rule cannot sustain itself, as I pointed out last neg reg, and was not listened to on some of these fronts, that it must comport with statute. Secondly, I would just make some observation. Again, I'm not sure that it's at the rulemaking level here but thinking about sort of the notification process here. I certainly appreciate the desire to create sort of a framework for employers to get back as quickly as they can under this rule into being a qualified employer. But we're also introducing sort of an unknown, right, for borrowers or employees. The question of when will my employer become eligible again? The question becomes, we don't know.

Because either it's five years or sometime earlier. That is unknown. And I think we need to think about how to administratively handle that in terms of communicating that. And also, I would point out here in the trigger on the five-year process is a borrower submits an application, right? And I want to be very clear that sort of would be a challenge in the sense of the employer's eligibility date needs to be determined by the Department on a five-year window. That would need to be communicated to servicers or others in the Department to know exactly what that date is. And then the challenge becomes, also, if you receive an application a day or two before that date, it will be rejected. And if you receive it afterwards, then we have a short window of time. So, there's a lot of communication issues I think that would be very challenging. I think it would be frustrating for borrowers to think, oh, my employer has been five years. It's been in application, they're a day or two off, and then we're rejecting all of those. So anyway, and that only highlights given some consideration to what is on the operational side, how would you handle that? Would there be sort of a grace period of if the application is for-

MS. WEISMAN: You have 30 seconds left.

MR. BUCHANAN: -a future period of time? Anyway, I think those are things that just need to be thought about. Again, I'm not sure it rises to the regulatory discussion here, but operationally, just everyone needs to think about these things because they have to actually be done.

MS. WEISMAN: Tamy?

MS. ABERNATHY: Just so happens we have been thinking about them. We are working with our operational team. One of the ways in which this would mitigate some of your concerns is the fact that on our employer eligibility database, it indicates or we're hoping that it would indicate the date that they would regain the eligibility. So, it would be communicated on that. And I believe- I hope I'm saying this right. And Eric Hardy, if I am not, please jump in. If the employer isn't eligible, if they try to submit it online, they can't. So, if it's too early for them to submit that, they're not going to be able to do that. Aaron, can we get Eric the microphone, please? I want to make sure that our operational team has addressed as many of the things that they can address for us.

MR. HARDY: Sure. Tamy, pretty much what you explained is the nuts and bolts of how we would accomplish it. You're absolutely right. We would display

these employers when the borrower goes in to submit a certification, we would display them as ineligible. We would not allow the certification to go through. If they were to apply they wouldn't be able to apply using the online flow. They would also have the ability to do a paper form. If they do a paper form and the employer is still in their ineligible period, then the paper form would be denied, and we would indicate why it was denied to the borrower. We had not talked about displaying future dates quite yet, so that's something that we probably shouldn't commit to. There are some other considerations that we need to have operationally around what we display there. But that's it by and large.

MS. ABERNATHY: I guess I dreamt that part. My wish list.

MS. WEISMAN: Next up, we have Betsy.

MS. ABERNATHY: Thank you, Eric.

MS. MAYOTTE: Thanks. Tim and Eric addressed one of the two questions I was going to ask, which is, well, it wasn't a question, it was like if the PSLF was not going to work, the employer is showing ineligible. So well done you. I am thinking about the current process of how a new employer gets approved, and we know that doesn't happen fast. In my experience working with borrowers, it takes sometimes often as much

as a year for a new employer to get approved. So, yes, my concern is this effective date. So, for an employer that submits a corrective action plan to get your approval to get back on the wagon, so to speak, I'm concerned that due to bandwidth reasons, there may also be significant delays in that. So, my request for this language is that the effective date of the employer's re-eligibility be the date that they implemented your approved corrective action. So, if they implemented their corrective action on January 1st, but you ended up not approving it until June 1st, that the effective date of the employers eligibility would be January 1st.

MS. WEISMAN: Jacob, did you have a response to that?

MR. LALLO: Yeah, I think we need to take that back and see how it will work exactly in practice. Scott raised a very valid statutory point. We have to make sure that those two things can interplay together. So, it might take some kind of creative structuring to make that work properly. But like I said, we anticipate the corrective action plan process being part and parcel of the notice to employer that they've lost eligibility and worked in with that process. You know, the evidentiary process in there, we're not talking about, like, an appeal to an administrative body. The

Secretary is issuing a letter basically saying that they're not qualifying and then giving the employer a chance to respond. That is already inviting an interactive process. And so we very much anticipate that the corrective action plans will generally be worked out as part of that. And they could be worked out at a later time at the option of the employer. But because that window of communication is already open, we would hope that most of them can be worked out very early on, and there's not much of a gap of eligibility to even have to address that.

MS. WEISMAN: Up next, we have Emeka, followed by Mary Lyn, and then Alyssa.

MR. OGUH: So, I just want to piggyback off of some of the questions that- or concerns that Scott raised around operational challenges. And I appreciate Eric from the IT team coming up and explaining the process. As a software engineer and the CEO of a SaaS company, I always feel like the IT team is always under-appreciated, so, Eric, I appreciate you.

MS. ABERNATHY: Not here.

MR. OGUH: One question I specifically had logistically, if in that dropdown, that employer is shown ineligible- so let's say I've been with my nonprofit employer for ten years, nine years, five of

which they were eligible, four of which they weren't, which a lot of folks are. A lot of folks fail to certify their employment history until year ten. It's going to show my employer as ineligible, so I won't be able to certify the six years of eligibility. That seems like a big bottleneck and a potential challenge. I just don't know if-

MS. ABERNATHY: So, we'll take that one back, because I believe if they submit a paper application for those (inaudible). I don't want to commit to that. I can't commit my FSA partners on the operational details at the moment, but what we can do is take that back to see if in those instances, we would want a borrower to complete- I mean, we normally don't want them to complete the paper, but we'll have to look at that. So let us take that one back and we'll ask our operations team for some feedback and then get back to you on that. Thank you so much.

MS. WEISMAN: Mary Lyn?

MS. HAMMER: Thank you. This is probably an operational question but say somebody at nine years of eligibility and their employer becomes ineligible, and they don't have an approved corrective action, they go to work for a different employer and complete that final year. Does the application in the new

qualified employer cover all of the time for the one that's no longer qualified?

MS. ABERNATHY: Annmarie, can I answer? So, as we designed yesterday, this is a prospective approach. Any years that a borrower has submitted, or not submitted, has completed their Public Service Loan Forgiveness and meets all of the qualifications, they would get credit for that. It's from on or effective July 1, 2026, forward, if the employer is deemed an unqualifying employer, the payments during that period of time would not qualify. If the borrower switched agencies and they had already submitted their form and they already got credit for those nine years, they would continue to get that credit for nine years. We are not taking things away from borrowers. So, they work another year, they get the 12 months, they certify, that's ten years, 120 qualifying payments under a qualifying repayment plan, under a qualifying employer, under qualifying loans, they get their loans forgiven.

MS. HAMMER: Okay, so I'm asking because of something that Eric said about if they apply too early. So, what-

MS. ABERNATHY: That's conflating two particular issues. If, a borrower is applying and they have yet to complete 120 payments, then they're applying

too early. They can apply and they can get the certifications in. And we can look at that and say, okay, you are qualifying employer qualifying payment, qualifying eligible repayment plan. All of those bells, all of those checklists are marked, yes. So, for all intents and purposes, you have nine of those ten years of qualifying payments under the right eligibility criteria, you get that. You don't lose that because your current agency is no longer a qualifying employer. You retain all that you've earned, but you will not get any more at that agency until that agency either regains eligibility as a qualifying employer, or you decide to go to another agency to fulfill one year worth of time under all of the other eligibility criteria as well, to get that forgiveness.

MS. HAMMER: So, the Secretary- in that case, would be allowed to accept the months of payments and the months of employment where they were at the employer that's no longer qualified.

MS. ABERNATHY: We already have that in the regulations. It's a prospective approach from July 1, 2026, forward. We are not taking any eligibility that a borrower has earned at all away from them, even at the time that they worked for that eligible employer prior to July 1, 2026, they are eligible to keep those.

MS. HAMMER: Yeah, that wasn't really my question. My question was more around how it's documented and verified.

MS. ABERNATHY: We already had that process in place. There's nothing different now than if a borrower only has nine years and they leave Federal employment, they only get nine years credit. If they don't come back for that last year, they don't get that. We do not do incremental forgiveness. It is a complete 120 months before forgiveness is applied to a borrower. So, while they have earned those nine years, they cannot get those nine years of forgiveness. We don't do incremental forgiveness. It's after 120 qualifying payments.

MS. HAMMER: That wasn't my question. My question was, if you're- like, say, the last year is a new employer that is qualified and that's where the application is made. They would-

MS. ABERNATHY: They would fill in a documentation for the prior nine years at the other qualifying employer.

MS. HAMMER: So, is that two applications?

MS. ABERNATHY: Yes.

MS. HAMMER: Okay. That's-

MS. ABERNATHY: Yes.

MS. HAMMER: (inaudible) wanted. Thank you.

MS. WEISMAN: Next, we have Alyssa. Tamy, did you have something else you wanted to respond to? Okay. So next we have Alyssa followed by Abby and then Rebecca.

MS. DOBSON: So, during these conversations, I'm hearing a lot about denying the student's application. And it's concerning to me that there's not an appeal process outlined for the student, given the amount of confusion that we're all having surrounding this. I would imagine that there will be some applications that are erroneously submitted, erroneously certified, and so on. I think it would be really important to have some sort of process for the student to appeal a status, should they maybe be trying to get those nine years approved. And for whatever reason it comes, it comes back as denied. And I'm just not seeing a process for that outlined here anywhere.

MS. WEISMAN: Tamy, do you want to respond?

MS. ABERNATHY: I do. So, Alyssa, we already have in place a reconsideration process for borrowers who fall into those categories, right? So, we

have already in our existing regulations a reconsideration process for borrowers. Now what we will not allow- because if you look at the criteria for Public Service Loan Forgiveness, qualifying employer, eligible loan, all of those pieces, we're not allowing a borrower to petition, but my employer is a qualifying employer. We cannot allow that because that is a determination that is based either on the verification form or through some corrective action or through some mechanism. So, because that is a key component of the Public Service Loan Forgiveness eligibility criteria, that falls out of the purview of the borrower initiating because the activity has to come from the agency.

MS. DOBSON: So just quickly then, I foresee a situation where they're erroneously denied, where it is stated to them that it's not a qualifying employer, but it was and they're just trying to get those years for for what it was.

MS. ABERNATHY: We would look at a case-by-case basis. In those situations, if a borrower is eligible and for some reason there is a mistake because we would never make any mistakes, right? We will look at that. I cannot tell- we're not going to regulate ourselves, however, as to, being able to say we're going to fit in this kind of a box, but because we already have

infrastructure in place for reconsideration, that's where I probably would look at that and say, okay, reconsideration. But if we have got something wrong in the qualifying employer, I'm pretty sure it's going to bubble to the top, and that's going to get looked at by a lot of different people to make sure that we get that right. This is a premise of what we're doing here to restore Public Service Loan Forgiveness. It's our obligation to you to make sure we get it right. And if for some reason we've classified somebody incorrectly, we will remedy that situation as quickly as possible.

MS. WEISMAN: Jacob, do you have a follow-up to that or a new issue? Because I want to make sure we get back over to Abby.

MR. LALLO: A quick follow-up. Yeah, I think any case-by-case basis for borrowers, we want a remedy. We try to do that as well as we can already. What we want to do explicitly is not allow borrowers to request reconsideration on behalf of the qualifying employer, that we've already provided a separate process for qualifying employers to work through an evidentiary hearing with us and present their own evidence, and we view disqualification under this is between us and the employer, and then the employer and the borrower. And we don't want to create an incredible amount of paperwork of

borrowers requesting reconsideration for their employers.

MS. WEISMAN: Thank you for your patience, Abby.

MS. SHAFROTH: Thank you. Just a few points. First on the refusing to allow borrowers to challenge the determination that their employer was non-qualifying, I hear the point that you think this is between the employer and the Department to resolve. I can imagine situations where an employer has been accused of illegal conduct and has been forced out of the PSLF program, and the employer disappears, right? In these sorts of situations, it's often the organization, especially if it's not a government, if it's a nonprofit, it goes bottom up and then the employer is no longer in a position to be sort of fighting battles on behalf of its former employees with the Department. So, I do think we should take seriously that borrowers will be left without anyone fighting for them and standing up for them in those situations. I also wanted to sort of separately go back to the point that Mary Lyn was, I think, making today, and that Alyssa raised yesterday about making sure that we're not penalizing borrowers retroactively. So, I hear the Department saying that for time that the borrowers already worked prior to their employer becoming non-qualifying, that they wouldn't lose any of that time.

But what's a little unclear to me is what happens in the case of borrowers who, who have worked for years at an employer that was at the time considered non-qualifying, but who don't annually submit their ECF forms, who wait until later. And if they then submit their ECF form after the employer has been deemed non-qualifying, how can that employer then certify that they are a qualifying employer and that they have not engaged in any illegal conduct? Does the borrower lose all of that time retroactively when they were performing public service? One last thing. Just because who knows when I'll get another chance, is, I did want to sort of resurface Laurel's request for a caucus, and I think it wasn't totally clear what the process is by which to call for one. So, I just wanted to make sure that doesn't get lost.

MS. WEISMAN: Okay. Let's go to Tamy for a response. And one other quick note. When I'm calling people out in terms of responding, part of the goal is to get your name on the transcript. So, it may seem overly formal, but that is the purpose behind it. So, Tamy, if you want to respond, we'll go over to Todd after that. I'm sorry, to Rebecca and then Todd, and then we can discuss whether there's a desire to do a caucus, and I can explain the process.

MS. ABERNATHY: Thank you, Abby. We

already have in our process, in our regs already and on the form, if a borrower is unable to obtain an employer certification, there is a process for the borrower to submit that information already. And so, we will look at those. We are not going to penalize these borrowers if they are nonprofit or somebody goes your words belly up. We know at that particular point- we're going to look at that. And if the borrower has completed their requirements of fulfilling qualifying payments under a qualifying repayment plan for eligible loans for that period of time, they will get credit for that. That already happens today, where we are not able to ascertain or an employer refuses to sign a verification form. We already have a process in place for that, that is working effectively already. And so that process would continue with these new rules as well. Does that help? And so, we're not going to penalize a borrower. If a borrower has worked, and all of those eligibility criteria are met, they will not lose their eligibility for those periods of time that they met all of the requirements to receive it. It is only at the time, effective July 1, 2026, forward, that working at a non-qualifying employer, those payments would not count. So, everything prior to that period of time would count. It saves, it preserves the earning of time toward forgiveness for those borrowers. They will

not lose that. If they were eligible before, they're eligible now for that period of time, but not going forward. And that's what we say in our proposed regulations. It's prospective. It's going forward. There is no retroactivity in these regulations. We do not want to take away what was earned, rightfully for our borrowers. Does that help?

MS. SHAFROTH: So just to clarify, in a case where a borrower has worked for a qualifying employer that subsequently becomes or is determined to be non-qualifying, the borrower has not yet submitted ECF paperwork for the prior time. They would have a separate workaround process to then get credit for that prior time with the Department? And would borrowers know about this? Would it be easy for them to access?

MS. ABERNATHY: So, we have a reconsideration process already in place. Now, what we do not want is borrowers to do that. We are going to look at these, like we said, on a case-by-case basis. Should there be a situation where a borrower is in a conundrum of oops, I didn't certify. And now, effective July 1, 2026, and forward, they are working at a non-qualifying employer, that is going to have to be looked at. And so, everything that we have in place, the infrastructure is already there, the communication is already there. We

will absolutely update the form. We will update anything required to be updated for borrowers to understand what's happening. That's part of any time we do a rule. Anytime we publish a new rule, we look to our operational team to manifest every piece and part that they have to put in place for the borrowers, or, if it's just students in general to understand. All of that, they will communicate with the servicers. The servicers will understand what is expected. So, we will do our very best to quickly make sure all of the pieces and parts are collectively communicated out, so that the borrowers clearly understand they're not losing a benefit here. The other thing is borrowers may want to start certifying now and certifying early and not waiting for ten years. You know, there's no requirement that they wait ten years to file a certification form. That is a borrower's choice. There's no requirement, they can do it any time they want. So, it's their choice to choose how they want to get credit for that time that they've worked and met the eligibility criteria for the PSLF program. We don't plan to change any of that.

MS. WEISMAN: Okay. So, we're going to Rebecca, followed by Todd. Then we'll have a brief chat about caucuses and a break.

MS. STANLEY: A couple of issues. One,

you mentioned not wanting to have a bunch of reconsideration requests, and I'm just curious because of the way the PSLF form is set up now, the help tool, which is wonderful, is, if we couldn't utilize that in this instance because I'm afraid if you put eligible and ineligible, the PSLF form is only as good up to the date that it's signed. And that's what a lot of people get confused by. Would be helpful if that was on the website, maybe somewhere big, because that's one reason they wait to do that? Because they think, why is my payment count not going up? They don't understand that it was only good until the date it was signed previously, because they could have quit and got another job in a non-qualifying institution after that. But if they go to that PSLF help tool, and they found out their employer now is not qualified, they're going to click on ineligible and they won't be able to do the PSLF form. So, it might be something that we could have three statuses or eligible until.

MS. ABERNATHY: We will have to take that back to our operations team to look at. We hear you. And it's a valid concern. We have not had a chance to discuss that, so I can't speak to that right now, nor do I want to put my operational partners on the spot to try to come up with a solution before we're able to get that

back, but we do have that on the list. It is something that we will look at and we will try to- if we're able to circle back with a solution, we certainly will, but it is something that we will look at.

MS. STANLEY: It just might minimize the reconsideration idea, you know, because they won't have any other option, otherwise.

MS. ABERNATHY: There will be a lot of communication that we will have to provide to borrowers related to this. You know, and I think Alyssa said it best, we're confused. But I mean, this is financial aid, friends. I mean, how many times is there not confusion around some of the things that we do? So, we know that we will work toward the goal of clear, concise, conspicuous information providing the right steps for borrowers, making sure they understand when a reconsideration request is appropriate and needed, and when there is not a reconsideration request. If they are trying to prove qualifying employment previous, we know that will be a reconsideration request if they're unable to do it on, on a case-by-case basis. But I'm not sure what we'll be able to do to mitigate some of those concerns. But we know that they are our concerns as well. So, thank you.

MS. STANLEY: And the only other thing I wanted to say was I have helped people actually, that

have had that situation in a totally different situation from this. The nursing home they work for went for-profit instead of non-profit. And we were able to prove that they had that time and they got credit for that time. So, I'm just reassuring you with that, they do have a system in place. It was cumbersome to some extent, and maybe we can prevent that if we could somehow get into that help tool. But I have seen it work in the past.

MS. ABERNATHY: Thank you for sharing that. That's positive. That's a positive note. Thank you.

MS. WEISMAN: Over to Todd.

MR. JONES: Yeah, I wanted to wait until that conversation finished. I want to acknowledge dropping the former 30 for the state tort piece. That was helpful and I think appropriate.

MS. ABERNATHY: We haven't gotten there yet, Todd. We're going to get there, I promise.

MR. JONES: Just looking ahead.

MS. ABERNATHY: Thank you.

MS. WEISMAN: Laurel?

MS. TAYLOR: Just one more comment before I think you're going to comment on the caucus period. From a data perspective, what we see in the data is that 67% of PSLF-eligible employees, their first-time application is after 6.7 years working for their

employer, and the average forgiveness is \$76,000. So, I share that as we have a discussion about potentially moving to a caucus, about how to compartmentalize the damage that is done to the entity that has material, substantial illegal activity. Because even when it's clear and easy- and I think, Tamy, you mentioned this point yesterday of really encouraging borrowers to apply and not waiting ten years to apply, which I absolutely think is essential and mission critical, fully agree with, what we're seeing in the field in practice, is that 6.7 years is the time that employees work for their qualifying institution today, and it is largely two-fold an awareness issue. And, Tamy, you spoke about the communication and making conspicuous communication. It's communication, it's awareness, and it is an operational technology and experience issue in the ease in which employees- and there's been significant progress. What we're seeing is that it's complicated. And so, there are challenges. And Rebecca, you're speaking to really providing that guidance and hand-holding and the incredible services that you offer. But that 6.7 years was often accompanied with heavy coaching to help employees discover, select, and apply for these programs. So again, I hope I'm not being disruptive. As we're moving through these discussions, I think simplicity is

so important to achieve the desired effect that we've been called to problem solve for today while enabling for those who are going into public service, that we get them into the program and not penalize the whole or the bad actions of a unit somewhere.

MS. WEISMAN: Todd, is your card up from before? Okay. So, I think it's the time to talk about break and caucus. It is 10:11. Let's do caucus first because that might impact how you want to do the break. So, according to the protocols, the primary member can call for a caucus. That member would state the purpose and the expected amount of time that they think that they will need for the caucus, as well as which negotiators representing which constituencies would be invited to the caucus. During the caucus, the live stream stops. If the caucus is the entire group, then everybody else leaves. If the caucus is a subset of the committee, then we have smaller rooms where you'll be able to go. So, you can have one caucus and other people will hang out. You can have four different caucuses. Is it caucuses or cauci? I think it's caucuses. So, do I have any- and again, you're listing the expected duration, so that could go into the break if you wish. And some of that depends on whether you have everybody or a subset. So, do I have a primary member who would like to call for a

caucus? The other option is we could take a short break. And then after the break, if somebody would like to call for a caucus then, you might have a better sense over the break of who you would like to converse with. You'll have something to drink, maybe a snack, and all will be well. But first, we have a question from Bob.

MR. CAREY: How about we make it a 20 or 30-minute break, which would probably have the same effect as a caucus.

MS. WEISMAN: So, we're not able to do that, first of all, because we need to hear who all will be invited for the record. And I think we have some people who feel they need a break before they're ready to get there.

MR. CAREY: There's not a motion for caucus anyway, right?

MS. WEISMAN: Not at this time. So, when we come back from the break, if somebody at that time wants to call for a caucus, then we will do that. So, at this point, we will break until 10:25. Thank you all. Thank you all for coming back after our short break. I was hearing rumblings of an interest in a caucus. Is there any member who wanted to propose a caucus at this time? Betsy?

MS. MAYOTTE: I would like to propose

a caucus. All the non-Federal negotiators and their alternates, please. We need a half an hour. Have I checked all the boxes? Oh, the purpose is- I suppose I can't get away with talk about neg reg? No, the purpose is to discuss the issue that came up yesterday around organizations that share an EIN.

MS. ABERNATHY: Annmarie, how about 20 minutes?

MS. MAYOTTE: How about 24.5?

MS. ABERNATHY: How about 20 minutes?

MS. MAYOTTE: Twenty- we were going to ask for an hour.

MS. ABERNATHY: Twenty minutes?

MS. MAYOTTE: Half an hour?

MS. ABERNATHY: Twenty minutes.

MS. WEISMAN: Let's go with 25 to be-

MS. ABERNATHY: Let's go-

MS. WEISMAN: Let's go 25 minutes.

MS. ABERNATHY: Twenty-five minutes.

MS. WEISMAN: We will clear the room.

MS. ABERNATHY: If you have to have another caucus later, then we can discuss it. But 25 minutes. We really need to be mindful of the viewing public and keeping things moving. Yeah, 25 minutes.

MS. WEISMAN: Let's go with 25. And

the question is then, since you're doing all of the non-Federal negotiators and primaries, we assume that we will clear the rest of the room. Would you like me to be there to assist, to facilitate, or no? Okay.

MS. MAYOTTE: (inaudible) after lunch.

MS. WEISMAN: Directly after lunch.

Okay. Alyssa?

MS. DOBSON: There were a few other topics, too, which it's another reason that we asked for the longer time. We also wanted to talk about buyback and, and reinstatement or regaining eligibility. I would still like to have the half an hour, but those are additional topics that we'll be discussing as well.

MS. WEISMAN: Tamy, do you have a comment on the half an hour at this point?

MS. ABERNATHY: A half an hour.

MS. WEISMAN: Sold on a half an hour immediately following lunch, I'll reiterate that.

MS. ABERNATHY: But we have to come back from lunch and then officially start it, correct?

MS. WEISMAN: Yes.

MS. ABERNATHY: Okay. I'm just making sure for the order of service.

MS. WEISMAN: Yes. And that's kind of where I was going next. The production team in the back

does need to stay in the room. However, they will not be broadcasting anything. And they will also assist in coming to get me if you finish early. So, if you do finish that 30 minutes early and you've covered everything and you want people to come back, I can start to try to bring people back over and the live stream will start once I start speaking again after that. Tamy, do you have anything that you want to cover now? I don't see any cards up.

MS. ABERNATHY: Yes, ma'am. Thank you. Let me get my bearings about what I want to cover.

MS. WEISMAN: While you do that. I do have two proposals that came to me by email that I am going to send out right now.

MS. ABERNATHY: We are going to focus our attention on (g). I was supposed to say welcome back and acknowledge you and thank you for all your dedication and commitment. You know, all jokes aside, we do appreciate all of the conversation, all of the ways in which you are helping us promulgate rules and get to a good space. The reconsideration process for borrowers. I don't think we made any changes there. Michael, if you'd be able to share your screen for subsection (g) for us. So, while Michael's getting ready, we've discussed this several times yesterday and several times today as you

prepare for your caucus, some of the things that I want to remind you of. Our proposed standard for determining a qualifying employer that is engaged in a substantial illegal activity would impact the borrower's eligibility, and this determination is based solely on the qualifying employer's activities. So, the addition to paragraph (g) would limit the ability of borrowers to request the reconsideration. We've been talking about this in ways to mitigate that. That is what (g) is on the screen. That's not on the screen yet. But we've talked about it enough where I think- there we go, (g). So, we know that borrowers have a reconsideration process for other things, for all of the other ways in which they can request reconsideration. We are not proposing to allow them to have a reconsideration process for qualifying employer. As Jacob mentioned, that's between the qualifying employer and the Department. Okay. So, I don't know if there's any additional conversation on that. We can continue to talk about that, or I can move on to the other definitions that we had prior to yesterday switching, going to (c), (h), and (i). There were other definitions that we still needed to get to address, in subsection (b). Thoughts? Do you guys want to have an additional discussion on the reconsideration or are we okay to move on? Okay. So, we're going to shift gears to

subsection (b). And we are going to jump around to formally get through all of what is considered substantial illegal activity definitions. Okay? Making sure I have my notes in front of me. We have proposed- Michael, if you would share (b) (30) for me, which is substantial illegal activity. We proposed amendatory text to exclude an agency from becoming a qualifying employer when they participate in a substantial illegal purpose. So, there were issues related to Federal immigration, terrorism, chemical and surgical castration and mutilation in cases where it violates applicable law, engaging in illegal discrimination, and violating certain State tort laws. So, you can see on the screen, I promised you that we would talk about the proposals that you had and where we made changes. You will see, Tracy, your suggestion to us about the State tort laws in five. You had a little bit different of a recommendation for us, but in reviewing it, we decided to change that so what you see marked out and highlighted in yellow is a result of the proposals that we received. So aiding and abetting violations of 8 U.S.C. 1325 or other Federal immigration laws; supporting terrorism, including by facilitating funding to or the operations of cartels defined as foreign terrorist organizations consistent with 8 U.S.C. code 1189, or by engaging in violence for

the purposes of obstructing or influencing Federal government policy. Engaging in the chemical and surgical castration or mutilation of children, or the trafficking of children to states for purposes of emancipation from their lawful parents in violation of applicable law. Engaging in a pattern of aiding and abetting illegal discrimination or engaging in a pattern of violating State, State laws against trespassing, disorderly conduct, public nuisance, vandalism, and obstruction of highways. So, we've leveraged, where possible, the U.S. code. You see that U.S. Code in actual citation of our definitions. Please refer to the document with the links to the U.S. Code that we are using for further information on that U.S. Code. We're going to provide definitions now to the key terms. So substantial illegal purpose in 685.219(b)(30)(i), Federal Immigration Definitions. Michael, I think you're already there (b)(30)(i). The first clause establishes the term of aiding and or abetting violations of 8 U.S.C. 1325 or other Federal immigration laws. This would exclude an agency who participates in a substantial illegal activity and has met the standard as defined in this subsection, from being a qualifying employer. The term aiding and abetting in (b)(1) has its own definition. Under (i)-(b)(30)(i), we're defining the violation of aiding and

abetting that would warn a substantial illegal purpose. So, in (b) (1), at the top of (b), we, we define aiding and abetting. But for the purposes of establishing a substantial illegal purpose, we are defining the action, the violation of aiding and abetting, which is why it's a different code. So, section two-in our proposed definition of (b) (1), that's where we use 18 U.S.C. Code two, and that is section two of the Crimes and Criminal Procedures Act, which addresses the principles of aiding and abetting that are punishable. The principles of aiding and abetting are whoever commits an offense against the United States or aids, abets, counsels, commands, induces, or procures its commission, is punishable as a principal, and, (b), whoever willfully causes an act to be done which, if directly performed by him or another, would be an offense against the United States, is punishable as a principal. So, these two aiding and abetting there is already defined as punishable as a principal through the definition of aiding and abetting. So, A and B are these offenses of- or acts against the United States. The Department does not need to define the next part of the clause, Violations of 8 U.S.C. 1325, because it is a direct statutory reference to the Immigration and Nationality Act. Section 1325 outlines existing penalties for aliens

who enter or attempt to enter the United States illegally by false misrepresentation, concealment of material fact, eluding, examination, or inspection by an immigration officer, marriage fraud, or fraud related to entrepreneurship. So, this part of the definition already outlines existing penalties. Let us consider the final part of the clause in (b)(30) romanette, other Federal immigration laws. So, Michael is going to share (b)(17) at this point. We propose to define other Federal immigration laws under (b)(17) as any violation of the Immigration and Nationality Act, 8 U.S.C. code 1105, 1105 et seq. Et seq means and the following. In parentheses, you will see a technical reference to the Immigration and Nationality Act. The Immigration and Nationality Act is a comprehensive U.S. Federal Law that governs immigration, nationality, naturalization. Because the phrase other immigration laws are broad. We believe that using the words any violation of the Immigration and Nationality Act is the most appropriate definition. Again, these terms we propose to define are using definitions that are already in code that already carry what the penalties are. We do not have to define those. At this point, we would like to make sure that you provide us any kind of discussion on the best reference available for the Immigration and Nationality Act, because the first clause

in which aiding and abetting under 8, 1325 or other Federal immigration laws establishes one activity under substantial illegal purpose, and that would make an organization eligible for PSLF, an unqualifying employer. So, Annmarie, we can turn it over to you at this point in time to discuss romanette one, aiding and abetting violations under 8 U.S.C. 1325 or other Federal immigration laws under (b) (17). Thank you.

MS. WEISMAN: We'll start with Bob and then go to Todd.

MR. CAREY: So, in general, my concern is that we have too many definitions and that we have too much cross-referencing when it doesn't appear we need to do that. In general, I would say on (b) (1), aiding or abetting has the same meaning as defined under 18 U.S.C. 2. That is only for a crime against the United States. So, by using the definition of aiding and abetting of-meaning, 18 U.S.C. 2, anywhere else we use aiding and abetting, it can only be for a crime against the United States. It can't be for a crime against someone else or an individual or another organization. And I don't know if you necessarily want to limit yourself that badly. But right now, that's how I would read it. And then we were down in 30, so if we're going to say or other Federal immigration laws, but we define other Federal immigration

laws as the Immigration and Nationality Act, well, why not just put that in there and then you can get rid of the definition of other Federal immigration laws because it makes it section 30 sub 1 makes it look far too broad, when in fact, you can just put in that and you can get rid of the other one. Same thing with subsection 30 sub 4, aiding or abetting illegal discrimination. Now, this is an area where the underlying definition is, I think, too broad. Because means a violation of any Federal discrimination law, including, but not limited to. Who knows what a court will determine to be discriminatory? And, and again, I worry that for military and veteran students, someone will say, oh, the fact that you don't let someone enlist after the age of 42 because they can't get 20 years of military service before they get out, that's discriminatory. And now the United States military is no longer a qualifying employer. I worry in general that you have too many cross-references to definitions and some of those definitions are overly broad, and you need to be more prescriptive as to what that means.

MS. WEISMAN: Todd?

MR. JONES: I'm going to wait for the Department to comment on those comments before I comment. I just had one simple inquiry. Can you put 30 back up on the screen? Substantial legal purpose. It's just a

technical question. I'm not sure you need the comma after laws, and it makes it confusing draftsmanship. That's all. I'll wait on my comments on the other pieces.

MS. WEISMAN: Jacob, did you want to comment first on what was already- or Tamy?

MS. ABERNATHY: We can fix the technical correction on 30. Thanks for pointing that out. I think it was just a carry forward when we edited. Thank you.

MR. LALLO: Thanks. This is the point of negotiated rulemaking. Fixing typos as a group. Yeah, Bob, I think just to respond to your comment, I think within aiding and abetting, I think it's the appropriate use of the definition for the purposes of 30 small romanette (i), when we're talking about the Immigration and Nationality Act, we're talking about a crime against the United States. So, I think it is appropriate to reference it there. You may have a point regarding its usage in legal discrimination, but I think it still fits within the definition, given that we are talking about Federal Law and I think adopting that definition is appropriate there. Broadly, I just want to respond to the overarching point about cross-referencing. The reason we took that approach is we don't want to be making new law or taking the appearance of making new law. We want to

adopt as many definitions that are already in Federal Law as possible. We want to be very conscious of what we are and aren't adding to regulation, and where we don't have to break new ground, we don't want to.

MS. WEISMAN: Tamy, did you have something else? Okay, then we'll go over to Sarah.

MS. DORAN: I just had a quick question and a comment about 30 substantial legal purpose. My general question is I'm just curious, what's the Department's reasoning on these specific illegal criminal acts when there are so many criminal and illegal acts that could occur or happen that could potentially disqualify an employer? And why are these the specific five that have been outlined to be disqualifiers? Thank you.

MS. ABERNATHY: Annmarie?

MS. WEISMAN: You want to respond?

MS. ABERNATHY: Yes. As you'll recall, Mr. Jeff talked about the executive order yesterday and went over what was articulated in that executive order. These are the very provisions that created a substantial illegal purpose from that executive order. So, the reason we are patterning our regulations after that under the Secretary's authority is because those are the very things that were already addressed as a substantial

illegal purpose. And we want to restore Public Service Loan Forgiveness in that manner.

MR. ANDRADE: And to clarify, these were identified and so we have adopted ones that were identified in there, it's not a cross-reference to the executive order. We're adopting the activities identified in the executive order.

MS. WEISMAN: Did you need to respond to that?

MR. LALLO: Just following on to that. You know as we discussed our ability to promulgate rules and engage in this is separate and apart from the executive order. The president, in his capacity as chief executive officer, is tasked with upholding the laws. And these are the ones that have been identified as, you know, high-risk currently. We have taken that as a policy consideration in our capacity as subordinates within the executive branch, are carrying that out. But we are still doing that within the realm of our remand to administer the Public Service Loan Forgiveness program and carry out rulemaking separately to provide the regulations necessary to do that. So, there are some small differences from the executive order to ensure that we carry it out effectively and in accordance with the HEA.

MS. WEISMAN: Next, over to Faisal.

MR. SULMAN: Thank you. One, I applaud the consistency of at least using the definitions and make sure they're referenced properly, despite any grammar issues. We have that happen. But in subsection five here, when you said engaging in a pattern of violating State laws, and I saw that you also made the change in subpart 34, eliminating court laws there, just changing to State. But how is the Department reconciling the differences of the different states and their own-like Virginia, they operate on the Commonwealth and they have a different set of laws, you know, defining what it means to trespass versus North Carolina, how is the Department reconciling these differences across state lines that operate on different like, subcategories of what it means to be State Law in these five things?

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

MR. LALLO: Yeah. So, you know, I made that point earlier about where we've cross-referenced. There's a reason we don't cross-reference to State law. There's a lot of them. We want to basically preserve some degree of flexibility there. We're aware that those laws are different. That's why we chose phrases that are basically baked into the common law and have analogs across the board. But moreover, this kind of goes back to

that substantial or the materiality qualifier. You know, as you said, some states have different laws. They may have a tighter or looser standard. And we don't want to knock organizations out who are just technically non-compliant or have gotten in trouble for something very minor that we think can be remedied. And again, that might not be legal in one state but is in another. We need to take all that stuff into consideration. So, I think that's addressed in the materiality qualifier. And frankly, we just don't have a good way to handle it in precisely in regulation.

MS. WEISMAN: Jeff, did you have something? Then we'll go next to April over here.

MS. BOYD: I'm just curious because we do Clery Reporting, which is campus crime, and I'm curious if that is going to be reviewed as part of this process, so schools could lose their eligibility if they do have a little bit of campus crime, because sometimes you can't control the parameters around you. So that's my curiosity.

MS. WEISMAN: Tamy?

MS. ABERNATHY: April, that is a complete and separate process, not associated with this. So, the answer would be no.

MS. BOYD: (inaudible) and the school

staff.

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

MR. LALLO: April, that's a separate issue. We're talking about Title IV participation at that point, not participation in PSLF. That's not affecting their status as a qualifying employer. While it definitely would have an impact on the students and their staff, it definitely would not involve the qualifying employer for the purposes of PSLF, because clarity is not tied in with that.

MS. BOYD: Right. But if they have to report a public nuisance, right, following the State Laws, wouldn't that essentially flow into that? That's my curiosity. I mean, if it doesn't, then it doesn't. However, speaking on the campus crime and I actually have a hand in that, that just caused me a little concern.

MR. LALLO: I mean, reporting a public nuisance is one thing, but reporting public nuisance that has occurred on a campus is different than a public nuisance against violations by the organization itself. So, if a college is actually being charged with violating state public nuisance laws, that's again, a very different circumstance than just campus crime reporting. Those aren't going to count against a college or

university. It does have to be reported under Clery for the purposes of Title IV, but it wouldn't, for this, trigger a loss of qualifying employer status.

MS. WEISMAN: Emeka?

MR. OGUH: Yeah, I guess a clarifying question just building upon with Faisal and April discussed. So, by saying that an employer violates State Laws as opposed to State Tort Laws, is that casting a potentially wider and harsher net than just citing State Tort Laws? I guess it's just more my understanding because, obviously it feels like we were more focused on civil behavior with State Tort. But does tort fall within State Laws, like are we seeing tort now, plus expanding to other broad areas, if that makes sense?

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

MR. LALLO: Yeah. So, part of what we took back and the reason we knocked tort out is we really want to remove any ambiguity there. Some states classify violations of laws like public nuisance or they use the term tort within their code even to refer to criminal law. And because that can be a little convoluted and confusing, that's why we knocked out the references to tort. We want to make it very clear that we're talking about violations of State Law, not a neighbor suing

another neighbor for making too much noise.

MR. OGUH: So civil law is not-

MR. LALLO: Civil Law can come into play for the purposes of discussing settlement agreements and if it would otherwise fit within a substantial legal purpose. But for the purposes of 30 small romanette five, we're very specifically talking about state criminal law. So, we wanted to remove it from that, to clarify that it's those enumerated common law offenses that we're talking about.

MR. OGUH: Okay. So, I guess- is it bigger than it was yesterday? As far as tort (inaudible)?

MR. LALLO: No, it's tighter. It's tighter. We're restricting functionally, we don't think we really changed anything in the sense that we're really just making a definitional change, but we wanted to make sure that it appears or it clearly is restricted to a very narrow universe.

MS. WEISMAN: Over to Abby.

MS. SHAFROTH: Thank you. I want to follow up on this point about the new language on State laws. First, Jacob, if I'm hearing you correctly, you're saying no, in fact, you want to limit on only to violations of State Criminal Law? Is that correct, what you just said?

MR. LALLO: I think in this regard, yeah. Jeff, correct me if I'm wrong. Okay. Just wanted to make sure. Yeah. We are restricting to just criminal law here. We also struck the definition we had added at 34 for violation of State Tort Law, because we really do just want it to be narrowly defined to these five issues or six. We don't really feel the need to go beyond that. And yeah, we didn't want any confusion that we're talking about civil law in this regard.

MS. SHAFROTH: Okay. Thank you. So, I would suggest that if your intent is for it to only apply to State Criminal Law, that you say that in the regulation as written. It doesn't, and so it could certainly be interpreted to apply to, to non-criminal laws regarding public nuisance, disorderly conduct, etc. So that's a small recommendation. I also wanted to respond to the suggestion that the new amendments have made the language tighter and more limiting on the types of conduct that the Department would penalize. I'm concerned that by striking the definition of violation of State Tort Laws, which previously defined it as only final non-default judgments, you've eliminated that. So the new language could capture much more conduct, because it is not just what a court has found to be a violation of State Law, but it is anything that the Department, in

its discretion, determines is a violation of State Law under the revised version of the language, which is much broader and gives the Department new authority to adjudicate issues of State Law. That is something that the Department has really shied away from in the past. The Borrower Defense context, for example, the Department was very against any definitions that would require it to adjudicate State Laws and said that it didn't have that capability to adjudicate State Law. So, I'm concerned about this change.

MR. LALLO: So, we'll take that under consideration. I don't think there's any interest on the Department's side to enforce State Law. It's a separation of powers issue, for one. And two, it, frankly, is beyond our purview to get involved at that level. I think the intent is very clear that these are cases that have been adjudicated by a state court and they have found evidence enough to support a conviction or liability in some capacity. We're not going to be going in and determining that somebody has violated a state trespassing law. So, I think we can definitely consider how we want to adjust the language there.

MS. WEISMAN: Speaking of language, I just want to call to your attention that I sent three emails to you just a short time ago at 10:34, 10:36, and

10:44, with some new language from some of your colleagues around the table. If you haven't seen that yet, I just wanted to call that to your attention. Next, we'll go over to Faisal.

MR. SULMAN: Thank you. So, two really quick questions. First one, hypothetical. Say, for example, you have a public institution, and they allow their students to operate, have their First Amendment right to gather protests and whatnot, and everyone's doing it peacefully. And some persons bring suit against the university. And again, hypothetical, the university is found to be complicit in disorderly conduct. And those protests, even though they were civil, in the case they were charged with that. Would everyone at that university lose then access to be ineligible to the Public Service Loan Forgiveness, one?

MS. WEISMAN: Did you want to respond?

MR. LALLO: Yeah, I do. So, that would still fall under- it's a final judgment against the university in some capacity. Yeah, the university itself would lose access to PSLF or whatever the organization that controls it would. Because it's still been adjudicated to have been involved in that conduct. You know, regardless of whether or not it was a broadly peaceful activity, the fact that there has been either

some kind of criminal determination made against the university of guilt or, they've otherwise entered into a settlement agreement. Yeah. There would still be something there. But, you know, that's where we built in that language about a pattern. And then again, we had the materiality qualifier. It has to rise to a certain level for us to get involved with it. If it's an incidental or technical finding against the university in this hypothetical, there shouldn't be an issue. Again, we don't want to enforce unnecessarily. This is not meant to be a bludgeon. It's meant to basically curb bad behavior. So again, we don't want to punish organizations that are only technically involved with something. We are looking for patterns of bad behavior. Particularly when we were talking about State Tort Law and severe or material conduct. So, I think in that hypothetical, assuming the university is really only technically involved in some capacity, they probably are fine. But if there is the- I think depending on how it's constructed, if they are found liable or guilty, if we're talking about criminal conduct, there is some degree of materiality. And we do still have to consider how that works in.

MR. SULMAN: So, just following up on that. Okay, so with like the massive school protests that happened in the last several years regarding the

Palestine issue, obviously not to speculate or anything. So, if we're going down this route, I kind of foresee this as a slippery slope of like universities, such as University of North Carolina, Chapel Hill or any of the major universities that allowed these protests to happen to be disqualified from Public Service Loan Forgiveness.

MR. LALLO: Yeah. So, you know, I see your point there. I think it's well taken. We again, are not in any way interested in curbing free speech rights. We discussed that yesterday a little bit. Organizations who are exercising their free speech rights peaceably and in connection with their First Amendment rights to do so, that's fine. I think what we're talking about here, and in particular with five, is engaging in patterns of violations of State Law. And I can't think of a case with those universities where they were charged or directly found criminally responsible for any violations of State Tort Law in those cases. So, I don't really see that hypothetical applying to this situation precisely. Certainly, individual people were charged with things, but again, those aren't the employer themselves. And unless the employer was directing that conduct, they're not going to be included within that.

MR. SULMAN: And just a very small second question just regarding the preponderance of the

evidence like standard. And typically, that's usually seen in like civil cases of sorts. But if we're limiting the language in subsection five to the only State Criminal Law, shouldn't the burden of proof be lifted higher to beyond a reasonable doubt?

MR. LALLO: So, I don't think that's necessary for us, because beyond a reasonable doubt is already implied by that. If they've been found guilty in a criminal setting, that beyond the reasonable doubt standard has already been applied by a State court. We're applying the preponderance of evidence standard as a separate thing on top of that, and we're just taking that into account. Also, I want to make the clarification, because I think we're possibly getting a little lost with the details of when it's the conduct of an employer versus the conduct of students or employees. In general, institutions are not vicariously liable for the actions of non-employees such as students, and they may not even be vicariously liable for the actions of an employee, assuming those actions are not sanctioned or known by the employer. So, this is not a situation where a student at a university goes out and throws a rock at a protest and the entire university loses its ability to participate in PSLF. This is a completely separate issue. We're just looking at the conduct of the organization itself.

MS. WEISMAN: Tamy, did you want to respond to that, or should we go over to Abby next?

MS. ABERNATHY: No, I do want to respond to something. We have not made it through our changes in subsection (h). But I did want to point out something that we added in the standard because it's important here. Nothing in this subsection will be construed to authorize the Secretary to determine an employer has a substantial illegal purpose based upon the employer or its employees exercising their First Amendment protected rights. So, we have seen where we wanted to strengthen this standard to make sure that First Amendment rights were protected for both the employee and the employer. So, I believe, Faisal, that may help alleviate some of the hypothetical concerns you shared with us. Thank you.

MS. WEISMAN: Okay. Let's go over to Abby.

MS. SHAFROTH: So, I share Faisal's concerns, and my concerns are not alleviated by what Tamy has just shared. We have real-world examples of universities being targeted and penalized by the Federal Government right now for the conduct of their students. Just yesterday, it was reported widely in the news that the current Federal Administration is going after Harvard

University and treating them as in violation of Federal Anti-Discrimination Law based on student protests regarding Gaza and the university's attempts to deal with those protests and to provide an educational environment for all of their students. Under the proposed language that we've seen today, the Secretary could also use this new power as additional leverage to attempt to coerce Harvard University to adopt the various settlement conditions that the Trump Administration is proposing for that university, including new conditions that would require university to change how it hires and admits students to create political diversity and viewpoint diversity as espoused by the administration. So, I think we just need to address the elephant in the room here that this language is not really about protecting the Public Service Loan forgiveness program, but what this language would actually do is provide the Federal Government with increased leverage to coerce universities, other nonprofit 501(c)(3), and state and local governments to fall into line with its political goals and desires. And that, the language has written, does not require findings by any impartial courts, Federal judges of illegal conduct. It allows the Secretary to make those own determinations administratively.

MS. WEISMAN: Jeff.

MR. JONES: Well, that's just not true on about 20 different levels. But let's start off with the general prospect of whether or not institutions are liable for the actions of their non-students. And that's a pretty well-known concept within case law that they're not. Now, what you're talking about is the Department's enforcement of Title VI of the Civil Rights Act. And that's an entirely different concept. And the actions that we are taking are in compliance. And we're exercising every right to make sure that institutions are not discriminating against students that are not violating Title VI. So, you're conflating two concepts. These proposed regulations throughout rely on the decisions primarily or use as conclusive evidence of decisions of other third-party fact finders. And that is a principle throughout. And in no instance do we have a situation where the Secretary is making decisions and doing findings of facts out of whole cloth. So, I would take exception, and I would take strong exception to your motive, because institutions like Harvard are a blip within the eligible students that are receiving benefits under PSLF. And these regulations are looking at the program in whole and not looking at any university in particular.

MS. WEISMAN: Tommy?

MR. AIELLO: Can I just follow up with one thing? You said- I was going to ask that question, but I put my card down. But just to clarify, the report that the Department put out yesterday, they allege that Harvard did these things. Harvard can say, no, we didn't do those things. Would they be forced or would they still have to check the box that they're engaging in illegal activities, even though they did not- weren't convicted by a court or any other things? Just because the Department said so.

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

MR. LALLO: I don't think they would necessarily have to self-identify unless they believe that they fit within one of those buckets. Otherwise, I mean, obviously, it would be something that we would identify for them at some point, if it came up in an investigation or was otherwise identified to us because it came to our attention through a court filing or through the IRS or something similar. You know, we generally I think would like organizations to self-identify when they're violating laws because we would like this to be something that, we can work through with them. You know, we've established that corrective action

plan process. We want to be able to work with organizations and not push them out of PSLF. We don't want to hurt borrowers if we can make positive changes to the structure of a organization or an employer writ large. However, we are realistic that people will not always self-identify, sometimes accidentally and sometimes through concealing it. And so, I think we need to be realistic that an organization may sincerely believe that they are not violating a law at that point. And then later on a determination will be made that they are by looking at the pieces of evidence that we've outlined here. But I don't think that if it's a sincere belief that we're going to penalize them for not checking a box.

MS. WEISMAN: Tommy, do you have a follow-up?

MR. AIELLO: Yeah, just a follow-up. So, if this report had come out next year, say, July 2nd of 2026, after the regulation is finalized, Harvard says they didn't do this, you say that they did do this, and they're in violation of substantial illegal activities. How quickly would the Department have to say you're out of compliance? Because I think my concern is if Harvard says no or any institution says no, we're not breaking the law. The Department says, maybe you are breaking the

law. You are breaking the law. But there's no judicial process to determine that is the case how quickly is that resolved? And two, would borrowers be stuck in a limbo where they don't know if their payments are qualifying?

MS. WEISMAN: Jacob, would you like to respond?

MR. LALLO: Yeah. So, I think in the general thing I think hypotheticals are important, but we don't really want to address any pending issue before the Department right now. You know, obviously there's a lot of moving pieces, and we don't want to comment on anything that we're not positioned to comment on. But I think it's going to depend, right? That stuff is not always going to come to light immediately. It's possible. Like I said, we may get flagged by something by the IRS. There may be a court case that we're watching that's particularly interesting to us or has become notable. I think that's very common within Title IV writ large, which is obviously distinct from PSLF. But the things that flag an issue for us can come from reports made by students. It can come from interested parties. It can come from an institution itself, or it can come from, news stories that get flagged and then it flags OIG's interest to go look at something. I think the analogy with that- within PSLF, and with this most clearly is

that we don't necessarily know. Again, we would like organizations to self-report so that we can work with them to fix an issue. But again, we're realistic that, that might not always happen. And so, it's hard to nail down an exact timeline for when we would be finding issues and you know how we're going to handle them. It's going to be very much on a case-by-case basis.

MS. WEISMAN: I see no other cards. Tamy, I'll turn it back to you. While you're doing that, though, one quick announcement. I did send another message to your email, negotiators, with language at 11:12. That was the last one that I sent.

MS. ABERNATHY: Thank you. Annmarie, I would like to mention that we are more than likely unable to get to review those proposals until after negotiations conclude today, so that we can give it the attention that it deserves. We'll do our best. We will try during your caucus to look at some of these things. But I don't want to promise we'll be able to look at all of them until after negotiations conclude today. But we'll do our best just to kind of level set expectations. So, we're going to dive into the second clause of the proposed definition for substantial illegal purpose. And my colleague will share subsection (b)(30)(ii), proposed paragraph that says- and while he's pulling it up, I'll go ahead and

start reading. Supporting terrorism, including by facilitating funding to, or the operations of cartels designed as foreign terrorist organizations consistent with 8 U.S.C. 1189, or by engaging in violence for the purposes of obstructing or influences government policy. We propose cross-referencing to a preexisting Federal definition of terrorism found in Title 18 of U.S. Code, section 2331. And you will see that under section 2331, terrorism includes acts of international or domestic terrorism and involves violent acts or acts dangerous to human life that are illegal and appear to be intended to intimidate, coerce the civil populations, or the government. The second part of the proposed clause, which generally states that employers cannot support foreign terrorist organizations in (b)(10). I'm sorry, that other part was (b)(32). Forgive me for not jumping there. The US Code 2331 was (b)(32). Now we're going to go to (b)(10) that states the definition of foreign terrorist organizations, and that means organizations that are published on the list under paragraph (a)(2)(A)(ii) under the Immigration and Nationality Act of 8 U.S.C. Code 1189. The list is published by the US Department of State. As of June 2025, prior to these negotiations, there were over 70 entities that are considered foreign terrorist organizations. We seek to utilize this

preexisting definition to ensure that we are aligned across Federal agencies and believe we found it here. We're going to go to the last part of the proposed clause, which is violence, for the purpose of obstructing or influencing Federal Government policy in (b)(35), if Michael would navigate there. Thank you. Violating any part of 18 U.S. Code 1501 et seq., by committing a crime of violence as defined under 18 U.S. Code 16. And remember that et seq just means and the following. Here we tried to find an appropriate cross-reference to violence in Federal statute. And we found crime of violence within 18 U.S.C. Code 16. In the interest of time, we will not be reading through the entire definition. But remember, negotiators, that you have the links to the statutory text for the cross references for which we have put into each one of these definitions. In general, a crime of violence involves attempted, threatened, or physical force against a person or property of another. Secondly, committing that offense would have to violate any of the obstructions of justice as provided in Title 18 of the U.S. Code. Again, in the interest of time, we will not be reading through the entire definition and scope of obstruction of justice, and I refer you again to those links. Obstruction of justice could include obstruction of court orders,

criminal investigations, or obstruction of a Federal audit. At this point, we invite the committee to share their thoughts on these existing statutory references to terrorism, foreign terrorist organizations, crime of violence, and obstruction of justice, in defining violence and, if needed, suggest a more appropriate statutory definition. Annmarie?

MS. WEISMAN: First up, we have Bob.

MR. CAREY: So, 18 U.S.C. 1501 only is about process servers. It's assault on process servers. So, I don't know if that's sufficient. And then 18 U.S.C. 16, is this a generic one about crimes of violence. I'm not trying to say don't get rid of violence but violence for trying to disrupt or influence Federal Government processes, but I don't think these are sufficiently detailed. And I think you also need to define disrupt or disruptor influence Federal Government policy.

MR. LALLO: Annmarie?

MS. WEISMAN: Jacob?

MR. LALLO: So in regard to the first point, 1501 et sequence, 1501 is assault on process servers. The entire chapter describes obstruction of justice and other crimes. So, I think that we do need that broad definition there. And 16, again, we were just trying to define crimes of violence. So, we want, again,

that broad definition because, again, we recognize that violence takes different forms. And there are many different criminal statutes related to that. We don't want to tie ourselves to one in particular, because that would be both restrictive for us, but also reductive as to the harms that might be carried out by an organization.

MS. WEISMAN: Bob, did you have a follow-up?

MR. CAREY: I don't know how the rest of the committee feels, but in general, being the agent of violence legally, in my past life, I think most military students would be deeply concerned with the Federal Government giving itself more power to determine what is and is not substantially illegal activity, and that it should be prescribed more. For most of the military and veteran students I know, they fear more unlimited Federal power.

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

MR. LALLO: Yeah, Bob, your point is well taken. But I think in regard to the military, we're talking- the UCMJ is a completely separate thing from the United States Code in this regard. We're talking about crimes of violence committed under the guise of the US

code. So, while I understand your point, and you know how that could be a valid concern for the military, I don't think that we're directly concerned about how that would apply in this case.

MS. WEISMAN: Jacob, did you want to expand?

MR. LALLO: Yeah, I wanted to actually just make a general point. So, I know that a couple of specific cases have been brought up today. You know, we're very okay with exploring hypotheticals, but the law is very clear. There's a Supreme Court case in the matter that we can't comment on any pending or potential adjudicatory matter before the Department. So, I want to just level set and say that we are not going to discuss any particular case and the facts of that case or anything related to it. We appreciate hypotheticals and, you know, people raising very valid points about how certain things could interplay in terms of actions with free speech issues and stuff like that. And we want to be very cognizant of those concerns and hear you out on them. But we also have to respect the due process of anyone who's got a pending matter before us. So, we got to be careful there. Thanks.

MS. WEISMAN: Abby?

MS. SHAFROTH: Thank you. I wanted to

raise, on behalf of the legal aid constituents, that a number of legal aid organizations that we spoke with since this proposal was released raised concerns about the potential for legal aid and other legal organizations that represent people who are accused of crimes that may represent people in immigration-related proceedings, may represent people who have been accused of being gang members. And now many of these domestic gangs have recently been added to the terrorism list that they could inadvertently or perhaps not inadvertently, but that these new restrictions could mean that those sorts of attorneys, legal aid attorneys, could feel chilled in that they're no longer able to represent people in these sorts of legal proceedings despite right to counsel out of fear that the Department might deem their work as work supporting terrorism or work aiding and abetting unlawful entry or unlawful immigration. I realize that the Department has said during this rulemaking that is not its intention, that it intends to only apply these restrictions to organizations if they have been found guilty of violating these laws or have admitted in a settlement agreement to violating these laws. But the language currently in section (h), by my read, doesn't limit in it in that way. So, I know we'll return hopefully to section (h) later. I would like to hear more

from the Department about how it can assure legal aid organizations and others that these public servants won't be at risk of losing their public service eligibility on the basis of doing work legal work.

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

MR. LALLO: Yeah, I do. You know, there is a general and longstanding precedent that representing individuals in courts and other legal contexts is considered legal under the law. You are not your clients and you are not directly tied to them. That being said, violation of immigration law as a broader concept, if there are activities that attorneys take on behalf of or their clients, or in connection with their clients that violate those laws separate and apart from their representative capacity, that would possibly cause them to lose qualifying employer status. That being said, simply representing people who have violated a particular Federal Law would never cause somebody to lose their status because they're operating in a representative capacity in a criminal procedure. And that is a right that has been well protected by the Supreme Court. I know we got into it briefly with the issue of teachers and doctors yesterday. Those rights have been enumerated in either Federal statute or in court. And, you know, I

think both the case law and professional ethics dictated to lawyers establishes where that representation ends and where criminal activity begins. And as you know as well as I do, that while we are given a lot of power to work on behalf of our clients, we're never given the power to act or commit crimes on their behalf or involve ourselves in criminal activity. And there are very clear delineations that have been made by that, by each state bar association in regard to their professional responsibility standards and in the courts.

MS. WEISMAN: Abby, did you have any follow-up?

MS. SHAFROTH: I think my main follow-up is although there's certainly, I agree, lots of good court precedent limiting liability or criminal liability for teaching, for lawyering, for providing medical services to immigrant families or to people accused of crimes, that the current language still provides a lot of discretion to the Secretary to make her own independent determinations without it having to be adjudicated in a court of law and subject to all of the case law that you've spoken about. And so, to the extent that we are not requiring a legal finding in a court of law of a violation, that I still think that many organizations are concerned and that there could be a chilling effect on

entering these sorts of public service fields that are really important to our communities.

MS. WEISMAN: Laurel?

MS. TAYLOR: I just wanted to quickly, from a public interest perspective, represent- I have a long email in front of me which I promised I will not read out. Bob, it actually is a kind of double click into some of the concerns that you expressed. I had a conversation on Friday with a constituent and for military medical providers who are both physicians and dentists. The concern that was raised in the event that PSLF status is potentially threatened, that from a business perspective of deploying soldiers that the medical providers, dental providers are critical in assuming readiness to be deployed. So just Jacob, I think you've provided great assurance to the concern that Bob expressed from a constituent perspective of the employer as an agency. The downstream implication for potentially losing that status could mean the inability to deploy soldiers in the speed and pace in which is expected today of the military.

MS. WEISMAN: I see no other cards at this point. Tamy, do you want to move along to a new topic or are you still thinking?

MS. ABERNATHY: I'm good, we'll move

on. I'm always thinking, though. So, we would like to focus our attention on section 685 219 (b) (30) (iii), defining child children, chemical and surgical castration and trafficking. Michael, would you please share the screen for (b) (30) (iii)? This is the third clause of the proposed definition for substantial illegal purpose. And I'll just start when Michael- there it is. An organization that engages in chemical and surgical castration or mutilation of children, or the trafficking of children for purposes of emancipation from their lawful parents in violation of applicable law, are not qualifying employers. Continuing with the theme of breaking down each clause, let's discuss what we propose for the definition of child or children. We propose in our regulations under paragraph (b) (4), and Michael can jump all the way up to (b) (4) for us, that the term child or children means an individual or individuals under 19 years of age. Next, we'll ask Michael to go all the way down to (b) (3), and then we'll go to (b) (31) as we propose definitions for chemical castration or mutilation and surgical castration or mutilation. Chemical castration or mutilation found in proposed paragraph (b) (3) has the meaning of romanette one, the use of puberty blockers, including GnRH agonists, and other interventions to delay the onset or progression of

normally timed puberty in an individual who does not identify as his or her sex, and (ii), the use of sex hormones such as androgen blockers, estrogen, progesterone, or testosterone to align an individual's physical appearance with an identity that differs from his or her sex. Surgical castration or mutilation found in paragraph (b), subparagraph (b) (31, has the meaning, surgical procedures that attempt to transform an individual's physical appearance to align with an identity that differs from his or her sex, or that attempt to alter or remove an individual's sexual organs to minimize or destroy their natural biological functions. In the Department's research, we worked to find definitions that could inform these terms. We looked at other agency definitions. We looked at other executive orders, and we encourage the committee to share feedback during your discussion time on the most appropriate definitions. The third clause, under (b) (33) (iii), also includes the term trafficking. We propose to define trafficking as transporting a child or children, as defined in this subsection, from their state or legal residence to another state, without permission or legal consent from the parent or legal guardian for the purposes of emancipation from their lawful parents or legal guardian in violation of applicable law. We opted

to use our own definition that was context-specific to prevent organizations that engage in the transportation of children for the purposes of emancipation from being a PSLF-qualifying employer. We now seek feedback on the breakdown of this entire clause. Annmarie?

MS. WEISMAN: Alyssa, and then Tommy.

MS. DOBSON: I know some language was just sent from my colleague Tracy over here, but we are wondering where 19 came from with regard to your definitions. And why not just the traditional 18-year-old?

MS. WEISMAN: Jacob, would you like to respond?

MR. LALLO: Yeah. The age of 19 is used throughout Federal Law. The Social Security Act uses it in several places. I know it's used in regard to visas in several places, and I believe the IRS uses it for anyone under 19, generally when defining a dependent. In some cases I know within Social Security they have exceptions that allow the state to define it and it can go up to 21. But we put a fixed age of 19 because that's the baseline that's typically used by SSA.

MS. WEISMAN: Helen?

MS. FAITH: To clarify, is that traditionally used by the IRS and SSN because a young

person can turn 19 during that calendar year, and so that's inclusive of the time before they turned 18?

MS. WEISMAN: Jacob, would you like to respond?

MR. LALLO: Yeah. I'm sorry. Can you repeat that? We were cross-talking.

FEMALE SPEAKER: I'm just trying to figure out the logic for using 19 in these other contexts. Right? Because in general, we all know the age of majority is 18. You can serve in the military at 18, you can vote at 18. You should be able to conduct yourself as an adult at 18. Right? So fundamentally, that's the principle. So, I'm curious as to when 19 is used in these other contexts, what is the purpose of that? And is it meant to reflect that during a calendar year somebody might be under- I don't know, I'm just trying to figure out why is that, and why are we choosing this particular number in this context? What's the resemblance between these two issues?

MR. LALLO: Okay. Yeah, that was helpful. So, I think it's a couple of different things. Right? You know, 19 is fixed in other parts of Federal Law. I agree that 18 is generally viewed as age majority, but some states don't treat it that way. In some, it's 19, some it's 21. But because it's fixed in Federal Law

for Social Security and the IRS at 19, for the purposes of consistency throughout, and again, as you mentioned, in recognizance of the position of somebody who's 18 is kind of ambiguous in some ways. You're finishing high school typically, you're still living with your parents, generally speaking. While you can certainly do things like join the military right at 18, it is still somewhat of a transitional period, and I think the SSA definition reflects that. Ultimately, that's a policy choice. But we fixed it at 19 because it's under 19. So, 18 is incorporated, the moment you turned 19, you're out basically. So, I understand that it seems to be like we just picked the number, but it's fixed in Federal Law, and we have to tie it to something. And we really just want to be as clear with that as possible.

MS. WEISMAN: Tamy?

MS. ABERNATHY: However, if there's proposed regulatory text you'd like us to take a look at, please feel free to circulate that.

MS. WEISMAN: I believe that already went out this morning.

MS. ABERNATHY: If you have any additional proposed regulatory texts, please feel free to circulate that.

MS. WEISMAN: Thank you. I see no more

cards at the moment. Oh, I'm sorry, Abby.

MS. SHAFROTH: I was just hoping that the Department could clarify under this provision whether they would consider it to be a substantial legal purpose if a hospital or other medical group provides gender-affirming care to minors in a state where such care is lawful.

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

MR. ANDRADE: Sure will. I mean, I think at this point, because there are pending cases and with similar fact patterns, we're not going to opine on a hypothetical at that level.

MS. SHAFROTH: Okay. I'll rephrase then so it doesn't come across as a hypothetical. The provision has a little bit of sort of tricky punctuation to understand. So, I just want to make sure that I am reading the language correctly. The language says engaging in these medical practices or trafficking children in- and then comma, in violation of applicable law. So, I'm trying to understand if the in violation of applicable law applies to the first clause about engaging in certain medical treatments.

MS. WEISMAN: Jacob, would you like to respond?

MR. LALLO: Yeah, I just wanted to make sure we were clarifying intent because as you said, punctuation is tricky. Yeah, this would be in violation of State Law for both parts. So yeah, just wanted to make sure that we were correct across the board, but that is the intent so this would be based on the law of whatever state is applying it.

MS. SHAFROTH: Okay. So, in a state where it is not a violation of State Law to provide gender-affirming care to trans kids, it would not be determined by the Department to have a substantial legal purpose?

MR. LALLO: Yeah, that, that would not trigger that currently.

MR. ANDRADE: We'll go back and reconfirm that, but I believe that was the original structure of it, in terms of the comment that the comment was (inaudible) I mean, the applicable State Law was applying in both situations.

MS. WEISMAN: We're going to go next to Heather, on this side.

MS. BOUTELL: I just wanted to make a comment about the age 18 as an adult. I believe there are three exceptions across the country, Alabama and Nebraska have set the age of 19. Mississippi has set the age at

21. So, the far majority of the states in this country establish an 18-year-old is an adult. And it just concerns me, if we're going state by state with transgender issues, that we would state in states that deem 18 as a legal adult, that those 18-year-olds wouldn't be able to make decisions about their own sexual health.

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

MR. LALLO: Yeah. As we said, send us proposed regulatory language. We're happy to look at it. We were working again off of the SSA definition of adult. So, we're happy to consider other standards, but until those are defined by you, we've got to find something in Federal Law. So, thank you.

MS. WEISMAN: We're going to come over here next to Helen.

MS. FAITH: Thank you, Jacob, for clarifying where those references were found. In a quick search, it appears that when that reference to under 19 is used, it's used specifically to note students who are still in high school and being claimed as dependents, and students receiving Social Security, again, who are still in high school. So again, I would assert that 19 is not the appropriate age to be listed here.

MS. WEISMAN: Rebecca?

MS. STANLEY: I do have a question on number 31. I just want and I understand that this is probably not the intention of anyone, but it doesn't ever say anything in there about when medically necessary or a medical choice, say you have an elective surgery or a mastectomy, that's just a little concerning when I read that in case it's interpreted by someone else as not necessary, it could be an elective operation. I don't see anything on there about medical.

MS. ABERNATHY: I think those choices for that, and correct me if I'm wrong, Jake- we're not going to- let us just take that back, because before I start sticking my foot in my mouth, I want to make sure that I understand exactly what you're saying, because we do not speak to that here. And there could be numerous instances such as cancer and things of those nature. We certainly would not want to penalize anyone in a case where it is a decision, but it's a decision based on a medical condition that could warrant some, some slippery slope. So, let's take that back and we'll review that, and we'll come back with a much better position on that. Thank you for bringing that to our attention.

MS. STANLEY: A medical situation that may not have a diagnosis (inaudible)

MS. WEISMAN: Jacob, if you want to follow up on that. And then we're going to go over to Abby.

MR. LALLO: Yeah. As Tamy said, we're going to take it back and hammer out this part a little bit better and give you some clearer answers. But I think your concern is generally addressed by the language that says differs from his or her own sex in the definition. I understand you're concerned about, like, a mastectomy or whatever, but I don't think that is radically considered, in any way transitioning within the purpose of a medically necessary procedure or something that's done within, like cancer care. So, like Tamy said, we will take it back and talk this through a little bit and figure out a clearer answer for you. But I think we generally encapsulated that with that.

MS. WEISMAN: Over to Abby.

MS. SHAFROTH: I noticed that for most of these types of violations, the Department has sort of very intentionally cross-referenced to existing Federal definitions of the violations, but that doesn't appear to be the case for chemical and surgical castration or mutilation, which we're going to be asked to vote upon those definitions. So, I was wondering if this is the first time that those terms would be defined in Federal

Law through this rulemaking?

MS. WEISMAN: Jeff, did you want to respond?

MR. ANDRADE: Yeah, I mean we're aware that HHS and other agencies are also looking at this. And we work in conjunction with them.

MS. SHAFROTH: So, they're working on it, but they don't yet have a definition in Federal Law?

MR. ANDRADE: I think what you will see if they're the first out in (inaudible), I think what we're striving for is a consistent application across the agencies.

MS. SHAFROTH: Thank you. I would just reflect that I do not have medical expertise. I don't think that the folks assembled to be part of this rulemaking were assembled for their medical expertise. I think we're here with student loan expertise. And so, I would feel very uncomfortable setting a new legal definition for these medical terms.

MS. WEISMAN: I see no other cards. Does the Department feel they have enough feedback in this area?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: Okay.

MS. ABERNATHY: May I continue?

MS. WEISMAN: Please.

MS. ABERNATHY: Alright. If my colleague would put up (b) (12). So now that we've completed our third review of the clause, we're going to move into the fourth clause of the proposed definition of substantial illegal purpose. This part is engaging in a pattern of aiding and abetting illegal discrimination. We're only going to focus on one part of the clause, which is illegal discrimination, because we've already defined aiding and abetting earlier. Illegal discrimination is a violation of any Federal Anti-Discrimination Law, including, but not limited to, the Civil Rights Act of 1964, Americans with Disabilities Act, and the Age Discrimination in Employment Act of 1967. We iterate that this clause is in reference to Federal Anti-Discrimination Laws and not state Anti-Discrimination Laws. We reference several major Federal Anti-Discrimination Laws in the proposed regulatory text to further clarify the point. We believe that any employers that violate Federal Anti-Discrimination Laws would be excluded from consideration as an eligible employer for the purposes of defining PSLF eligibility. We seek your feedback if there is a more appropriate statutory definition that the Department may use for defining illegal discrimination. And if you do have

something like that, if you would please include a proposal with that proposed amendatory text so that we may consider that. We'll turn it over to Annmarie for discussion.

MS. WEISMAN: Abby, if we can get Abby a microphone. Thank you.

MS. SHAFROTH: Thank you. I mentioned before that I think we should be approaching this exercise with humility and recognition of what we do have expertise in and what we don't have expertise in. I think this discrimination point is an example of that. While the Department does have a lot of expertise in adjudicating and setting regulations regarding discrimination in education, it does not have that same expertise and authority regarding various other types of discrimination, including how best to enforce employment discrimination law. I think that this proposal here could actually have the effect of supporting discrimination and increasing the amount of employment discrimination in nonprofits in the public sector rather than reducing it by penalizing employees if their employer is found to engage in discrimination. If an employee who might be experiencing age discrimination, might be experiencing disability discrimination, gender discrimination knows that reporting that discrimination could result in a

finding that their employer is engaged in illegal discrimination and therefore loses PSLF eligibility, that employee themselves would be punished on the basis of their employer's discrimination. I think that's a very big issue in employment discrimination. I think it can be an issue in other types of discrimination as well, because the employees are often in the best position to identify and to alert authorities to illegal conduct, including discrimination by their employer. And if they know that they will be punished financially if their employer is found liable, then they're going to be much less likely to speak out or to serve as a whistleblower.

MS. WEISMAN: Jacob?

MR. LALLO: I think your point is well taken, and I think we do understand that there is the potential for some chilling effect there. But I think the same point could be made of anything that the employer does that's improper, not just under this statute or this regulation, rather, but writ large under the Criminal Code. If you know your employer is engaging in tax fraud and you report your employer for it, your employer is going to be fined and you might shut down. That inherently has the same chilling effect on reporting crimes committed by your employer in general. So, I think you're kind of asking us to prove a negative in this

case. You know if we can't enforce rules that prevent illegal discrimination because we're afraid that it will result in more discrimination because people might report the discrimination, the logic just becomes circular. And there's really no way for us to step in and enforce.

MS. WEISMAN: Abby, did you have a follow-up?

MS. SHAFROTH: Yeah, I think that sort of overstates the arguments. There are lots of ways that governments can enforce their laws that do not rely upon the penalty being a loss of employee benefits. And that's what this is all about. It is about attempting to enforce laws unrelated to the student loan program by threatening that employees will lose benefits as a result. It's not about doing something surgical and targeted, addressed to the wrongdoer and requiring the wrongdoer to take accountability. The punishment here is directly on the employees. That's different from other ways that Federal Law is enforced where there could be incidental effects on the employees, but here it's actually directly targeting employees.

MS. WEISMAN: Emeka?

MR. OGUH: Yeah, just to piggyback off of what Abby is saying. I know we're not using hypotheticals, but just looking here. There was a

settlement in Prince George's County a few years ago brought by officers of color who alleged racial discrimination. After a two and a half year battle, \$17 million settlement taxpayer dollars. Now, in this case, they didn't say that they were guilty, right? So, I guess it (inaudible). But let's just say they did, right? Because of this police department, the entire PG County would be ineligible. So that police officer may say, hey, I have a spouse or I have a family member, another part of PG County, because I'm not eligible for loan forgiveness because I would basically decimate the entire county by bringing this forward, I'm just not going to. And so, I do think that this is an example, again, in this case, the settlement did not result in an admission of guilt. But if it did, let's just say there was a beating or some sort where they did find guilty, like the entire county would essentially not- and so they may be reluctant to bring that in. So I do think this is an example of that. Thank you.

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

MR. LALLO: Yeah, I think the point again, it's well taken. I think this falls within the broader discussion of segmenting out certain employers and different parts of things. And we're going to review

that language at lunch that you all have submitted about that- or whenever it's submitted. But I think that broadly falls within that larger discussion rather than just the chilling effect of the discrimination, it's reporting itself.

MS. WEISMAN: Betsy, did you have something? (inaudible) I am a parent of one.

MS. MAYOTTE: But you're not a parent of me.

MS. WEISMAN: No, ma'am. I was not here when (inaudible)

MS. MAYOTTE: I want to make sure-

MS. WEISMAN: I was still warm.

MS. MAYOTTE: -on the record that that was spooky as hell.

MS. WEISMAN: Sorry. I'll never do it again.

MS. MAYOTTE: Now, I don't know what I was going to say. What was I going to say, Annmarie?

MS. WEISMAN: I don't go quite that far. I don't go that deep.

MS. MAYOTTE: Let me know when I think of it.

MS. WEISMAN: We have time for one more comment before lunch if anybody- Betsy? There you

go.

MS. MAYOTTE: This isn't what-I don't think- you let me know, if this is what I was going to say. I have a question about post-lunch, the schedule. So, I know we have set ourselves up for a 29-minute, 37-second caucus to not go above that time. But then, what are we doing? Like, what's the agenda? Like, what are we covering? What section (inaudible) at the beginning or-?

MS. ABERNATHY: Actually, I think I might have that because we have gone through a lot of what we've discussed already. So, if you want to go and then I can fill in the blanks.

MS. WEISMAN: Okay. So, what I have from before is that lunch will be from 12:00 to 1:00. The caucus will be 1:00 to no later than 1:30. Non-Federal negotiators, both primaries and alternates, to discuss issues regarding the shared EIN, buyback, reinstatement and regaining eligibility, that no facilitation was requested, and no added staff would be involved. Did I get that right?

FEMALE SPEAKER: Yes, ma'am.

MS. ABERNATHY: And then?

MS. WEISMAN: And then-

MS. ABERNATHY: Then what we are going to do is during your lunch and 30-minute caucus, we are

going to look at as many proposals as possible. We're going to take a look at our language. We're going to take back some of the concerns that you've presented to us today. We'll have discussion with our operational team. We may or may not be able to answer anything along the operational side. I'm certainly not going to put them on the hot seat for that, but we're going to try to circle back to you with some of the concerns that you've raised, either through proposed amendatory text or through just additional discussion or answers to some of those questions. We are then going to do a slow walk through the regulations again, not giving narratives around them, but looking through the regulatory text so that you can see now what we have proposed, changes from yesterday that are already there. If we have any additional proposed changes, we'll identify them as well. We'll recirculate things to you as we have them prepared. So that's what we intend to do this afternoon, is to really take this slow walk through our regulatory amendatory text that we've prepared, including many of the changes through the proposals that you've already submitted, and if possible, any of the new stuff, if we can get it in there.

MS. MAYOTTE: And I remembered the other thing. So in regard to this new deadline for

proposals, which I get and I'm not asking for extensions, so don't be nervous. What do you consider the difference between a proposal and a suggested amended language change?

MS. ABERNATHY: So, a suggested amendatory change is simply just the regulatory language. A proposal is something that you would want us to consider that we haven't considered before, or you would want to provide additional clarification to that proposed amendatory text. So, you're proposing new text, but if there's other things that you want the Department to consider, that also could be a proposal, for instance.

MS. MAYOTTE: Could you give me a hypothetical, please?

MS. ABERNATHY: No, but I can give you an actual. How about that? We actually had Laurel provide us with a paper of data for our consideration, for our awareness. We had others like Emeka- I'm not going to pronounce it wrong, I promise. Emeka provided us with several different proposed reg text changes and other things to consider. So, it doesn't really matter if it's proposed or a proposal. We want the language. We want you to give us what you have, and we want to consider it. If there's additional information, then it's kind of a proposal. Make sense?

MS. MAYOTTE: We'll see.

MS. ABERNATHY: Okay.

MS. MAYOTTE: I asked because specifically with this caucus I've drafted some language to jump into our caucus so we can get it done in time. We're not going to give it to you until after the caucus, which is after noon.

MS. ABERNATHY: That's okay.

MS. MAYOTTE: But, the language is not around like any non-sequiturs to anything that we've discussed.

MS. ABERNATHY: So, level setting expectations. We clearly feel like this afternoon we're going to hopefully get into some of the nitty gritty processes of amendatory text live at the table. We're ready for that. We've gone through what we've wanted to do with setting the stage with our issue paper, and the foundational information that we wanted to provide to you is why we're doing this, how we're doing it, what we're doing. The what, how, and the why is already out there. And so now it's time for us to get down to negotiations with the actual amendatory text. We are fine with that. So do not think that you have violated any missed deadline. What we don't want are these large proposals, there's no way that we can get through that, materialize

that, get it back to you, and be ready for tomorrow and be ready to finalize seeing as the last day in our session is tomorrow. So, we want to put a timeline on it.

MS. MAYOTTE: The last thing is a request that when we go back in to start, just start at the top and let's get to these punctuation marks and words, is there any way that we could get all the people here and our alternates, a paper copy of what we're jumping off from? Please, just to start us off fresh.

MS. ABERNATHY: We are going to try to do that. I think that we don't have the capability of printing in color right now wholesale.

MS. MAYOTTE: Printing and underlined. It doesn't have to be (inaudible)

MS. ABERNATHY: Yeah. We're going to try. I can't promise that. We're going to try. We will have it on the screen. But you do have- hold on. You do have it in the issue paper right now. Not the issue paper. Excuse me. Well, this is fresh. If, we do something else, we will try. But I don't know that we have the capacity to do that. So, I don't want to promise that. We will give it to you electronically. I'll try.

MS. MAYOTTE: If you can even just get one.

MS. ABERNATHY: Jeff says we should be

able to. So, if Jeff says we should be- no, we're not going to do that. We're going to do something for you. Thank you, Betsy.

MR. CAREY: Just real quick, about what time did you send that version of the red line?

MS. ABERNATHY: Last night sometime.

MR. CAREY: Last night? Okay, thanks.

MS. WEISMAN: Okay. I also had a question last night and again this morning about when links will be posted regarding the video from yesterday and different papers that are coming in. The video links will not be available today. And I know some people had expressed the idea that they wanted to go back and review some of those from the first day to help inform what they're doing on today and the final day. But unfortunately, they will not be ready. And links with documents are going up as quickly as possible. As a reminder, we're going to do an hour for lunch, so we will be back here at 1:05. At that point, I will review the caucus instructions again, confirm that everything is correct. And at that point, then we will clear this room other than those who are part of that caucus. And again, production team will be in the back, but no live streaming. Any questions before we break? Have a nice lunch. Thank you.