DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

NEGOTIATED RULEMAKING

REIMAGINING AND IMPROVING STUDENT EDUCATION (RISE)

SESSION 1, DAY 5, MORNING

October 3, 2025

On the 3rd 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. Welcome back to the 2025 Reimagining and, and Improving Student Education Committee, or the RISE Committee, for Department Negotiated Rulemaking. I'd like to start with roll call, if Department staff could introduce themselves?

MS. ABERNATHY: Tamy Abernathy, Federal Negotiator.

MR. ANDRADE: Jeff Andrade, Office of Postsecondary Education.

MR. LALLO: Jake Lallo, Office of General Counsel.

MS. WEISMAN: And I'll go through the short name for the constituencies. And if everybody who is present could please say their name? Legal assistance organizations, consumer advocates, and civil rights groups that represent students, 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.

MS. WEISMAN: Alternate?

MS. HARTUNG: Lori Hartung.

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

MR. HOLT: Alex Holt.

MS. WEISMAN: Alternate?

MR. GILLEN: Andrew Gillen.

MS. WEISMAN: Private nonprofit institutions, primary?

MS. COLVIN: Jenna Colvin.

MS. WEISMAN: Alternate?

MS. KOHLER: Patti Kohler.

MS. WEISMAN: Proprietary institutions, primary?

MR. VAUGHN: Andy Vaughn.

MS. WEISMAN: Alternate?

MR. BODIMER: Jeffrey Bodimer.

MS. WEISMAN: Public institutions, primary?

MR. KING: Timothy King.

MS. WEISMAN: Alternate?

MR. ELLSWORTH: Matt Ellsworth.

MS. WEISMAN: State officials, primary?

MR. KEMP: Scott Kemp.

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, US military service members, or groups representing them, primary?

MR. SULMAN: Faisal Sulman.

MS. WEISMAN: Alternate?

MR. SULMAN: Bob Carey will be here shortly.

MS. WEISMAN: Okay. Thank you. And that is our group. We have a very busy day today, so I won't delay. I will turn it over to Tamy.

MS. ABERNATHY: Thank you, Annmarie. We are happy to report we have made it through Friday or made it to Friday. I want to be through Friday, but I guess we're just not quite there yet. But we're willing it to happen. But before I start with opening remarks, I know that I was approached by Alex, and I think I'll let Alex make a comment for us today.

MS. WEISMAN: Alex Holt?

MR. HOLT: So I got some messages after the end of yesterday. So I just wanted to clarify for the record that I was wrong about the principal payment match. That man was right, obviously. And I would, I would just say, you know, for the Department, I think colloquially it might make sense to just call this a payment match, because that's really what it is. You know, when you pay, if you make an on-time payment, your balance never goes up and actually always goes down. So if you make a $10 payment, it will go down by at least $10. If you make a $40 payment, it will go down by at least $40. It's a very generous benefit to low-income borrowers. And since I'm on a soapbox, I would also just like to -- since I basically told a civil servant he was wrong and then have to say that I'm wrong. I want to take the opportunity to thank all the civil servants in the room who are currently not being paid and working very, very hard.

MS. ABERNATHY: Thank you for that. I know our very own Batman appreciates that. He is kind of awesome, isn't he? Alright, so a couple things that we want to chat through before we dive in this morning. One of the things that we are going to ask you to do a little differently than you have been doing is to make sure when you email us hypothetical situations, that you are giving

us the hypothetical situation where it supports a problem in our regulatory language. We need that in writing, and we want to take that back and flesh it out. We're not going to flesh it out in real-time because it takes a village sometimes to walk through the things that you're showing us. We need to think through from our side. So we take these very seriously. For instance, the schedule of reductions yesterday. We know that you brought up several pieces and parts that we may not have considered in our regulatory text. So we are going to table that particular reg provision until the second time we meet, to give us more time to flesh through some of those things. To that end, I have a couple of proposals or questions that you guys submitted around that. And then one again this morning. We will table those until we come back to the table to discuss it after we look at what you've asked us to take a look at and what our remedy for that particular situation may or may not be. We also request, because we're coming back in roughly a month, that you would submit any proposals for reg changes or things that you feel need to be addressed in our regulations that are in line with, of course, the statute that you submit that information to us no later than the 10th. October 10th. Not November 10th, which I keep trying to give you until November 10th to do that, it is October 10th. That will

give us time to work through it as a Department team, and if any changes need to happen, we can change it before we're required to give you the weeks' notice, the regs in advance of the negotiations. So if you could help us with that, that would be really -- it would be very beneficial for the Department to have that time to really make sure that we've -- if we are preparing amendatory text or if we're not preparing amendatory text, that we give you a very thorough reason why. So thank you for that. That's two things off my list already. We're making such great progress. We are going to go back through a couple of the provisions from yesterday to make sure that we can reevaluate and do another pulse check to see if we have shifted in any way from those that had either a thumbs down or a sideways. And so the first reg text we want to look at is 685.210. And I apologize to my team because this came to me after we had already gone over the schedule of how we were doing things today. So we need to give Linnea a couple minutes to get that pulled up because she was all ready to go with the schedule. And here I am changing things already on her. 685.210, it would be the choice of repayment plan. So 210 -- 685.211, 219, 220, 221. That paper, there we go. It's up on the screen. So I know there was some consternation about made and -- made and dispersed. So I would just like for us to

go forward and do another pulse check on that, Annmarie.

MS. WEISMAN: So, doing a pulse check of 685.210, choice of repayment plan, if I could see thumbs. Okay, let's pause for a minute so everybody can find it. If you're looking at the discussion draft that was circulated, it's called Miscellaneous Loan Repayment Provisions and Public Service Loan Forgiveness, Regulatory Section 210.

MS. ABERNATHY: And so I think the concern here was about made and dispersed. And we are addressing this with clarity in the NPMR, not in the regulatory language, because we are using the statutory language. And so what we will do is make sure that we clearly specify in the NPRM that this was a concern expressed by our committee, and, you know, the distinction here is made equals dispersed. So we hope that helps clarify.

MS. WEISMAN: Are we ready for the pulse check? Okay.

MS. ABERNATHY: Yes, I'm ready. But we're not -- oh, we're not ready. Okay. I thought she was waiting for me to say yes.

MS. WEISMAN: Now, are we ready for the pulse check? It appears so. If I could see thumbs, please. I see all thumbs up for 685.210. Thank you very

much.

MS. ABERNATHY: Thank you. Could we go to 685.219 in the same paper? This is the provision where we changed the date from June 29th to June 30th because we found out that if that -- a repeal date and an effective date could be the very same date. So we did not -- and the statutory language says the day before. And so we were able to change this to June 30th.

MS. WEISMAN: Are we ready for a pulse check? This is on 685.219, Public Service Loan Forgiveness Program. If I could see thumbs, please. And I see all thumbs up.

MS. ABERNATHY: If we could move to 685.220, consolidation. Same paper.

MS. WEISMAN: Are we ready for the pulse check? This is on 685.220, consolidation. If I could see thumbs, please. I see all thumbs up.

MS. ABERNATHY: Well, aren't we starting off really strong today? I like it. Alright, I think that is all on that particular provision. If we would now move to 682.405.

MS. WEISMAN: We have a comment first from Ashley.

MS. NAPORLEE: Tamy, it would be helpful if when you reference certain sections, if you

could say what the title of discussion paper is and/or the page number, just that would help us get there faster. At least me, because I'm just apparently a little slow. Thank you.

MS. ABERNATHY: Okay. This is the loan deferment forbearance and rehabilitation provisions. And just so you know, for the next session, we are just going to have reg text and numbered, so we'll say number one -- just, you know, reg text number one, reg text number two, all 16 provisions so we won't have a lot of excess stuff. Now that we've talked about all of this, we can streamline it a little better for next time. And it is -- I guess, my page number. I don't know if it's your page number, but my page number is two. It's the second provision on that paper if that helps. So we'd like to circle back to discuss -- we had Tamar had a thumbs down and Alex had a sideways thumb. And what we've tried to do here is we've gone back and fleshed out about automatic recertification, automatic certification after default, and all of the different things around that, and we feel like we will be better able to address this in the preamble than to actually create reg text around it, because it's not something that the statute speaks to. And we feel like the best way to do this is to discuss it through the preamble very carefully and thoroughly.

MS. WEISMAN: Jenna?

MS. COLVIN: So, just a housekeeping question. There's no change, right? No highlights, no change. What we're looking at is what we're pulse checking on?

MS. ABERNATHY: Yes, ma'am. All the edits are in there. Yeah, we've made no changes from the last time we did our pulse check on this. It's just the fact that we wanted to revisit it, to let them know that our response to what their concerns were will be addressed in our preamble language. Yes, ma'am.

MS. WEISMAN: Alex Holt?

MR. HOLT: So just a clarification question. I don't have a dog in this particular fight, but when you say it's going to be addressed in the preamble, clarification, do we vote on the preamble? No, okay.

MR. ANDRADE: So, the issue here was doing more on a rehab when a loan is rehabbed to encourage borrowers to go into Income Based Repayment, which we agree with. The issue is the issue that was put on the table was whether we could do that automatically. And the problem is it requires too much -- too many consents from the individual. They have to, they have to opt in. And so we need documentation, so we can't

automatically put people in, but we get the spirit of, of what's trying to be done here. And so we're looking at our own procedures when we do rehab a loan on when we -- on what we can do to encourage borrowers to go into Income Based Repayment. So that's -- so we're -- so that's the commitment. So we can't do it in the language. Definitely agree, I think, with the proposal and that there needs to be more done because otherwise we wouldn't have, we wouldn't have an option for second rehabs if first rehabs were successful. So that's what we're committed to.

MS. WEISMAN: Ashley? Scott?

MR. KEMP: Yeah. And just a quick clarification is the language in the preamble legally binding? So in other words, if a borrower disagreed with the provision or how it was addressed in the provision, and wanted to address -- the preamble just provides clarification or is --?

MR. ANDRADE: So again, the suggestion was, could we put borrowers automatically in? We cannot borrowers automatically in. But rather than dismiss it outright, again we agree with the spirit. So we would describe steps that the Secretary would be taking to encourage borrowers to enter Income Based Repayment. But we cannot do that without the borrower's consent. And we

cannot do that without getting the information that we need for Federal tax information purposes.

MS. WEISMAN: Jacob, did you want to follow up?

MR. LALLO: Yeah, just to further answer that. It's different than a regulation, you know, that -- there's still some legal effect to it, but it's not binding in the same way. That being said, it's a general statement of policy and it echoes our general commitment to attempting to achieve this for borrowers. But to put it in the regs would make the regs very clunky, complicated, and it would really tie our hands into doing something a very specific way that is very complicated to do operationally. So we need to preserve the fluidity with the current structure. But it's something that we're very committed to looking at. And, you know, we will explain what we can and can't do in the preamble to that effect.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Thanks. Thank you for that explanation. Are there other regulatory provisions that call for auto enrollment in IDR?

MS. ABERNATHY: I believe, if I'm not mistaken, those provisions are under the SAVE and REPAYE regulations, which are enjoined right now.

MS. NAPORLEE: Understood. Enjoined because they're wrapped up in litigation, not because they were -- those particular provisions were challenged, just because the SAVE plan itself was.

MS. ABERNATHY: No, it's wrapped up in litigation.

MR. LALLO: If, if they challenged the whole plan, it inherently challenges the provisions (inaudible)

MS. ABERNATHY: They challenged the whole rule. So the whole rule because other pieces and parts -- as we went through the SAVE -- it was it's called the SAVE Rule. But we had done a number of things in that SAVE Rule, restructuring regulations, moving things for clarity, defining family size, defining -- you know, putting in, not only changing REPAYE to SAVE. We did a number of activities. Everything related to that rule is enjoined. It is under litigation as well as pulling in the forgiveness pieces with REPAYE. So there is nothing that we can really do about that at the moment.

MS. NAPORLEE: I'd like to call a caucus.

MS. WEISMAN: Okay. Can you tell me who you would like to have in your caucus?

MS. NAPORLEE: All negotiators.

MS. WEISMAN: All negotiators, primary and alternate. Would you like the Department there?

MS. NAPORLEE: Yes, please.

MS. WEISMAN: Okay.

MS. ABERNATHY: I'd like to make one comment before that caucus. The spirit of these negotiations are about the bill, OBBB, the statutory changes that were made because of the One Big Beautiful Bill Act. These negotiations are about the regulatory text changes related to that, and not any other regulatory provisions other than the ones mentioned here. The SAVE and REPAYE are enjoined in litigation, and they are off the table for these negotiations. There will most likely -- I don't know if or when another negotiation around that is what my understanding is, but at this point, that is not on the table for today.

MS. WEISMAN: Ashley, how long would you anticipate needing for your caucus?

MS. NAPORLEE: Ten minutes.

MS. WEISMAN: Ten minutes. Okay. We would need the public then to step outside and to stop the live stream. Welcome back from our caucus. If I could ask Ashley to please give a report out on the caucus.

MS. NAPORLEE: Sure. We -- all the

negotiators met to discuss possible changes, regulatory changes, and subregulatory changes to rehabilitation, specifically as to whether or not borrowers would be able to opt in or opt out of auto-enrollment into IDR upon successful completion of rehabilitation. And they are taking that under advisement. So we will discuss at the next session.

MS. WEISMAN: Back to you, Tamy.

MS. ABERNATHY: I just want to clarify that the regulatory provisions that we will be taking back to review are 682.405 and 685.405. Right? Yes. Okay. Before we move into our loan limits paper, which is the 201, 102, 201, 203, I'll let you guys get there. I just want to mention that the Department, we heard you yesterday. We appreciate the really helpful conversation around the schedule of reductions. And we are going to take that particular piece back for the second session, we would like to flesh out additional, perhaps changes, amendments, or additional language to go into that regulatory provision, which would account for some of the scenarios that you presented during our discussion. So we will not be taking a pulse check on section 203. We will take it on the other provisions except for the provision of professional degree. I know that our Undersecretary met with us earlier in the week, and he presented a

solution for you all to consider, and we really have not had a chance or an opportunity to get your feedback on that. And we would like some feedback. The Undersecretary would really like the feedback on the whole for that. And I don't know if you have any of that information that you would like to share now or you want to do that in writing, but he is looking for some feedback related to that. And so we kind of will do a temporary temperature check on the professional student definition. And then we'll recirculate this next month. The other provision with the loan limits that we talked about were the health professions loans. And right now the bill did not, did not provide separate limits. So we are looking at this for the second session. We will have to look at them in conjunction with each other. So another reason why we're not going to take a pulse check on 685.203 loan limits, but we will discuss some of the provisions in there.

MS. WEISMAN: First, we have Scott, then we have Alex Holt, then Andy, then Jenna, and Ashley. So we've got a lot coming up. We'll start there with Scott.

MR. KEMP: Mine's easy. State officials would like to switch places.

MS. WEISMAN: So we have Bennett Boggs coming to the table for the state constituency. If we can

go next, then to Alex Holt.

MR. HOLT: I'm actually going to yield to the back of the line.

MS. WEISMAN: We'll go next to Andy.

MR. VAUGHN: Clarification, and then got a host of questions. So first of all, the designated health programs, you said we would not learn that today. I might be conflating topics (inaudible) the OMB.

MS. ABERNATHY: I said we were taking that back, that the OBBB did not provide separate -- it did not separate this out. And so we don't -- we have to look at this in conjunction and we'll be bringing it back the second session.

MR. VAUGHN: Okay. So OMB, earlier in the week, we were told OMB would answer that question, but there's more work to be done?

MR. ANDRADE: I think we said we would confer with OMB and, and Tamy's answer, essentially, we're looking at, at that in conjunction with the professional student definition. And so there's, there's budgetary analysis and there's legal analysis that's still needs to be done further on it.

MR. VAUGHN: Okay. So. In the language proposed by the Undersecretary, is it possible over the next four weeks, during our break, before we meet again,

to check the legal authority to do so? I know there's concerns about if we close out and let's just say we come to consensus a month from now, and this language is a part of that consensus, it feels as though not external litigation, but rather OMB comes back and says, well, nice try, Department, but no, you can't do that. You overstepped. You can't do that. And we get back and by then we're kind of shut out of negotiations. Is it possible to get further guidance through the chain on the proposed -- I don't want to call it a delay, but that one-year interim period is probably a better term, that this wouldn't get held up somewhere by the Federal teams and just get shut out in the final rule.

MR. ANDRADE: Well, there is a formal OMB review after -- of a notice of proposed rulemaking and final regulations, we are working with them very closely in the development of these draft regulations as well. And we'll be conferring, working with them. So that's not our expectation that there'll be a change in policy between what we're dealing with at the table and the final reviews, because it's generally going to be the same folks in the room. So it's our expectation that what we come with -- not making any promises for any other agency in case a new issue comes up, but essentially we're, we're joined at the hip through the development of

these processes.

MR. VAUGHN: Okay. Thank you.

MR. LALLO: And just to add a little further clarification with this, as well as with any rule that we give you, we, we, the royal we of OMB, OGC, and our partners within policy, do a comprehensive legal review of our authority throughout the process. So we will continue to look at it and make sure that the language is compliant and that we can do what we offer to you. And we'll be -- communicate any changes as we go.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. I understand you're taking it back. I -- I'm sorry I'm not following. Is the operating assumption that because OB3 didn't reference the other statutory authorizing language, that it exists? Or is the operating assumption that because OB3 is later in time, it supersedes?

MR. ANDRADE: Right now we're looking at them in conjunction to one another.

MS. COLVIN: Meaning, it's how they relate to each other?

MR. ANDRADE: Correct. Which, which would assume that there are -- we're looking at both authorities.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I just wanted to mention that we, as in my -- me and Tamar and Faisal, submitted a proposal on October 1st with regard to institutionally determined loan limits, and I'm not sure if that was reviewed already or -- I just wanted to point that out just to make sure that it wasn't inadvertently missed.

MS. ABERNATHY: I'm sorry. I do not have that. What was the exact --? I have the ones that were -- what, the ones that were submitted yesterday? Is that what you said, yesterday?

MS. NAPORLEE: No.

MS. ABERNATHY: October 1st?

MS. NAPORLEE: October 1st. Yeah, so I guess --

MS. ABERNATHY: Isn't October 1st, Wednesday?

MS. NAPORLEE: Correct.

MS. ABERNATHY: Okay, hold on just a second. I am looking to make sure because we do have a couple that we're trying to --

MS. NAPORLEE: I'm happy to resend to you.

MS. ABERNATHY: No, I'm sure they have it. I just don't have it. And it's possible that they

gave it to me and it got shuffled in, imagine. Give us just a second to look for it, please. Thank you. While they're doing that, I will talk about the ones that we received. Ashley, tell us the subject again.

MS. NAPORLEE: It has to do with institutionally determined loan limits. And it has (inaudible) memorandum. So it has some context and then some suggested regulatory texts for amending 685.203(m)(2).

MS. ABERNATHY: I have one for rehab. I don't have one for that.

MS. NAPORLEE: I'm sorry?

MS. ABERNATHY: (inaudible) I don't have it.

MS. NAPORLEE: Of the email? Oh, okay. I don't have the email up. I just -- but I can look for it.

MS. ABERNATHY: We're going to take this back at lunch. I apologize, this did not get -- it may have gotten to us, and we may not have just seen it. I don't have it in my stack, and I keep them all, and it's not in my stack, so I apologize for that. We'll huddle at lunch and come back. If somebody from my team could get us copies for that for lunch, that would be great.

MS. NAPORLEE: And just for the clarification for the other negotiators, the subject line of the email is, is proposal institutionally determined loan limits on October 1st. It was distributed to everyone as well.

MS. ABERNATHY: Thank you for bringing that up. We take these very seriously, so I apologize. Okay. Well, we are -- again we apologize but we'll remedy it. Give me just a second to get my bearings about me now. All right, so.

MS. WEISMAN: Tamy, we have two cards still up. Alex Holt?

MR. HOLT: Thank you. So two things. First of all, I wanted to bring up that the, the organization -- my constituency has been able to take a further look at the latest, you know, the proposed language from whenever that was. It's hard to keep track, probably Wednesday. And we have some pretty significant concerns related to the costs of even extending this for one year. Because of the way the definition is written -- not the definition, the exception basically is written, we realistically believe that a very significant portion of graduate programs that Congress really was intending to limit from getting the loans would get them and unfortunately, these, these programs have very high costs

and are frequently associated with professions that get PSLF. And so that interaction is very expensive. And so we have some concerns about that. The second thing is, I would like to call for a ten-minute caucus with all negotiators and alternates, including the Department.

MS. WEISMAN: So that's a caucus request from Alex Holt. All negotiators, including the Department. So I would then ask the public to please step outside for at least ten minutes. Welcome back, everyone. Thank you for your time, and the caucus negotiators. If Alex Holt could please do a report out on the caucus, I would appreciate that.

MR. HOLT: Yes. Thank you. We mainly discuss some concerns related to -- like, legal questions related to how this law works. And for the public, it's a little difficult because of the shutdown, but there was a proposal submitted by me and my alternate for an alternative language for this definition, and that was also discussed.

MS. ABERNATHY: So we don't have enough time before break to go through and do pulse checks on everything other than the professional student definition, because we've heard enough on that one. So I'm going to just take a minute to, to reference the proposals that we received and the reminder, thank you,

Tamar, for reminding me what I needed for us to take a look at. I appreciate that. We're going to just kind of go through these quickly and let you know where we stand with the ones that were submitted. It looks like Ashley and Tamar, we received that, but for some reason, I don't have a record, the one that you referenced earlier. It apparently got to me at some point, but it didn't get to me, and I can't find it. So again, we apologize for that. But we did receive it. And these two remember talking about it. I'm not sure where I was. I can't really respond to that, but we did get that. So I don't want you to think that we lost anything. I want to go on the official record as that we did receive it. I just apologize for not having it on the list. We received from Tamar 682.215(e)(6). We wanted to let you know -- I'm not sure we used everything that you submitted as a change to the amendatory text, but we did fix this. As we go through that text a little bit later, you'll see that change in there. Jenna and Tamar -- well, Tamar was just giving me the transfer thing, and I think Scott submitted some, some hypothetical proposals. The schedule -- like I've said before, the schedule of reductions is going to be taken back and tweaked based on this. So we're not really going to go over what you submitted, but we did receive them and we did talk about them, which is why

we're going back and taking a look at some things and trying to clean that up and tighten it up a little bit. So we appreciate your patience while we do that, but it's definitely worthwhile because that's exactly what we needed to see. And now we'll go back to the drawing table. Thank you. I believe that concludes all of the old business for things. And I think we could go ahead and take a break, and then we could come back and hit the rest of the things that we need to do.

MS. WEISMAN: Okay. We'll take a ten-minute break, be back at 10:35. Welcome back, everyone. Thank you for returning promptly from the break. I do believe we have one constituency that is going to swap from alternate back to primary.

MR. BOGGS: Yes. Thank you. Swap out Scott Kemp and Bennett Boggs.

MS. WEISMAN: And I'll turn it back over to you, Tamy, to announce the next section.

MS. ABERNATHY: So what I would like to do is in 685.102, not going through the professional student, we've done that already. We're not going to take a pulse check on that. But the other proposed changes that we have here in red line. So if we could get 685.102 up on the screen. That is in -- goodness, that is in the loan limits discussion draft. I will read -- while you

are getting there, I will read the text. It is up on the screen as well. Expected time to credential from July 1, 2026. The expected time for a student to complete a program that is equal to, or the lesser of three academic years, or its equivalent, or the period determined by calculating the difference between. Romanette one, the program length for the program of study in which the individual is enrolled, and romanette two, the period of such program of study that such individual has completed as of the date of the determination under paragraph (2) of this definition. And then graduate student, a student enrolled in a program of study that is above the baccalaureate level and awards a graduate credential other than a professional degree upon completion of the program. And then program length, the minimum amount of time in weeks, months, or years that is specified in the catalog, marketing materials, or other official publications of an institution for a full-time student to complete the requirements for a specific program of study. If we could do a pulse check on everything except for the professional student, just the stuff that I read.

MS. WEISMAN: So a pulse check on just that content in 685.102.

MR. VAUGHN: I have a comment first.

MS. WEISMAN: Okay. Comment first from

Andy.

MR. VAUGHN: Can we go back down to the bottom on the last red line? Is there any concern from the taxpayer group or the Department about that being open-ended? Meaning, could a school go into their catalog now and change that to have more time than they've had? Should there be a date certain on that? Is there any concern about that being open-ended?

MR. HOLT: We're talking about the part of the definition on professional loan limits?

MR. VAUGHN: Yes. So it says basically we're going to point to program length for the minimum amount of time as published in your catalog, marketing materials, or other publications. Should that -- throughout the proposals and red line, there's always a kind of a date certain as-of-date, this one doesn't have that. Could a school go in and manipulate that and open a door is what I --?

MR. HOLT: Just to clarify, this is a -- this is related to the professional degree definition?

MR. VAUGHN: Time to completion for -- would this, would this relate back to the legacy students?

MR. LALLO: So far as the legacy students are concerned, with the expected time to

credential language that's baked in there, it is fixed to a time certain of three years for expected time. But the overall program length, I think -- I understand your concern here, I think, but because we're capping with the lifetime limit, I mean, it -- while you could certainly play with the program length, I mean your point is well taken, but it runs into a problem of like, we --

MS. ABERNATHY: It's just a general definition, not to be read anything more into it. It's just the general definition that we have here along with, you know, just kind of setting the stage for the pieces that need to be defined in the regulatory language.

MS. WEISMAN: Alex Holt, and then Jenna.

MS. ABERNATHY: It's referenced under expected time to credentials. So if you look and you see from July 1, 2026, the expected time for the student to complete the program, so, if that helps.

MR. LALLO: Clarity is three years.

MR. HOLT: So reserving the right to change my mind later, but I would say from the taxpayer and public interest, and also the public interest plays into this here, because of that cut-off date, we just aren't that worried about that kind of a thing. We want to try to make this as -- we're concerned a little bit

about the difficulty operationally, both for the Department and for schools in this transition period. So -- and we don't think this just never will rise to a cost that is super relevant for us. So we just don't want to be too nitpicky on it.

MS. WEISMAN: Okay. I see a couple of cards still up. I think they were up from before, Tamy and Alex. Now, are we ready for the pulse check on this section? Again, excluding the professional student definition. If I can see thumbs, please. All thumbs are up. Congratulations.

MS. ABERNATHY: Thank you, everybody. We appreciate that. 685.200, borrower eligibility. Paragraph (1)(a) graduate student or professional student is eligible to receive a Direct PLUS Loan if the student meets the following requirements: We enumerate romanette one, romanette two, romanette three, romanette four, romanette five. We add paragraph (2) romanette one. Beginning on July 1, 2026, a graduate student or professional student may not borrow a Direct PLUS Loan. Romanette two, the limitation for making a new Federal Direct PLUS Loan awards described in paragraph (b)(2) romanette one of this section shall not be applicable to student borrowers during the period of the student's expected time to credential if the student, (a), is

enrolled in a program of study at an institution as of June 30, 2026, and (b), received a Direct Loan for such program of study prior to July 1, 2026. Paragraph (3), if the student withdraws in accordance with 668.22, or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (b)(2) romanette two of this section, the limitations under paragraph (b)(2) romanette one shall apply. If we have either comments or pulse check, please.

MS. WEISMAN: There was a request for a -- scroll down on what's on the screen to go a little lower down, so that people can see.

MS. COLVIN: I just want to say thanks for the cleanup on ceases to be enrolled. I think it's a lot more precise now.

MS. WEISMAN: Faisal?

MR. SULMAN: Just have a question about some of the student veteran military-related provisions that we mentioned earlier in the week. I know we haven't seen them yet, but you guys mentioned that they will be -- we will see them. Where exactly -- not where are they, but like -- where did they exactly fit into this scheme?

MS. ABERNATHY: So again, we're just doing a pulse check on what we have. We know that is a

piece. And it was my understanding that one of the Department officials was working with Bob on some language. And so I don't know where that is. That individual is not in the room at the moment, so I can't find out any more additional information on that. When we have language around that, though, that would be presented during the second session. I don't know where it's going to go yet, but we will make sure it's in the right spot. And it is my understanding that they have heard and seen the proposals that have come in, and they are working on it.

MS. WEISMAN: Tamy, I see no other cards. If you could clarify the sections that you want the pulse check on.

MS. ABERNATHY: 685.200. The whole thing that's on the discussion draft that's on there. What I just went over is in 685.200, borrower eligibility.

MS. WEISMAN: Pulse check on 685.200, borrower eligibility, if I can see thumbs, please. So I see thumbs up from all except Deborah and Faisal, and Ashley with thumbs in the middle. Faisal?

MR. SULMAN: I just want on the record, we expect to be in agreement, but we're just (inaudible)

MS. ABERNATHY: Absolutely. We get it. Thank you.

MS. WEISMAN: Deborah?

MS. LILLY: Just for the record, student borrowers expect the same. We concur with Faisal.

MS. NAPORLEE: We also want to see the proposed language as well incorporated into this, and may have a couple of other concerns, but for now, we expect to be in agreement.

MS. ABERNATHY: Should you have additional concerns, if you could get those to us so that we could take a look at those too, that would be great. Thank you. 685.201, obtaining a loan. We have revised subsection (b)(2) romanette two to read as follows. On or after July 1, 2026, a graduate student or professional student may only apply for a Direct PLUS Loan if the student satisfies the conditions set forth in section 685.200(b)(2) romanette two. That is all that is on this provision. So if you all want to make comments on that or just take a pulse check, we're good.

MS. WEISMAN: I see no cards. So we'll do a pulse check on 685.201, obtaining a loan. If I can see thumbs, please. And I see all thumbs up.

MS. ABERNATHY: Okay, we're going to go over loan limits. We'll take a pulse check on the

things that are not with -- things that we're not still evaluating. We won't even discuss those. But I do want to know where we land on the rest of the stuff, if that's okay. So we're revising subsection (b)(2) romanette three. We've added an ending on or before June 30, 2026. We've added romanette four, loan limits for graduate and professional students for periods of enrollment beginning on or after July 1, 2026. Paragraph (a)(1), notwithstanding paragraph (1) of the section, a graduate student who is not a professional student for a period of enrollment beginning on or after July 1, 2026, may borrow up to $20,500 for an academic year under the Direct Unsubsidized Loan program. Notwithstanding paragraph (1) of this section, a professional student for a period of enrollment beginning on or after July 1, 2026, may borrow up to $50,000 for any academic year under the Direct Unsubsidized Loan program. Paragraph (b), the limitations in effect on July 1, 2026 for annual loan limits as described in paragraph (b)(2) romanette four, paragraph (a) of this section shall not be applicable to student borrowers during the period of the student's expected time to credential if the student: (1), is enrolled in a program of study at an institution as of June 30, 2026 and received a Direct Loan prior to July 1, 2026 for such program of study. Paragraph (c), if the student withdraws

in accordance with 668.22 or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (b)(2) romanette four capital B of this section, the limitations under paragraph (b)(2) romanette four capital A shall apply. Oh, I'm sorry, there's more. Excuse me. (c)(2), we have added for a period of enrollment through June 30, 2026. We've revised subsection (e) to read as follows: We've added (2) paragraph (3) enrolled before July 1, 2026. We've added paragraph (4) notwithstanding paragraph (1) of this section beginning on July 1, 2026 for a graduate student enrolled on or after July 1, 2026, who is not and has never been a professional student, $100,000. Who is a professional -- who has been -- who is or has been a professional student, $200,000 minus any amount such student borrowed as a graduate student. (5) notwithstanding paragraph (l) -- I think that's an (l) of the section beginning on July 1, 2026 for professional student, $200,000 minus any Direct Subsidized Loan, Subsidized Federal Stafford Loan, and Federal SLS, which is a supplemental loan for undergraduate students, program loan amounts, and any amounts such student borrowed as a graduate student, if applicable. Paragraph (6), the limitations for aggregate loan limits, described in paragraphs (e)(4) and (e)(5) of this section, shall

not be applicable to student borrowers during the period of the student's expected time to credential if the student, romanette one, is enrolled in a program of study at an institution as of June 30, 2026, and romanette two, received a Direct Loan for such program of study prior to July 1, 2026. Paragraph (7), if the student withdraws in accordance with 668.22 or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (e)(6) of this section, the limitations and under paragraphs (e)(4) or (e)(5) shall apply, as applicable. Subsection (f) to be revised. Adding annual loan limits before July 1, 2026 to paragraph (1) and after the word study before July 1, 2026, comma before the word may. (2), annual limits on or after July 1, 2026. Beginning on July 1, 2026, the total amount of Direct PLUS Loans that all parents may borrow on behalf of each dependent student for any academic year of study may not exceed $20,000 minus other financial assistance as defined in Section 480(i) of the act for the student. Romanette two, the limitation for annual loan limits described in paragraph (f)(2) romanette one of this section shall not be applicable to parent borrowers who borrowed a loan on behalf of a dependent student during the period of student's expected time to credential if the student is enrolled in a program of

study at an institution as of June 30, 2026, and paragraph (b), the parent borrower received a Direct Loan for such program of study on behalf of the dependent student or the dependent student received a Direct Loan for such program of study. Romanette three, if the student withdraws in accordance with 668.22 or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (f)(2) romanette two of this section, the limitations under paragraph (f)(2) romanette one of this section shall apply to the parent borrower of that dependent student. Subsection (g), we've added in paragraph (1) aggregate limits before July 1, 2026, and after the word borrower and before the word for, we've added before July 1, 2026. Paragraph (2), we've added aggregate limits on or after July 1, 2026. Beginning on July 1, 2026, the total amount of all Direct Plus Loans that all parents may borrow on behalf of each dependent student for enrollment in an eligible program of study may not exceed $65,000 for the entire period of enrollment without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan. Any amount of loan funds that have been returned by the institution or the borrower will not count against the aggregate loan limit under this paragraph (g)(2). Paragraph (3), the

limitation for aggregate loan limits described in paragraph (g)(2) of this section shall not be applicable to parent borrowers during the period of the student's expected time to credential if, romanette one, the student is enrolled in a program of study at an institution as of June 30, 2026 and, romanette two, the parent received a Direct PLUS Loan for such program of study on behalf of the dependent student or the dependent student received a Direct Loan for such program of study prior to July 1, 2026. Paragraph (4), if the student withdraws in accordance with section 668.22 or otherwise ceased to be enrolled in the program of study at any point after receiving the exception under paragraph (g)(3) of this section, the limitations under paragraph (g)(2) of this section shall apply. Subsection (j), we've added a one. We've renumerated -- we've re-enumerated romanette one and romanette two, added paragraph (2). Effective July 1, 2026, the lifetime maximum aggregate amounts of the loans made insured are guaranteed under the act that a student may borrow, excluding Federal PLUS Loans or Federal Direct PLUS Loans shall be $257,500 without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on such loans. Any amount of loan funds that have been returned by the institution or the borrower will not count against the lifetime maximum

aggregate loan limit in this paragraph (j)(2). The limitation for lifetime maximum aggregate loan limits described in paragraph (j)(2) of this section shall not be applicable to student borrowers during the period of the student's expected time to credential if the student romanette one is enrolled in a program of study at an institution as of June 30, 2026, and received a Direct Loan for such program of study prior to July 1, 2026. Paragraph (4), if the student withdraws in accordance with Section 668.22 or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (j)(3) of this section, the limitations under paragraph (j)(2) of this section shall apply. We revised subsection (l) to read paragraph (1), for the purposes of this section, if a student is enrolled in a program that awards both a graduate degree and a professional -- and professional degree, the student shall be considered a professional student if more than 50% of the credit hours in that program count toward the professional degree. We are not looking at subsection (m)(1), but we will look at subsection (m)(2), paragraph (2), institutionally determined loan limits. Beginning on July 1, 2026, an institution may limit the total amount of Direct, Subsidized, Unsubsidized, and PLUS Loans that a borrower -- that a student may borrow,

excuse me, PLUS Loans that a student or a parent on behalf of such student may borrow for a program of study for an academic year, as long as any such limit is applied consistently to all students enrolled in that program of study. An institution that limits the total amount of Direct Loans for an eligible program under paragraph (l)(2) romanette one of this section must document its decision and follow the record retention and examination requirements of 34 CFR 668.24. Romanette three, an institution must provide clear and conspicuous information describing any program of study that is subject to the loan limitation to current and prospective students, including, but not limited to, publication in the student's course catalog, publication on institution's websites, and award notifications. Romanette number four, prior to taking such action under paragraph (l)(2) romanette one of this section, an institution must notify the student who plans to enroll or is enrolled in the program subject to this limitation.

MS. WEISMAN: We have several cards up. We're going to start with Andy. After that, we'll go to Ashley, Alex Holt, and then Jenna.

MR. VAUGHN: In addition to the applause, I never knew what a romanette was until I met you, Tamy. So if that ever comes up on jeopardy, if I

win, (inaudible) half of my earnings from the game show question. Can we go to (4) romanette one under Grad PLUS and/or Direct Stafford for graduate lending (4) romanette one under either Grad PLUS or Graduate Stafford Direct. Oh boy. It was in regard to has -- is not and has never been a professional student. That language, wherever that might be. It's -- I think it was -- yeah, that one. So, (e)(4) romanette one. Okay, so my question is, who is not and has never been a professional student? Wouldn't that open the door to programs on their E-app that have said that program is professional, but it's not on the list of ten? Couldn't you argue that, that could -- they were at one point, so they don't have to -- this rule doesn't apply to them. What's so funny?

MS. WEISMAN: Alex, if you could use your microphone, please?

MR. HOLT: You made a very good point. And I used an expletive, and I thought it was very funny.

MS. ABERNATHY: I'm neutral.

MS. WEISMAN: No. I'm neutral.

MS. ABERNATHY: I'm playing neutral today. Just right now. We're going to take that back. Would you be so kind as to repeat that so I have it?

MR. VAUGHN: So let's give an example program. Someone might have a master's degree that leads

to professional license. One school on the E-app has it classified under IPEDS as professional. The other one says masters or graduate. A school could argue with this. Hey, we were professional. The language says we can still be a professional because the language is who is not and has -- the key words, and has never been. If that student was a professional on the old ECAR, definition of professional, which, right now it's just voluntary. Schools can pick whatever they want. Some schools do it, some schools don't. The schools that did would have an advantage, as I read that language.

MR. HOLT: Can I just add one additional thing, which is that depending on how the professional degree thing goes, then theoretically the schools have -- I could have identified themselves as professional during the one-year transition period as well.

MR. LALLO: Just a quick point of clarification. That definition of professional student here doesn't defer to the definition in the ECAR, and it's always going to be the definition in the regs. So to the extent that, you know, it's opened up a little bit and there's, you know, some -- a one-year flexibility or whatnot that may control, but it's never going to just fall to the ECAR. We've defined professional student in

regs.

MS. WEISMAN: Next, we have Ashley.

MS. NAPORLEE: I have two questions. We'll take it one at a time. My first question is in regards to ceases to be enrolled language and whether or not that includes approved leave of absence as defined in 668.22.

MR. LALLO: That's exactly what it means. So 668.22 excludes approved leave of absences from withdrawals. So the reason we did that was to account for approved leave of absence.

MS. NAPORLEE: Great. Thank you. Oh, wait. Sorry. Hold on one second. I apologize, I personally haven't reviewed 668.22, but my colleague says that that's -- that provision says that the institution defines it (inaudible)

MS. ABERNATHY: So if the issue is that it's defined by the institution, it would need to be defined by the institution, would it not? I mean, that's the whole purpose.

MR. LALLO: The institution ultimately determines whether or not the student is enrolled.

MS. NAPORLEE: And the second question, it was just that our proposal that you haven't had a chance to review yet, is relevant to Section

(m)(2), so I just wanted to point that out.

MR. LALLO: We can actually answer that. So during our break, we took a look at that.

MS. NAPORLEE: We don't have to discuss that now, if you want to take the rest of the comments or questions.

MR. LALLO: No that's totally fine. It's a quick answer. So we can't do anything with your proposal. We understand the concern that you're trying to get at. We read that as you want to cut down on the possibility of, you know, the growth of private lending and student -- or institutions doing that. We don't have authority either under the OBB or more generally, really to foreclose a student borrower's ability to, you know, pursue other lending options. And there's absolutely nothing within the OBBB that suggests that we have the right to do that or to lock down institutions here, whereas this was designed to allow institutions the ability to, you know, limit growth in programs where students are never going to be able to repay their loans.

MS. ABERNATHY: Private lending is not Title IV, and we have no jurisdiction over items that are not Title IV. Except for certain things like the, you know, preferred lender list and things like that. But for regulations around private lending at this point, we're

not anticipating providing any of those. They're not Title IV programs. They're not Title IV Loan programs.

MS. WEISMAN: Alex Holt, and then Jenna.

MR. HOLT: So two things. Can we just go up to where we started? Where did we start?

MS. ABERNATHY: The definitions in 102.

MR. HOLT: Not the definitions.

MS. ABERNATHY: In 203 -- this part was 203, Section 203 -- 685.203. Loan limit.

MR. HOLT: Right. So. Yeah, so it applies to, to -- there's like a lot of repeating here. So it applies. So, as we get under (b)(2), I just want to point out that I think there still might be some ambiguity here. So if we go to (b)(2) romanette four B, you're talking about a program of study at an institution. But then at the bottom it says if the student ceases to be enrolled in the program of study at any point. So we don't actually care which way this goes, but this is a little ambiguous because technically, a program of study can exist at two institutions. So right now, they could cease to be enrolled in a program of study at one institution, but if they immediately enroll in a program of study at another institution -- I just

want clarification there.

MR. LALLO: Yeah. I think we need to take that back and look at it a little bit more carefully. You know, obviously, there are places where, you know, students are going to transfer, their at a teach-out out, and stuff like that. So we need to consider how that's going to impact that and determine, you know, how we want to do that.

MR. HOLT: And our position just is that we think it's -- if the Department believes it's regulatorily accepted -- sorry, statutorily acceptable, we don't have a problem with transfers. We don't think that would be a significant cost to the taxpayer. And we think -- we don't know operationally what's easier for the Department. We just don't care. We just want clarity.

MR. LALLO: And we added in the language about withdrawals in accordance with 668.22 to try to add some of that clarity. We wanted to make it more certain what ceases to be enrolled means. As well as account for the leave of absence issue, so.

MR. HOLT: Right. Yeah, no, appreciate it. So the second thing, I was just seeking -- I know we had this discussion about the 50% versus 75%. We, that is my constituency group, had some reservations about the 50%. And we were just wondering if the Department could

explain how they decided on 50%, because I know you were considering 75% as well.

MR. LALLO: So I think I can generally explain why we chose 50% just because you know, we wanted to invite comment on whether or not a higher limit would be proper and where that line should be drawn. But we thought it improper to try to assign an arbitrary limit because obviously the goal is to not be arbitrary. So 51% being a simple majority is the easiest way to do that and for the purpose of discussion of the regs. But these are obviously not final regs. We wanted input on what the proper number would be. But in no case did we believe it'd be lower than 50%.

MR. HOLT: Yeah, that makes sense in terms. Go ahead.

MS. ABERNATHY: We just landed on 50 because we never closed that conversation, and we never really heard other than from you that it was 75%. So we kept it at 50%, opening it up for session two.

MR. HOLT: Got it. So we'll take it back and see if -- yeah, we'll get back.

MS. WEISMAN: Jenna?

MS. COLVIN: So I had a question that I was going to hold until, like, the right time came because it's a little bit theoretical, but Andy's

question actually, I think, raises the issue. So I think normally when you're updating definitional text, one regulation is replacing another regulation. But here, the original definition of professional degree is in 668.2. The new definition for professional student, which has a sub-definition of professional degree, is in 685.102. So there are now two definitions of a professional degree. And so for the purpose of Andy's question, when it says it hasn't been ever, which degree or which definition would apply?

MR. LALLO: So this is partially the issue with how the statute is constructed, because the statute refers to another section of the CFR as it existed as of that date and time, we're faced with the issue of trying to implement that definition within our regs, because that was then incorporated by reference into the statute. We have to determine how that interplays with this statute or this section of regs. And so we have to create something that directly applies here. Just simply cross-referencing isn't enough because as you guys pointed out, that section didn't really do much before. So we have to make sure that works properly here.

MS. ABERNATHY: The reason that we are not -- that we have put it in the way that we have put it

in, is because the statute is extremely specific as of the date of enactment. It is these programs. So therefore, we did not want to just cross-reference. If that definition in 668.2 ever changes, it would invalidate the definition here because we -- so if we're just going to cross-reference it and that cross-reference changes, then theoretically anywhere else the cross-reference is would now refer to that new definition. That's not what the bill asked us to do. The bill asked us to do is as of this date. So what we did not define professional degree. We defined what a professional student is, and we listed out the professional degree as applicable to that regulatory -- to the already-existing regulatory provisions that mention those ten programs. So here we're not redefining a professional degree. We are clarifying that a professional student is one of these ten items. It's a little different. It's a little, very narrow distinction. But because of what the bill asked us to do at this fixed period of time, what was the definition at enactment of that provision? So we -- and we put it in specifically here.

MS. COLVIN: But 668.2 still exists, right? And it applies to something presumably.

MR. LALLO: It does apply to something. It applies within that part. But it kind of

doesn't matter. And what I mean by that is by fixing it to a date certain in statute, Congress effectively just imposed that definition in their statute without writing it out. So that now applies to loan limits, which is separate from the issue that 668.2 is addressing. And because they fixed it to a date certain, as Tamy noted, that definition in 668.2 could change and it would no longer correspond with the definition as it applies to loan limits, so it necessitates creating another definition within loan limits of professional student that references what those professional degrees are as of the date of enactment, and our interpretation of what Congress is doing there, rather than tying it to a theoretically floating thing that could change at a later time, because that's definitely not what Congress intended, because they used a fixed certain date.

MS. COLVIN: Thank you.

MS. WEISMAN: Alex Holt.

MR. HOLT: So first of all, if Congress is listening, maybe don't refer to a regulation ever again. Not a good idea. 668.2, I understand you said it applies. Does it ever -- is it binding anywhere?

MR. ANDRADE: Yeah, I was just doing sort of a quick reference check. There's a, there's a few places throughout both part 600 and in part 668, where

there are references to the term professional degree, so it's needed for those purposes.

MR. HOLT: Okay. Because -- that makes sense. To clarify why I asked that question is because theoretically, if it's not binding, you could consider deleting it. But since it is binding in that -- in those parts, you can't.

MS. ABERNATHY: The statute specifically referenced this. So we wanted to make sure that we kept our regulatory amendatory text closely aligned with the statute.

MR. HOLT: Of course.

MS. COLVIN: So moving forward, the definition in 668.2 will continue and for professional degree, and the definition for professional degree in 685.102 will continue.

MS. ABERNATHY: The definition for professional student will reference a professional degree. It is not the definition of professional degree.

MS. COLVIN: But the language in one --

MS. ABERNATHY: It says what it is. We're defining professional student. So under professional student, this is what it would be.

MS. WEISMAN: Alex Holt?

MR. HOLT: So we got a little bit of a problem. If you guys define professional student in a certain way, then we could potentially have a situation where professional students are enrolled in schools designated in IPEDS that are or are not professional degrees, which I know legally doesn't matter per se. But like, is there a way to align this so that we can -- I mean, this is a regulatory discussion, so is there a way to align that definition? Since it was stated at the time of enactment, you can theoretically change that definition now to align, can't you?

MS. ABERNATHY: So what we would prefer you guys do is send us some proposed regulatory text for us to consider for the second session on this, because theoretically, we're trying to stay away from this professional student definition because we don't have a final definition for us to flesh out yet. So -- but if there are things that you see or situations that you would like to submit proposed amendatory text to us, we welcome those, by October 10th. And that would really help us. I'm serious, I know I sound funny, but I'm saying October 10th because I need to remember it myself. I think if there are no other comment cards up, we could do a pulse check just on the pieces of (inaudible). We know that this is not a complete pulse check because we

are not doing the schedule of reductions. But if you could, if you have, you know, issues with the reg text, we're just trying to gauge where we land with this.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I appreciate the, the brief response to our proposal, but we would like to discuss it further, so perhaps a caucus is appropriate.

MS. ABERNATHY: I'm sorry, what?

MS. NAPORLEE: I said, I appreciate the response to our proposal, although it was brief and we would like to flesh it out a little bit more. So perhaps a caucus is appropriate before we do a pulse check.

MR. LALLO: I don't think that a caucus is necessary here. Our hands are pretty tied as to what we can and can't do here. We're happy to talk through why we can't, you know, in more detail with you in a sidebar, but I don't think it makes sense to overall delay the committee when our hands are tied.

MS. NAPORLEE: Well then, I would appreciate a sidebar.

MS. WEISMAN: Tamy, could you outline? I know you said there were some exceptions. We're doing a caucus on 685.203 loan limits. I know you said we are not looking at 203(m)(1). Did you mention any other

exclusion?

MS. ABERNATHY: The professional student definition was in 102. But I do think the thing that we're taking back would be the who is not and has never been. We don't really want to take a pulse check on that at the moment, seeing as we may or may not have things to consider in that. So that would be probably -- and quite a bit of it actually. No, just in this one part. So we would not look at (e)(4). Yeah, (e)(4). We could look at (5), (6), and (7), but we could do everything but (e)(4) and (m)(1).

MS. WEISMAN: Okay. I do see another card up. Jenna?

MS. COLVIN: Sorry. I have some questions not related to any of my previous questions. They come from my alternate. Do legacy provisions that state program of study for legacy eligibility mean the student stays enrolled in the same major at the same school? If a student is enrolled in an undeclared major, could they then declare a major and continue receiving funds under the legacy provision?

MS. ABERNATHY: Program of study. So the exception is very clear what it expects. And that's the same program of study.

MS. COLVIN: Okay. Next question. Can

the Department confirm that you consider received a Direct Loan to mean had a first disbursement made, similar to the questions people had about whether made means disbursed? This is a reference to legacy conditions, that the student be enrolled in a program of study as of 6/30/2026, and that they have received a Direct Loan prior to 7/1/26.

MS. ABERNATHY: So in that case, it goes even further. They have received those funds. They have -- it's not only made/disbursed, but they have actually received the funds. So they were receiving funds in the program of study that they're continuing. So the exception is making it crystal clear. The only way to get this is if you are a continuing student and you are -- you have received funds as a student in that program, and you are continuing as a student in that program. That's what it means. Very specific.

MR. ANDRADE: If I understand your question, your question was whether the loan had to be fully disbursed in order to qualify. That was -- yeah. I think to Tamy's point, the first disbursement is -- means has been disbursed.

MS. COLVIN: Last question. On Parent PLUS aggregate limits, the language states all parents may borrow on behalf of each dependent student for

enrollment in an eligible program of study, may not exceed $65,000. Does this mean that the aggregate limit is bound to the student and not the parent? If two parents take out a Parent PLUS Loan, is the $65,000 limit for that dependent student, or is it the aggregate limit for each parent? For each dependent?

MS. ABERNATHY: It is each parent, but I want to -- it's each student of the parent. So if -- I need to -- can I look at this?

MR. LALLO: Yeah. It's each dependent student per parent. So the limitation applies at the student level, not at the parent level. Right. Let us look at the reg text real quick.

MS. ABERNATHY: Two parents with one -- all parents may borrow on behalf of each dependent student for the academic year. So that means little Johnny and Susie has a mom and dad. Mom and dad borrow little Johnny and Susie. That's it. They get the maximum for that year. Right. All parents for that dependent student. Now Johnny and Susie has Sarah or Sam as a sibling. Each student, all parents, each student, all parents, each student. So if you got five siblings and you want to have all those kind of PLUS Loans, that's what it's saying. All parents, mom and dad, or just mom or just dad, or whatever the case may be, each student.

So in other words, they're not going to -- it's confined to both parents or one parent however they want to borrow with that one student, each student.

MS. COLVIN: But not both parents. So divorced parents couldn't each take out.

MS. ABERNATHY: It says all parents. One student. Yes, it is attached to the student.

MR. LALLO: It's effectively -- the limitation is defined by the student. The borrowing ability is tied to the parents.

MS. WEISMAN: Okay. It looks like we're ready for the pulse check. And a reminder that we're excluding 203(m)(1) and (e)(4). If I can see thumbs, please. Okay, I have thumbs in the middle for Alex Holt. Thumb in the middle for Alex Ricci. If I can see thumbs back up again, please. Sideways thumb for Jenna, sideways thumb for Faisal, and sideways thumb for Ashley. Everyone else is a thumbs up. And I think we've heard what the issues are for the sideways thumbs already. Does the Department have what it needs?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: Thank you.

MS. ABERNATHY: If we could turn our attention to 685.209 and 685.215, that is the loan Income Based Repayment Plans, or it may be Income Driven. Income

Driven Repayment Plans provisions 682.215 and 685.209.

MS. WEISMAN: Jeff, did you want to make a comment?

MS. ABERNATHY: Let me go ahead and drink a sip of tea before I start in. Everybody ready? I'd say thumbs up, but I'm afraid to. Alright, we'll start. In 682.215, Income Based Repayment Plan, we have removed partial financial hardship from paragraph (4) romanette one. Romanette two, we have added a new paragraph (4), applicable amount means, for the purposes of the IBR plan, 15% of the result obtained by calculating on at least an annual basis the amount by which the borrowers and borrower's spouses [sic], if applicable, adjusted gross income exceeds 150% of the poverty, poverty guideline. I think I have the wrong version, so I want to make sure. Is there a new version, team? Did we get this? The adjusted gross income of the borrowers. Thank you. So we moved here, the adjusted gross income of the borrowers and the borrower's spouse, if applicable. And we removed from a suggestion, I believe, from one of the Alex's to clarify where the adjusted income was supposed to be -- adjusted gross income was supposed to be. In (b) paragraph (1), for the Income Based Repayment plan, a borrower may elect, we've removed Income Based Repayment Plan only if the borrower

has a partial financial hardship and added to have their aggregate monthly payment recalculated to not exceed the applicable amount when the borrower initially enters the repayment. We go down to paragraph (5), except as provided, we have taken out no longer has a partial financial hardship, and we have replaced when their aggregate monthly payment amount exceeds the applicable amount. We've made the same change in (6). We've made the same change in (7). In paragraph (d), we say a borrower's monthly payment amount exceeds the applicable amount and removed no longer has a partial financial hardship. In paragraph (e)(1), we've removed determines whether a borrower. We have inserted recalculates the borrower's aggregate monthly payment to not exceed the applicable amount. We have removed the reference to has a partial financial hardship to qualify for the Income Based Repayment Plan for the year, the borrower elects the, we have added Income Based Plan, Income Based Repayment Plan. What we are trying to do here is we heard from you about the IBR and the ICR and this and everything else. And so what we're trying to do is clearly indicate what plan it is without using the acronyms. So in paragraph (2), under annually certify and romanette four, after we've removed making a determination that a borrower has a partial financial hardship to qualify for the Income

Based Repayment Plan. We've added determining the borrower's aggregate monthly payment. We have removed the reference to has a partial financial hardship and added the words remains on the Income Based Repayment Plan. We switch over to number (3). We remove the reference to who currently has a partial financial hardship. In paragraph (4), under each time a loan holder, we have removed the reference to partial financial hardship and added recalculates the borrower's monthly payment amount. In romanette three, information about the borrower's option to request at any time that the loan holder, we've removed the partial financial hardship reference, and we've inserted. We calculate the monthly payment amount. And throughout the rest of the section, we've removed the reference to partial financial hardship the several times that it appears and added if the loan holder recalculates the borrower's monthly payment amount based on the borrower's request, we've removed recalculate the borrower's monthly payment in accordance with paragraph (b)(1) of the section. And paragraph (5), we've removed who currently does not, who does not currently have a partial financial hardship. In (6), we have currently structured this after (e)(1) romanette three of this section, or if the borrower's payment would exceed the amount the borrower would otherwise pay under the FFEL

Standard Repayment Plan based on a ten-year repayment period. And then we have removed as a loan holder determines that the borrower's payment is the amount described in paragraph (d)(1) romanette one does not have a partial financial hardship. That was from, I believe, Alex Holt questioning the regulatory cross-reference there. Under a partial financial hardship in romanette one under (f) paragraph (1), we've removed that, we've removed it in romanette two. And then we can take a pulse check on 682.215.

MS. WEISMAN: We have some questions first. We go first to Ashley.

MS. NAPORLEE: Thank you. My first question is on page ten for people with paper in their hands. It's paragraph six. Let me know when you're there so I can continue. I'm concerned that while you strike out the PFH requirement since it's no longer applicable, the language used still sort of serves as a gatekeeping function that means the same thing as PFH, because if -- first, I don't really know what a FFEL Standard Repayment -- but if we're just using the ten-year repayment term, if a borrower's payment exceeds what it would be on the ten-year, that's essentially the partial financial hardship standard. So I'm not really sure that accomplishes what you're trying to.

MS. ABERNATHY: This is when the borrower doesn't provide documentation.

MS. NAPORLEE: Or.

MS. ABERNATHY: Right. When the borrower doesn't provide documentation in paragraphs (e)(1) romanette one through (e)(1) romanette three of this section, or if the borrower's payment would exceed the amount the borrower would otherwise pay under the FFEL Standard Repayment Plan based on a ten-year repayment period. The borrower would remain on his or her current repayment plan is the last part of that sentence. So the or, we're telling you, the conditions for which the borrower would remain on the plan. They don't provide alternate documentation of information or income, excuse me, and their payment would exceed what they would otherwise pay under the FFEL standard ten-year plan. We're going to keep them where they are so that they're not put in a worse position.

MS. NAPORLEE: Give me one moment.

MS. ABERNATHY: I'd also like to remind you that it's not ten years standard. It's a ten-year term.

MS. NAPORLEE: Can you come back to me?

MS. WEISMAN: Alex Ricci.

MR. RICCI: A couple of items on this conversation that we're directly talking about. I'm curious if the Department can clarify why they specify FFEL Standard Repayment Plan and just not eliminate the acronym and just say under the standard repayment plan based on a ten-year repayment period?

MS. ABERNATHY: This is under the FFEL section. So I think we just -- the -- clarifying the FFEL Standard Plan just to make sure there's no ambiguity because we have so -- you know, we have the standard plan in Direct Loans. So we would say the Direct Loan Standard Plan. So it's just a clarifying --

MR. RICCI: Yeah. So I mean it's in the FFEL part of the regs, so I get it. And I just -- another clarification. Perhaps this might help the, the constituency group that was just asking questions. The Department's position, as I understand it, based on past questions at the table, is that although Congress eliminated partial financial hardship as a requisite to get access to IBR, the effects of partial financial hardship still remain.

MR. LALLO: Not entirely. The language within the partial financial hardship, part of the statute did change. It clearly removed parts of it, but the aggregate monthly income or payment portion as that

was within partial financial hardship in the HEA, has been carried forward. So we've continued on with that aspect of it where Congress has left that in place, but we've removed the other language around personal financial hardship.

MR. RICCI: I appreciate that. I think there might be room for some clarifying language. And I understand that we have until October 10th. I might try and beat that by a week -- that I think might help, might help clear up some of that -- those, those distinctions.

MR. LALLO: You don't get points for submitting it early, but we do appreciate it.

MS. WEISMAN: Ashley?

MS. ABERNATHY: (inaudible) some points for submitting it early.

MS. NAPORLEE: I just wanted to confirm that Alex was trying to reiterate, probably much more effectively, my point that I feel like the -- while you can remove the PFH, if you're still requiring it in, in practice, I feel like that it wasn't really, truly eliminated, and I feel like it -- as written, it's going to cause confusion. And I also don't like including FFEL Standard Repayment Plan in there as well. I feel like that also causes confusion. So we can also submit a request or a proposal as well.

MR. LALLO: I just want to clarify, PFH was removed in its entirety. There are concepts within PDH that were previously there that have carried forward, so.

MS. NAPORLEE: Sorry, Jacob, can you elaborate on concepts of PFH that remain versus removed?

MR. LALLO: Insofar as the aggregate monthly income portion, or payment portion of the statute, that concept was baked in within the HEA, but it's no longer in the regs. PFH is completely gone. So we had to make all the changes to those sections that previously addressed PFH to carry toward the AGI aspect, but there's nothing else in there.

MS. WEISMAN: Alex Holt?

MR. HOLT: I think generally what's happening, although perhaps not in every single case, is that there's this concept of a cap right, in IBR, that you can't -- that if your income is too high, you can't pay more than the standard ten-year per month. So this is actually a protection, usually for the borrower.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Okay. Well, I would like to discuss this in further detail. And if we don't have time at this moment, then maybe when we reconvene. I also have other comments about the other 685.209 as well.

I'm cognizant of the time, so I just wanted to --

MS. ABERNATHY: We -- we're not discussing 685.209 right now. We're discussing 682.215.

MS. NAPORLEE: Sorry about that.

MS. ABERNATHY: We do not have time for a caucus right now unless you guys can do it in ten minutes. We could break for lunch and then have the caucus right after lunch, if that's what you want.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I'm amenable to the ten-minute time period or afterwards, whatever you prefer.

MS. ABERNATHY: Only if it's ten minutes, because we have to huddle on our stuff. I'm not trying to be funny. We have to huddle to get back information to you. So we're going to need that lunch to be able to do that.

MS. NAPORLEE: Tamy, I'm going to let you decide.

MS. ABERNATHY: Oh, no. Because if you let me decide, we're breaking and we'll do it after lunch. Or you can do it, you know, with whomever you want to do it with during --

MS. NAPORLEE: We can do it after lunch.

MS. WEISMAN: So I see no other cards. Would you like to break now for lunch?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: Return at 1:00?

MS. ABERNATHY: Yes, ma'am.

MS. WEISMAN: Okay. Thank you all very much for productive morning.