

Suggested Text from Katy McNeil:

**Employer Reinstatement Option for Public Service Loan Forgiveness Proposed
Regulatory Text for 34 C.F.R. § 685.219 (j):**

34 C.F.R. § 685.219 (j) – Regaining eligibility as a qualifying employer

(j) *Regaining eligibility as a qualifying employer.* An organization that loses eligibility for failure to meet the conditions of paragraph (b)(27) of this section 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 paragraph (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 —

(i) a certification that the employer is no longer engaging in activities that have a substantial illegal purpose as defined in paragraph (b)(30) of this section;

(ii) a plan describing the employer’s compliance controls that are designed to ensure that the employer will not engage in activities that have a substantial illegal purpose as defined in paragraph (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 actions or activities that have a substantial illegal purpose.

3) The Secretary shall acknowledge receipt of corrective plan within 60 days.

4) Employer reinstatement is effective on the date of acknowledgment of receipt of corrective plan by the Secretary