

DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
NEGOTIATED RULEMAKING  
REIMAGINING AND IMPROVING STUDENT EDUCATION (RISE)  
SESSION 1, DAY 1, MORNING  
September 29, 2025

On the 29th day of September, 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.

MS. ABERNATHY: Good morning.

MS. WEISMAN: Thank you, Tamy. Good morning, everyone. I think I'm channeling my inner- I used to always want to be a teacher. Ended up at the Department. So it's all good. Welcome to our negotiated rulemaking session and the Reimagining and Improving Student Education Committee, or RISE, for short. This process is sometimes referred to as neg reg. We also occasionally will call it neg reg, reg neg. It's kind of both, but it's negotiated rulemaking, and it's outlined in Section 492 of the Higher Education Act of 1965, as amended. My name is Annmarie Weisman. I will be your facilitator this week. I will try to guide you and occasionally provide a little bit of a sense of humor. So if I make a joke, you are -- feel free to laugh, smile, nod your head, acknowledge in some way. But really, my role here is to structure the conversation, manage the time, keep things flowing, and assist with any conflict. Probably most importantly, though, to make sure that all committee members have a fair and reasonable opportunity to be heard and that you're heard respectfully. I'm not here to advocate for any policy position or any of the proposals in particular. I think of myself more like a

project manager who's here to keep things running smoothly. So my goal is to be a cheerleader for consensus. I've spoken with each of the negotiators in advance just to discuss, in particular, kind of how things work and how they flow, and the idea of consensus. Consensus means that you may not love everything in the proposal, but that you can live with it, that you feel it's the best offer you're going to get, and that it's something that's been developed by the sum of the whole parts as opposed to individually. So remember, I'll be working toward consensus, and I'll be mentioning that word probably more times than you'd like to hear many, many times as we go on. And I think some of your fellow negotiators will as well. One of the things I found was the energy of the conversations that we had was really great, and people were all very open to coming. We talked about what it meant to bargain in good faith, and that includes consensus. A couple of housekeeping things, and then we'll do some additional introductions. First, there are green comment cards, kind of like this card at your table. Please keep your name tents visible so I can see them and call on you as I get to know your names with your faces. Very important that I see that. But if you want to speak, please put your green comment card up vertically, and that will alert me. I'll put your name on

a list. Keep in mind that it's not as critical that we get you in exactly the order in which you raised your hand. I will try to do that. But since I never was a teacher, I never developed that. Eyes on both sides and eyes in the back of my head. The goal is that we're expressing each unique idea. So it's not always as important as to who said it, and that it's important that it was said. But if I get, you know, 3 or 4 and you're not seeing -- I'm announcing three more people coming up to speak and you're not hearing your name and, you know, you were up there, feel free to flag me down and point that out. I would not mind that at all. Some negotiators may want to circulate alternative language and proposals to counteract something that the Department submitted or to add to it to expand on it. Those proposals are something that will go over as time allows, but it's really important that negotiators read those as best they can, just to have a sense of what people might be bringing up at the table. And if you have something that you want to circulate, you can send it to the [negregfacilitator@ed.gov](mailto:negregfacilitator@ed.gov) email, and that way we can get that out to everybody, and you don't have to worry about whether you missed a staff member or you missed another negotiator. When speaking, you will have up to three minutes. I will give you a verbal cue when you have 30

seconds left. If you're able to see the light up here next to me, the green means that you have time to speak, the yellow is that you have 30 seconds left, and the red is that your time is up and you need to wrap up your discussion. My goal is not to cut anybody off mid-sentence, but to give you that minute, not minute, but the few seconds to wrap it up. And as I mentioned on the phone, we will be taking some polls at times more in the second week of the sessions than the first, but sometimes in the first as well. Very informal, tentative agreement kind of things will make a little bit bigger of a deal over. If we do have tentative agreement, remember that, that is just tentative. You are free to participate in the consensus check with whatever your feelings are at that time. I will also remember- remind you that we are typically not voting on anything. It's not a vote where someone is outvoted by one other person. You are either providing or withholding consensus. The goal is that we all agree to consensus, but there are times that that's not feasible for you or your constituency. So then you would withhold consensus. But it's not a vote. It's not a majority takes all. Once we've done a check for consensus, we don't go back and relitigate that issue. That issue is then closed, and we'll talk a little bit later about the issues and how we're going by regulatory

section. We'll make sure that Tamy or I introduce each of those very clearly. So you know where we are in the discussion. We'll do introductions of the committee in just a little bit. But first, I want to start by introducing the Department's negotiator, Tamy Abernathy.

MS. ABERNATHY: Thank you, Annmarie. We appreciate you facilitating these negotiations. Committee and public, welcome to the Reimagining and Improving Student Education. You know, I have just wanted to say this, all rise. I'm sorry. Oh, now come on now, that was funny. Just kidding. We don't have to do that because I clearly am not a judge. We will have this negotiated rulemaking session through Friday, October 3rd. The second session will be held from November 3rd through the 7th. Should there be any changes, Mr. Andrade will discuss those with you a little bit later. So please have no fear, we have tried to account for everything. As Annmarie mentioned, I'm Tamy Abernathy, I'm the director of the Policy Coordination Group in the Office of Postsecondary Education. My team's focus is on the Federal Student Loan policies. As a first-generation college student whose parents made it perfectly clear I was going to go to college, I was going to get a degree, despite them being poor and their inability to pay for it. So I went. I was a good little girl that did exactly

what Mom and Dad said. Until 18. Sorry. I received a Pell Grant and other Federal aid, including a work study job helping students with their financial aid. I borrowed a modest amount of Federal Family Education Loans, which those of you around the room that remember FFELP, you know how old I am. I only borrowed exactly what I needed. I am grateful for the opportunity I was given to work for the college as a student worker, and then as a full-time employee in the financial aid office after receiving my bachelor's degree. When I received my master's degree some years later, I realized that anything worth receiving is worthy of working hard. My education opened doors I could not have imagined walking through. And now, 38 years later, I still work on behalf of students and higher education institutions in my current role at the Department. And it brings me joy to be able to fulfill my call to serve in this way. Joining me at the table is Mr. Jeffrey Andrade, the Deputy Assistant Secretary for Policy, Planning, and Innovation in the Office of Postsecondary Education, to my right. Mr. Andrade will address you later. And we are also joined by Jacob Lallo, a general attorney, from our Office of General Counsel, to my left. And we have a village of staff from across the Department joining us today, including the Policy Coordination Group, my team, and some of our senior

leadership behind us to this side and over to my left. Our Auxiliary Services and Administrative Support team, who work closely with the conference and event planning team at the Department, to make sure everything runs smoothly, and many other staff from the very different areas of the Department. Thank you, teams. Nominated by President Donald J. Trump and confirmed by the United States Senate, Nicolas Kent was sworn in as the 15th Undersecretary of Education on August 4th, 2025. As this nation's top Federal official for higher education, he oversees the Department's postsecondary education, career, technical and adult education, the Federal Student aid programs, which also includes managing the \$1.6 trillion Federal Student Loan portfolio, and over \$30 billion in the Federal Pell Grant program. As a first generation college student, he has a respected education policy expert with more than two decades of experience and is committed to implement President Trump's mission to restore the greatness of American higher education and ensure that our taxpayer supported colleges, universities, vocational schools, and other postsecondary programs are genuinely helping high school graduates and working adults launch and grow their careers.

Undersecretary Kent served as a Deputy Secretary of Education for the Commonwealth of Virginia under Governor

Glenn Youngkin, prior to joining the Department. In that role, he led efforts to reduce the cost of higher education, expand access to career and technical education, and increase institutional transparency and accountability. He was a chief policy officer at Career Education Colleges and universities, and advocated for Federal policies that support career-focused education and promote choice and innovation in higher education. Here are some other items to note. He was the founding president of the CECU Research Foundation, a nonprofit dedicated to advancing data driven solutions to support student success. He previously served in executive roles at a private sector education company, where he led regulatory and accreditation operations for a national system of postsecondary education -- postsecondary institutions. He served as a policy director of Planning and Research at the District of Columbia Office of the State Superintendent of Education. He began his career in education policy as a professional staff member at a United States recognized accreditation agency. He holds a bachelor's degree in political science. Silence. Okay, I'll have a moment for science. Just kidding. He holds a bachelor degree in political science from West Virginia Wesleyan College, where he received a Pell Grant, and holds a master's degree in higher education

administration from the George Washington University. He and his partner are residents of our sister state, Virginia. Undersecretary Kent, we are lucky to have someone with such expansive breadth and depth of knowledge leading us. It is my distinct honor and privilege to introduce and welcome you to the podium, the United States Department's Undersecretary, Mr. Nicholas Kent. Mr. Undersecretary?

MR. KENT: Thank you, Tamy. Good morning, everybody. It's nice to see so many familiar faces across the room and some new ones as well. Welcome to today's negotiated rulemaking session on Reimagining and Improving Student Education, or RISE. On behalf of Secretary McMahon and everyone here at the US Department, I want to welcome you. Thank you for taking the time out of your busy schedules to be here today, whether in person or joining us virtually. Having sat in this room many times for negotiated rulemaking over the years, I know how much work goes into this process, both from those at the negotiated rulemaking table as well as those behind the scenes. Thank you very much for your dedication to helping shape thoughtful, effective policy. As I look around this room, I see leaders from across the higher education ecosystem. College and university officials, financial aid professionals, loan servicers,

borrower and veteran advocates, taxpayer representatives, and state officials. Your perspective on behalf of the students that you serve are essential as we engage in the hard but necessary work ahead. Why RISE? We titled this rulemaking Reimagining and Improving Student Education, or RISE, not just to satisfy the Federal government's unofficial acronym quota, but because this is a moment to rise out of a system that has failed too many students for far too long. It's a call to reset and strengthen the Federal government's role in helping students finance their higher education, and borrowers repay their loans with a system that is simpler, more accountable, and better aligned with the needs of today's learners, workers, and families. Today, America's Federal Student Loan portfolio stands at a staggering \$1.7 trillion. That's more than credit card debt. That's more than auto loans. And it reflects a system that has drifted far from its original mission. Even more alarming, over 5 million borrowers today are currently in default, with millions more in delinquency. Parents, veterans, first-generation students, working adults. Many of whom took on debt in good faith but were failed by a system that promised mobility and delivered instability. For too long, what was meant to be an investment in their future earnings potential has instead become a burden of crippling debt

that delays homeownership, prevents family formation, and stifles entrepreneurial ambition and other economic potentials. This crisis, as you all know, did not happen overnight. It is the product of many years of rising costs, poor accountability, and repayment systems so complex that even experts have struggled having to explain them. It also puts the Federal Student Loan portfolio on an unsustainable fiscal path, one that we must correct. And it's why this rulemaking and your work here is so critically important. As many of you know, issues like college affordability, student debt, and access to career-aligned education were front and center in the 2024 election. And for good reason. Americans' confidence in higher education is in steep decline. A 2024 Gallup poll found that only 36% of Americans have a great deal or quite a lot of confidence in higher education, down from 57% just nine years earlier. And it's not just about trust. The perceived value of a college degree is also dropping. A much more recent Gallup poll showed that only 35% of Americans believe a college education is very important, compared to 53% in 2019 and 75% in 2010. That is a 40% drop in 40- in 15 years. Importantly, this is not a partisan issue. Confidence has declined across Democrats, Republicans, and Independents alike, as well as across racial,

socioeconomic, and age groups. Americans from all walks of life are asking the same question: Is college worth it? College is often seen as a path to financial and social success, an investment in a better future. Yet, many American graduates struggle to secure well-paying careers that enable them to buy homes, start families, or contribute meaningfully to their communities. For too many, the promise of higher education has been replaced with the weight of unaffordable debt and unfulfilled potential. The American people sent a clear signal in the 2024 election. Our system is too expensive, too confusing, and too often fails to deliver on its promise of opportunity and upward mobility. Under President Trump's leadership, the One Big Beautiful Bill Act, signed into law less than 90 days ago, introduces some of the most consequential reforms to higher education in a generation. The impact is already being felt. Just last week, we celebrated the launch of the 2026/27 FAFSA, the earliest launch in the program's history. This version restores common sense exemptions for family farms and small businesses in the Student Aid Index calculation changes that may seem simple on paper, but that the financial aid professionals in this room know are operationally complex and financially significant. These reforms recognize the unique financial structures of

rural families and small business owners, the backbone of our American economy. And Under Secretary McMahon's leadership, we have already delivered on these changes in lightning speed so that students will soon be able to recognize these benefits. Let me highlight several of the bill's other most consequential provisions reforms that reflect this administration's core principles of accountability, efficiency, and choice. While many of these changes will be addressed across two separate negotiated rulemakings, I want to take a moment to outline them together here. Seeing the full picture helps us to understand how these reforms work in concert with one another to deliver a more transparent, effective, and student-centered system. First, a \$10.5 billion investment in Pell. The bill allocates \$10.5 billion to address the Pell Grant shortfall, something that I know many of you in this room advocated for to prevent the reductions in the maximum award next year. It also expands Pell Grant eligibility to high-quality, shorter-term programs, recognizing that success doesn't only come in the form of a four-year degree. This administration believes, students who pursue opportunities in the skilled trades, who earn technical credentials, and who complete apprenticeship and certificate programs should be celebrated, not stigmatized for choosing the path that

best fits their interests, aptitudes, and aspirations. A four-year degree may be the right choice for some, but it shouldn't be the default or the only option that we present to students. Next. Responsible borrowing for graduate programs. Graduate loans have often been described as the cash cow for institutions, but a questionable investment for students. While this is a broad generalization and may not apply to every program, it remains a troubling reality for far too many. Graduate students continue to make up a growing share of the annual Direct Loan disbursements, even as research shows us that 40% of master's degrees do not deliver a positive return on investment. The bill appropriately eliminates Grad PLUS and, in conjunction with the new earnings test, will introduce new loan limits for graduate programs where costs have too often outweighed students' earnings potential. The legislation also institutes new caps on Parent PLUS Loans, which have higher interest rates and origination fees, and fewer repayment options. These loans are often debt traps for many parents who just want to help their children, but are now struggling to plan for retirement and manage their own finances. These reforms, taken together, are intended to curb rising tuition, protect borrowers, and ensure that taxpayers are not subsidizing programs that leave students financially

worse off. Third. Simplified repayment plans. The bill replaces the confusing maze of Federal Student Loan repayment plan options with just two clear choices. A standard ten-year plan with additional time to repayment depending on the size of a borrower's student loan debt, and a new Income Based Repayment Plan called the Repayment Assistance Program, or RAP. Borrowers shouldn't need to be a lawyer or a PhD in order to understand how to repay their loans. Simplification empowers students to make informed choices and reduces the risk of delinquency or default. But these reforms go beyond simplification. They address one of the greatest challenges for struggling borrowers, using Income Based Repayment, balances the balloon even as they make their required payments, because of the interest accrues each month is greater than their payments. Three-quarters of borrowers who use these plans owed more than they initially borrowed five years later. Under the new repayment plan, not only will responsible borrowers never see their balances go up, they will always see their balances go down. Thanks to new benefits and the move away from the insanity that a \$0 monthly payment helps pay down debt. And unlike the Biden administration SAVE plan, borrowers can count on these new benefits well, because they are legal. And the bill repeals the authority to offer Income

Contingent Repayment plans to prevent a future administration from ever attempting to resurrect SAVE, creating new repayment plans that undermine simplification, or attempting to provide mass student loan forgiveness. Fourth, institutionally determined loan limits. After years of discussion, many of you who advocated for this in this room. The bill now allows institutions to set their own program-level loan limits. We hope that colleges and universities will use this new tool to align borrowing with the expected earnings potential of each program, curbing excessive debt by preventing students from borrowing more than is financially responsible simply because they can. And finally, accountability for outcomes. The bill establishes a new institutional accountability framework. For undergraduate degree programs to qualify for Federal Student Loans, they must show that graduates are earning more than a typical high school graduate. For graduate programs, earnings must exceed a typical bachelor's degree program. It's a simple principle. Students should leave college better off than when they started. And taxpayer dollars should fund results, not rhetoric. Together, these reforms do not just serve students, they also serve the long-term interest of taxpayers. By curbing excessive borrowing, tying aid to outcomes, and

simplifying repayment, we can begin to restore the fiscal health of the Federal Student Loan portfolio, ensuring that Federal dollars are used wisely and sustainably. Why does this matter? The American people have spoken and loudly. They want more affordable education, more career-aligned options, more transparency and accountability, less red tape and complexity, and no mass student loan cancellation. This bill delivers on those demands, and while we won't cover every education provision of the law during this rulemaking, we will address key areas related to the Direct Loan program, including loan limits and repayment plans. In parallel with these legislative reforms, the Trump administration has already taken proactive steps to better support students and borrowers at every stage in the loan lifecycle, starting well before a loan is ever taken out. For example, earlier this month, we announced an exciting overhaul of the Office of Ombudsman, which has been expanded and refocused into the Office of Consumer Education and Ombudsman. This office will play a proactive role in educating students and families about borrowing decisions, improving transparency and repayment, and holding servicers accountable, ensuring that the system works better from start to finish. Federal Student Aid also released a request for information as it begins to

develop a common manual of standardized policies and best practices to improve student loan servicing and collections. Now, as someone who sat in this room many times before, I'd like to offer a few thoughts as we begin these negotiations. One. Congress has spoken. This law represents the will of the American people expressed through the legislative process. Our job at the Department, my job, is to implement this law faithfully. I encourage you to stay focused on where we have discretion, instead of focusing on where we do not. Two. This is about students, not systems. We're not here to protect the status quo. We are here to disrupt a system that has failed too many students for far too long. Voters, especially young voters and working families, are demanding change. We owe it to them to think boldly, to act responsibly, and to deliver results. Keep an open mind. Let's resist the temptation to entrench ourselves in old positions. Productive policymaking requires respectful dialogue and a willingness to learn. We are here to debate ideas, be open to different viewpoints, and resist the temptation to dig in. We're not here to question each other's motives, but to find common ground. And remember the stakes. The decisions that you make in this room will impact millions of students, their families, and the workforce for years to come. When

historians look back at this moment, will they say that we simplified, empowered, and made college more affordable or that we protected a broken and bloated system? Looking around the room, I am confident that we can rise to the occasion. My sincere hope is that this committee reaches consensus so that our collective work can move forward to improve the American higher education system. As I have said before, it is time for a fundamental reinvention of higher education. A return to a system that honors original promise of the American postsecondary education framework, providing students with real opportunity, personal responsibility, and lasting success. Thank you again for your service today, in this week, and moving forward. I wish you a productive and collaborative rulemaking. And with that, I'll turn it back over to Tamy to get us started. Thank you.

MS. ABERNATHY: Thank you. Oh, yes. Thank you, Undersecretary Kent. We appreciate you sharing the administration's vision and a call to action for the American public, the Department, the institutions of higher education, and the staff and negotiators serving these negotiated rulemaking activities. I, for one, was moved. And as a career employee called to serve the public, I accept that call to action to walk alongside you and others to further serve our institutions and

borrowers of our Federal Student Loan programs. I'd like to turn it back over to Annmarie, who has graciously agreed to serve as our facilitator during these negotiations, and we are forever grateful. We're happy she could share her expertise with us. Annmarie?

MS. WEISMAN: Thank you. I'd like to do other introductions next. I'd like to start with the rest of the Department. And after we move to their team, we'll move around the table to primary negotiators, and then we'll go to the row behind with the alternates. So I'll turn it over first to Jeff.

MR. ANDRADE: Thanks. I'm Jeff Andrade. I'm the deputy assistant secretary for policy, planning, and innovation in the Office of Postsecondary Education. Like the Undersecretary, I've been in this room many times as a, as a negotiator and in the audience. I've been in other rooms when we've had them at hotels and on K Street and elsewhere. So I'd like to welcome all the new faces here. That was intentional on our part. We are trying to provide as many opportunities as we can as we have different tables available for, for negotiated rulemaking, give people different experience. And we try to bring in people who have expertise but have various levels of expertise. So you will see different -- a bunch of different skillsets here as well as a -- many

difference -- differences in terms of political views and different ends of the political spectrum. So we're all here to work together and look forward to working with you.

MR. LALLO: I'm Jake Lallo. I'm an attorney with the Department's Office of General Education. Sorry, Office of General Counsel. At least I remembered my name this time. So I've done this once before with PSLF. I'm excited to do this with you guys again. I recognize some of the faces here. So excited to work through this process with you. We have a big, giant bill to work through, and I hope you're excited as well.

MS. WEISMAN: Thank you. So as we move to negotiator instructions, if you could please say your name, where you're working now if you wish, the state where you're coming from. But most importantly, if you could state the constituency that you represent, that's very important that we think about constituencies as opposed to your current employer. And we want to emphasize that at the table. So, Andy, could you get us started?

MR. VAUGHN: Good morning, everyone. Great to be here. Great to see you all. My name is Andy Vaughn, and I am representing the private sector, colleges and universities in the US. I'm currently the

president and CEO for the last ten years at Alliant International University. We're based in San Diego with our regional office in Phoenix, and I'm from Arizona.

MS. COLVIN: Good morning. I'm Jenna Colvin, I'm the president of the Georgia Independent College Association. And -- excuse me, I'm here representing private nonprofit colleges in Georgia. We have some of the best in the country, and I think they represent the same diversity of choice that are in our country, including our HBCUs and tribal colleges.

MS. LILLY: Good morning, everyone. My name is Deborah Lilly. I am representing student loan borrowers, including those on school deferment, forbearance, delinquent default, and currently in repayment. I am currently employed as a Senior Project Manager at United Healthcare, where I'm nearing about ten years or so. Thank you.

MR. SULMAN: Good morning, everyone. My name is Faisal Sulman. I am representing student loan borrowers, borrowers who are veterans, United States military members, or groups representing them. I am a legal fellow at Student Veterans of America, a little bit more than a year now. I grew up in North Carolina, and I went to school in Chapel Hill and went to Elon University for my JD, MBA. Nice to meet you all.

MS. NAPORLEE: Good morning, everyone. My name is Ashley Naporlee. I am an attorney at the Legal Aid Society of San Diego in the great state of California. I am here as the primary negotiator representing legal assistance organizations that represent students and borrowers, consumer advocates, and also civil rights groups.

MR. KEMP: Good morning. My name is Scott Kemp, and I am the student loan advocate housed in the State Council of Higher Education for Virginia. And I am representing state officials.

MR. RICCI: Alex Ricci, President of the National Council of Higher Education Resources. My constituency slot is student loan servicers, collection agencies, lenders, and guarantee agencies. Thanks so much for inviting me. Looking forward to the conversation.

MR. HOLT: Good morning. My name is Alex Holt. I'm the senior advisor for higher education at the Committee for a Responsible Federal Budget. I'm here representing taxpayers and the public interest. I'm currently based in California. Excited to be here.

MR. KING: Good morning. My name is Timothy King. I am representing public institutions of higher education, including institutions eligible to receive Federal assistance under Title III and Title V of

the HEA, tribal colleges and universities, and historically Black colleges and universities. I'm currently the vice provost for student success at Jacksonville State University in Jacksonville, Alabama. Thank you for having me.

MS. WEISMAN: And if we can start over on this side and go back around with the alternates, please.

MR. BODIMER: Good morning, everyone. I'm Jeffrey Bodimer. I'm representing the proprietary institutions of higher education as the alternate negotiator. I'm from Post University in Connecticut and currently reside in Reno, Nevada. Thank you so much for having me.

MS. KOHLER: I'm Patti Kohler, I'm with Western Governors University based out of Salt Lake City, Utah. I am here as the alternate for the private, nonprofit institutions of higher education, and I serve as the vice president of financial aid.

MR. OGUH: Good morning, everybody, Annmarie, Jeff, Tamy. Jake, good to see you again. My name is Emeka Oguh, CEO of PeopleJoy. We help employers attract and retain talent and address workforce shortages with services like student loan repayment assistance, tuition assistance, and help navigating PSLF

complexities. I'm here representing student loan borrowers, including borrowers in school deferment and forbearance as an alternative. Nice to meet everybody.

MS. HOFFMAN: Good morning, everybody. My name is Tamar Hoffman. I'm an attorney with Community Legal Services of Philadelphia and Pennsylvania, and I'm here today as the alternate representing legal systems organizations that represent students and borrowers, as well as consumer advocates and civil rights groups that represent students. Thank you.

MR. BOGGS: Good morning. My name is Bennett Boggs. I am the commissioner of Higher Education and Workforce Development in the state of Missouri, and I'm here representing the state higher education executive officers and state agencies.

MS. HARTUNG: Good morning. My name is Lori Hartung, and I'm the alternate for student loan servicers, collection agencies, guarantors, and lenders, and I represent the Coalition of Higher Education Assistance Organization, COHEAO, and I'm an executive with ECSI, and I reside in Wisconsin.

MR. ELLSWORTH: Good morning. My name is Matt Ellsworth. I'm the director of financial aid at Western Carolina University. I'm here representing public institutions, including tribal colleges and universities

and HBCUs.

MR. GILLEN: Hello, Andrew Gillen. I'm the alternate for the public interest organizations and taxpayers, and I work at the Cato Institute, and I live in Florida.

MS. WEISMAN: Thank you very much, negotiators. Appreciate the introductions. And again, if you could just make sure that wherever possible, your table tents are visible to me. We're doing a really good job around here with the primaries. It's a little harder to see alternates, but I will do my best, and I will try to get to know your names as we go through the week. I know your names, but I have to match them with faces. We have a little more housekeeping to do before we get started with the actual discussion. I want to call your attention to the protocols. I know many of you have printed out documents, so I'll give you a minute to get to those. We're not going to go through the entire protocols, but I do want to go through a few highlights. And then if anybody has any questions on the protocols, we'll certainly entertain those. We talk about the participation of the committee. And just to clarify, the Department negotiator is Tamy Abernathy. Tamy does participate in consensus checks. Jacob and Jeffrey from the Office of General Counsel and the Office of

Postsecondary Education do not participate in the consensus check. The non-Federal negotiators, the primary will participate in the consensus check. In the absence of the primary, the alternate would participate in the consensus check. If neither the primary nor the alternate can be present, there will be no consensus check representing that constituency. And I, as your facilitator, am again not participating in the consensus check that I am here to try to keep things running smoothly. Any questions on that? Ashley?

MS. NAPORLEE: Yes, I just wanted to clarify that I am requesting that both the primary and alternate negotiators for each constituency be permitted to speak throughout the negotiation. While we're sensitive that time is limited, we will ensure that if the alternate speaks, it's only to raise a new point and not to repeat something that's already been shared.

MS. WEISMAN: That is a deviation from the protocol, so that would require that everyone agree to that. Tamy?

MS. ABERNATHY: I'd like to say something first about that, if we may. We certainly want to hear from both the alternate and the primary. What we would, what we would rather have is if the alternate feels like they can speak to a topic in addition to or in

place of the primary, you should switch for that topic and let that alternate take the whole topic. If the alternate has something pressing to say, they could pass a note to the, to the primary. Having the back and forth during, you know, these, especially these next two days, is going to be a little bit more disruptive. So we -- we've kind of mitigated that because we have our second table where we have tables now, and we have microphones where there won't be so much back and forth, but it's really important for us to get through the content to get to the next step. And so we would prefer to have more of an orderly, especially with Annmarie facilitating, we would prefer to have it more switch at the topic so that if that alternate has a better voice for the constituency group, we can hear it like that. Pass notes. In the event that there's just something pressing that needs to be said, of course, you know, we want to engage in those conversations as well. And we do appreciate you saying new information and not repeating. We appreciate that a lot. Thanks.

MS. WEISMAN: And just to be clear, we will make sure that we're identifying the regulatory section that we're working on, which would be what we would consider to be a topic, so that if anybody wants to switch out, they're able to do that at that time. And

just a reminder that we are meeting this week from 9 to 4. Thursday is set aside as a caucus day. And we'll talk about that more as it gets closer. I do anticipate a 10 to 15-minute break in the morning and the afternoon, as well as an hour for lunch, generally around noon. And I'll be looking for signs that you need a break sooner, just in case. If I don't pick up on that and it gets to be about that time, you can certainly let me know. And we will stop at 4:00. I know many of you are meeting with constituents and with each other, and we want to make sure we honor that time so that you're available for your other calls and your work to meet with them. Back to protocols. We talked a little bit about decision-making again and the idea of agreement and consensus. We've talked about the committee meetings, and you have your agenda for the week. Remember that any member can call for a caucus. That includes the Department. Generally, a caucus is a subset of the negotiators. However, it can include all negotiators. And reminder that the caucus stops the discussion of the formal discussion of the committee. If we have a full caucus or the majority of the people that are at the table, we would do that in this room, and the live streaming and the recording would stop. If it is a smaller group, if it's a handful of people, then we'll send you off to a smaller conference

room with a staff member. The staff member will leave and will monitor for time. Typically, you would say who you want to be in the caucus and the amount of time that you think you'll need, and then we'll come back and check on you. And a reminder that anyone can withdraw from negotiations at any time. But we certainly hope that you won't do that and that you'll stay with us. And then a final point, the last section of your protocols is that when you're speaking with members of the media, but really speaking with anyone, as Undersecretary Kent mentioned, it's really important that you categorize your own views and not the views of others. So rather than talking about what someone else wants or said or thinks, you would be talking about what you want or say or think, and we think that keeps for a much more professional committee and it helps with your working relationships. Any questions on the protocols? Jeff, and then Ashley.

MR. ANDRADE: I was just making you aware that Ashley had her --.

MS. WEISMAN: Okay.

MR. ANDRADE: (inaudible). Okay.

MS. WEISMAN: Ashley. Go ahead.

MS. NAPORLEE: Thank you, Jeff. I just wanted to point out that I realized that the current agenda does not list a public comment period. So I wanted

to inquire as to whether that was happening just because the Higher Education Act section and rulemaking states that the Secretary shall obtain public involvement in the development of proposed regulations. And we believe that a public comment period would help facilitate public involvement in this process.

MS. WEISMAN: Jeff?

MR. ANDRADE: I'll address that. Yeah, at the beginning of this process, we had a full day of public hearings, and then we kept the, the record of that public hearing open for 30 days and received nearly 2,000 comments. That's not something that we typically do in both of those. So the other experience that we had was that in the last session, despite our requests for public comments to be directed to the issue at the table, you know, they were -- everyone was off topic and talking about something else, and we were getting comments about things that were not being addressed at the negotiated rulemaking table. So in order to give the committee the maximum amount of time, we waived that past activity in favor of the -- relying on the earlier public comments that we had received coming in. And also, this is the first step of a typical Administrative Procedures Act rulemaking. So there will also be extensive comments on the NPRM coming out of this process as well. So we

believe that there's ample opportunity for the public to provide input. And we're in compliance with the HEA.

MS. WEISMAN: Ashley, your card is still up. Did you want to say something else? Okay.

MS. NAPORLEE: I wasn't sure if this was the right time, but I wanted to make a request for another seat at the table. Is this a proper time for that?

MS. WEISMAN: This is the time for that.

MS. NAPORLEE: Great. I would like to make another request for another seat at the table, specifically for negotiator representing civil rights groups. We propose to add an additional member to represent civil rights organizations and to make that a separate seat at the table, distinct from the legal services and consumer advocate seat. While we are very sensitive to the need to keep the committee size manageable, we believe that given the substance of this rulemaking, in particular, the focus of modifying regulations that directly affect the rights of student loan borrowers merits having a separate seat for the civil rights community. We believe the student loan repayment system has exacerbated racial and economic inequities. Civil rights organizations have been at the

forefront of advocating for more equitable access to higher education and informing policy solutions that will make this system work better for students and borrowers. To be clear, while the seats Tamar and I are filling is labeled as representing legal services, consumer advocates, and civil rights organizations, we both come from the legal services organizations, and we were both nominated specifically by the legal services community. Again, we were not nominated by the civil rights groups. I would be remiss if I did not acknowledge the fact that this is the second time in a row that the Department has not reserved a designated seat for the civil rights community and instead combined the legal aid, consumer advocacy, and civil rights seats into a single seat. Fortunately, we have an expert here today with us who represents the civil rights community that we believe would be a strong and necessary voice on this panel. Therefore, I specifically propose Travis Jones, who serves as counsel for lawyer -- for the Lawyers Committee for Civil Rights Under the Law, to serve as a designated negotiator for the civil rights community. And he is present here today and prepared to take the seat immediately. I'm sorry. He's standing right over there.

MS. WEISMAN: Thank you. Jeff?

MR. ANDRADE: The Department believes

that we have identified the relevant constituencies and have consolidated where necessary, and we would object to adding an additional seat at the table.

MS. WEISMAN: So, as per the protocols, we need to have consensus in order to add a seat at the table. So we want to formally take that check now. If you could put a thumbs up if you support the proposal and a thumbs down if you do not. So we have several thumbs down. If you could keep your thumbs where they are so that I can record those. Thank you. Just hold on. I see we have five thumbs that are not supporting this proposal. So the proposal to add a committee member does not pass at this time. Tamy?

MS. ABERNATHY: I would just like to remind everyone that as you are the voice primary and alternate negotiators together, you are the voice for the constituency for which you represent. So having those contacts, if there are people in the community that are part of your constituency group, engaging with them and getting their feedback will be critically important as well.

MS. WEISMAN: Are there any other questions or things that you need to raise at this time? Alex?

MR. HOLT: I just want to clarify that

if I want to abstain, do I do the sideways thumb?

MS. WEISMAN: You can just have no thumb at this point for this type of item. But I did note that you were not up or down, so thank you. Other questions or comments before we move on? We do have someone who has joined us as one of the alternates who did not get a chance to introduce himself earlier. So if I could ask Bob if you could introduce yourself, your name, your current position, where you're coming from, and the constituency that you're representing, please?

MR. CAREY: Bob Carey with the National Defense Committee. I am the alternate military veteran, student lender negotiator representing military and veteran student borrowers. Did I answer all your questions? I did serve on the, on the Public Service Loan Forgiveness Committee is the primary. My colleague, Mr. Sulman, served as the alternate then. So we decided to switch today, and he's the primary, and I'm the alternate now.

MS. ABERNATHY: Actually, we decided to switch that.

MR. CAREY: Yeah. I want to say the Department may have had something to say about that, but, you know, I mean, we'll take credit where we can. So -- and very happy to be here. And appreciate the

opportunity.

MS. WEISMAN: Thank you. So just to clarify again, when we're doing a consensus check, if you do wish to abstain, then you have no thumb. If you wish to support the proposal, your thumb is up. And if you choose not to support the proposal and you want to block consensus, that is a thumbs down. Just a reminder as well that when we do pulse checks, they are non-binding. If we're trying to take a poll or get a sense of where you're feeling on an issue, that is a non-binding item. So we will make it very clear when we're doing a consensus check versus a poll. And a reminder too, that consensus is not a majority wins. Consensus is that all members agree to the proposal. And again, you may go along with something that's not your favorite thing with the goal of getting consensus. It may meet most of your needs, if not all. My feeling on getting consensus at this table is that it's a wonderful thing, and that the whole is greater than the sum of its parts, so collectively, the committee will come up with something generally that is better than if any one person had written it. And again, I talked to each member about this in advance, and everybody came with a very positive attitude and is seeking consensus right along with me. So I appreciate the time that you're giving us here today

and throughout the week, and the time that we don't see when you're doing things between sessions or after sessions. We really do appreciate those efforts. Tamy, do you have anything else to cover before we get started?

MS. ABERNATHY: No, ma'am, but thank you for asking.

MS. WEISMAN: Thank you. Any other questions from members of the committee? Bob?

MR. CAREY: If there's a shutdown, are we going to continue to meet on Wednesday or do we go into recess automatically?

MS. WEISMAN: I'll let Jeff speak to that.

MR. ANDRADE: Don't steal my thunder, Bob.

MR. CAREY: Sorry.

MR. ANDRADE: Yeah. I have some time to talk about a few rules of the road on -- and I want to pick up where the Undersecretary sort of left off, which is we do come into this with a goal of achieving consensus and, and approach this in good faith and get the last negotiated rulemaking that we did. We made over 15, 16 concessions. So if anybody wanted to, to know what our commitment was, you know, that I think that's an indication in terms of our past actions. We also showed

that if we don't have consensus, we will go back and take the best course available to us, which means that some of the deals that we had agreed to at the table are gone when the committee ends, if we're not able to do consensus. So, again, we are trying to work with all of you. We appreciate your time, you know, on this. In terms of regular order, we designed this so that we can go through quickly and also have a beginning and end time for you all. So this is about a month commitment in terms of coming in. We come in with, with draft language. We're able to get into the language right away on the first day. And then we can wrap up at the end of the second session one, one way or the other, so it doesn't go on for 5 or 6 months. One of the things that's important, I think, in this particular rulemaking is that typically there's a master calendar and that we start the process much earlier. This legislation is a budget reconciliation bill, and Congress put in specific effective dates. So we are coming here to the table less than 90 days with, with language which is probably almost unheard of and very much to the credit of my colleague to my left over here and, and her staff in pushing this forward. I think we have an obligation giving those tight time frames to try to get through this quickly so we can publish the NPRMs and we can get final regulations out into the field as

quickly as possible because of the, because of the quick, effective dates that, that Congress put into the legislation, some as early as July 1, '26. So I wanted to just get that out, you know, out there. So despite our, our great plans, and as Annmarie pointed out, we even built in some time for caucuses on Thursday and for redrafting, there is the possibility which seems to be growing by the hour of a lapse in appropriations. Have no fear, however, we do have a contingency plan for that. So should there be a lapse in appropriations, which tomorrow is the end of the Federal fiscal year, if there's not a continuing resolution passed by then we will pivot in two weeks to a virtual format for the remaining days of this session. There is a document on public inspection at the Federal Register today. It'll be published tomorrow, outlining our contingency plan. We hope that that doesn't happen, but we are prepared to do so. In the event that that would go beyond those dates, the -- I think it's the 15th through the 17th, we would, we would do the remainder of this, this session at the scheduled session that we had previously announced, session two, and then likely be publishing a -- some virtual dates to do any kind of cleanup shortly thereafter. But that's, that's the game plan here. So again, fingers crossed. But the odds makers, I think when I last checked, were in the

high 60s in favor of them not passing a continuing resolution in time. So that is -- that's the plan. Any questions for me on that piece of it? Okay. Hearing none, I'm going to just go over a little bit more on sort of what we're going to talk about today. So as the Undersecretary pointed out this morning, I think very well, in terms of how this fits together we're dealing with the loan piece of the One Big Beautiful Bill Act. And on the origination and disbursement side, we're looking at the phase out of the Direct PLUS Loan program and then commensurate changes in loan, both aggregate and annual loan amounts for the Direct Loan program for graduate and professional students, creating new aggregate and annual limits for Parent Loan borrowers, maximum aggregate limits for all students, and adjusting annual loan limits for borrowers who attend more than half-time but less than full-time, based on a schedule of reductions published by the Secretary. And also the long sought after limits at the institutional level for programs that are -- that can be imposed by institutions themselves to reduce borrowing. On the loan repayment and servicing side is obviously significant simplification and reductions in the IBR Plan, including the new innovative Repayment Assistance, or RAP program, which, for the first time, results in a situation where

borrowers' balances are not going up while they're on an income-based plan, simplifies the whole system going forward into two plans finally, and has limits on deferments and forbearances and expands options for borrowers with certain defaulted loans. So I think -- you know, I'm not -- we've spent a lot of time on some of the do's and don'ts this morning. So I'm going to turn it over to Tamy to start going over. What we would like to do today is to go through all the language that we have provided to you after the break, and just give you a good sense, and should we have to pivot to online, you know, in, in two weeks, we'd like to at least get through all of it today and tomorrow. And then that way we have a good jumping off point so you know where we're coming from and all that. And we have the ability to allow you to ask questions, take, take down your questions, rework things that we may need to rework, and be ready for the next session. So I'll turn it back over to you.

MS. WEISMAN: Thank you. And I did want to clarify. We had the proposal to add Travis Jones for the civil rights constituency. I was remiss in not naming the names of those with the, with the thumbs down. So I want to do that now so that the reporter has that, the transcriber. We had Andy Vaughn, Jenna Colvin, Alex Ricci, Alex Holt abstained, and Tamy Abernathy with a

thumbs down. So the, the motion did not pass. And I did want to list that out for the transcriber. And I think at this point, given where we are, it's kind of a natural breaking point. So we'll take ten minutes and come back at 10:15. Thank you all for coming back timely. In the interest of moving things along, I'm going to turn it back over to Tamy to get us started with a walk-through.

MS. ABERNATHY: Thank you, Annmarie. Hello again, Committee. Greetings to our public, those in the room, and those who are joining us virtually. We look forward to having a productive day as all have said. We've heard lots of questions and concerns from the public about the master calendar requirements. And it is important to note, and I would like, if possible, my colleague Linnea, to share the screen on the master calendar graphic that I sent. She's got a thumbs up, so. There we go. Oh, now that's some bright colors, isn't it? Wake up, everybody. So, as Mr. Andrade talked about, under Section 482(c) of the statute imposes the master calendar, which requires the Department to publish regulations on or before November 1, 2025, for those regulations to have an effective date of July 1, 2026. Given that the bill was not signed into law until July 3, 2025, the Department could not conduct required rulemaking activities or comply with the Administrative

Procedures Act requirements. Announcing negotiated rulemaking, holding a hearing, having a 30-day comment period, choosing a committee, holding sessions, publish a notice of proposed rulemaking, have another comment period, and then publish a final rule notice all before November 1st of this year. There simply was not enough time to fulfill these requirements and meet the bill's effective dates. The Secretary has waived the master calendar requirement. Jacob has just told me that she did not waive the master calendar requirement, so I'm going to let him jump in.

MR. LALLO: Yeah. Yeah. So, just briefly, Congress can explicitly -- or implicitly waive requirements in the HEA and APA. Where Congress tells us to do something urgently and speaks to the actual effective date of changes, it preempts our master calendar requirements and basically does away with some of the requirements for notice and comment rulemaking. When it's here, Congress is very explicit about when the effective dates are set. You know, as Undersecretary Kent put earlier, Congress kind of trumps all. You know, we are effectuating the intent of Congress here. And so we are bound by the dates that they put in there, and they take precedent over our regulations.

MS. ABERNATHY: Thank you for that

clarification. So, see that little green thing up there? This is exception, Secretary waives master calendar. Just cross that out because that didn't happen. See how well we work together to keep ourselves straight? We just can do this right on the fly, friends. So at this point, what I do want to mention is the provisions that are effective of July 1, 2026, will be effective July 1, 2026. And we go through this in specificity when we go through the regulations. Provisions that are effective July 1, 2027, will have the effective date in the regulations of July 1, 2027, and those provisions will have -- for July 1, 2028, will have the effective date of July 1, 2028. So we will meet all of the effective dates that Congress put forth for us to meet. And this is the purpose of just letting you see how that was supposed to work before. I didn't know that was how it was working. So there you go. You learn something new every day.

MS. WEISMAN: Alright. Jacob?

MR. LALLO: Yeah. Just to further clarify why we -- this is necessary. The fastest in negotiated rulemaking could basically be carried out is 149 days to publish. It's -- or to actually get the rule into effect. We can't do that with, you know, the date that the OB3 was passed. So this exception is very necessary insofar as just actually effectuating the

intent of Congress, so.

MS. ABERNATHY: Alright. We will move on. Mr. Andrade, earlier today, went over some of the impacts of the Higher Education Act of 1965, as amended by the One Big Beautiful Bill. That was the catalyst for these negotiations and the Department's proposed amendatory regulations in the materials that you received, negotiators, and posted on our rulemaking website for the public. Under Title 34 of the Code of Federal Regulations, these proposed amendatory regulations fall under three parts: Part 674, which is the Federal Perkins Loan Program, Part 682, which is the Federal Family Education Loan Program, and Part 685, the William D. Ford Direct Loan program. While there are 16 provisions that were amended, we categorized them into five different discussion drafts so that we could navigate through negotiations effectively. I want to take a couple of minutes to explain the strategy or makeup of today's flow. We recognize that you want to dive right into the red line text and start discussing and negotiating right away. I'm asking you to bear with me while we move through today. You heard Undersecretary Kent mention how complex current loan repayment plans are, and that this process is very dense and complicated for borrowers. And the bill provides us a way forward

through simplification of repayment plans and accountability for institutions, etc. We must understand what we currently have and what is changing, so that we may be on the same page for the rest of our time together. I want each of you to have the same knowledge before we dive into the many red line texts. Otherwise, we may spend more time explaining current information instead of understanding the proposed changes. This is a two-week negotiation, so we're going to have plenty of opportunities for you to ask questions and get into the weeds together. Even with the potential lapse in appropriations, we will have time to discuss. As a starting point, I will provide a foundational starting point as I review the 16 provisions. After lunch, we'll do a deeper dive into provisions and keep going from there. Our hope is that we set the knowledge base today so that we may have productive, impactful discussions going forward. Does everyone agree? Great. So right now we will start beginning our discussion with 685.201, Section 685.201, definitions. Based on the changes to subsequent regulatory provisions on loan limits, we created new definitions under 685.102. I think that was supposed to be 201, but apparently, I have a little bit of dyslexia today. My apologies. Definitions, which are effective July 1, 2026. Sir? Oh, it is 102. Well,

apparently, I did not have dyslexia on that part. So we're going to get there, friends. We're going to get there. Under Section 200, borrower eligibility, the effective date is beginning on July 1, 2026, for graduate student borrowers and professional student borrowers. Our proposed amendments in 685.200 reflect the statutory provision whereby a graduate student or professional student may not borrow a Direct PLUS Loan, and when this limitation would not apply. 685.201, obtaining a loan, this next proposed amendment provision of the new loan limits for graduate students and professional students in this section includes conditions when a graduate student or professional student may not -- may apply for a Direct PLUS Loan. In 685.203, loan limits, the bulk of the proposed regulations pertaining to the bill's changes to loan limits are in this section, and these changes include new annual and aggregate loan limits for graduate students and professional students, new annual and aggregate loan limits for parents who borrow on behalf of dependent undergraduates, lifetime maximum aggregate limits for borrowers and across the board lifetime maximum aggregate limit, and establishes an annual or academic award year limit for Direct Loans for borrowers who enroll less than a full-time basis. And separately, institutions may also limit borrowing based upon program

of study. And you heard Mr. Andrade talk about that a little earlier. We've heard you. You asked for this for years, and now it is there. 685.204, deferment. The bill made changes to certain deferments. New Direct Loans made on or after July 1, 2027, will not be eligible for the unemployment or economic hardship deferments and our proposed amendments in this section reflects such changes. In 685.205, forbearance, the bill made changes similarly to the forbearance section. And our proposed amendments provide that new Direct Loans on or after July 1, 2027, will be limited to general forbearances, with a period of eligibility of no more than nine months during any 24-month period. The seventh provision we changed is 685.208, fixed, fixed payment repayment plans. The bill introduced a new fixed payment repayment plan and our proposed amendments restructure the fixed payment repayment plans in this section and introduce this new fixed payment repayment schedule, which we call the Tiered Standard Plan. In 685.209, Income Driven Repayment plans, this is the section that has the most significant changes with respect to the various repayment plans. The bill made several changes, including creating a new simplified Income Based Repayment plan called the Repayment Assistance Plan, or RAP, that you heard Jeff mention, revising the terms of the IBR plan, sunseting

the Income Contingent Repayment plans by 2028, defining new terms, establishing procedures for obtaining disclosure of Federal tax information for enrollment and certification Income Based Repayment plans. Section 685.210, choice of repayment plan. Generally, borrowers may select repayment plans that best fit their needs. Under the bill and our conforming proposed amendatory changes in this section, for Direct Loans made on or after July 1, 2026, the borrower may select between the Tiered Standard Repayment Plan or the Repayment Assistance Plan. This is also what Jeff mentioned earlier. And if a borrower does not select a repayment plan, the Department designates the Tiered Standard Repayment Plan. The law also preserves borrowers' ability to change repayment plans for Direct Loans made before July 1, 2026. The miscellaneous repayment provisions; there are several provisions worth noting. Our proposed amendments in 685 211(a) outline the bill's provisions for the order of precedent for monthly payments under the Repayment Assistance Plan. That is how a payment is applied for accrued interest, fees, and principal on the loan. Also, the law allows the Secretary to designate the Repayment Assistance Plan or the Income Based Repayment Plan if a borrower defaults on most Direct Loans. Our proposed amendments align with this statutory change. The

bill also makes changes to the provisions for rehabilitating a Direct Loan and minimum payments for defaulted loans. Our proposed amendments in section 685.211(f) allow Direct Loan borrowers to rehabilitate twice over the lifetime of that Direct Loan as of July 1, 2027. Our proposed amendments also provide that a borrower's monthly payment when rehabilitating a defaulted loan may not be less than \$10. In section 685.219, are Public Service Loan Forgiveness. The bill designates that the Repayment Assistance Plan is a qualifying repayment plan for the purposes of receiving Public Service Loan forgiveness. It provides the Income Contingent Repayment Plans are PSLF-qualifying repayment plans only through 2028, and our proposed amendments also codify these changes. In section 685.220, consolidation, the bill makes some changes to consolidation loans, and our proposed amendments in this section allow a borrower in default to consolidate their loans for the purposes of gaining access to the Repayment Assistance Plan. Under 685.221, Alternate Repayment Plans. Under the Direct Loan Program, the Alternate Repayment Plans, our proposed amendments provide sunset dates of these plans and specify that the Alternative Repayment Plan is only applicable to loans made before July 1, 2026. Under our Federal Family Education Loan Program in section 682.405,

under the Loan Rehabilitation Agreement, we make those corresponding changes and allow borrowers in this FFEL program to rehabilitate twice over the lifetime of the loan, effective July 1, 2027. And under our Income Based Repayment Plan in 682.215, in the FFEL program, we revised the terms of the IBR plan. Our proposed amendments reflect the removal of the requirement to demonstrate partial financial hardship to enroll in an IBR plan and, where appropriate, define the term applicable amount, which is used to calculate the monthly payment for loans repaying under an IBR plan. Under section -- under 674.39, which is our Federal Perkins Loan Program, loan rehabilitation, we also make the corresponding changes to allow borrowers with a Perkins Loan that is defaulted may rehabilitate twice over the lifetime of the loan as of July 1, 2027. Now I'm going to turn it back over to Annmarie. We can take a few general questions at this time.

MS. WEISMAN: We'll start with Jenna.

MS. COLVIN: Hi. I just have a follow-up question on the master calendar. If we're not meeting the November 1st deadline for the July 1 implementation, when can the campuses expect to have a rule or the rule set that will be applied?

MS. ABERNATHY: Thank you, Jenna. How

this works -- because some of you are new, and I had a conversation with Timothy a little bit ago, and so it might be helpful if we take a couple minutes to kind of describe this process for those that are less familiar with it. We have negotiated rulemaking, and this particular negotiated rulemaking will have two sessions. These two sessions, at the end of those -- the last day of the last session, we will either have consensus or we will not have consensus. And what we will do at that point, if we have consensus, the public will largely, in our notice of proposed rulemaking, articulate our proposals, the actions of the committee, sometimes the conversations of the Committee, and we'll materialize that in this document that we will publish. If we do reach consensus, we will send, of course, the regular text -- the regular -- regulatory text to you in advance of posting it officially so that you may review it. If we do not reach consensus, we will not publish the notice of proposed rulemaking, perhaps the rules, exactly the way we describe them here when we discuss them. Then it opens up for public comment for 30 days. So at that point, you all go back, your -- public responds, 30 days. Lots of comments, lots of fun stuff for my team to do in preparation for creating the final rule. Then we publish, we draft, and we publish the final rule. And that means -

- so that published final rule will not -- obviously will not be before November 1st, because we're not even meeting for the second session until November 3rd. We're good, but we're just not that good. And so we won't be able to meet that particular deadline. So therefore, in a typical negotiated rulemaking, meeting that November 1 deadline with publication of final Rule would have the effective date July 1, 2026. In this case, we're still going to have the July 1, 2026, because, as Jacob mentioned, it's congressional. They told us to do it, and we are going to do it. And it doesn't mean that we have enough time obviously, with 140 days to publish and go through this whole process as we would normally do. So we still have to meet that, that deadline. And so we hope to have the final -- we hope to have a published notice of proposed rulemaking as soon as we possibly can with no definite date. Just throwing this out there because, you know, we don't know what's happening with the potential lapse in appropriations and all these, all these other things. But we hope to have, before the year is out, at least the NPRM open up for public comment and then in early spring, sometime have the final rule, which at that point will give everyone the marching orders. There are some other things that have happened with the bill that are -- we will be communicating out well before that

particular point in time. The biggest thing is the schedule of reductions. I know that's hot and heavy on everyone's mind, but we are already working on that and should have a publication. We expect that to be effective July -- for the award year, academic year of '26-'27. And so we'll have specificity around that, the formula and all of the things. We do mention it in the regs, but we will also have additional information in a schedule published by the Secretary sometime later this fall. Does that help? More -- probably more than you ever wanted to know, huh?

MS. WEISMAN: Did you have a follow-up, Jenna?

MS. COLVIN: I just want to make sure. So we're hoping for the proposed rule out for comment by the end of the year. And a final rule this spring?

MS. ABERNATHY: Yes, ma'am. That's what we're hoping for.

MS. WEISMAN: And I'll just put --

MS. ABERNATHY: (inaudible) behind me. They know what has to happen.

MS. WEISMAN: I'll put in a plug for consensus. This is where the benefit of consensus is, is that you have that regulatory text. You've agreed to it. It allows the Department to move more quickly than if it

has to go back and revisit each of those regulatory sections. As you see, there are quite a lot of them. Jacob?

MR. LALLO: Yeah, I just wanted to touch on that a little bit more. So just to put you a little bit at ease, even though that the schedule is not fixed and we can't necessarily make promises about when things will be published, as Tamy said, we're aiming for early spring. The APA does fix some clear requirements, though, for when a rule can take effect. It has to be published at least 30 -- the final rule has to be published at least 30 days before its effective date. So at the absolute latest, it would be late spring. Could not be beyond June 1st to take effect on July 1. And as Annmarie said, you know, this is a huge thing for consensus. You know, you have much greater certainty about what the final rule will look like if you reach consensus here. And I think that's the beautiful part of this process, especially when we are subject to an expedited timeline.

MS. WEISMAN: Other questions before we -- Andy?

MR. VAUGHN: Just a note on timing. So the professional designation's probably one of the more important items that this group is going to discuss in

the coming weeks. And that particular designation is largely for doctoral programs, professional practice, professional programs that lead to licensure. Most of those students at institutions across the country enroll a year ahead of time. So students starting in the fall of 2026, which is when most professional programs start on a semester basis, are starting to apply now. Those programs are typically 9 to 12 months ahead of time. So if we come to consensus on professional designation, does the Department give guidance that we should actually define the programs or define a process to do so? Or is that still open for negotiation? And it sounds to me that would be one of the more important topics to come to consensus on because of the time. It's going to impact thousands of institutions and students that have no idea whether their program is going to get the 200,000 cap or the 100,000 cap, and they're applying now for those programs for next fall. Thank you.

MS. ABERNATHY: We appreciate you bringing that up. We know that that is something that we're going to discuss here later. And so we will not respond to that question at this time. But we will get to that throughout the rest of the negotiations. Thank you.

MS. WEISMAN: I see no other cards. Are there any other questions? Tamy, I'll turn it back to

you.

MS. ABERNATHY: Thank you. We are going to start. I'll grab my book. Alright. We are moving faster than normal. I was pretty sure it was going to take us a little bit longer to get all this stuff done. You guys are scaring me. Uh-oh. Alright, we're going to take -- we're going to look at the discussion draft for loan rehabilitation, miscellaneous provisions, deferments, forbearance, and miscellaneous repayment provisions. And this is with both the FFEL and Perkins and the Direct Loan programs. And we're going to talk a little bit about the statutory changes that impact our regulations here with the deferments and forbearances, which would be Section 685.204 and 685.205. Borrowers receive temporary relief for pauses from their obligations to make monthly payments that would otherwise be due on their loans under a period of deferment or forbearance. The Higher Education Act enumerates several types of deferments. However, our focus is only on two for today or for this negotiation. Unemployment deferment and economic hardship deferment. The Department proposes modifying our regulations in Section 685.204. We're distinguishing the parameters for when borrowers may retain access to an unemployment deferment and an economic hardship. For loans disbursed before July 1,

2027, borrowers will retain access to the unemployment deferment and hardship deferment. For loans disbursed on or after July 1, 2027, a borrower may no longer receive an unemployment or economic hardship deferment. Section 685.205, forbearances. And although a forbearance provides a borrower with temporary relief from the obligation to make monthly payments that would otherwise be due on their loans, interest could still accrue under the forbearance, which is unlike a deferment. We propose to modify our regulations for loans disbursed before July 1, 2027, that borrowers may receive a forbearance for up to one year. For loans disbursed on or after July 1, 2027, a forbearance period that may not exceed nine months within a 24-month period begins on the first month for which the forbearance is granted. Under our Perkins Loan rehabilitation and our FFEL loan rehabilitation sections, we turn to the next set of statutory changes for loan rehabilitation. Borrowers -- currently borrowers who have defaulted on their Federal Student Loans may use the loan rehabilitation process to bring their loans back into good standing once over the lifetime of the loan, if the borrower defaults again, rehabilitation has not been an option for the Direct Loan program, for Perkins, or for FFEL. Rehabilitation allows borrowers to get those loans out of default, and the default is removed from the

borrowers' credit reports. It also gives them a chance to enter into a successful repayment plan. To successfully rehabilitate a defaulted loan, and have the borrowers' credit reports cleaned, a borrower must make nine on-time monthly payments during a period of ten consecutive months under a rehabilitation agreement, and depending on when the loan was made, payments will be 10 or 15% of the borrower's discretionary income, with monthly income -- per monthly income with payments as low as \$5. We propose to modify our Perkins section in 674.39, and on or before July 30, 2027, a borrower may rehabilitate a defaulted Perkins Loan only one time, but on or after July 1, 2027, a borrower may rehabilitate a defaulted Perkins Loan a maximum of two times. And for FFEL, the Department proposes the same thing, but I'll read it. A defaulted loan may only be rehabilitated once, between August 14, 2008, through June 30, 2027, and on or after July 1, 2027, a defaulted loan may be rehabilitated a total of two times over the loan's lifetime, regardless of when the loan was made. We want to remind the committee that even though these dates exist in the proposed rule, no new FFEL loans have been made since 2010. In Section 685.211, Direct Loan rehabilitation and minimum payment. For the Direct Loan program, similar provisions apply. And under current regulations, the borrower may only

rehabilitate a loan once. To successfully rehabilitate a loan, the borrower must make nine on-time monthly payments during a period of ten consecutive months, and payments could be as low as \$5. We propose modifying our regulations under Section 685.211. You'll note that we propose new regulatory text that allows the borrower on or after July 1, 2027, to rehabilitate a defaulted Direct Loan a maximum of two times, and the minimum payment as we modify our regulations for rehabilitating a defaulted loan may not be less than \$10. Alright, we have time for questions.

MS. WEISMAN: Alex Ricci?

MR. RICCI: A question for the Department when it comes to this proposed regulatory language. Tamy, as you mentioned several times, Loan-rehabilitation takes nine on-time monthly payments over a course of ten months. And the statute, the reg text here is pretty clear that the borrower cannot rehabilitate before that July 1, 2027, mark. My question is, does the Department anticipate that this regulation would allow for borrowers to begin the process of making those payments nine months prior to July 1, 2025? For many borrowers that they don't have other recourse, so this is a very important provision to help them quickly get out of default. And so the question, the application of this

provision, I guess my question is, could a borrower start to go through that second rehabilitation beginning -- math is hard -- November of 2026?

MS. ABERNATHY: Alex, alright, let's think about this for a minute. We may need to take this back to confirm exactly what we need to do, so if somebody would make a note of this for us. I'd like to check with several, several of our experts on what this is going to look like from the -- you know, the actual application part. So we'll take that back. Can we get back to you after lunch?

MR. RICCI: Absolutely.

MS. ABERNATHY: Great. Thank you for that question. It's a great question. Thank you.

MS. WEISMAN: Alex Holt.

MR. HOLT: I have a couple clarifying questions. Would you prefer me to ask all of them, or one at a time?

MS. ABERNATHY: I would prefer for you to ask them one at a time, if you want me to answer them.

MR. HOLT: Okay.

MS. ABERNATHY: Or attempt to answer.

MR. HOLT: So my first question, I just wanted to clarify for the period of deferment, in existing law, there is a three year total. Is that still

applicable for this new deferment? I'm sorry, forbearance. I shouldn't have said -- forbearance.

MS. ABERNATHY: Thank you. I was trying to rack my brain on -- I'm like, I can't think of anything on the deferment side. Right now, under current regulations, they have that three-year period. That's not going to change until the regs become effective. At the point that the regs become effective, that now is one time during a 24-month period. Do I have that right? One time during a 24-month period. So yes, it will change, but it will not change until the effective date.

MR. HOLT: But there's no -- so is there no aggregate total then? So it's nine during a 24-month period. But over ten years you could imagine --

MS. ABERNATHY: It's nine, nine months out of a 24-month period. When that 24-month period ends, if they need another nine months, it is per 24-month period.

MR. HOLT: Okay.

MS. ABERNATHY: So to answer your question, the law did not change or add an aggregate limit. You know, unlike what we have now where it's three years and you're done, no that is not the intent. I think -- the Department's position and, of course, Congress's intent is to allow forbearances when they're needed, but

to not allow overuse or slapping borrowers into forbearances that are harmful because interest keeps accruing. So to give defined parameters, it's there when they need it, which is the intent of the law. If they need to have this, it's still going to be available. But it's going to be available once per -- you know, nine months out of a 24-month period. Okay? Does that answer your question?

MR. HOLT: Yes, that answers my question.

MS. ABERNATHY: Okay. That's one.

MR. HOLT: The next one is in 674.39, I'm wondering if the maximum two times includes previous rehabilitations?

MS. ABERNATHY: Yes. Because they would only have had one. So it would count -- if they've already had one rehabilitation under any of the provisions, they're allowed a maximum of two over the lifetime of the loan.

MR. HOLT: Okay. I also have one comment, but I'm not clear whether I'm supposed to make the comment now or hold that for discussion.

MS. ABERNATHY: Why don't you go ahead and make the comment and then if I don't like it, then -- no, I'm just kidding. Go ahead and make the comment and

if it's more appropriate for us to talk about it during discussion and when we've had a chance to go into a deep dive of the regulations, then we'll just pump that question to that time, if that's okay.

MR. HOLT: Yes. Okay, great. So on page five, 685.211, you define reasonable and affordable payment on the basis of borrower's total financial circumstance as not less than \$10 when they're rehabilitating from default. I would suggest that it be the greater of \$10 or the relevant Income Based Repayment Plan, RAP, or IBR. The reason being that I think it could be problematic if you rehabilitate someone at a very low payment, they enter repayment, they see they have a much higher payment, and then they default again and they've lost one of their chances at rehabilitation. I think this is a better chance of keeping the person in repayment over a longer term.

MS. ABERNATHY: Thank you for that question. I would prefer that, that happens when we go through the deep dive of the regulations. So if you would not mind asking that again when we get into that particular point. We appreciate your suggestion. Anytime we have suggested amendatory or you propose your constituency group proposes suggested amendatory language, we would like for that to be in writing as

well. And we look at these proposals. So if you have ideas about our reg text and you want to submit something, please do so, that way also right at the table as well, Alex, just as you've done. But that is a little bit more suited for our additional discussion for later. But now you've given us something to think about, so thanks so much.

MR. HOLT: Great. Thank you. I will also be submitting a request for data for this -- from the Department for this section.

MS. ABERNATHY: I would request all data requests come in as soon as possible. Given the potential of a lapse in funding, we may not be able to get your data requests responded to by the end of this week. So what I would suggest at this point is if you do have specific data requests to please get them in so that we can get them, you know, started, I cannot at this point say with 100% certainty that your specific data request is something that the Department has available to even give you. So I don't want to -- I want to level set our expectations here. There are times that we're not going to be able to give you what you're asking us, because we don't have that data. Now, if we do have it, it's going to take us a little bit of time. We promise to circulate that back out and we will make that -- we will

send that to you, and we will also make that publicly available as well. Thanks, Alex.

MS. WEISMAN: Ashley, and then Jenna.

MS. NAPORLEE: I just wanted to clarify that the ability to rehabilitate twice is the completion of two rehabilitation agreements, not just applying to rehabilitate and then not being successful.

MS. ABERNATHY: No, absolutely. You would have to complete the rehabilitation process in order for you to have successfully rehabilitated the loan. And so you would have two, two opportunities to have a successful rehabilitation of the loan.

MS. NAPORLEE: Okay. Thank you.

MS. WEISMAN: Jenna?

MS. COLVIN: For the rookies in the room, how do we ask for data?

MS. ABERNATHY: Well, it's simple. You need data. What you would do is you either could make a formal request here, or you could submit the formal request. As Annmarie mentioned, the particular email address that we would want you to -- correct me if I'm wrong, negregfacilitator@ed.gov. Okay, so any kind of request, whether that's submitting proposals to our amendatory text, data requests, other proposals for, for other things, hopefully you keep it within the scope of

these regulations. We can't really entertain anything that is out of scope. So I don't encourage you to go and, and try to save all the problems of the world within these negotiations. We're under defined, specific, you know, changes related to the bill and what the statute has changed. Okay? Negregfacilitator@ed.gov. And we'll make sure somebody gets that to you, Timothy.

MS. WEISMAN: Ashley? Are there other questions? Right now, we have no other cards up. Tamy, I'll turn it back to you.

MS. ABERNATHY: Thank you. At this point, I'd like to draw your attention to the discussion of draft regulations discussion draft on repayment plans 685.208, Section 682.215, 685.209, 685.210, 685.211 miscellaneous provisions A and D, and 685.219, 685.220, 685.221. So we're going to have a test. Who can say all those regulations? I'm just kidding. Just kidding. Give you a second to get there. And we'll start. So we have separated these provisions. Everybody good? Ready to go on? Thumbs up. That's not a consensus or a vote. We've separated these provisions into three papers so that the regulations would be easier to discuss. We're going to start with the fixed loan repayment plans. And that's section 685.208, fixed payment repayment plans. These are plans with monthly payments that are based on the amount

of a borrower's student loan debt, their loans, interest rate, and a prescribed repayment period. There are three subtypes of fixed repayment plans: standard repayment, extended repayment, and graduated repayment. The Department proposes modifying our regulations in section 685.208. First, we propose restructuring the section by organizing the fixed repayment plans for Direct Loans made before July 1, 2026, with the terms and repayment periods for each of the plans. The various standard, extended, and graduated plan -- plans allow borrowers who have not received a Direct Loan on or after July 1, 2026, to retain access to these legacy plans. We also propose, including within each discrete fixed plan, the terms of the repayment periods for each of those plans. So instead of having the regulations have one part for the plans up here, and the latter part have the, you know, the periods of time, we moved those together so that when you're looking at the definition of a standard repayment plan, you're going to have all of the pieces of the standard plan together in those regulations. Likewise, with the other two plans, graduated and extended. Made a little bit more sense to us to have everything in one spot than having to go back and forth to the bottom part of the regulations when it actually matches the first part. So we hope that you all agree with us on that. We propose

organizing all the fixed repayment plans for the Direct Loans made on or after July 1, 2026. As of now, the only fixed plan available to borrowers with these Direct Loans will be the Tiered Standard Plan. Under the Tiered Standard Plan, a borrower must repay a loan in full by making fixed monthly payments over repayment period described in statute. We're going to get to look at a tool. So I think we're switching -- let's -- before we switch discussion drafts, let's go ahead and wrap up conversation on these two provisions or these -- yeah, 685.208 -- or this provision, excuse me.

MS. WEISMAN: Alex Ricci?

MR. RICCI: Another question. So the, the Section B, fixed repayment plans for Direct Loans made before July 1, 2026, under paragraph one, you say who entered repayment before July 1, 2026, and I view that as two different things. Would it make more sense to say who received their loan before July 1, 2026, to mimic the intent of the paragraph? Because there's grace periods, there's all sorts of complicating factors.

MS. ABERNATHY: A grace period is not entering repayment. So when you have a grace period that you have not entered into repayment, you are in your grace period. The minute you end that grace period, that is when you have entered repayment. So these are for

loans that were made on or after July 1, 2026. I think that's the provision you're talking about. Okay. So yeah, the grace period does not count as you entering repayment. A borrower has not officially entered repayment until they actually complete that grace period, if they still have a grace period. So if, if they have exhausted their grace period, the minute they cease to be enrolled at least half-time, they would be entering repayment immediately. For borrowers that have not exhausted their grace period, they would get a six-month grace period or nine-month if it's Perkins. Okay?

MS. WEISMAN: Alex Holt?

MR. HOLT: I have multiple questions again, I apologize.

MS. ABERNATHY: Okay, the two of you are going to have to be separated after lunch.

MR. HOLT: Yeah, I know. So the first one is on page three, near the top of the page, number IV, 4. The repayment period for the repayment plan described in this paragraph, (b)(1), does not include periods of authorized deferment or forbearance. A clarifying question, what does authorized mean?

MS. ABERNATHY: Be approved forbearances and deferments that they're in. So when we say authorized, it's actual time that they are in. So

they, they are in that deferment and forbearance. So it's not like they've applied for it. It's actually the authorized period of time, meaning it is you are in that particular status on your loan. Not in a pending status to get into that loan.

MR. HOLT: Okay, great. The second one -- second question is on page eight, near the top of the page, ii, this is related to the -- in the current standard plan, you can't pay less than \$50 per month. The clarifying question is, is that also the case in these regulations for the, the new tiered repayment plan, standard repayment plan?

MS. ABERNATHY: We're going to get to that.

MR. HOLT: Oh, we're not there yet?

MS. ABERNATHY: Well, we -- not in specificity.

MR. HOLT: Oh, I'm so sorry. Okay.

MS. ABERNATHY: You gotta wait till we get to that specific stuff. We can't jump ahead, you see?

MR. HOLT: Oh, I thought that was in 205.

MS. ABERNATHY: It's there, but we're not going over the specific reg text yet, so I don't want to get too deep into the weeds of what that Tiered

Standard Plan is at this moment, if that's okay.

MR. HOLT: Okay.

MS. ABERNATHY: But yeah, that's a great question. Please don't forget it.

MS. WEISMAN: No other cards.

MS. ABERNATHY: Emeka, if you have a question and you're in the back row, would you hold your card up so Annmarie might be able to see it? Emeka has a question, Annmarie, I'm sorry.

MS. WEISMAN: Emeka?

MR. OGUH: My question is on page three, standard repayment plan for direct consolidation loan borrowers. Specifically, as it relates to Public Service Loan Forgiveness, the ten-year standard plan for non-consolidated loans qualifies for PSLF, but standard plans under consolidated loans does not qualify for PSLF. If it's under -- if it's over ten years, previously, the temporary expanded PSLF program was used as sort of a catchall to retroactively credit payments. Is that going to remain funded? Is that something that's under consideration under this neg reg as far as if borrowers are transferred to this program, don't know about RAP or maybe confused about where they go, has any consideration been taken towards making sure that they --?

MS. ABERNATHY: Let's take that back.

If we could mark that for a discussion item during lunch, team, because I want to make sure that we have -- I don't believe we've discussed that. If we have, I am, I am not sure where we landed on that. So I would like for the Department to take that one back and report back to you. Thanks for always -- this is not time to stump the Fed, everyone.

MS. WEISMAN: Scott?

MR. KEMP: And this is just as a point of clarification, is -- Tiered Standard Plan, is that going to be the official name for the new standard plan that's created moving forward?

MS. ABERNATHY: Yes, sir.

MR. KEMP: Okay. Thank you.

MS. ABERNATHY: Yeah, we, we were trying to be as creative as we could. We understand that there are so many complications with the naming of our repayment plans. And, you know, we're going to get into the Income Based Repayment Plan where there's like, three different criteria that's coming out. Not coming out, you know, based on the changes to, to instituting the Repayment Assistance Plan. That's another layer of an IBR plan. And so we do have -- I think you have on your table a little tool to try to help us navigate through that. So yes, Scott, that is the name of the, the standard plan

that this bill has created.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Just seeking some clarification with regards to consolidation loans. I have a concern that -- does, does that refer only to consolidation applications that have been processed and approved or -- versus applied for? Because I know that there's oftentimes a delay between when a borrower applies for a consolidation loan and when one is actually processed. And so if a borrower applies before July 1, 2026, but it's not processed until afterwards, where do they stand with regard to that?

MS. ABERNATHY: So it's keyed off of the date that the agreement is signed. So when it is signed, if it's a complete application. Now, if it comes in and it's not signed, then that's a different story. But if it's a complete application, the minute that hits our system, whichever method it hits our system, that would be the driver.

MS. NAPORLEE: Okay. So just so I'm understanding you correctly, that's the date it's completed, signed, and submitted to the Department?

MS. ABERNATHY: Yes.

MS. NAPORLEE: Okay. Okay, great.

MS. ABERNATHY: Well, the date that it

was signed might not be the same date that it was submitted. So it should be if you're doing it online, of course. But if it's in a paper application, we would have to make sure that we key it off of the date of the signature. Okay?

MS. WEISMAN: Tamy. I'll turn it back to you.

MS. ABERNATHY: Okay. If my wonderful colleague sitting in the back of the room would be so kind as to share the screen, we're going to talk a little bit before we jump in. I'm getting my notes out, so forgive me. I did not expect to get here until after lunch, so I wasn't quite as prepared to have everything pulled out. So we're going to start talking about the next set of statutory changes. And these are based on 682.215, the FFEL Income Based Repayment, 685.209 our Income Driven Repayment. And so this is the discussion draft, obviously on 685 -- 680 -- 682.215, and 685.209. You heard that we changed the existing Income Driven Repayment Plans in the creation of the new IBR plan, RAP. So let's talk a little bit about this comparison. The tool that you see compares the notable differences between the three Income Based Loan Repayment Plans, including changes being implemented by this bill. And you'll note that we have color-coded into red, white and

blue because we are patriotic and we are in America. And that was the safest thing we could do because we could not key it up like credit cards, in case we gave the wrong impression of something was better than something else. So we decided to be patriotic. And I'm giving full credit to this man over here, who created this -- who told us what to do on this one. So, thank you, Jeff. Alright. On the red side, what you see is, is the IBR Plan, right? So everything for the loan types in gray across the top are the loan types that, that are applicable under both -- under all three, okay? And you'll notice the note that FFEL and defaulted Federal consolidation loans must be consolidated to repay under the Repayment Assistance Plan. So it's pretty important that you look here and know what, what loans we're talking about. And then if you look at the red side, it's borrowers with one or more loans made before July 1, 2014, and no new loans made on or after July 1, 2026. I'm not going to go into the details yet. I'm going to just specify what each repayment plan's effective dates are so that you guys can -- we can kind of keep this together. So under our IBR 2014, or our white column, borrowers with no outstanding Direct Loan or FFEL balances before July 1, 2014, and no new loans made on or after July 1, 2026. So this defines a new borrower, right? This is the

IBR 2014. That's the white column. Then we have borrowers that will be under the new Income Based Repayment Plan called RAP, borrowers with one or more loans made on or after July 1, 2026. The intent here is to have a new simplified plan. So monthly payment under our IBR red is the lesser of 15% of adjusted gross income that exceeds poverty guidelines based on family size, or it's the amount calculated under the ten-year standard plan based on original owing principal and interest, and the monthly payment could be as low as \$0, and forgiveness is after 25 years of qualifying repayment. Under the white column, our IBR 2014, monthly payments are the lesser of 10% of adjusted gross income that exceeds poverty guidelines based on family size or amount calculated under the ten-year Standard Plan, based on original owing principal and interest, monthly payment may be as low as \$0 and forgiveness is after 20 years of qualifying payments. So the two distinctions here, aside from what defines the new borrower, the white column against the red column is the red does not give -- it is a higher percentage. Right? And then that exceeds -- and then the payment is based on, in the white column, a lesser percentage of the AGI that exceeds poverty guidelines. And the forgiveness provisions are changed from 25 to 20. Now they're not -- they didn't change to 20. This is -- this plan has

already been in existence. So I don't want you to get confused that we created two new plans here. We didn't. This IBR Plan, this white column, has been here. You see, it's for 2014. It's called the 2014, and it defines our new borrower. And these are for no Direct Loan balances before July 2014, and no new balances made on or after July 1, 2026. So it's this defined period of time, right? It's important to key into that distinction. Now, you look at our Repayment Assistance Plan, and we haven't really gone into too much detail on this wonderful simplified plan. But here, the monthly payment amount is equal to a borrower's applicable base payment, which is based on a percentage of their adjusted gross income divided by 12. Imagine that a monthly income divided by 12 gives you an applicable base payment. Then we're going to look at subtracting from that base payment, \$50 for every dependent that the borrower has. That is on a Federal tax return, as reported on a Federal tax return. So it's not that you can sit there and say, I have 30 dependents and get my payment into some sort of negative, because that's not a payment. We know that. This is, what have you reported on the Federal tax return? So there's accountability measures there. The minimum monthly payment may be as low as \$10. And forgiveness will be after 30 years of the qualifying payments. And so we have

specified in our reg text these characteristics where they have changed because obviously the middle column and the white and the red, we had to put in for loans, no new loans made on or after July 1, 2026. And so there are some things that we changed as corresponding edits to the old IBR Plan, the IBR Plan 2014, red, white. And then of course, our blue plan, the RPA, there's a whole bunch of things that we've created for that because it's a brand spanking new plan. Okay, go to the second page. So there are some special features. So let's talk about the special features under our red IBR. So what is the red IBR? What's the quick word to say what the red IBR is? Oh, the old plan. You got it. Scott gets the gold star for today. So this is an interest subsidy for the first three years of subsidized loans, except for periods of economic deferment when monthly payment does not cover accrued interest. It's for married borrowers who file jointly, the spouse loan debt is included for purposes of adjusting the borrower's payment and the ability to apply and recertify eligibility using the disclosure of Federal tax information. So, in the white column, what IBR plan is this one? Go ahead. It's, it's the new IBR, the 2014. Not that it's new. It's just updated just a little bit. Right? Because we got the super, super new one in the blue. This is also interest subsidy for the first three

years of subsidized loans, except for periods of economic deferment when the monthly payments not covered. It's also for married borrowers who file jointly. The spouse's loan debt is included for purposes of adjusting the borrower's monthly payment and the ability to apply and recertify eligibility for the plan using the disclosure of Federal tax information. So now we get to the big, beautiful new RAP blue plan, blue IBR Plan. And the special features are there's an interest subsidy when required, on-time monthly payments that do not cover accrued interest. We have a matching principal payment concept, and that's made when the required on-time monthly payment doesn't reduce the outstanding principal balance by \$50. And for married borrowers, the spouse's loan debt is never included in the monthly payment calculation. So the ability to apply and recertify for eligibility also provides us with the disclosure of Federal tax information. Now, we were not trying to be cute and funny when we talked about, you know, setting up these IDR Plans. But in order for us to talk through the changes that are coming in these sections, it is confusing. It can be very confusing. I want you to keep this handy. Refer back to it. It doesn't cover everything, but at least if you can key in on the timing of the loans, it will help you key into the color, which

will help you key into the regs. Okay, do not look at the red line text and think that's all the red plan. It's not. Okay? So I want to make sure we make that distinction. And I was challenged by one of the meetings I was in because they were telling me that there's no way that we could ever explain this to the committee where they could, could understand it. And, and I took that seriously because when I started looking at it, I'm like, they're 100% correct. What are we going to do to try to communicate what we're doing here? And so I hope that our attempt at providing you a tool that sets the foundation of these three drastically -- they're not drastically different, but the RAP is drastically different from the other two, that it really will give you the foundational knowledge you can to have a little bit more understanding as we navigate through what, what we've changed from the bill. And then as we get to the proposed amendatory text later as well. Okay? A couple of things that I want to just make notes -- specify for you all. For certain older loans, Federal Loans, they, they have to be consolidated into a direct consolidation to access the repayment under the Income Based Repayment Plan. So that's a really important feature to remember. And while the OBB implemented a limited provision between that July 4, 2025, and June 30, 2026, for accepted consolidation

loans, which this is going to be fun too, we're going to get to this as well. Consolidation loans that either repaid a Parent PLUS Loan or another consolidation loan to access IBR, as well as the Income Contingent Repayment Plan and Pay As You Earn, PAYE. So here's this limited provision. And then we have accepted, accepted consolidation loans, which has its own definition. And we'll get to all that a little bit later. Want to remind everyone that both the Income Contingent Repayment and the Pay As You Earn plans will sunset by June 30, 2028. Only defaulted Direct Loans can repay under IBR and RAP, except accepted consolidation loans. We got to have our exceptions and we'll get to all of those. Defaulted FFEL program loans are not eligible for IBR or RAP unless they consolidate into a Direct Loan. Excuse me, into a direct consolidation loan. FFEL borrowers need to consolidate to access RAP. They needed to consolidate into a direct consolidation loan to access the Repayment Assistance Plan and borrowers who must consolidate in order to access Income Based, Income Contingent, and Pay As You Earn repayment plans must have their consolidation loans dispersed, disbursed no later than June 30, 2026, in order to access IBR, ICR, or PAYE. So that is dispersed, consolidation loans dispersed. There's a distinction there. Alright. We're going to move along. Thank you for

engaging us in our little coloring plan today. We will use this again in our deep dive.

MS. WEISMAN: Tamy, we have a question.

MS. ABERNATHY: Oh, great.

MS. WEISMAN: Andy?

MR. VAUGHN: So you are correct. This is a very complex, complicated series of texts. Just for clarification, on the new IBR and the new RAP, if you had a loan prior to July 1st and then you take out one after July 1st of '26, you automatically move everything over to the blue. Is that correct? Just to clarify.

MS. ABERNATHY: Okay, I first need to stop and clarify something that you said. It's not new RAP in the middle, the white column. It's the -- that's what we say, the new borrowers that defines new borrower. That Income Based Repayment Plan in the white column is not new, it is the existing -- what we did was change the definition of what qualifies for that repayment plan. And that's what we're saying that defines a new borrower because it's between July 1, 2014, and no loans made on or after July -- so it's between -- it's everything before July 1 if there was no outstanding director FFEL loans and then no new loans made on or after. So it's a defined period of time. So I needed to clarify that first

because I don't want to get down a rabbit hole.

MR. VAUGHN: So all new borrowers after July 1st are in the blue.

MS. ABERNATHY: Yeah.

MR. VAUGHN: New students, say next fall, would be completely in the blue.

MS. ABERNATHY: No, we will say July 1, 2026.

MR. VAUGHN: Sure. Understood. Second question. For plans that are being sunsetted, that impacts students that are already using those plans, and will it be a communication plan around that, or is that -  
-?

MS. ABERNATHY: Oh, absolutely. Not only is there a communication plan, if you look and see what Congress has done, we have 20 -- until 2028 to sunset those plans.

MR. VAUGHN: Okay.

MS. ABERNATHY: So there will be a series of communications that has already started with putting stuff on the website. We've said they're going away. We haven't given any specificity around that because we can't. We're negotiating.

MR. VAUGHN: Sure.

MS. ABERNATHY: And so we want to be

careful. We've made the public aware that this is going to happen, but it will be a series of communications and it will be a series of publications on the website. I would imagine the servicers will also do a series of communications. We will -- if we have our Thursday session, I do have on standby one of the operations experts to kind of help us walk through and explain to you, you know, kind of what is going on with some of these things. So this, this is complicated and eventually it will be very easy. Within two years, you know, when we get to July 1, 2028, it will be somewhat easier only having the two plans, plus the, you know, the old legacy plans to look at. But at this point, yes, we are trying to -- we do not want to surprise anyone. We do not want to allow them their due diligence to stay on the plan as long as they possibly can, but at some point, they're going to have to make a different choice.

MR. VAUGHN: Okay. Thank you for that. And last question. I know the ten-year standard plan is referenced on this page and in other places, and we have the 15 and 20-year for masters and doctoral programs, too. My understanding is the 15 and 20-year standard repayment plan will still exist for graduate and doctoral programs. Correct?

MS. ABERNATHY: Yes. I mean, as long

as there's no new loan, the minute there is a new -- the minute there is a new loan borrowed, then they are not allowed to stay on those plans. So if they have those plans currently and they don't borrow any longer, they can stay on those plans. Okay? Does that make sense?

MS. WEISMAN: Next up, we have Scott.

MR. KEMP: Since you mentioned communication plans, I decided to bring this up. And in the past, when the Department was talking about plans that had something to do with income, they used the term Income Driven Repayment as kind of the general category versus just Income Based, because when we'd be having conversations with, with borrowers about it, you know, ask what IBR. So moving forward, I mean, if it's a switch, it's a change, you know, we'll have to adapt. But to kind of reduce confusion, in the past it was, it was easier to talk about the whole collective group as Income Driven. When you're -- if you're going to still have at least until it's sunsetted in 2028, you're still going to have an IBR Plan. So to call, they're either on the IBR Plan or they're in one of the other IBR Plans. So is that -- are we good?

MS. ABERNATHY: So it's funny you mentioned that. The statute is specific in calling this an Income Based Repayment Plan. We have colloquialized

things through a prior rule, where we defined, for the first time in regulations, Income Driven. And we put everything, all the IBR, the Income Contingent Repayment Plans underneath the umbrella term of Income Driven. Our operational team used that term for years, but it was never in the regulations. So I appreciate the question. I'm not really going to be able to speak to all of that. The intent by some is to retain the Income Driven because everyone knows what that is. But the statute says Income Based.

MS. WEISMAN: I see no other cards, so Tamy, we'll go back to you.

MS. ABERNATHY: All right. Let's see. So we talked about borrowers providing their consent to the disclosure of the Federal tax information by the IRS for the purposes of initial or recertification, and by the end of those repayment periods, forgiving the remainder balance. In Section 682.215 under FFEL, we have removed partial financial hardship and we have included the term applicable amount. And we do define that in the regulations. We've added RAP to 685.209. We've added new definitions and made conforming edits to several of the existing definitions to reflect new terms. We propose removing the term partial financial hardship where appropriate and instead, inserting the term applicable

amount in its place. Because remember, this bill removed partial financial hardship as a requirement. Okay? So therefore, there is no longer a partial financial hardship based on the effective date. And we propose modifying the definition of new borrower, which we've already done. And that's in our, what column? Oh, come on. The white column. We're going to get this. We're going to bring up a whiteboard and start playing with red, white, and blue. We can't really play with the white part, but you get my message. Don't worry, I'm not making fun of any of that because I have to do that for myself as well, because it is very easy to get caught up in which IBR Plan we're talking about. So I'm going to keep referencing this chart because in my mind, if I keep saying red, white, and blue, then I have it straight in my brain what that means. And I'm hoping that by doing that, it does give us the ability to eventually get to the red one is the old plan, the new one is the 2014, you know, the fixed time that, that temporary limited period of time for borrowers. And then, of course, the blue is the, the new RAP. So we propose regulatory texts that outlines borrowers' eligibility. We have changes to reflect the statutory provisions for marital status and tax filing status. And what determines whose loan debt is included when calculating the payments. We propose

amendments on how these monthly payments are calculated throughout the various plans. We include proposed changes specific to our repayment -- the new Repayment Assistance Plan, and notably, a minimum monthly payment amount of \$10. We note that under the Repayment Plan, the Secretary does not charge the borrower with accrued interest that's not covered by the borrower's payment for that month. And we further propose changes that outline the conditions specific to the Repayment Assistance Plan, including how a borrower may forgive -- may receive forgiveness after satisfying 360 qualifying monthly payments, and clarifying what the term qualifying monthly payment is. With respect to the Federal tax information, we propose rules that outline the Department's process and procedures for determining eligibility for the loan repayment under, as Scott mentioned, the IDR Plans, which really aren't IDR Plans, but are IBR Plans once all the other ICR Plans sunset, and so we have procedures around that. Our proposed changes to the current procedure includes requirements for the Secretary, such as collecting the approval for the disclosure of Federal tax information for determining eligibility for RAP. I want to pause here for a second. We've had the ability to do this because, through the FAFSA Simplification Act, it gave us access to this disclosure of Federal tax

information. What we did not have is our regulations around using the disclosure of the Federal tax information as part of the -- either the initial certification or the recertification. So we have it where it's going to be certified by borrowers on the master promissory note, and any time they enter into repayment certification or recertification, we have their disclosure. So we plan to keep their disclosure until they decide to opt out of it. So we will not be saying, hey, every single time, do this, you know, give us additional time, you know, additional permission to bump up to the IRS to get this information. We are saying you are giving us -- through RAP, you are giving us this information, the disclosure of this Federal tax information, until you tell us no longer to go out there and have the IRS disclose that information to us. Okay? Alright. And notifications to the borrower of annual recertification process for IBR Plans and of course, informing the borrower of their right to opt out, like I just talked about. We added a condition for when the Secretary may place a borrower on the IDR plans, including the RAP, which really are income-based. It is based on the borrower's income and number of dependents. And we propose conditions for when the payment of outstanding loan principal is postponed under the PAY,

REPAYE, and RAP. And we propose text that outlines the provision under RAP for applying matching principal payment, which provides relief to borrowers whose monthly payment does not reduce their outstanding principal by at least \$50. I want to mention something here. Our rules are on the current rule of record and our ECFR. So you will see us talking about terms that may or may not be familiar to you, or may or may not have had changes in the past, but because that is our rule of record, we have to build these rules on what is out there right now. So that is why some of these things -- and it gets a little bit complicated too. We get that. But I did want to mention that so that you're not confused when we're saying terms that may or may not still kind of have sense to all of this.

MS. WEISMAN: And if we can confirm the ECFR is the Electronic Code of Federal Regulations, many of you used to see that in a paper volume. We're high tech and electronic now.

MS. ABERNATHY: Yeah, that book is gone. That published little tiny baby book. Yes, and the Electronic Code of Financial Regulation -- Federal Regulations are very, very helpful. And if you go out to there and you look at it, you can also click on the side to see what changes have happened and when, it'll do a

compare doc. So you are able to utilize that particular website so much more effectively than in the past because it gives you a lot of information about, oh, what was this change? When did this change happen? What made this change? It tells you all of that now by navigating on the left-hand side. So in case you didn't know what that was or you have additional questions, we have a bunch of people that can probably walk you through all of that in the room. It's a great tool. As you can well imagine, we use it all the time. Any questions on this section?

MS. WEISMAN: Alex Holt?

MR. HOLT: Yeah, I have another question.

MS. ABERNATHY: Of course. Yes, sir.

MR. HOLT: So on page 17 near the bottom, it's 3 and then ii, I'm just trying to understand what this is referring to. It says a borrower who has made 60 or more qualifying repayments under the REPAYE Plan on or after July 1, 2024, may not enroll in the IBR Plan. And so --

MS. ABERNATHY: That is current -- that's current regulations that are already there.

MR. HOLT: Okay.

MS. ABERNATHY: We haven't changed anything. It's from the rule of record right now that's

on the books.

MR. HOLT: So -- but I guess I'm wondering then, so they can't go into IBR. So where do they go?

MS. ABERNATHY: At this point, I would rather not speak to that because until the litigation is finalized, some of these provisions that you're seeing currently may not remain. And so it puts us in kind of a bit of a quandary, because we're not able to really go into a lot of detail with why, but that's why this is the rule of record. So when I say the word REPAYE, you're like, what is she talking about? We know that that's not there anymore. That was switched. We have to use the rule of record. And so we are locked into what's on here. But if it's not in red line, that's not impacted by the bill. And if it is something that was impacted by the SAVE rule, that is something that we will speak to at some other date, and it will be as clear as we can possibly make it at that point in time, but we're not able to do that now.

MR. HOLT: I understand. Thank you for the clarification.

MS. ABERNATHY: Absolutely.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, just to further

comment on that. You know, it's not our policy to comment on pending litigation matters or any details of them. As Tamy said, we will clarify at a later date when possible, the impact of those provisions. But we haven't -- we've chosen not to mark them because we frankly don't know where they're at and don't want to compromise anything involving litigation.

MS. ABERNATHY: And we can't because it's the current rule of record. So we are locked into keeping them right where they are.

MS. WEISMAN: No other questions. So, Tamy, I'll turn it back to you.

MS. ABERNATHY: We're going to continue on with the discussion draft on fixed repayment plans. Let's see where are we at this point? We're going to look at the miscellaneous loan repayment provisions and Public Service Loan Forgiveness. And this particular discussion draft provides an overview of the legislative action from the bill and the regulatory sections that would be impacted by the statutory changes, and a brief proposal of -- regarding these provisions. So 685 -- Section 685.210 is a choice of repayment plan. And borrowers generally have a choice in repayment plans, and they may also change two other repayment plans for which they're eligible.

MS. WEISMAN: Tamy, I'm sorry, if I can just interrupt. I see we have a lot of people that seem to still be looking for where you are.

MS. ABERNATHY: Oh, I'll stop. I'm sorry.

MS. WEISMAN: If you could reiterate where you -- which paper you're on, and maybe the page numbers so they can find that quickly.

MS. ABERNATHY: We are on the discussion paper and proposed text for miscellaneous loan repayment provisions and Public Service Loan Forgiveness. So that would be 685.219, 685.211. So you should have a paper that deals specifically with those. Are we good? Is that better?

MR. ANDRADE: (inaudible)

MS. ABERNATHY: Sir?

MR. ANDRADE: 211 starts on page 6.

MS. ABERNATHY: And 211 starts on page 6. Okay, so -- but I think I'm still on 685.210 on this one. So we propose modifying in 685.210, choice of repayment plan. For Direct Loans made on or after July 1, 2026, the borrower may select between the Tiered Standard Plan or RAP, the Repayment Assistance Plan. For Direct Loans made on or after July 1, 2026, if a borrower does not select a repayment plan, the Department designates

the Tiered Standard Repayment Plan as their repayment plan. And although our regulations provide that all Direct Loans obtained by one borrower must be repaid together under the same repayment plan, we propose a new condition under which a borrower must repay Direct Loans that are ineligible for RAP. So where it doesn't fit into that one solid repayment plan for the borrowers, then we have accounted for that in our regulations. We preserve borrowers' ability to change repayment plans for the Direct Loans made before July 1, 2026, and for Direct Loans made after July 1, 2026, the Department outlines conditions under which a borrower may change repayment plans. A borrower enrolled in the Tiered Standard Plan may change to the Repayment Assistance Plan, and vice versa. Section 685.211, miscellaneous repayment provisions, which I believe is page 6, Jeff said. These - - there are various repayment provisions that are applicable to the repayment plans and repayment of the Direct Loans in this section. Our amendments in 685.211 include a provision that the Secretary applies payments made under the Repayment Assistance Plan in order of precedence, and we also propose a clause that allows the Secretary to designate the Repayment Assistance Plan or other IBR if a borrower defaults on Direct Loans. Point your attention to 685.219, Public Service Loan

Forgiveness Program. Under the Public Service Loan Forgiveness Program, a borrower working in qualifying public service could have the remaining balance of the Direct Loans forgiven after they have made the equivalent of 120 qualifying monthly payments under a qualifying repayment plan and all other eligible -- you know, criteria for PSLF is met. Our amendments to 685.219 include a provision that a qualifying repayment plan means an Income Contingent Repayment Plan, for which a payment was received on or before June 29, 2028, and we also propose adding the Repayment Assistance Plan to the list of qualifying repayment plans for PSLF purposes. I want to stop here for just a second. We had a negotiated rulemaking on Public Service Loan Forgiveness not too long ago, which restructured 685.219 into paragraph structure for definitions. So it's going to look a little difficult -- or not difficult. It's going to look a little confusing when we are changing that amended proposal because we have, you know, we have to do the rule of record right now. But what is eventually going to happen because that -- if that PSLF final rule publishes on or before November 1st, it will effectively change the regulations for July 1, 2026. So any provisions here that are impacted would also be reflected with another change to the regulations at a later date. So if you see that

PSLF has changed, you're like, well, our changes are not in there, you will not be confused as to why. They may not have made it through the proper cycle yet. Okay? In 685.220, consolidation, a borrower may consolidate their Federal Student Loans into a direct consolidation loan for the purpose of lowering their monthly payments, gaining access to Income Driven Plans, and forgiveness options, and more. Our proposed text includes a provision that defaulted borrowers may consolidate their loans for the purpose of obtaining access to the IDR plans to fix their default. Before July 1, 2028, defaulted borrowers may consolidate to gain access to the IDR plans. On or after July 2028, defaulted borrowers may consolidate to gain access to the IBR or the Repayment Assistance Plan. And in 685.221, Alternative Repayment Plan, these are provided to borrowers in situations which a borrower demonstrates that the terms of all the other plans are not adequate to accommodate the borrower's exceptional circumstances, and the borrower must provide evidence of the exceptional circumstance. Our proposal in 685.221, condition of borrowers' potential eligibility for an alternative plan to borrowers who have not received a Direct Loan on or after July 1, 2026, and otherwise meet the conditions. I want to go back to something that Scott said when he mentioned, but the regs say Income Driven

and these are Income Based Repayment plans, and it's causing a lot of confusion. We understand that. And so at the moment this is exactly how we have it presented from the Department. So we're not trying to cause additional confusion by any, by any means, but we do take your, your question and your concern very seriously, and we will go back and discuss that. At this point, do we have any questions on this stuff?

MS. WEISMAN: Ashley, and then Deborah. Oh, I'm sorry. Ashley, and then Faisal.

MS. NAPORLEE: Just drawing your attention back to Section 685.220, subsection H, for consolidation loans. Can you clarify whether -- when it says a consolidation loan made before, if made refers to a signed and submitted application or after it has been processed?

MS. ABERNATHY: (inaudible). Let's take that -- we're going to take that back because I think one way and our attorney thinks another. So we better talk about it before we give official answer.

MS. NAPORLEE: Sounds like a lawyer answer.

MS. ABERNATHY: Yeah.

MR. LALLO: We also want to get the operational take on it.

MS. ABERNATHY: No, we have -- I mean, we have to get it right. And so I don't want to speak to that. So thank you for bringing that up. And we will look at that as we're going through with more specificity with the other provisions as well.

MS. WEISMAN: Faisal?

MR. SULMAN: Thank you. Just going back to 685.210, Section (2)(i), so when -- for a borrower who borrows before July 1, 2026, and if they don't select a repayment plan, can you speak, I guess, into somewhat detail as to how that designation is made by the Secretary to, to figure out, like what plan they're in if the borrower doesn't choose on their own behalf? Like what goes into that decision to pick one plan over the other -- over another one?

MS. ABERNATHY: Are you talking about the Secretary's decision or--? I believe that, that -- I cannot speak to that at the moment, because I am not sure exactly operationally what that path is based on these circumstances. I think, you know, our typical answer here is it depends. There might be certain criteria in a borrower's application where, you know, there could be -- I don't -- I really don't want to go into specificity with that until after we've gone through everything and I understand your question a little bit more. So you want

to know, how does the Secretary determine what plan to put a borrower in?

MR. SULMAN: Yeah, correct. So like if a -- so for example, like what -- for the well-being of the borrower, like are you prioritizing for them to have a more manageable payment cycle or you like -- would you prioritize them just being able to have a consistent payment so they don't go into default? Like what, what thoughts would go into that?

MS. ABERNATHY: It's very specific. If you look at what the statute says, the statute made the distinction. So for Direct Loans made on or after July 1, 2026, they may select the Tiered Repayment or RAP. For loans made after, and they don't select a repayment plan, the Department designates the Tiered Standard Repayment Plan. Right? That's what -- so if they do not select a plan on or after July 1, 2026, the borrower did not select the plan, the Secretary moves them to the Tiered Standard Repayment Plan, which, in that case is -- you know, that's where they're going to go, hoping that is the best option for them. And if they want to change out of that -- I think we start where we have to, and the borrower still needs to make that choice. If the borrower fails to make that choice initially, they're going to go here. So that was defined basically already for us. So

it's not a decision. That's why I wanted to get some clarification in my brain what you were talking about. It's not a decision that the Secretary has to make. This is where it -- where they're going to go. That's the plan they're going to. And of course, with an option for the borrower to change.

MS. WEISMAN: Jeff, and then Jacob.

MR. ANDRADE: And Faisal, that's not new. That occurs now in terms of the defaults to standard. So it's been there, it's been there for eons.

MR. LALLO: Yeah. Just to further add on. I mean, it's kind of in the title, standard. So if you are not electing, you know, for a special case scenario, you're always going to fall to the baseline plan.

MS. WEISMAN: Alex Ricci?

MR. RICCI: I just wanted to hop in briefly to say, I know the Department's going to take it back, but for when we're having conversations about when a loan is made, operationally, it's always been when the loan is first disbursed. So if that's going to change that would be helpful clarification to get as soon as possible.

MS. ABERNATHY: Let us just take that back. I think that's, that's something that we probably

need to discuss internally to make sure that the -- that what we normally do is in line with what we're thinking about. And this particular instance is a little bit different than submitting a consolidation application. We're talking about a loan actually made. And so we will take that back and try to come back with further -- you know, further clarifying exactly, made, dispersed, originated. And we will -- I'm not sure what that means. So I want to pause and -- yeah, we'll get back to you on all of that. Thank you.

MS. WEISMAN: We have a question in the back. I'm sorry, is it Patti? Patti?

MS. KOHLER: Just a request or a note of clarification as, as you continue with the communications around Income Based Repayment, Income Driven Repayment, if you could also include clarifying Income Contingent? And include that in anything that you talk with students about or borrowers.

MS. ABERNATHY: Thank you. We'll add that to our list.

MS. WEISMAN: Emeka.

MR. OGUH: Yeah, I just wanted to know if there's any thoughts on preserving a PSLF pathway for Parent PLUS Loans of post 2028? If you look at the sixth bullet on page two, it says exclude accepted

consolidation loans for repayment under the IBR plan or RAP. So just thinking of the Parent PLUS Loans maybe were received 5 or 6 years ago, those folks may be two years away from forgiveness post 2028, but they will no longer have any eligible plans. So just wanted to see if the Department has given any consideration to that -- to preserving a PSLF pathway for Parent PLUS Loans that originated prior to 2028 and/or work at a nonprofit or 501(c)(3).

MS. ABERNATHY: We'll take that back. Thank you, Emeka.

MS. WEISMAN: No other cards at this time. Tamy, if you want to take it back.

MS. ABERNATHY: Okay. I think, Annmarie, it probably would be in our best interest to maybe just kind of wrap up from this morning's session, and where we want to start coming back is on the loan limits after lunch. It'd be too hard to start that and stop in ten minutes. So we prefer that we stop here.

MS. WEISMAN: So we'll stop here, and we'll come back from lunch promptly at 1:00. We'll give you an extra ten minutes for your first day to get oriented. And I thank you for your attention this morning.

