

DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
NEGOTIATED RULEMAKING  
REIMAGINING AND IMPROVING STUDENT EDUCATION (RISE)  
SESSION 1, DAY 4, MORNING  
October 2, 2025

On the 2nd day of October 2025, the following meeting was held in-person, from 9:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good morning, everyone. Welcome to Thursday. We're going to start our morning with a roll call. Legal assistance organizations, primary?

MS. NAPORLEE: Ashley Naporlee.

MS. WEISMAN: Alternate?

MS. HOFFMAN: Tamar Hoffman.

MS. WEISMAN: Student loan servicers, collection agencies, lenders, and guaranty agencies, primary?

MR. RICCI: Alex Ricci, present.

MS. WEISMAN: Alternate.

MS. HARTUNG: Lori Hartung, present.

MS. WEISMAN: Organizations representing taxpayers on the public interest, primary?

MR. Holt: Alex Holt.

MS. WEISMAN: Alternate?

MR. GILLEN: Andrew Gillen.

MS. WEISMAN: Private, nonprofit institutions. Primary is Jenna Colvin, who will be just a few minutes late. Alternate?

MS. KOHLER: Patti Kohler.

MS. WEISMAN: Proprietary institutions, primary?

MR. VAUGHN: Andy Vaughan.

MS. WEISMAN: Alternate?

MR. BODIMER: Jeffrey Bodimer.

MS. WEISMAN: Public institutions,  
primary?

MR. BODIMER: Timothy just stepped  
out. He should be back in just a second.

MS. WEISMAN: Okay. Thank you.

Alternate?

MR. ELLSWORTH: Matt Ellsworth.

MS. WEISMAN: State officials,  
primary?

MR. KEMP: Scott Kemp, present.

MS. WEISMAN: Alternate?

MR. BOGGS: Bennett Boggs.

MS. WEISMAN: Student loan borrowers,  
primary?

MS. LILLY: Deborah Lilly.

MS. WEISMAN: Alternate?

MR. OGUH: Emeka Oguh.

MS. WEISMAN: Student loan borrowers  
who are veterans, military service members, or groups  
representing them, primary?

MR. SULMAN: Faisal Sulman, present.

MS. WEISMAN: And alternate?

MR. SULMAN: Bob Carey will be here shortly.

MS. WEISMAN: Okay. Thank you. And on the Department side, we have our negotiator, Tamy Abernathy, Jacob Lallo, and Jeffrey Andrade. Good morning to everyone.

MS. ABERNATHY: Good morning. Thank you, Annmarie.

MS. WEISMAN: I understand that there are some copies on the way that should be here in about 5 to 10 minutes.

MS. ABERNATHY: That's okay. We have some things that we can do in the intro. How are we? Day four. Okay. Come on, let's go. If I have to have energy, you're all going to come with me. How's it going? I know -- my team, like, yeah. All right, so the first thing I would like to do is go over all of the items that we've received to make sure the ones that we've responded to and tell you where we are with the ones we have not responded to, so that we can keep ourselves straight today and also give us a little bit more time to get those copies for you. So, on my records, I have two data requests that we've received so far that we have submitted to our teams to run those reports and get those to you at some point. Is that what you all recall as

well? Great. I like that we're already in sync this morning. I show that we responded to Tamar on the request for the statutory provision on the question where we said no that the borrowers that have a balance and a repayment term of longer than ten years, if they can elect to pay not less than what would be paid on the ten-year standard plan under 685.208 B, we said no. She asked for the statutory provision for that, and we've provided that to her. We have some questions that we've received that we will be talking from Scott, that we will be talking through later this afternoon or throughout the day as we go through our proposed reg text. We have Bob's proposal, and we've responded to him, and we are still working on the military aspect. It didn't sound right. The military piece to the definition and how to formulate a little more language around that to tighten that up. So that will be forthcoming as well. We discussed, I guess we could say, Andy, we discussed at length, the memo, I called him Andy, his name is Alex. I'm going to be all right. Andy's here. Alex is here. Alex squared is this way. We discussed at length the memo and all of the proposals that you guys submitted around professional student. I'm not sure we've answered this one yet, so, Emeka, you asked us about IDR 682.215 and 685.209 where information about the borrower who may repay under repay,

and then since repaid was transitioned into SAVE. Is there consideration to maintain payments under SAVE through June 30th, 2028? And you asked us if not. SAVE and repay are enjoined in under litigation. So we cannot do anything with that at this moment. We do have other programs like RAP that will be instituted on July 1, 2026. And we have, of course, the new tiered standard. So at this point, we're not going to worry about any of the provisions in the SAVE -- repay SAVE world because it's enjoined in litigation. And temporary PSLF, we do still have funding for that. And so that, of course, will continue until the funding is exhausted.

MR. OGUH: Do you know the amount?

MS. ABERNATHY: The amount? I don't know that we said we were going to say the amount. I said, I don't have the amount on me.

MS. WEISMAN: Emeka, if you could speak that into the microphone, please? Thank you.

MR. OGUH: My question is about the remaining balance within the --

MS. ABERNATHY: I do not know what the remainder of the balance is. I just know it's still funded, and apparently, there's enough funding for them to at least consider this year. Yeah.

MR. OGUH: The question was --

MS. ABERNATHY: It's still funded. I just don't know the dollar amount. But I do know it's enough for it to still be funded for this year. Okay. Another question. Emeka, we responded to that it was an accepted loan. Deborah, we responded to your questions. Rehabilitation, Alex Ricci, we responded to yours as well. Alexander Holt, we responded, no, because this is the professional degree. We're just going to put that one right to the side. Let's see. And then Jenna, we talked, we talked about the IPEDS reporting in some of the language there. So that is what I show. I'll talk about the few that we have outstanding and the few that we have today. But I wanted to make sure that we touch base to make sure that we're all on the same page. So we do have responses to Ashley and Tamar on behalf of legal assistance organizations. They're open questions with hypothetical examples. We can answer those. We'll get to that today. As far as the rehabilitation regulations and the things that you provided to us Tamar, on that, we will be going over rehab and deferment, and forbearance today. So we will get to these questions while we do that, if that's okay. I just wanted to make sure that we touched base on it. And then also the one on forbearance periods. We plan to do that as we get through the reg text on that as well. So I didn't want you to think that

we didn't have it, and we were being unresponsive. We will get to that. But let's go over the ones that we do have. And question number one was, can a borrower with older loans who will be eligible for both IBR and RAP going forward, switch back and forth between RAP and IBR? Yes. Section 455, as amended, continues to offer both IBR and RAP. So the answer to that question is yes. Question number two. Will Parent PLUS borrowers who submit consolidation requests prior to July 1, 2026, whose consolidation request is not processed until after July 1, 2026, due to servicer delay, be eligible for IDR? No. Question number three. In the following examples. So there's three hypothetical -- four, and so we'll go over those. Brenda does not have a high school diploma or GED and did not take any entrance exams. And basically it comes down to the question that, what kind of forbearance can Brenda be in while her discharge application is being processed, and will it count toward the forbearance limit? Administrative forbearances are not subject to the limit. And so this would be a processing forbearance. They get a two-month process, well, the administrative forbearance, it's not subject to a limit. So in her case, it is an admin (inaudible). Hypothetical number two is, a borrower who borrowed \$4,000 in Direct Loans to complete a certificate program, was enrolled from September 27

until September 28, then tried to enroll in RAP in March 29th, and the servicer lost the IDR application, and for a year it showed pending. What kind of forbearance is this person in while the IDR application is pending, and will it count toward the forbearance limit? It's a two-month processing into a repayment plan forbearance. So it's two months. Hypothetical number three. Can I get through these? Okay. Number three is, a borrower who borrowed a loan in September 27 for an undergrad program. She stopped attending the program in December 27. She was diagnosed with cancer. In 2028, it became clear her cancer was terminal. She applied for TPD, total and permanent disability, and as of October 28, her discharge application is still pending due to an internal servicer processing issue. What kind of forbearance is she on, and will it count towards the limit? Cancer deferment. A borrower applies for a cancer deferment instead of a cancer forbearance, so that would not be applicable toward the forbearance limit. And if they're going through a TPD disability discharge, then it's an administrative forbearance. And so that doesn't count towards their limit. Robyn received a notice from her servicer that she was enrolled in IBR, and her payments would be \$0 per month because she's low-income. Her servicer kept sending her monthly bills for the standard

repayment amount. Robyn did not pay because she believed it to be an error. This went on for ten months. Robyn called the servicer. Will Robyn be placed in forbearance? For how long will it count towards forbearance limit? In this particular situation, we would have hoped that Robyn would have reached back out to her servicer to clarify the distinction between being told no payments and keep getting a bill. That really would be the best thing for Robyn to have done in this scenario. We would -- this would be defined in -- as a discretionary forbearance while we were looking into things, and that would count towards the nine-month forbearance and 24-month period. So we have answered those questions as well.

MS. WEISMAN: We have two cards up first. Alex Ricci and then Ashley.

MR. RICCI: Seeking clarification on the example of a borrower who has -- wants to go between RAP and an IBR Plan. My understanding is that it is only allowed through July 1, 2028.

MS. ABERNATHY: Mm-hmm.

MR. RICCI: Okay, great.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Can you just clarify?

In response to the hypotheticals, you mentioned that the borrower applies for, let's say, an IDR Plan, they're put

in a 60-day processing forbearance, which is classified as an administrative forbearance. But I'm concerned with what happens when and if, which is occurring right now, a loan servicer does not process the application within that 60-day time period, that -- what -- then they're placed in what we term a forbearance. And does that count towards their -- the new forbearance limits?

MS. ABERNATHY: So the general forbearance is kind of like our discretionary forbearance that would count. Eric, is that correct, or am I misspeaking on that because of servicing concerns?

MR. HARDY: Eric Hardy, FSA. Sorry, I missed the premise of the question. Could you repeat it for me?

MS. NAPORLEE: Sure. So if a borrower applies for an IDR Plan, and they're placed in a 60-day processing forbearance, which is administrative. What happens when the loan servicer does not process that application in that 60-day time period? Are they then thrown into forbearance? And does that count against the new limits of forbearances?

MR. HARDY: Right now, they would go into a general administrative forbearance, which does not count against the forbearances. But I believe we're going to get to that a little later today. Right, Tamy?

MS. ABERNATHY: When we go through --  
yeah.

MR. HARDY: Yeah, yeah,

MS. NAPORLEE: Okay, thank you. And  
then I just wanted to follow up with, with Alex said just  
making sure I understood exactly what he asked and how  
you answered. He said that a borrower can switch between  
IBR and RAP just until July 1 of 2028, and then once  
they're in IBR RAP, they cannot switch to the other plan?  
Is that -- was that the answer? Oh, sorry. I didn't see  
your --

MS. ABERNATHY: I apologize, would you  
please repeat that?

MS. NAPORLEE: Yes. So I just wanted  
to confirm that I understood correctly what Alex asked  
you and how you answered. I believe, he said, that  
borrowers can currently switch between IBR and RAP, but  
then after July 1 of 2028, they can no longer do so. Is  
that correct?

MR. LALLO: Let me double check that  
for you. I want to make sure we respond to that one  
clearly because I know that's come up before, but it's a  
very technical thing, and I know we've looked at it. I  
just got to find the answer. And I want to be able to  
explain exactly why to you in detail.

MS. NAPORLEE: I appreciate that, thank you.

MS. ABERNATHY: Okay. At this point, we would like to go over for pulse check, the issue paper, the discussion draft on fixed loan repayment plan provisions, which is 685.208. 208. How're we doing? We good? Everybody have their copies? Okay, well, we'll wait. You can take this one, I don't need it. Renee? Thank you, Renee. Okay. So let's -- we have up on the screen, you will see -- so we're going to start with paragraph (b), fixed repayment plans for Direct Loans made for July 1, 2026. We have edited out that sentence. We've made one standard repayment. We have removed regardless of when they entered repayment, and we've also removed who entered repayment before July 1, 2026 and, and then we've added, who have not consulted -- who have not received a Direct Loan on or after July 1, 2026, and for direct consolidation loan borrowers who entered repayment before July 1, 2006, and have not received a Direct Loan on or after July 1, 2026. That's a mouthful, y'all. And then romanette one, romanette two, romanette three. And then we have number four, the repayment period for the repayment plan described in this paragraph (b) (1), does not include periods of authorized deferment or forbearance. And then in number two, we have added a

clause. And who have not received a Direct Loan on or after July 1, 2026. We have romanette one. We have a cross-reference in romanette one that we've updated. We have romanette two. We've added romanette three.

Repayment period under this paragraph (b) (2) if the total amount of the direct consolidation loan and the borrower's other student loans as defined in 685.220, I think that's I, is a less than \$7,500, the borrower must repay the consolidation loan within ten years of entering repayment. We've added (b), equal to or greater than \$7,500, but less than \$10,000, the borrower must repay the consolidation loan within 12 years, equal to or greater than \$10,000, but less than \$20,000, the borrower must repay within 15 years. Equal to or greater than \$20,000, but less than 40, the borrower must pay the consolidation loan within 20 years. (e), equal to or greater than \$40,000, but less than \$60,000, the borrower must repay the consolidation loan within 25 years of entering repayment. And equal to or greater than \$60,000, the borrower must repay the consolidation loan within 30 years. Romanette four, the repayment period for the repayment plan described in this paragraph (b) (2) does not include period of authorized deferment or forbearance. And we talk about paragraph (3), we add and who have not received a Direct Loan on or after July 1,

2026. Under romanette one, we updated the cross reference. We've added romanette two, romanette three, and we have a whole bunch of new repayment periods under (4). (a) less than ten years, -- less than \$10,000, the borrower must repay the loans within 12 years of entering repayment. (b), greater than or equal to \$10,000, but less than 20, the borrower must repay the loans within 15 years. (c), greater than or equal to \$20,000, but less than \$40,000, the borrower must repay the loans within 20 years. (d), greater than or equal to 40, but less than 60, the borrower must repay loans within 25 years. (e), greater than or equal to \$60,000, the borrower must repay the loans within 30 years. Five, the repayment period for the repayment plan described in this paragraph (b) (3) does not include periods of authorized deferment or forbearance. Changing to paragraph (4). Adding a clause, and who have not received a Direct Loan on or after July 1, 2026. Romanette one, romanette two, romanette three, romanette four, adds the repayment periods. For the loans -- for the -- under the repayment periods for paragraph (b) (4) above of the extended repayment plan. If the borrower's total Direct Loans are less than \$10,000, they have 12 years. Greater than or equal to \$10,000, but less than 20, they have 15 years. (c), greater than or equal to \$20,000, but less than \$40,000, the borrower must

repay the loans within 20 years. Greater than or equal to \$40,000, but less than \$60,000 is 25 years. Greater than or equal to \$60,000, must repay loans within 30 years, and this again does not include periods of authorized deferment or forbearance. We've added a clause under the graduated repayment who have not received a Direct Loan on or after July 1, 2026. We've updated the cross reference in paragraph -- romanette one, romanette two, romanette three, we've updated the cross reference. In paragraph four, we list what the repayment periods are again, for the graduated repayment plan. Less than \$10,000, they have 12 years. Greater than ten -- greater or equal to \$10,000 but less than \$20,000, they have 15. Greater than or equal to \$20,000, but less than \$40,000 is 20 years. Greater than or equal to \$40,000, but less than \$60,000, is 25 years. And then greater than or equal to \$60,000, they must repay the loans within 30 years. And this, of course, does not also include periods of authorized deferment and forbearance. We had the graduated repayment plan. We've added the same clause. We've restructured -- renumbered romanette one, romanette two, romanette three. We've added the repayment periods. For the graduated and these are for loans -- and these borrowers have not received a Direct Loan on or after July 1, 2026. We've updated the cross reference in

romanette one, redesignated paragraph, the second paragraph is romanette two and romanette three. Here's the repayment period. So less than \$7,500. And this is for a consolidation loan, and borrowers in the -- borrowers other student loans as defined in 685.220 I. Less than \$75,000, the borrower must pay within ten years. Equal to or greater than \$75,000, but less than ten, they have 12 years. Equal to or greater than \$10,000, but less than \$20,000, they have 15. Equal to or greater than \$20,000, but less than \$40,000, 20 years. Greater -- equal to or greater than \$40,000, but less than \$60,000, they have 25 years. Equal to or greater than \$60,000, the borrower must repay the consolidation loan within 30 years of entering repayment. Then we have a whole lot of text on this very next page. And so, four here also says that those periods do not include periods of authorized deferment or forbearance. Then we get into the brand new Tiered Standard Repayment Plan for Direct Loan borrowers who received a Direct Loan before July 1, 2026, and also received a Direct Loan that was made on or after. Under this plan, a borrower must repay a loan in full by making fixed monthly payments over a repayment period that varies with the total amount of the borrower's Direct Loans as described in paragraph B 8 Romanette two of this section. The repayment period here,

under this plan, if the total amount of Direct Loans at the time the borrower is entering repayment is less than \$25,000, they have ten years. Equal to or greater than \$25,000, but less than \$50,000, they have 15. Equal to or greater than \$50,000, but less than \$100,000, they must repay the Direct Loan within 20 years. Equal to or greater than \$100,000, the borrower must repay the Direct Loan within 25 years of entering repayment. Paragraph (c), fixed repayment plans for Direct Loans made on or after July 1, 2026. The fixed repayment plans under this paragraph (c) shall only apply to Direct Loans made on or after July 1, 2026. The Tiered Standard Plan for Direct Loan borrowers who received a Direct Loan on or after July 1, 2026, and under this repayment plan, a borrower must repay the loan in full by making fixed monthly payments over a repayment period that varies with the total amount the borrower -- of the borrower's Direct Loans, as described in (c)(1) romanette two of this section. The repayment period under this plan is less than \$25,000, the borrower must repay the Direct Loan within ten years. Equal to or greater than \$25,000, but less than \$50,000 -- 15. Equal to or greater than \$50,000, but less than \$100,000, they have 20 years. And equal to or greater than \$100,000, the borrower must repay the Direct Loan within 25 years of entering

repayment. Okay. I'm done.

MS. WEISMAN: We have a question from Alex Holt.

MR. HOLT: Thank you. A few clarifying questions and then probably a comment. A clarifying question for the Tiered Standard Repayment Plan is, is your current reading that the minimum monthly payment would be \$50?

MS. ABERNATHY: Hold on a second. Let us huddle around that.

MR. HOLT: Okay. So it's not stated, but the -- but before that, in the previous one, the \$50 is stated. So the way I read it was that the \$50 was also going to apply to the tiered standard on the previous page.

MS. ABERNATHY: We did not have the authority under the OBBS to make that \$50 required for the tiered standard.

MR. HOLT: Okay. So, under your current reading of the regulations, is there a minimum monthly payment requirement for the Tiered Standard Repayment Plan?

MS. ABERNATHY: Are you good with this? No.

MR. LALLO: No. There's not. That one

doesn't have a fixed one. The standard overall, you know, default payment plan has a fixed monthly payment, but the OBB does not provide one for the Tiered Standard Plan.

MR. HOLT: Okay. So that would be like a subregulatory decision? Because basically, I mean, you kind of have to have a minimum because you can't charge them \$0.50 per month.

MS. ABERNATHY: So, because it's not required by the statute and we don't have it in the regs, we can't speak to what's going to happen through the rest of these negotiations and the NPRM, and what our operations team will decide should be subregulatory. I don't have a position on that and so we can't speak to that right now.

MR. HOLT: Okay. So then my only comment would be that I would highly recommend, at whatever point the Department decides to pick a minimum monthly payment, which I think they're basically going to have to do operationally. I would highly recommend that number be \$10. It aligns with the rest of the OBBBA Bill. The general tenor of the OBBBA Bill would suggest that Congress would not want to make the RAP Plan more really -- or less attractive than the Tiered Repayment Plan, and the minimum is \$10 under RAP. And then I think also just from a taxpayer perspective, we would not want people to

be incentivized to go into RAP over the Tiered Repayment Plan.

MS. ABERNATHY: We will take that back, and not sure that we will be able to address it here, but we will definitely take it back. And we have the operations guy here. You may have seen him before. Yeah, yeah.

MS. WEISMAN: Alex, your card is still up. Did you have another question? Thank you. I see no other cards. Tamy, would you like to do a pulse check?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: So this is on 685.208. If I could have thumbs up, if you agree with the proposal, thumbs down if you disagree with the proposal, thumb in the middle if you're kind of lukewarm and are not supporting or blocking at this point. Remember, this is just a pulse check. You can change your mind later. I see all thumbs up. Thank you very much.

MR. LALLO: Ashley, if you want, we can go back to your question real quick. So I'll let you ask the question again for the purposes of just getting it on the record, so everybody is on the same page. We think there's some confusion around ICR and IBR here, so we're kind of hoping to clear that up.

MS. NAPORLEE: My question was that if

a borrower is eligible for both RAP and white, or new IBR, if they're able to switch between those two plans freely, assuming they're eligible, obviously, and beyond July 1st of 2028.

MR. LALLO: Yeah. So our reading is as long as they are eligible, based on the date that their loan was made, they should be able to switch back and forth without issue. Their qualification for that plan is based on, you know, the date the loan was made. We didn't completely remove the plan, we just updated it effectively.

MS. NAPORLEE: Okay. And is it -- just a follow-up, is it your position that that's statutory or is it in the regs?

MR. LALLO: If you look at 455(d)(1), it actually explicitly lists all of the repayment plans available to borrowers who had not received a loan made on or after July 1, 2026, and it explicitly lists IBR as one of the available plans.

MS. ABERNATHY: Ashley, may we consider your, your list of questions resolved now? Because I'm marking it off my list.

MS. NAPORLEE: Just to clarify. The, the open questions with hypos? Is that what you're referring to? Are you referring to the, the open

hypotheticals?

MS. ABERNATHY: Yes. Not the other ones. We haven't gotten to those yet. Committee, we are making such progress today. Well done. Alright. If we could turn our attention to 682.215. That is discussion draft Income Driven Repayment Plans provisions. That would be 682.215 and 682.209. Are we ready? Okay, we'll give it a minute. We'll start with 215, 682.215. These are our FFEL provisions. As you see here, we have removed the reference to partial financial hardship all the way through. We've added for the applicable amount in here, we have added the adjusted gross income of the borrowers. We went over this yesterday but this is our pulse check so we have to go over it again. We added here the adjusted gross income of the borrower. We just move that forward where -- that was a request from, I believe, Alex. Borrowers and the borrower's spouse, if applicable, exceeds 150% of the poverty guideline under (b)(1), for the Income Based Repayment Plan, a borrower may elect -- we've removed the Income Based Repayment Plan only if the borrower had a partial financial hardship. We've deleted that and put in there to have their aggregate monthly payment recalculated to not exceed the applicable amount when the borrower initially enters the plan. We come all the way down to five, where we have removed the reference

to no longer has a partial financial hardship, and inserted the language when their aggregate monthly payment amount exceeds the applicable amount. In paragraph (6), we've added the same thing, removed partial financial hardship, and included their aggregate monthly payment recalculated to not exceed the applicable amount. Put in a comma where we were supposed to, and then under paragraph (d), if the borrower's monthly payment amount exceeds the applicable amount, we removed the reference to no longer has the partial financial hardship. In (e)(1), the loan holder, we've removed determines whether a borrower, and we've put in the language, recalculates the borrower's aggregate monthly payment to not exceed the applicable amount. We've removed the reference to partial financial hardship to qualify for the Income Based Repayment Plan. And we've added the repayment -- the Income Based Repayment Plan in there. Paragraph (2), we've removed partial financial hardship. We've inserted the language determining the borrower's aggregate monthly payment. We've again removed partial financial hardship. And we've put in the language remains on the Income Based Repayment Plan. Paragraph (3), we've removed the reference to partial financial hardship. Number (4), the same. Number -- romanette three, removed partial financial hardship and we

recalculate the monthly amount. Again. Remove the reference to partial financial hardship all the way through this paragraph and the ones following. And in this case, we've added two romanette three, if the loan holder recalculates the borrower's monthly payment amount based on the borrower's income. In paragraph (5), we've removed partial financial hardship. Okay, there we go. Can we move the screen down? Are we frozen? Oh, got scared for a minute. We've added borrower's payment is the amount described in paragraph (d)(1) romanette one. We did confirm -- Alex, we believe this is a question from one of Alex's. I could be wrong, but you questioned, the cross-reference to (d)(1) romanette one. We believe that we have -- that that is still correct, and we've removed the partial financial hardship language. Paragraph (f), we've removed the partial financial hardship. Romanette two, the same. Okay. I'm going to go back to 682.215 for a pulse check, Annmarie. Well, I think we have comments up first.

MS. WEISMAN: We do. First we have Scott, and then we have Alex Holt.

MR. KEMP: This is where the questions I had emailed kind of fit in. And, and it largely rotates around the definition. I mean, you've defined applicable amount but not necessarily -- it's not clear what

aggregate monthly payment is. And I think if we clarify that, I think some of the other questions would fall in line.

MR. LALLO: Yeah. As this definition is pulled pretty much directly from the statute, the only thing we did was move where adjusted gross income is in the statutory language insofar as, you know, we don't ever question the intent of Congress, but sometimes Alex questions their grammar, so.

MS. ABERNATHY: So Scott, in the statute, it currently defines aggregate monthly payment amount. And so I'm going to try to find that statutory language for you, so that the reason we did not put it in these particular regulations is because it's already defined as the total monthly payment amount of all the loans. So, Jeff?

MR. ANDRADE: So in 493 capital C, paragraph (b), which is Income Based Repayment program authorized. In paragraph (1) of that section, it says a borrower of any loan made, insured, or guaranteed under part B or D other than an accepted PLUS Loan or an accepted consolidation loan, may elect to have the borrower's aggregate monthly payment for all such loans not exceed the applicable amount divided by 12, so it is the sum. So the plain reading of that aggregate monthly

payment is the sum of all those loans minus the accepted loans, divided by 12.

MR. LALLO: And just to tag on to that, you can see the difference of that where it speaks to, you know, it being all the loans rather than some of the loans. If you read through that section of the statute, because it also refers to monthly payments, which specifically refers to payments on Direct Loans made under this part.

MS. ABERNATHY: It's referring to all loans, FFEL and Direct Loans under part B and part D, not all loans because we know Perkins is not. So I just want to clarify that.

MS. WEISMAN: Faisal?

MS. ABERNATHY: I'm sorry. Does that answer your question, Scott?

MR. KEMP: Yes.

MS. ABERNATHY: Great.

MR. SULMAN: Bob and I, we have a clarifying question. Would it be possible for Bob to ask the question just so I don't jumble up the words and -- I can ask it, but I don't want to --

MS. ABERNATHY: If he could ask it from where he's at, that'd be great. That way, we don't have to juggle.

MR. CAREY: Bob Carey from (inaudible) Vet. Just wanted to confirm what AGI is defined. What -- I think it's defined in the statute, but I don't know if there's any additional in the, in the proposed rule, is it from the student's 1040 or is there an imputation of additional income, like the value of housing or food allowances that military personnel get?

MS. ABERNATHY: Through the disclosure of the Federal tax information, through the IRS, that information is what is on a Federal tax return. In the event that they cannot provide a Federal tax return and they submit alternative documentation of income, then we would look at, I guess, computing what that would be based on the materials that they submit to us. So I believe it's understood that that -- because we talk about pulling, because we have the disclosure under the FAFSA Simplification Act, now our Higher Education Act has this language in there, we have the ability to pull because they disclose the approval to consent. And it's in the statute.

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

MR. LALLO: Yeah. It's also -- it's fixed in our regs. It's actually in 668.215, but it's not -- you're not seeing it in the issue papers because it's

not a section that we touched. 682.215(a)(1) defines adjusted gross income as the borrower's adjusted gross income as reported to the IRS. For a married borrower filing jointly, AGI includes both the borrower and spouse's income and for married filing separately, it's only the borrower's income.

MR. CAREY: Thank you. My concerns are answered.

MS. ABERNATHY: Thank you, Bob.

MS. WEISMAN: Alex Holt?

MR. HOLT: All right. So I just -- I very much could be reading this wrong, but I want to talk it through related to Scott's question. The way I read that statute in the statutory language you guys just read related to applicable amount, what it's basically saying that the borrower will not ever pay more than 15%. But the way that -- on page six of your regulations in paragraphs (5), (6), and (7), the way I'm reading that -- the bottom of the page, bottom of page six -- (5), (6), and (7), I'm still reading this as -- go ahead.

MS. ABERNATHY: Can you hold on one second? Linnea, would you pull up page six, paragraphs (5), (6), and (7) for us, please? On 682.215, page six. Can you pull up page six on this document for us? Thank you. Oh, sorry. Their page six --

MR. HOLT: Yeah. Okay, let me try to find the -- it's --

MS. ABERNATHY: It's for -- I've got it.

MR. HOLT: Okay.

MS. ABERNATHY: It's right after you talk about applicable amount means it's right. It's right after partial financial hardship.

MR. HOLT: No.

MS. ABERNATHY: Right? You said applicable amount.

MR. HOLT: Yeah, but it's (b). So it's (b) romanette four?

MS. ABERNATHY: It's (b) (5). It's (b) (5).

MR. HOLT: (b) (5), thank you.

MS. ABERNATHY: There we go. She's got it right there.

MR. HOLT: Okay. So I'm talking about (b) (5), (6), and (7). And look, this is very possible I'm reading this wrong. I just -- I keep having trouble figuring out what these paragraphs are actually saying because --

MS. ABERNATHY: Okay, hold on a second.

MR. HOLT: Yeah.

MS. ABERNATHY: Renee, will you find paragraph (4)? This cross-references (b) (4), so if we could get that up on the screen at some point. Because I think what is happening is you're not seeing what (b) (4) of this section is saying. I don't believe it's -- I don't believe we have that language in here, do we? Or am I missing it? No, we do not. If you could put (b) (4) up, Alex, that might provide a little bit more clarity because we are cross-referencing (b) (4). I'm hoping it does anyway.

MR. HOLT: Yeah.

MS. ABERNATHY: Not that we'll be able to read it, but it is here. Okay. If the borrower's monthly payment amount is not sufficient to pay the accrued interest on the borrower's Subsidized Stafford Loans or subsidized portion of the borrower's Federal Consolidation Loan, the Secretary pays to the holder the remaining accrued interest for the period not to exceed three consecutive years from the established repayment period start date on each loan repaid under the Income Based Repayment Plan. On a consolidation loan that repays loans on which the Secretary has paid accrued interest under this section, the three-year period includes the period for which the Secretary paid accrued interest on

the underlying loans. The three-year period does not include any period during which the borrower receives an economic hardship deferment. I don't know if it provides any clarity, but because it referenced it, I wanted to get it out there for you to look at.

MR. HOLT: Thank you. Thank you for the reference. I'm not, I'm not sure. And I'll admit I'm getting a little tangled up here, but because it still reads to me (5), (6), and (7) as you -- cause you're basically still saying -- you're not calling it a partial financial hardship.

MS. WEISMAN: Right.

MR. HOLT: But it looks like you're saying that if their monthly payment amount exceeds the applicable amount, then, then what? What is supposed to happen? Are they -- because you're saying except. So if a borrower's monthly payment is not sufficient like paragraph (6), the payment of that principal is postponed until the borrower chooses to leave the Income Based Repayment Plan when their aggregate monthly payment amount exceeds the applicable amount.

MS. ABERNATHY: Or. When their monthly payment amount exceeds the applicable amount.

MR. HOLT: But why? Why would the payment of the principal be postponed when their

aggregate monthly payment amount exceeds the applicable amount?

MS. ABERNATHY: Well, now we're playing just a game of Stump the Feds, so we can't have that. Let us take that back.

MR. HOLT: Yeah, it's -- yeah.

MS. ABERNATHY: And take a look at that.

MR. HOLT: (5), (6), and (7). I just -  
-

MS. ABERNATHY: Great. Let's take a look at that. So we don't have -- I'm assuming at this point we don't have a pulse check because of that question. Anybody else have any other questions? We are not going to take a pulse check on this until we can come back. But I would -- let's see, what time is it? We'll try to get that answer on the next break. Thank you for pointing that out to us.

MR. HOLT: Sure. Thanks.

MS. ABERNATHY: If you could turn your lovely attention to 685.209, Income Driven Repayment Plans. Here we have -- oh, I'm so sorry. Y'all let me know when you're ready. So one thing I'd like to point out here, the reason you have all of this text and it gets quite a bit confusing, because you're really only

focusing on the red lines of this section -- the reason we did it this way is because when we submit this new section, not the new section, but the information that's included in this section to the office of the Federal Register, it will be easier for us to do a replace than try to give paragraph instructions to them that say, take this out, put this word here, put -- it will be easier for us to do a replace. So the reason you're seeing additional text in here that really is not relevant to the purposes of these negotiations is because we're replacing the section when we send it to the Federal Register, and because we're doing that, we wanted to show you in full transparency, this is what we were doing, so that you would see exactly what you would see in our notice of proposed rulemaking and our final rule. So that's why all of the other noise around it is still here. We have removed some of the noise and some other sections that caused consternation yesterday. And we'll get, get to that just so -- we just marked it with the paragraph instruction of five asterisks. So when we get to that point, I'll flag that for you. But the reason we're doing this, we're only focusing on the amendatory text in the section and not the other text around it. We have no control over this rule of record at the moment, and you will see that it does talk about REPAYE, and it

does say -- I don't know if it says SAVE anywhere, but -- yes, it does, right in the first -- paragraph (1). So it says REPAYE and SAVE. So we're not going to focus on any of that language right now because that rule is enjoined. But we are focusing on the amendatory language here, and that is what we will be taking our pulse check on, only the amendatory text.

MS. WEISMAN: We have a question from Scott.

MR. KEMP: Yeah, just as a point of clarification, when it comes time to do the final consensus check, will we be able to see all of these changes within the context of all the other -- because I think Alex's question kind of pointed to -- it made reference to something that we were discussing in real time and didn't have right in front of us. But before we take a consensus vote, or do we have to kind of do our own homework and fill in the blanks?

MS. ABERNATHY: Your consensus check, because it's not a vote, your final consensus is on the red line text that we are providing. Typically, we don't provide the sections that we're not reviewing. If there is -- if there is a need for that, we would have to look at it because these are pretty lengthy pages already. So we would have to go back and do a whole lot of cross-

reference -- we'd have to give you -- I mean, the regulations are online, so we hope that as you're reviewing -- now that you have paper, perhaps on your computer, you could look at the online version. So, does that help at least a little? But if there is something you are questioning on a cross-reference that we can show here for greater clarity, we're happy to do that. So please feel free to ask us for that.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Tamar and I are going to switch for this section. Do you want us to physically switch seats?

MS. WEISMAN: Yes, please.

MS. ABERNATHY: I can't answer that.

MS. WEISMAN: Tamar Hoffman coming to the table. And Tamar has a question.

MS. HOFFMAN: Thank you. I'd like to call for a caucus, please. I'd like to caucus with the representative for the loan servicers, as well as with the Department at this time, as well as with the representatives for the state (inaudible) office. As well as the representative for the veterans organizations.

MS. WEISMAN: Okay, so Tamar, I have loan servicers, the Department, state officials, and those representing veterans and military. Do you want the

primary and the alternate?

MS. HOFFMAN: Yes, please.

MS. WEISMAN: Okay.

MS. ABERNATHY: Annmarie, how many people is that?

MS. WEISMAN: That depends how many you're counting from the Department.

MS. ABERNATHY: How many people from the negotiating table? Six?

MS. WEISMAN: Six.

MS. ABERNATHY: Eight. We're not -- we were going to try to go into the little room back here, but we won't have enough seats for everybody, so we'll go ahead and go to the conference room.

MS. WEISMAN: Tamar, did you have a time that you'd like to request?

MS. HOFFMAN: I think ten minutes should be sufficient.

MS. WEISMAN: Ten minutes. Thank you. Welcome back, everyone. Our caucus has ended, and we would like Tamar to give a report out on that caucus.

MS. HOFFMAN: Thank you, Annmarie. And others are welcome to fill in anything additional that I miss. But we just had a caucus to discuss some of the text related to Income Based Repayment Plans,

specifically 685.209. We were specifically focused on (b) and (c), and the points at which it appears that the text may have inadvertently excluded some direct consolidation loan borrowers and double consolidated borrowers who should be eligible for IBR due to enrollment in IDR just because of some discrepancies in the drafting. So we had reviewed that together. And the Department shared that they would take it back and recirculate a new draft to account for some of our discussion at a later time.

MS. WEISMAN: Tamy?

MS. ABERNATHY: Yes, we will -- we are going to try to have that ready for us after lunch. It's going to take a bit for the Department to -- you, you saw him. He's working on it. It's going to take him a minute, but we hope to have that, you know, right after lunch or soon after lunch.

MS. WEISMAN: Scott?

MR. KEMP: Yeah. And we also had a quick discussion about the red, white, and blue document and language that's in statute that might require better clarification moving forward. You know, recognizing, I think I'd asked a couple of days ago about the Income Driven as the overall category and understand that it's not in statute, that it's more of common practice. And it's what people understand that if moving forward from

2028 on, the Income Based Repayment, red, the Income Based Repayment 2014, white, and the Income based Repayment Assistance Plan, RAP, are all going to be under the category of Income Based Repayment Plan, and I suggest that we look through the statutes where we have flexibility to remove the term Income Driven, if that is not in statute, to help with the transition in borrowers' understanding. I will say it is still confusing because, you know, again, we -- you're calling the category uppercase Income Based Repayment. And we have two options, you know, that are called Income Based Repayment. Income Driven was kind of a nice way to just talk about the general category. But my understanding -- our understanding is that it's in statute. It has to be that way moving forward. So let's rip off the band aid and try to help make that transition so that we that work with borrowers and students can help them understand it and understand their options.

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

MR. ANDRADE: Yeah. We can certainly take that back. Thank you for the suggestion, and we'll get back to the group.

MS. WEISMAN: At this point, it's 10:35, and although there was a caucus, we have numerous

people who have not had a break. And so we'd like to take a 15-minute break, please. So back at 10:50. Welcome back from break, everyone. At this time we have no cards up, so I'm going to turn it back to Tamy at the Department.

MS. ABERNATHY: Thank you, Annmarie. I wish I could remember if we took the pulse check on 685.215?

MS. WEISMAN: We did not.

MS. ABERNATHY: Okay. I would like for us to take the pulse check on 685.215. But we are not going to take it on 685.209 yet because we are going to circulate a new draft for you. We will also get this emailed to you as well, at your request. We had not done that yet this morning, so our apologies. We were so worried about getting the paper copies that we forgot to email it. And so we're remedying that. And, and so if we could all just take a look at 682.215 and then we can move on. After that, we're going to go into the rehab, so the 674.39 discussion draft after that.

MS. WEISMAN: Tamar?

MS. HOFFMAN: Thank you. I appreciate you keeping us on, on task here in terms of moving forward. I was under the impression that we were coming back to 685.215 later, following Alex's comments about the applicable payment. Could you please clarify?

MS. ABERNATHY: Why, thank you. This is why it takes a village. We will not take a pulse check on 685.215 at this time. We will also circulate a new discussion draft with the changes or after we've had a chance to take a look at that at lunchtime and see what we can do with that. Yes, ma'am. So -- oh, no, I eat. We just eat in a big room with everybody. We don't get a break, though, so thanks for that. We really appreciate that. I'm just kidding. Just teasing. So if we could look at 674.39, 682.405. Oh, I don't have -- do we have any extra copies of this? Yeah, I'm looking. We've got one. Okay. Sorry. I'm looking at an old version and I remember we did a lot of edits to this. So let me also get out the notes from where we were going to look at Ashley's and Tamar's questions. Okay, just a second. Here we go. Bear with me. I need to find one more piece that's on forbearances. Okay. Alright. So before I get into the text, I do want to take a look at -- we received two proposals regarding the rehabilitation regulations for consideration from Tamar. And I'd like to go through those. So first of all, Tamar, thank you for submitting those to us and giving us a chance to look at them. So under 685.211(f), I believe if we look at the new amendatory text, I think that's on 685.211. Yep, under the miscellaneous repayment provisions, what we tried to

do here -- we're not making any changes based on the information that you submitted, but we did go in and try to -- Linnea, would you do me a favor and advance to 685.211 first, so I can start talking through this? Now that I got us down the rabbit hole, we might as well go to the right section. We have added the minimum payment amounts, and we've clarified beginning on -- you want to go above that?

MR. ANDRADE: I thought we were (inaudible) clarify that the other stuff wasn't changing, the asterisks.

MS. ABERNATHY: Oh, yes. Would you -- I'm sorry I lied. Could you go back up a little bit? So under (f), you'll see that there are five asterisks above that. That means everything prior to (f) stays the same. There are no changes. And (f) has three asterisks, which, which means this is provision (f) which that part stays the same, and then it's paragraph (1). So I think there was some confusion thinking that these provisions were changing or were moving. And so we just wanted to clarify that. OBBB did not touch anything but here and we've added a minimum payment amount. We've added before July 1, 2027, to clarify. And then if we could come down a little bit, Linnea, for us. Thank you. Beginning on and after we've clarified here, this gets back to the

question where you tried to play Stump the Fed, Mr. Ricci, I think it was you. You had this great question and we were like I'm not sure what we're going to do with that one. But I could be wrong. I could have that -- could be one of the other negotiators trying to play Stump the Fed. But the Secretary initially considers the borrowers reasonable and affordable payment amount to be an amount equal to the minimum payment required under the IBR Plan, except if this amount is less than \$10, the borrower's monthly payment is \$10. And so we had to clarify that. That wasn't the part I was thinking about but -- so we added that information there as well. And so if we can just keep --

MS. WEISMAN: We have a question from Tamar.

MS. HOFFMAN: Thank you. Apologies. Just before we move on, under 685.211(f), I believe that there actually was an inadvertent change. There was a typo in the initial print that we got that said that the minimum payment was \$10. I believe in the reg it's actually \$5 as it currently stands. If we could confirm that, that'd be great.

MS. ABERNATHY: We're not changing that provision. So it would currently be what it is in the current rule of record. So that's why we put the

asterisks in, because we're trying to eliminate that confusion. Yeah. Yes. So if you look at the -- what is out on the ECFR and you look -- that's why we said everything above (f) stays the same, that's the five asterisks which says we're not touching anything in those things. We felt like that was a bit confusing having that piece in here. And so we wanted to clarify and say that stuff is not -- we're not touching that at all. It stays as the rule of record indicates. So the other change -- while we're on 211, we'll just finish 211. We'll go backwards because, you know, sometimes that's just what we do. Before July 1, 2027, a borrower may only obtain the benefit of a suspension of administrative wage garnishment, while also attempting to rehabilitate a defaulted loan once. On or after July 1, 2027, a borrower may only obtain the benefit of a suspension of administrative wage garnishment while also attempting to rehabilitate a defaulted loan a maximum of twice per loan. Romanette one effective for any defaulted Direct Loan that is rehabilitated on or after August 14, 2028, and before July 1, 2027, the borrower cannot rehabilitate the loan if the loan returns to default status following the rehabilitation, and effective for any defaulted Direct Loan on or after July 1, 2027, the borrower may not rehabilitate the loan if the loan returns to default

status following the second rehabilitation. I do want to make a clarifying statement. We did have a minute to talk about this in the caucus, and our Assistant General Counsel, I believe that's his title. What?

MR. LALLO: Deputy.

MS. ABERNATHY: Oh, excuse me, deputy general counsel. He provided a little clarity, and I want to make sure that we provide that same clarity to the rest of the negotiators. When we are talking about rehabilitation, we are talking about a process, not a fixed point in time going forward. And so because it is a process, you know, we wanted to make sure that we provided that distinction to the rest of the negotiators so that you could be informed with that as well. That did provide a little clarity to those that were questioning about, you know, the rehab and starting that rehab after, you know, July 1, '27, when it's effective. And we also had this deputy general counsel who's going to come up and share with you.

MR. HOUSTON: Hey everyone. I'm John Houston, Deputy GC for postsecondary Ed. So, I guess the way to think about rehabilitation is that it is a whole process. I think many people would think that the rehabilitation that we're really talking about is like all the good stuff that happens after a borrower actually

rehabilitates. Those things happen, you know, after nine months of payment or nine payments over a ten-month period. But really, when we look at the effective date of this statute where we are looking holistically at the process, and so we can't start that process at the second rehabilitation until, until the actual effective date. So while it's attractive to potentially think about it as kind of the good thing that happened post-rehabilitation, it's really a program, and it can't start until the effective date actually kicks in.

MS. ABERNATHY: Thank you, John.

MS. WEISMAN: Tamar?

MS. ABERNATHY: Linea, would you do me a favor and pull up in the regulatory text online section 685.211 for screen share? It appears that we have misplaced our asterisks. Try to say that ten times fast. So I would like to show the committee what is above our recommended changes, so that you can make sure to adjust any confusion. So give us just a second to find that. If you would come down to (f) for me, Linnea. Thank you.

MR. ANDRADE: So (f)(1) will stay the same.

MS. ABERNATHY: So (f)(1) is going to stay the same.

MR. ANDRADE: Romanette one will stay

the same.

MS. ABERNATHY: Romanette one stays the same. And that does indicate the \$5.

MR. ANDRADE: And then the new language (inaudible)

MS. ABERNATHY: And then the new language will be Romanette two. Is that correct? The new language is Romanette two. So (f)(1). So what you see on the screen (f)(1) -- (f), rehabilitation of defaulted loans, (1) a defaulted loan, except for all of that stays exactly the same. Romanette one, where we say the minimum payment required under the IBR Plan is less than five, the borrower's payment is \$5. That stays the same. We're not touching that. In romanette two -- and we will get new papers out. Romanette two is where we're making this change. So, Tamar, I wanted to show you that's what it would look like.

MR. ANDRADE: I actually think in (1) we would, we'd add in.

MS. ABERNATHY: We would add the loans before July 1, 2027 in romanette one. Right? It's confusing to see, but I just wanted you to, to see on the screen what we were keeping. We will add to romanette one a date distinction, and then romanette two should be reflected in our reg text.

MS. WEISMAN: Tamar?

MS. HOFFMAN: To clarify, is it loans disbursed before? I believe that that is the more accurate --

MS. ABERNATHY: This says for loans disbursed in romanette two. In romanette one, it doesn't have anything about a loan being disbursed. (inaudible)

MR. ANDRADE: (inaudible)

MS. ABERNATHY: Right. Yeah, so for romanette two, it's for loans disbursed on or after July 1, 2027, notwithstanding. Am I on the right part? Yeah. Notwithstanding paragraph (c)(1) one romanette one of this section, the Secretary grants forbearance for a period that does not exceed nine months within a 24-month period. No, I'm not in the right part. Not in the right part. Okay. Beginning on, on or after July 1, 2027, the Secretary initially considers the borrowers' reasonable and affordable payment amount to be an amount equal to the minimum payment required under the IBR Plan, except if -- accept that if this amount is less than \$10, the borrower's monthly payment is \$10.

MS. WEISMAN: Jacob?

MR. LALLO: The way that part of the regs is worded, it's a global requirement. It just begins on that date. It's not fixed to a -- yeah, it's not fixed

to it. Yeah. Wait, it's -- yeah, it's all the IBR Plans. So if you're under IBR -- or, yeah.

MS. ABERNATHY: So we're going to just take this back. What is your clarifying question, so I can make sure we get it answered for you?

MS. HOFFMAN: Sure. Thank you. I believe that for loans disbursed after July 1, 2027, I understand the minimum payment at \$10 for rehabilitation. However, for loans disbursed prior to July 1, 2027, even if they fall into default after that date, I believe that the \$10 minimum payment is not the applicable amount because they could be eligible for IBR.

MS. ABERNATHY: You are correct.

MS. HOFFMAN: (inaudible) be reflected. Thank you.

MS. ABERNATHY: We need to make that change because -- but it does say under the IBR Plan. So it says the Secretary initially considers borrowers' reasonable and affordable amount equal to the minimum payment amount under the IBR Plan, except that if this amount is less than \$5. So you want us to put the clarifying date there?

MS. WEISMAN: Tamar, could you use your microphone? Thank you.

MS. HOFFMAN: I'm just looking at the

new draft, and I believe that the date here is a date not a date dispersed before, and I think that that's the point that needs to be clarified. Perhaps if it's helpful, we can review it in a caucus together, if that would be useful.

MS. ABERNATHY: No, if you could just provide us the proposed reg text that you want us to look at.

MS. HOFFMAN: Sure. No problem.

MS. ABERNATHY: Then we could just take that back and make sure that we concur and put it in a new text that we circulate.

MS. HOFFMAN: Yeah, absolutely. I think we just resent the proposal now as well.

MS. ABERNATHY: Oh, great. So it's in there then? Okay. Thank you. Now we're going to go back to the front of our document, the discussion draft, and into 674.39. From 674.39(e) paragraph (1), on or before June 30, 2027, the borrower may rehabilitate a defaulted loan only one time. Paragraph (2), on or before July 1, 2027, the borrower may rehabilitate a defaulted loan a maximum of two times. If you go back to -- yes, thank you. Do a pulse check on this section, please.

MS. WEISMAN: So that's a pulse check on 674.39, loan rehabilitation. If I could see thumbs for

that section. I see all thumbs up.

MS. ABERNATHY: Thank you.

682.405(e)(1), on or before June 30, 2027, the borrower may rehabilitate a defaulted loan only one time. On or after July 1, 2027, the borrower may rehabilitate a defaulted loan a maximum of two times. I'm so sorry. In case you can't tell, I've got a cough drop in, and I'm feeling not my best, so clearly I need to learn how to read. Let's try that again, shall we? 682.405(a)(3) romanette three, on or after July 1, 2027, a borrower may only obtain the benefit of a suspension of administrative wage garnishment one time for each attempt to rehabilitate a defaulted loan. (4)(1) romanette one, after the loan has been rehabilitated, the borrower regains all benefits of the program, including any remaining deferment eligibility under section 428(b)(1) capital M of the Act. From the date of rehabilitation. We have removed effective for any loan that is rehabilitated on or after August 14, 2008, 2008. The borrower cannot rehabilitate the loan again if the loan returns to default status following the rehabilitation and we have inserted a romanette two. A loan may only be rehabilitated once between August 14, 2008, through June 30, 2027. On or after July 1, 2027, a loan may be rehabilitated a maximum of two times over the loan's

lifetime, regardless of when the loan was made.

MS. WEISMAN: Tamar?

MS. HOFFMAN: Thank you. We've submitted a proposal to the Department requesting that language be included in this section under both (1), (2) -- under both (1), (2), and (3) that explains that collection will stop while the rehabilitation process is in effect. I'd like to make sure that the Department received that proposal, and I'd like to request that we be able to fully consider it in this committee. Thank you.

MS. ABERNATHY: So we have a proposal for 682.405(b)(1)(3). Is that what you're saying that's the proposal?

MS. HOFFMAN: I believe it's (a)(3), romanette one through three.

MS. ABERNATHY: Okay. Let me find that. Okay. We -- that's one where we're not able to -- we said that we were not able to change that because OBBB, that's (inaudible) provision.

MS. WEISMAN: Jeff?

MR. ANDRADE: Yeah. So as Tamy stated, OB3 didn't change the policy, any policy related to this. And so we are -- the current policy is that a guarantor will continue collecting loans by administrative wage

garnishment until the borrower makes five qualifying monthly payments, so that policy stays in place. And it's only in a case where they're otherwise -- they're precluded under 410(b)(9) from doing administrative wage garnishment. But the statute made no changes relative to this area. And so we are keeping current policy and not changing it. So you have to make a requisite number of payments under a rehab agreement before administrative wage garnishment would stop on that account.

MS. WEISMAN: Tamar?

MS. HOFFMAN: I'd like to request a caucus in order to discuss this provision of the loan rehabilitation agreement section.

MS. WEISMAN: Can you tell me who you would like in the caucus?

MS. HOFFMAN: Sure. I actually am fine with everybody in the room, yeah.

MS. WEISMAN: Okay. And about how long do you think you'll need?

MS. HOFFMAN: Ten minutes.

MS. WEISMAN: Okay, so we will stop the live stream, and I need to clear visitors.

MS. ABERNATHY: Did she say with or without the Department?

MS. WEISMAN: With the Department?

All, all negotiators, primary and alternate, correct? Okay. Welcome back. Following our caucus, I'm going to ask Tamar to do a brief report out on that caucus.

MS. HOFFMAN: Thank you. So we just had a caucus with all participating negotiators in the room. We discussed rehabilitation agreements and some possible fixes to make it easier for borrowers around the country to exit, default, and reenter repayment as usual. Some of the proposals that we discussed included reducing the rehabilitation amount to the lowest payment possible for borrowers under whatever IDR/IBR Plan they may be eligible for. We also discussed whether borrowers who complete rehabilitation could then be immediately enrolled into IDR or IBR to avoid defaulting again shortly thereafter. We also discussed other possible fixes to make it easier to rehabilitate, including whether borrowers might be able to enroll in IBR/IDR Plans online and make automatic payments. And we also requested that the Department consider stopping collections for all borrowers who are in the process of the -- of rehabilitating and who are making consistent payments on rehabilitation agreements and keeping up with their agreement from the time that the agreement is made. During the course of the caucus, it appeared that stopping collections while rehabilitation is ongoing is

not a proposal that the Department is open to at this time, but I will let them speak for themselves as well if they have a different perspective on the matter, as well as changing the minimum payment amount. However, there is openness to continued conversation about making it easier to make rehabilitation payments and making rehabilitation agreements. As well as -- apologies, I'm just going through my list here. Rehabilitation agreements. Rehabilitation. Yes, and automatic enrollment into IDR. Thank you. I lost my train of thought. If I missed anything that somebody else wants to capture, please do.

MS. ABERNATHY: So we're ready to move on? We still need to do the pulse check on 682.405.

MS. WEISMAN: Okay, then let's do a pulse check on 682.405, loan rehabilitation agreement. If I can see thumbs, please. So I see two sideways thumbs with Tamar and with Alex Ricci. Oh, I'm sorry, Tamar is a thumbs down, and Alex Ricci is a thumb on the side. Everyone else is thumbs up.

MS. ABERNATHY: If you guys could get to --

MS. WISMAN: We actually have a card up, if you don't mind. Jenna?

MS. COLVIN: I have a question. I don't know if this is appropriate. And if it's not,

that's fine. I'm curious, is there a perspective from the servicer community that you wanted to share about why that would be -- why you weren't a thumbs up?

MR. RICCI: We've had a lot of conversations today about treatment of loan rehabilitation agreements, particularly as it relates to not just FFEL, but also direct lending. This was specifically related to FFEL. And I just need time to talk to my constituency group about how the conversations have played out this morning. So that's why I'm not yet thumbs down or thumbs up. I'm merely sideways for now.

MS. WEISMAN: Jenna, did you have another question? Okay. Thank you. Tamy, no other cards.

MS. ABERNATHY: Can we go to 685.204, please? Thank you. (f) (1) romanette one for loans disbursed before July 1, 2027, has been added. Romanette two for loans disbursed on or after July 1, 2027, a borrower may not receive an unemployment deferment. We've put a the in paragraph three. Paragraph (g), economic hardship deferment. Paragraph (1) romanette one, for loans disbursed before July 1, 2027, a Direct Loan borrower who has experienced or will experience an economic hardship in accordance with paragraph (g) (2) of this section is eligible for deferment during periods that collectively do not exceed three years. For loans

disbursed on or after July 1, 2027, a borrower may not receive an economic hardship deferment under paragraph (g) of this section, and we changed paragraph -- romanette two to three. So if we could look here, I do have -- I want to make sure that I look at these proposals quick to make sure that there's nothing else here that we need to discuss on this. I think we're good.

MS. WEISMAN: Are we ready for a pulse check then on 685.204, deferment?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: I could see thumbs, please. I see all thumbs up.

MS. ABERNATHY: If we could go on to 685.205, forbearance. (inaudible)

MR. ANDRADE: There's no changes to general.

MS. ABERNATHY: So I'm not going to (inaudible) right now?

MR. ANDRADE: We don't need to because it's a cross-reference to (inaudible)

MS. ABERNATHY: Okay. So we will go down to period of forbearance, (c).

MR. ANDRADE: (inaudible)

MS. ABERNATHY: And paragraph (1) romanette one, and then romanette two for loans disbursed

on or after July 1, 2027 and notwithstanding paragraph (c)(1) Romanette one of the section, the Secretary grants forbearance for a period that does not exceed nine months within a 24-month period. For forbearances under paragraph (a)(1) of this section, the forbearance under this paragraph (c)(1) romanette two begins on the first month for which the forbearance is granted. So the -- everything before this is -- stays exactly as it is in the regulation. So there are no changes to those provisions under (a), (b), and (c). (c) has the change, but not (a) and (b).

MS. WEISMAN: Scott?

MR. KEMP: Well no -- and just to clarify, because I was trying to figure (inaudible) okay.

MR. ANDRADE: So this is, this is pointing to the one group of forbearances that are essentially discretionary between the Department and the borrower. And it doesn't include processing forbearances, nor does it include administrative forbearances. So the clock is only on the ones requested by the borrower that are granted by the Department.

MS. WEISMAN: Scott?

MR. KEMP: And yeah, this is just clarification. So the additional text that we received before, you basically have taken that out, and that's why

it's no longer there. Okay.

MS. ABERNATHY: I would also like to say we did receive a proposal from, from Ashley and Tamar on 685.205. They have requested that we strike in (a), which we're not making any changes to (a) -- can one of you on my team pull up the regulatory provision of 685.205, please? Thank you. Aren't they so fast? They're so good.

MS. WEISMAN: Tamar had a quick comment that I think might be helpful.

MS. HOFFMAN: Yeah. I believe that you've actually already adopted the change that we were proposing, just in case that's helpful.

MS. ABERNATHY: We've responded to this, and we no longer have to do it. Thank you. Alright. Just kidding, team. But you did a really good job of getting that up there very fast. So, thank you. And I think we could do a pulse check at this point.

MS. WEISMAN: Okay. If we could do a pulse check on 685.205, forbearance. I could see thumbs, please. I see all thumbs up except Alex Ricci, who has a thumb to the side and would like to make a comment.

MR. RICCI: I'm sorry, this -- I might have just missed this. I know in our prior discussion there was conversation about how if the clock sort of

resets every 24 months on this rolling basis, and I don't remember what the Department's interpretation there was.

MR. HOLT: If there was a three-year limit, you mean?

MR. RICCI: Yes. If there -- because this -- there -- in the -- before times, before HR1, there was a three-year total limitation. And this would seem to indicate that you could have, you know, like ten, nine-month periods of forbearance, which would far exceed three years.

MR. ANDRADE: It's nine months within a 24-month period, the clock starting on the first month.

MS. ABERNATHY: There is not a cap, though. You're asking about the cap. Correct? There was nothing in the bill that precluded this from just being a forbearance of nine months during a 24-month period. So there's not a cap on it.

MR. RICCI: I would like to revise my thumb.

MS. WEISMAN: And your thumb then would be up? Okay. Then it is unanimous, all thumbs up.

MS. ABERNATHY: I just have to say I am going to take that back. I'd like to revise my thumb. That's great. Thank you. We've talked about 685.211, so I don't think we need to refer back to that right now. So

at this point, I need to huddle with the table for just a second. Given that we need to take some time to create some additional amendatory text based on the discussions here, we would really like to use the time now instead of continuing -- there's not another reg provision we can go through right at the moment, and we can't get through really anything within the 20 minutes. Would the committee be opposed to us adjourning a little early for lunch so that it would give us additional time to make sure we could try to get everything ready for you after lunch? And I see a thumbs up from the back. So can we have a thumbs -- anyone want to revise their thumb? So if that's okay, I think. Annmarie --

MS. WEISMAN: Do you need additional time for lunch or would we still come back at 1:00?

MS. ABERNATHY: We would like to come back at 1:00. We would take this time now in preparation to be back by 1:00.

MS. WEISMAN: Okay. Back at 1:00 then.