

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

On the 29th day of September, 2025, the following meeting was held in-person, from 1:00 p.m. to 4:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good afternoon, everyone. Thank you for coming back timely. I have just a couple of announcements before we turn it back over to Tamy. One is that primary and alternate negotiators, you should have received on your chair a copy of the Federal Register notice outlining the contingency meeting dates for negotiated rulemaking, should there be a lapse in appropriations. If you did not receive that, please let me know and I'll make sure you get a copy. Secondly, I had a question about protocols and primaries versus alternate speaking. As a reminder, in your protocols in section two, it talks about the idea of speaking out by topic. So having someone come at the table by topic. So that is regulatory section. And we are trying to make it very clear when we're on a regulatory section. However, this opening part that we're doing now is just a very high-level overview that Tamy is giving. And so I have been taking questions at this time from alternates. But as we get into the actual negotiations, I'll recognize those who are at the table only. I hope that clarifies that. And then in terms of consensus checks, other temperature checks, things like that, I just wanted to clarify that the protocol here is thumbs up is that you support the proposal or you agree to it. Thumb down is

that you object to the proposal, or if it's a consensus check, that you're blocking consensus. And then a thumb in the middle is that you either have lukewarm support or you don't really have an opinion on the proposal. You're not supporting it, but you're also not blocking it. So in effect, it is similar to a thumbs up in that we would proceed forward if you have a thumb in the middle. Any questions on that? Okay. Well, I thank you again for your attention this morning and for keeping your cards up where I can see them. I really do appreciate that. At this point, I'm going to turn it back over to Tamy.

MS. ABERNATHY: Thank you, Annmarie. And you should not be confused with thumb out meaning hitchhiking. Sorry, just kidding. I'm trying to lighten the mood. I'm glad I got a couple of laughs out of that. We've all eaten, so now we're into, like, riveting information. Loan limit stuff. We do want to take a couple minutes to circle back on the questions that some of you answered, some of you answered -- the questions that you asked during lunch, we met to try to answer them. The first question, Emeka, you said, will there be a way forward for Parent Loan borrowers to be considered for PSLF? Everything that we discussed was created in statute, and we are not exercising any additional discretion around those provisions. They were very

specific as to what would and would not qualify. And we believe the intent of Congress was to limit it in that way. So no, there will not be additional considerations at this time. We're just going to keep straight with the language of the statute. But thank you for that question. Ashley, we misunderstood -- we didn't misunderstand your question. We thought you were coming from a different place with your consolidation question and the application part of made, and I was thinking you -- it was something going forward. And when we huddled, I realized very quickly the answer to that question is no. The statute was extremely specific in stating that the loan had to be made. That means funds had to be disbursed from the Department. So we have already done a series of communications. It is on our website that the consolidation loan must be disbursed. Made is synonymous with dispersed in the loan programs. That's how we handle it operationally. That is OGC's interpretation of the statute now. And that is exactly how we're going to proceed going forward. Made on or after means that the money -- it is a complete loan and loans are made once the funds are disbursed. Okay? So we apologize, number one, for misspeaking on the consolidation part and answering your question where we were going to consider applications received by a certain date. It's going to

take between 6 to 8 weeks to process those loan applications for consolidation. So, should a borrower wait till the last minute? You know, we do not recommend that. We recommend that because of the timing around processing consolidation loans and also the influx of applications that we may receive as a result of this particular provision, that it is our expectation that borrowers would adhere to that and get their applications in in advance of ever being -- running up against that deadline. So I hope that -- I believe that also answers Alex's question and Ashley's question of clarification. And I love the fact that I get to leave the effective date questions on rehab to my colleague, Jake.

MR. LALLO: Yeah. So we went back and looked at this a little bit more carefully. So Alex asked whether borrowers would have -- or who made payments prior to the July 1, 2027, effective date would be able to apply those payments to their loan rehabilitation. So the way we had interpreted it is Congress created the effective date of July 1, 2027, for eligibility for that loan rehabilitation, and that means only payments made after that date will apply. There's a general presumption in law against reading statutes that have to have retroactive effect. Congress did not explicitly tell us to look at rehab payment -- or payments made to rehab

before that. And just from a practical standpoint, it doesn't make a ton of sense for us to do that. While we acknowledge that there is an argument to be made -- yeah -- that borrowers could get credit for the payments 9 to 10 months preceding, we don't think that's the correct way to read the statute, because, again, Congress was very explicit that it is July 1, 2027, or on or after, rather. And you know, we would be effectively changing the date that Congress imposed if we were to read the payments before, to be included within that. And just from a practical standpoint, you know, we've always required borrowers to enter into a rehabilitation agreement for those payments. They wouldn't necessarily know what the payment would be under that agreement if we haven't actually entered into it yet. And obviously, because the regs currently state you could only rehab once, you can't rehab a second time until that date, we couldn't enter into a rehabilitation agreement until July 1, 2027, for that second rehab. I hope that answers your question.

MS. WEISMAN: Alex?

MR. HOLT: Yeah, I appreciate you all taking that back and looking at it, because I do think it's a bit of a gray area. I guess my question for you is. The clarity with which you're reading into statute of

this hard date. Because a rehabilitation has never been perceived as being completed until it's sold to a lender or assigned. And so we're not asking for a change -- or, you know, asking you to clarify, like moving the date. We're asking for when the process can begin. And those seem like two different things. We're asking for a process beginning. So effectively, you're, pushing out the effective date to 10 months, 9 or 10 months beyond July 1 in the way you're interpreting it for a borrower to get their second rehabilitation. They wouldn't be able actually to get their second rehabilitation on July 1, 2027, because they need to make nine qualifying payments within ten months. So you're actually, in a way, pushing the effective date out. Is that a misinterpretation?

MS. WEISMAN: Jacob, do you want to respond to that, and then I'll go to Jeff?

MR. LALLO: Yeah, I understand your argument. I think there's some validity to what you're saying, but I think Congress is very explicit here that they do not want this to take effect until July 1, 2027. And again, there are practical considerations here. We can't easily look back. And I think it's, -- we don't have the authority to presume what Congress is saying here. Congress says July 1, 2027. We don't start counting until July 1, 2027.

MS. ABERNATHY: Can I clarify something with that? What changed effective July 1, 2027, was the ability to have two rehabilitations now instead of one. So while the date is the trigger, that is when a borrower becomes eligible for the second rehabilitation. So we should not conflate this with -- you know, there's no way that they can start a second rehabilitation prior to July 1, 2027. So there's no way that a borrower would complete their rehabilitation within -- unless they did it on day one within that nine months of July. So we need to remember here what is changing in the law is a borrower's ability to apply again for rehabilitation from a defaulted loan. So let's not get too in the weeds of these dates, because the date -- all that date does is give them new eligibility for one more time to get it right instead of the one shot they had, and no more. Congress was very -- they looked at what was happening and they said, you know what? There are circumstances here. We need to do something to help these borrowers that have rehabilitated, that are still in a very bad situation. Let's give him another shot. Now that there's simplification and repayment, now that there are new repayment plans, now that there are things, less complications, less confusion, let's give them one more shot at this. And so the date is that they get two. So

let's not conflate those two pieces.

MS. WEISMAN: Tamy, there's no further cards, so I'm going to take it back to you. Tamar?

MS. HOFFMAN: Thank you. Sorry, just a technical issue. We're getting some messages from our constituents who signed up to participate online that they're not able to access that. So I just wanted to raise that concern so that you're aware. Thanks.

MS. ABERNATHY: We will have somebody look into that. And if there is an issue, we will have them report to one of us, and we'll get that looked at. So thank you so much.

MS. WEISMAN: And now I see no more cards.

MS. ABERNATHY: Alright. Now, I know you all are so sad that we have gotten to the point in time where we're discussing loan limits and the dreaded professional student definition, but here we are. So let's turn our attention to the changes to these loan limit provisions. The discussion paper that I would like for you all to make sure that you have in front of you, and I'm going to give you a couple of minutes if you need to get it out, is the loan limit provisions and definitions. And that would be loan limits. 685.102, 685.200, 685.201, and 685.203. Let me know when you all

are ready. I don't want to start before we're ready. We good? Okay, I'd say thumbs up, but that means something totally different in our world, so we should not say that. This particular discussion paper and proposed regulatory text provides an overview of the legislative action in the bill, the regulatory sections that would be impacted by these statutory changes, and a brief proposal regarding these loan limit provisions and definitions. We're proposing corresponding changes to the regulatory text based on the statutory citations in these regulations that have been impacted by the bill, as well as modifying the regulatory text to reflect the amendments under the bill. We will terminate the authority to make Direct PLUS Loans to graduate and professional students on or after July 1, 2026. We will revise -- we have revised annual loan limits for graduate and professional students, as well as parents who borrow a Direct PLUS Loan on behalf of a dependent student beginning on July 1, 2026. We'll revise aggregate loan limits for graduate and professional students, as well as parents who borrow a Direct PLUS Loan on behalf of a dependent student beginning on July 1, 2026. Revise the lifetime maximum aggregate loan amounts for all students on or after July 1, 2026. Provide an interim exception during the student's expected time to credential when

these new loan limits would not apply. Establish another annual loan limit requirement to reduce the annual award for awards for students enrolled less than full-time. And provide authority for institutions to limit Federal loan eligibility for student and parent borrowers enrolled in specific programs of study. Define the following terms: Graduate student, professional student, expected time to credential, and program length. Excuse me. Our Direct Loan regulations in part 685 has a general definition section. So instead of creating within the specific section of the loan limits 685.203, because this definition is applicable across the loan programs, we thought it was appropriate to add it to the definition section that started in part 685. So that is why we moved to 685.102. It's a term that is used across the loan programs. So therefore with specificity it should go in front of where the section is -- already exists for definitions. So we codify the following terms in our regulations: Graduate student, professional student, expected time to credential, and program length. These are critical as we discuss these -- this particular provision later on. It's critical that we have these definitions and we understand what they mean. So in 685.200 and 201, borrower eligibility and obtaining a loan, 685.200 is limiting Graduate PLUS, and applying for

Graduate PLUS. One of the loan types under the Direct Loan program is obviously the PLUS Loan for graduate professional students, also known as Graduate PLUS Loans. Our proposed regulations, however, include PLUS Loan eligibility for graduate professional students effective July 1. So beginning July 1, 2026, a graduate student or professional student may no longer borrow a Graduate PLUS Loan. Similarly, in 685.201, we discussed the requirements for obtaining a loan and established the parameters for obtaining and applying for a Graduate PLUS Loan on account of the new limitations. So before we go into anything else, is there anything that you all would like to discuss on this particular small piece of the pie? Okay, so in 685.203, we're specifically talking about paragraph B or subparagraph (b), annual loan limits for graduate students and professional students. Congress made significant changes to loan limits, both annual and aggregate. We're going to start with the annual loan limits for graduate students and professional students. And our regulations include provisions that beginning on July 1, 2026, graduate students will have an annual loan limit of \$20,500. Professional students will have a loan limit of \$50,000, and these new annual loan limits will not be applicable to student borrowers during the student's expected time to credential. Questions?

MS. WEISMAN: Andy?

MR. VAUGHN: A question on -- I might be jumping ahead, but I think you're alluding to paragraph C, ceases to be enrolled for legacy? Are we there yet or am I jumping ahead?

MS. ABERNATHY: Well, on my piece of paper, we're not there yet, but we skipped C and went to E, so I'm sure that was intentional. So remember, this is just a high level overview of this particular piece of 203. We're not in every single provision that has red lines in it. These are the pieces where we're trying to keep -- we're setting the stage at this point. So can we wait and see if we get to your question? And if not, please jump right back in and remind us, and we'll try to answer it.

MR. VAUGHN: Will do, thank you.

MS. ABERNATHY: Thank you. Anyone else? Okay. So aggregate loan limits for graduate and professional students. We proposed our regulations at 685.203 subparagraph (b). They provide that beginning on July 1, 2026, graduate students who are not and have never been professional students will have an aggregate loan limit of \$100,000. Graduate students who are or have been professional students will have an aggregate limit of \$200,000, less any amount borrowed as a professional

student. Professional students who are not and have never been graduate students will have a loan limit of \$200,000, and professional students who are or have been graduate students will have an aggregate limit of \$200,000, less than the amount borrowed as a graduate student. Questions before I go on?

MS. WEISMAN: Bob?

MR. CAREY: (inaudible)

MS. ABERNATHY: Yeah. These are fixed limits in the statute, Bob. So I don't think -- I think Congress was intentional of having a fixed amount of money that students could borrow, and that was it. Regardless of what happens in the economy, they believe that these figures are appropriate for the type of student.

MS. WEISMAN: Jeff, and then Jacob.

MR. ANDRADE: Yeah, Bob, so unless it's specifically called out in the statute that it is indexed to inflation like it is in the case of need analysis, the numbers -- we consider the numbers absolute and don't make updates.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, just as a matter of, you know, like the interpretive canons, we don't really have any ability to change a number that Congress

imposed, especially where, as Jeff pointed out, there are things that are explicitly tied to inflation. So there's nothing -- the fact that there are explicit things tied to inflation indicates that here Congress was explicit in setting a fixed number.

MS. WEISMAN: Patti?

MS. KOHLER: And can you clarify if these aggregate loan limits are in addition to loans taken out at the undergraduate level?

MS. ABERNATHY: I believe the statutory language is addition to, I think is what it -- it doesn't say that word, but that's what the intent of the statute is. It's in addition to. Point of clarification, we stayed largely with the statute every place we could. There's little to no discretion on this -- on the part of the Department for certain provisions that we are presenting to you. And while they are proposed regulations, it's a closed statutory read. We have no discretion whatsoever to change them. So it is important that as when we are gaging in these -- engaging in these conversations, that if the Secretary has discretion, we're going to look at that and we're going to seek your opinions on those. But where our hands are literally tied because there's no discretion like a fixed loan limit, like Jeff said, an absolute loan limit,

Congress didn't put in any kind of buffer there to change these amounts. In this case, these are the limits that were intended by Congress.

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

MR. CAREY: So if we're discussing this stuff in detail later on, please advise. And I'll, I'll hold off the question until later.

MS. ABERNATHY: Yes, sir, we are. This is just a very brief overview.

MR. CAREY: Okay. Okay.

MS. ABERNATHY: And then we will get into the specific red line text when we're finished going through this section. And we'll pull up the red lines on the screen. And we will literally actually talk through every single one of them. Does that help? Thank you, sir. Great question.

MS. WEISMAN: Scott?

MR. KEMP: Yeah. And to clarify, when it says minus any amounts, the student borrower is a graduate student, is that prior to July 1, 2026, or is it graduate study after July 1, 2026, and then they go into a professional?

MS. ABERNATHY: It says beginning on July 1, so that would mean as a graduate student, any. So it would be less any amount graduated as a graduate

student. So that would have to include, right? It would have to include.

MR. KEMP: Okay. Thank you.

MS. ABERNATHY: All tied to dates of the loans. Okay. Let's move on. Annual loan limits for parent borrowers on behalf of dependent undergraduates which implicates Parent PLUS Loans. The regulatory provisions in 685.203 subparagraph (f) provide that beginning on July 1, 2026, the total amount of Parent PLUS Loans will be able to borrow -- the total amount of Parent PLUS Loans, parents will be able to borrow on behalf of each student will be \$20,000 less any other financial assistance for the dependent student. This new annual loan limit will not be applicable to parent borrowers during the student's expected time to credential. In 685.203(g), aggregate loan limits, parent borrowers on behalf of dependent undergraduates. And like these other provisions, these are the aggregate limits for PLUS Loan borrowers -- Parent PLUS borrowers. Our proposed regulations provide in 685.203(g) that beginning July 1, 2026, the total amount of Parent PLUS Loans parents will be able to borrow on behalf of each dependent student will be \$65,000 for the entire period of enrollment and without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such

loan. Like the provisions above, the new aggregate loan limit will not be applicable to parent borrowers during the student's expected time to credential. In 685.203(j), lifetime maximum aggregate, we discuss a new concept: a lifetime maximum aggregate. Our proposed regulations provide that the new lifetime maximum aggregate limits the total amount of loans an individual may ever borrow under the Federal student loan programs authorized under the Higher Education Act of 1965, as amended, regardless of whether their principal balance is paid down, discharged, or forgiven. That lifetime maximum aggregate limit is \$257,500. Like the provisions above, the new lifetime maximum aggregate loan limit will not be applicable to borrowers during the student's expected time to credential. We can stop there, and then we'll finish. Well, we only have one provision. Let me just keep right on going. 685.203(l), less than full-time enrollment and institutionally determined limits. Under our proposed regulations, we include some additional miscellaneous loan limit provisions. And this is directly related to a Direct Loan eligibility for less than full-time enrollment and an institution's ability to limit borrowing. Our proposed regulations provide that for the less-than-full-time student enrollment, a student is enrolled -- who is enrolled in an eligible program at an

institution on less than a full-time basis during any academic year -- the key here is academic year -- the amount of any Direct Loan that student may borrow for an academic year, or its equivalent, shall be reduced based on less than full-time status, rounded to the nearest whole percentage point, as provided in a schedule of reductions published by the Secretary. Even though the Secretary is publishing a schedule of reductions, in our proposed regulations, we include institutionally determined loan limits beginning on July 1, 2026, and we also include the provision where the loans are (inaudible) academic year based on less than full-time enrollment. So beginning July 1, 2026, an institution may limit the total amount of Direct Loans that a student or a parent, on behalf of such student, may borrow for an eligible program for an academic year, as long as any such limit is applied consistently, consistently to all students enrolled in that program, the eligible program. Prior to this, you were only allowed on a case-by-case basis to limit a borrower's loan eligibility. You are not allowed to assess a program of study and apply any kind of across-the-board reduction in the amount of money a student could borrow for that program. So, for instance, if you had a course, an underwater basket weaving -- we seem to go to underwater basket weaving. I would really

hope that there's not a school out there that has that. I'd feel really bad. Stop it.

MR. LALLO: It was an interim class offered in Manchester.

MS. ABERNATHY: So if we have a class that is how to unscrew the tap off of a water bottle, which I don't think we have one of those, then obviously getting maximum loan amounts for something that's not going to be a return on investment only puts the borrower in a very bad position. So you can see through what Congress has done through the words that our Undersecretary gave us earlier, through the words that Mr. Andrade said to us, and the intent and our proposed regulations before we dive into the deep dive, we are looking at making sure institutions are held accountable, lowering their costs of education, right? Because that's really what has to happen. And these students are going to borrow responsibly and pay responsibly. That is the goal, we hope, by creating our proposed regulations through the result of these negotiations, to put -- right things that were wrong. And we hope that our discussions here today will continue to allow us to craft regulations that will be easy to understand in plain language and no pressure, but, you know, that's y'all's job is to help us make sure that we get it right. And so we need your help

to do that. So we can open it up for questions.

MS. WEISMAN: Andy, and then Scott.

MR. VAUGHN: Just a comment on your last statement. We, in good faith, do want to do that and help the institutions too. We're going to need your help, too, with the accreditors. There's a lot of frameworks involved in program expense that are out of the hands of universities and colleges. And so to effect change, we're missing a party at the table. And that is the accrediting bodies, just to make that for the record too.

MS. WEISMAN: Scott?

MR. KEMP: Yeah, and on the same topic, I'm assuming document also implies or suggests that there does not need to be any external approval outside of the institution. And is there a time limit on when that notification -- I mean, obviously it's clear that the notification has to be put out, but could they, on the first day of classes, decide that, you know, all people in underwater basket weaving major, their loan limits are being cut in half? So will there be provisions on the time limit of when that notification could come out? And is the approval process just outside the institution?

MS. ABERNATHY: We actually have proposed reg text. We might not speak to what an

institution's timing is, but we do speak to clear and conspicuous, every point of contact with the student has to be -- it has to be out there well before a student enrolls. So current students in that particular program should be notified if the school is making those changes. We will not tell the school what they have to do to notify. We are saying these are the expectations that you provide clear and conspicuous information, and that is the expectation that they would immediately have it publicized in the -- in their calendar and their -- on their websites, any piece of information that touches these students. But a lot of times we don't go with certain specificity because we don't want to regulate ourselves. And so these are institutional expectations, and the burden lies with the institution to make sure that there is clear-cut information on this particular program, should they choose to reduce the, the loan limit for that program. And the documentation, yes, they would have to make sure that they have something in their files. At this point, I believe the only thing I think we're thinking about on the operations side, and I'm looking at my colleague to make sure I have this right, is we may ask you to report on the program so that we understand that that's the reason why there's a limit, and to make sure that every student in that program has

applied that same limit. So the burden on the institution is there to communicate to us, but -- because we need to make sure that our systems are set up to, to handle that particular provision on the school side.

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

MR. LALLO: Yeah, just to tag on what Tamy was saying. While we expect the burden to be on institutions here to communicate with their students, we do actually require certain things. You know, if you look at subsection three, it says including but not limited to publication in the institution's course catalog, publication on the institution's website, and award notifications. So we would anticipate that those have to be done substantially ahead of time, not, you know, day of the academic calendar changing over.

MS. WEISMAN: I see no more cards. Jeff, I'm sorry.

MR. ANDRADE: Thanks. I just wanted to circle back to what Andy was talking about with regard to accreditors and just make sure that I'm understanding, understanding his concern. And you're talking about programmatic accreditors, correct? Yeah. And that as opposed to the institutional -- and that's in many cases voluntary on the institution's part to participate in

that accreditation process.

MS. WEISMAN: Andy?

MR. VAUGHN: Technically correct, without the specialty accreditation, though. For licensure programs, your license is not valid in many states. So technically, it is voluntary, but without it, your program is not going to last.

MS. WEISMAN: Alex Holt?

MR. HOLT: I just want to go back to a section we were just on. I wanted to ask about the transition period for people who, who took out loans before 2026 and are still on a program of study. When it says program of study at an institution, I wanted to clarify, does the Department believe that the program of study at an institution is direct -- is statute, or was that sort of an additional determination made that it needed to be the program of study at an institution, that sort of extra specificity? As opposed to just sort of a program of study?

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

MR. LALLO: Yeah. That is statutory, if you look at 455 and the changes to it. Where it says interim exception for certain students, it's 8A2. It says had received a loan or -- on whose behalf a loan was made

under this part for such a program of study. So the language program of study is included directly in there.

MR. HOLT: The program is. But at the institution is the question I have as opposed to program of study, generally.

MS. ABERNATHY: It would have to be at the institution because you're getting a loan at that institution for that program for what you're studying there. So it's not a global program of study. Is that what you're -- you're not -- no, we're not publishing a list of global programs that should have annual loan limits. This is an institutional's [sic] decision based on whatever data they want to pull and look at. They're finding this respective program of study does not merit the students getting full-time, full annual limits, because the return on investment for them is far less than they could ever make by getting that respective degree.

MR. HOLT: Okay.

MS. ABERNATHY: So it would have to be on the institutional level. And that was not something that we're going -- we do not at this point -- there is no statutory responsibility for us to regulate that program of study. It is a program of study at the institution because the loan limits apply while they're

enrolled in that particular institution or any other institution, so. Does that make sense?

MS. WEISMAN: Bennett, and then Jenna.

MR. BOGGS: Thank you. Before we get too far away from it, I just wanted to add to Andy's comment. When it comes to the nonprofit and the state institutions, they do have to go through State Coordinating Board program approval, and accreditation is a key part of that. They're not going to get program approval from the state if they don't have it in the accreditation bodies. So I just want to point that out so that we don't end up with a policy here that's disjointed where one part of the market doesn't have to carry the burden and another does.

MS. WEISMAN: Jenna? Oh, go ahead, Tamy.

MS. ABERNATHY: I think the distinction here is this is not about -- if, if you don't have an accredited program, you're not getting Federal aid for that program anyway. Right? You have to -- like you get accreditation on the school level, right? The school gets accreditation. So I think we're kind of doing apples and oranges here, but -- unless I'm misunderstanding what you're trying to say, and I could be.

MR. BOGGS: Unless I've misunderstood something earlier. But I'm just saying accreditation may not be required. But an institution's not going to be able to offer the program if it's not accredited. So at least not -- and not the public institutions and not the nonprofit privates.

MS. WEISMAN: So I think the distinction is programmatic versus institutional accreditation.

MR. ANDRADE: And what I heard both Andy say, and I think what I'm hearing you say is that there are requirements either at the state level or from a licensure perspective where programmatic accreditation is required. And it's usually the programmatic accreditation that prescribes the tight faculty-to-student ratios and levels of credentials, and that sort of thing, is what I'm hearing. Yeah. Okay.

MS. WEISMAN: Jenna?

MS. COLVIN: I have a question on a different topic, if we're done with the accreditation. On the less-than-full-time enrollment language, is there a start date for when that will start?

MS. ABERNATHY: That was effective for the July 1 -- it was effective upon enactment. We are not going to institute that until the '26-'27 award year,

because we cannot -- there's no way that we could have communicated out to schools effectively, appropriately, in enough time to allow there to be communication around. It would have been very unfair for us, given the way things happen in our own world, for us to just automatically reduce that without having the schedule published and conversation and, and in the regs. So we have moved that to the '26-'27 award year.

MS. WEISMAN: Do you have a follow-up?

MS. COLVIN: So is that a July 1, 20 -
-?

MS. ABERNATHY: Yes, ma'am.

MS. COLVIN: Okay. Thank you.

MS. ABERNATHY: Yes, ma'am. And that will be specified in the communication that we send out to everybody when we get ready to do that.

MS. WEISMAN: Now to Andy.

MR. VAUGHN: Okay. Thank you. That's okay. So the word ceases to be enrolled, is there a desire from the Department to have the committee further define that leave of absence, withdrawal, official withdrawal? There's a lot of different terms that different universities use for enrollment. So three times in the red line it mentions for legacy status to maintain both Parent PLUS, Graduate PLUS, and old caps of Direct

Stafford, to be in the legacy program, if a student ceases to be enrolled in the program of study at any point, then they refer to the new regulation under July 1, '26. So the key phrase there is ceases to be enrolled. I would ask then the committee to study that and maybe come up with more specific language if the Department is open for that.

MS. ABERNATHY: I would ask you to hold that comment until we get into the specificity of this section. Thanks. And if you have proposed regulatory texts that you would like to submit to us, please do so in writing. You can use the red line text in the discussion draft and just propose your changes to that.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Yes. I just wanted to ask for clarification on the institutionally determined loan limits. That applies to students who are currently enrolled in a program. Then does that mean that then they're at limits -- they -- the school institution can impose limits while they're already enrolled in a program? So rather than letting them complete it and for new enrollees?

MS. ABERNATHY: The effective date, I believe, is July 1, 2026, so it would be from that point forward.

MS. NAPORLEE: Okay. So then there's no like grandfathered exception for -- okay -- like there are for other sections. Okay. I just wanted to confirm.

MS. ABERNATHY: There was no, there was no flexibility in the statutory language on that.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, the statute's pretty clear there that it's for periods of instruction rather than, you know, total enrollment.

MS. WEISMAN: I see no other cards. Tamy, I'll send it back to you.

MS. ABERNATHY: Alright, here we go. This was our day two stuff, guys. So thank you for listening this morning and this afternoon. And allowing us to get through both a quick check, a slightly deeper dive, and then now we're starting into our actual deep dive of going through the regulatory provisions, red lines. And we will put them up on the screen for those that are watching virtually, they will be up on the screen. See, before -- I just speak it and it just appears, you know, that's what I got behind me, guys. They're just -- they're right on it. So let's take a couple seconds and just kind of level set where we're going to start. The first provisions that we would like to look at will go back to your rehabilitation,

deferment, forbearance. The 674.39, 682.405, 685.204, 685.205, and then the miscellaneous payment provisions in 685.211, subparagraph (f). So I'll give you a second to get there, and then we will start.

MS. COLVIN: Jenna?

MS. COLVIN: Which discussion paper are we on?

MS. ABERNATHY: The rehabilitation and miscellaneous loan repayment provisions. So it's the one that starts with 674. Hold on. I'm getting there. 674.39. It is the loans, loan deferment, forbearance, and rehabilitation provisions.

MS. WEISMAN: So just to clarify at this point, this is when we'll have the primaries only or whomever is at the table speaking. So if anybody wants to make a swap out, we are starting with 674.39, and we'll clarify when we start the next section in case anybody wants to switch at that time.

MS. ABERNATHY: I'm sorry we're starting with that paper, but the actual -- oh, okay. No, yep, go, Linnea, you're right. Go ahead. No, no, no. Go to the 204. We're going to start with -- yeah. So we're going to start with the deferments. Okay? The specificity here -- and we said earlier about a borrower receiving temporary relief, pauses from their obligations,

deferments, you do not get charged interest. And there are several types of deferments. But the ones that we're specifically looking at here is unemployment deferment. If you look at subparagraph (f)(1), romanette one, for loans disbursed before July 1, 2027, a Direct Loan is eligible for deferment during periods that collectively do not exceed three years in which the borrower is seeking and unable to find full-time employment.

romanette number two, for loans disbursed on or after July 1, 2027, a borrower may not receive an unemployment deferment. Okay, so currently, the borrower who receives an unemployment benefit or seeking and unable to find full-time employment may be eligible for an unemployment deferment. A borrower who receives a means-tested benefit like Temporary Assistance for Needy Families, TANF, works full-time but has a monthly income that isn't more than the minimum wage rate of 150% of the poverty guideline for their family size and state of residence, whichever is greater, serving in the Peace Corps, they may be eligible for an economic hardship deferment, and a borrower may receive these for up to -- receive this deferment for up to three years. The Higher Education Act amended by the bill changed this. A new -- Direct Loans made on or after July 1 will no longer be eligible for the unemployment or economic hardship deferments. And so

this provision is the unemployment. And so we can look at the forbearance, which is 205, and it says the exact same thing, right? So we're making conforming changes based on the fact that it's for deferments and forbearances. So we modify the regulations. We obviously preserve the loans that are before July 1, '27. And then in specificity, we list out here exactly what the statute told us to say. The loans disbursed on or after July 1, 2027, the borrower may not receive an unemployment deferment, so there'll be no more unemployment deferments. It's pretty self-explanatory. Questions? Comments?

MS. WEISMAN: Andy?

MR. VAUGHN: Just a clarification. So if a student has a loan both disbursed before July 1st of 2027 and then one after, are they all or nothing? In other words, do they move completely to the new regulation, or is it prorated amount for the loan before '27, and then a prorated amount for post July 1, '27?

MS. ABERNATHY: I believe -- and someone correct me if I'm wrong, it's per loan. It says for loans disbursed before that provision stays. For loans disbursed after, there is no more. So they would have -- it would have to be split unless they've consolidated. And then, you know, that's not -- then they -- you can't split it when it's consolidated. So it's

very specific here. The day is before or after.

MR. ANDRADE: Yeah, it's off the loan, not (inaudible)

MS. ABERNATHY: Yeah. It's always loans, not borrower. Well, in this case it's always loans, not borrower. Just when I say that, it'll change, so.

MS. WEISMAN: Ashley?

MS. NAPORLEE: For the loans that are disbursed after July 1st of 2027, where the deferments won't apply, will the new MPNs state that? Will that be explicitly referenced in the new MPNs? Sorry, Master Promissory Notes.

MS. ABERNATHY: The terms and conditions usually get updated. I cannot answer with specificity, but I believe that it is either covered or if not, that's the communication from the servicer that definitely has that information, but I'm pretty sure, Eric, correct me if I'm wrong, that the terms and conditions under which those loans are signed under specify the things that they're eligible to receive as far as deferments, correct?

MR. HARDY: (inaudible) yes, Tamy, you're correct. There's also a note within the MPN itself that says that anytime the statute changes that that's

applicable to the borrower.

MS. ABERNATHY: Yeah. So, you know, Eric does make a very good point. Under a promissory note, the Department is -- a Master Promissory Note, the Department is able -- it says right in there, we are able to change the terms and conditions under these loans. So even though they may not be under a new note, they haven't signed a new note, if they do have a loan before and a loan after, the changes are already covered because we put language in the Master Promissory Note that said, you know, there are ways -- the things that change, we're able to do that, and it's still applicable. The Master Promissory Note does not become invalid because of changes made on the -- by the statute.

MS. NAPORLEE: So essentially, just like a catch-all provision. Okay.

MS. WEISMAN: Just a point for the transcript. That was Eric Hardy, who's a member of the Department staff.

MS. ABERNATHY: Ready to go on to forbearance, which is largely the same except slightly different? So under our current regulations, would we advance up to 205 for me, please? Oh, Linnea, would you go back up just a little bit? Sorry. We added the word the. I want to point that out, in paragraph three. Okay.

And whoops go up just a little bit. And we didn't talk about this, but the economic hardship deferment in (g)(1) romanette one, here's the specific language here. For loans disbursed before, a borrower who has experienced or will experience an economic hardship in accordance with paragraph (g)(2) of this section is eligible for deferment during periods that collectively do not exceed three years. We have struck through in which the borrower has experienced or will experience an economic hardship. In accordance with paragraph (g)(2) of this section, we have added romanette two for loans disbursed on or after July 1, 2027. A borrower may not receive an economic hardship deferment under paragraph (g) of this section. And then we changed romanette two to romanette three on the bottom. Now we can go to 205. Alright, 205, under the current regulations, a borrower may receive a forbearance if they're unable to make their monthly loan payments. And this -- at this point we are changing -- in paragraph (a), we're adding after the words capitalized, notwithstanding the periods of forbearance in paragraph (c)(1) of this section, and we change the capital T to a lowercase t, then we talk about in paragraph (b), an administrative forbearance. We added after the word circumstances. And notwithstanding the periods of forbearance in paragraph (c)(1) of this section. And now

we're in (c)(1), period of forbearance. And we added a romanette one that stated loans disbursed before July 1, 2027, and romanette two for loans on or after July 1, 2027, a period that does not exceed nine months within a 24-month period, which begins on the first month for which the forbearance is granted. And in number two, we added for loans receiving forbearance under paragraph (c)(1) romanette one of this section, the capital T is removed and we put a small t. So we propose to modify the regulations here. So for loans disbursed before July 1, 2027, we preserve the borrower's access and these loans still have a period for up to one year. But for paragraph (c)(1), we grant the forbearance loans disbursed on or after for a period that does not exceed the nine months within the 24-month period. Questions? Comments on this?

MS. WEISMAN: Ashley?

MS. NAPORLEE: I'm a bit concerned with just using the term forbearance. I know -- I understand there's different types of forbearance, but when borrowers apply for forbearance and -- but specifically, let's say, a processing forbearance because they submitted an IDR application, servicers aren't clear even on their online account which type of forbearance they're in. And if the 60-day lapses and their application for IDR has not been processed, they're then

supposedly transitioned to a different forbearance. So we're just concerned that that time will count against them and this new nine-month for 24-month period. So it would just be nice to identify which -- exactly what type of forbearance and whether or not this is counting against them.

MS. ABERNATHY: Well, first of all, those loans would not have been disbursed on or after July 1, 2027, so I'm not sure how that could be an issue.

MS. NAPORLEE: Well, they can apply for an IDR, right, after that?

MS. ABERNATHY: We don't know that yet, I mean, an IDR. If you're talking about SAVE?

MS. NAPORLEE: No, Income Driven Repayment. Like if you're switching between like IBR and --

MS. ABERNATHY: Well, you have the three, IBR -- you know, you have IBR red, IBR white, IBR blue, and blue is RAP. Look, we're going back to it. I'm telling y'all, we're going to get this down. We are going to be the American flag in this room, I promise you. So RAP is an Income Based Repayment Plan. And then they'll have the Tiered Standard. So after 2028, you know you're only going to have those two plans: the Tiered Standard and you're going to have the Repayment Assistance. So I'm

not sure specifying -- we don't have to specify what the forbearance is. Like right now, we don't specify the forbearance, and they get three years. So I don't think there's any distinction needed here to specify the types of forbearances that this -- I mean, whenever there is an issue with the Department, should we put somebody in a forbearance that would diminish their ability at no fault of their own? They're not entered into forbearance on their own accord. We would have to look at that. So I don't want to say at this moment, there would never be a period in time that the Department would not look at that, and it would not count against them. But we can't speak to that right now because we're not in that situation. This is saying the forbearance for loans disbursed on or after 7/1/2027, it doesn't exceed nine months within a 24-month period. And that begins on the first month that it's granted. So the driver here is July 1, 2027, and it's the loan that's disbursed. You get the forbearance on the loan. You don't get the forbearance on a borrower. Forbearance on each respective loan.

MS. NAPORLEE: Can I give another example then? Let's say it's a loan disbursed after July 1, 2027 and the borrower applies for a TPD discharge. Their loans are supposed to be placed in forbearance while their application is pending. Are they going to

have a distinction between what type of forbearance this is and whether or not that counts towards their forbearance --?

MS. ABERNATHY: We can take that back and look at it. I don't know the answer to that question off the top of my head. I don't know what we currently do, and I don't want to speak to anything until I get what we currently do and what's --

MS. NAPORLEE: I mean, it's supposedly currently an administrative forbearance.

MS. ABERNATHY: Let's just take that one back. I appreciate you trying to explain that to me, but I think I would rather hear from an operations side on exactly what we're doing now and how we intend to interpret this going forward, because that would help me answer your question better.

MS. NAPORLEE: Okay. And I know you mentioned something -- I just wanted to clarify and may get that -- to a later time, just let me know. But would borrowers be then eligible to switch between IBR and RAP?

MS. ABERNATHY: So what we understand is, I said earlier, that they would be eligible to switch between Tiered Standard and RAP after a certain time. So I think it depends on where their loans are and what repayment plans. But if they're in RAP, they're eligible

to switch to Tiered Standard. If they're in Tiered Standard, they're eligible to switch to RAP.

MS. NAPORLEE: Okay, but not between IBR and RAP.

MS. ABERNATHY: Without knowing the specific dates and things like that, I cannot answer that question because as you know, IBR now has three different distinctions: red, white and blue.

MS. NAPORLEE: It's going to be hard for me to remember red, white and blue, but I will.

MS. ABERNATHY: I promise you, I'm going to hold up the red, white and blue and I'm not being funny. But, but it's true. I can't answer that question because I don't know exactly what loans they had when, and you know, what are they repaying under. And so I know that when they repay under RAP, they can fluctuate between Tiered Standard and RAP and vice versa. But other than that respective provision, I would want to see each loan, the dates of each loan, what plans they're under, what they've been paying under. In order to answer that, I would have to have all the details for that.

MS. NAPORLEE: Okay. And I'm happy to make a scenario for you at a later date so you can better answer that.

MS. ABERNATHY: You can, and you can

even submit it so that we have it and we can discuss it as a whole and then come back with a response. That's great. I would -- in fact, I would love that because then I would at least be able to see it. You know, it's hard to answer these questions on the fly because there could be so many nuances, and I don't want to do what we did before and assume we know what we're talking about and be wrong and give you the wrong answer. That's not cool. We want to make sure we get it right.

MS. NAPORLEE: Okay. Thank you.

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, just to add on to that, I think if you guys have any kind of like, facts-driven hypothetical, give us the actual facts for it so we're not answering off the cuff. These are very, very detailed, very, very specific regs. And so it's very important for us to actually have like detailed hypotheticals if we're going to answer them, because we need to know how they interplay with the regs. And it's probably going to take us some time to actually work through them. And you don't want to watch us do that at the table.

MS. ABERNATHY: And that way I can get my expert -- operational expert involved and make sure that we get it right, saying it the first time, instead

of coming back and clarifying it the second time. So I would feel better making sure that the right players are in the room to answer these very nuanced operational issues.

MS. WEISMAN: Scott?

MR. KEMP: Yeah. And maybe as part of that discussion, even the broader defining for these loans, you know, like you're saying someone going from Tiered Standard to RAP, there's an administrative forbearance. Let's say they do it in 60 days. Is that 60 days count towards the 9 months out of the 24 that they're allowed? So, in other words, making distinctions about what forbearances count for the 9 out of the 24 and which ones don't.

MS. ABERNATHY: Yeah. We will take that back. Yep, absolutely. Thank you for that clarification. And here I thought we weren't going to have any questions on this. What was I thinking?

MS. WEISMAN: Well, you are out of questions, so back to you.

MS. ABERNATHY: Got any more? I'm just kidding. I'm just kidding. Alright, let's move on to section 674.39. We'll give Linnea a minute to get there. And then of course we'll do 682.405 right after that. And she is there. Alright. So these changes impact loan

rehabilitation in all three programs: Perkins, FFEL, and Direct Loans. Our current regulations provide borrowers who defaulted the ability to get back into good repayment standing. They do once over the lifetime of the loan. And we talked about this a little bit earlier where we say the driver is -- they get the second chance to rehabilitate based on, you know, the date. So for this particular provision in (e)(1) on or before June 30, 2027, the borrower may rehabilitate a defaulted loan only one time. The distinction here is number two, paragraph two on or after July 1, 2027, the borrower may rehabilitate a defaulted loan a maximum of two times. So the date -- here's the trigger. So if there are loans on or after July 1 that are defaulted, they may rehabilitate two times in the course of the lifetime of the loan. Okay? I think that's pretty self-explanatory. We can move down to -- and this is under the Perkins section, by the way. 674 is Perkins. Alright. I believe the next provision is 682.405. So here under paragraph three romanette three, we have on or after July 1, 2027, a borrower may only obtain the benefit of a suspension of administrative wage garnishment one time per each attempt to rehabilitate a defaulted loan. Here we're making conforming edits to our FFEL statutory -- FFEL provisions to also make sure that the wage garnishment -- you know,

when we suspend the administration of wage garnishment, that we get that twice. But this is saying one time per each attempt. So in other words, it's also making the conforming edit you get two times to rehabilitate. And that's the same thing that happens here. After the loan's been rehabilitated, the benefits -- okay, we didn't really change anything. We added a romanette two. A loan may only be rehabilitated once between August 14, 2008 through June 30, 2027. On or before July 1, 2027, a loan may only be rehabilitated a maximum of two times over the loan's lifetime, regardless of when the loan was made. So here's the distinction. Regardless of when the loan was made. Right? They're saying you're going to get two, obviously, because FFEL, you haven't really made any loans for a really long time. Questions? Comments?

MS. WEISMAN: Scott?

MR. KEMP: And I think you clarified this earlier, but this is inclusive. So if they've already had their loan rehabilitated once a couple years ago, they could not do a second one until July 1, 2027, correct?

MS. ABERNATHY: Yes, sir. I'm shaking my head. No one's going to hear that. Yes, sir. Okay. 680.24 -- oh, okay. Yep. There we go. Ashley -- I was like --

MS. NAPORLEE: Sorry. I just wanted to clarify something regarding the -- I don't -- regarding the amount of the payment or have we covered that yet? The amount -- the minimum amount of rehab? Not yet? No? Okay. I'm jumping --

MS. ABERNATHY: We're getting there.

MS. NAPORLEE: I'm jumping ahead.

Sorry.

MS. ABERNATHY: You are ready, aren't you? Ashley's going to keep me on my toes. Alright, we're going to switch to 685.211 (f). So, Direct Loan rehabilitation and minimum payment. Okay, so, the same type of provisions apply here as well. Under the current regulations, you can only rehabilitate once. Obviously, when you successfully rehabilitate a loan, you must make the nine on-time monthly payments during a period of ten consecutive months. Under the rehabilitation agreement, your payments could be as low as \$5. We are changing this to -- the statute has changed this to allow the borrower to rehabilitate twice over the lifetime of that loan as of July 1, 2027. So (f) here beginning on or after July 1, 2027, the defaulted loan and it goes all the way down and we've added, and a borrower's monthly payment may not be less than \$10 because those are the provisions that we have changed here and we have removed romanette one. And

under 11, paragraph (a), before July 1, 2027, a borrower may only obtain the benefit of suspension of administrative wage garnishment once and then that provision (b) is that a borrower may only obtain the benefit of administrative wage garnishment while attempting to rehabilitate a maximum of twice per loan. Those are the changes here.

MS. WEISMAN: Alex Holt?

MR. HOLT: Let me preface this suggestion by saying that I -- as a taxpayer advocate, I really appreciate the Department sticking extremely closely to the legislative text that -- I think we know that's not always been the case. And generally speaking, we absolutely agree with that approach. I think in this case my understanding is that basically Congress didn't want it to be less than \$10. But I would encourage you to consider having it be the higher of \$10 or the IDR or RAP payment. I think that's going to make it a lot easier for borrowers to not immediately redefault after rehabbing. If you have somebody rehab paying \$10 and then they face an \$80 monthly payment, you're going to have a high likelihood of a redefault and that's a waste of a deferment. So that would be my suggestion.

MS. ABERNATHY: We talked a little bit about this at lunch, and the statute is the minimum. And

we're going to stick to the statute of the minimum. That's not to say that borrowers could not pay more. But we're going -- because we're fixed into the statutory language of the minimum, we do not believe that gives us any ability to fluctuate between the statute said a minimum. It did not give us a condition where we could look at IBR or RAP or Standard. And so we feel like we're locked into the minimum is \$10 here. So we do appreciate your suggestion. We don't believe we have any discretion to change the minimum there, but there's nothing that precludes a borrower from paying more. So I would suggest that the communications as you are working -- I don't know if your constituency group works with borrowers, but as any of you and your constituency groups are working with borrowers, encourage them to make more than the minimum payment, if they're able to. Get them used to what's going to come. And hopefully that will ease the burden of jumping from a \$10 payment into, you know, a higher payment. But yes, we appreciate that.

MR. HOLT: Okay. We appreciate the Department taking the legislative text so seriously.

MS. ABERNATHY: Thank you so much for that.

MS. WEISMAN: Alex Ricci?

MR. RICCI: I just want to ask the

Department if their interpretation of the FFEL rehabilitation provision applies equally here to direct lending. So if you're a Direct Loan borrower and you've been through rehabilitation once, under this 680 -- under this section that we just covered, they cannot begin to go through their second rehabilitation on that loan until July 1, the first time that they can make a qualifying payment. There's no two different timelines depending on what kind of borrower you are. You're picking the same timeline for both programs.

MS. ABERNATHY: Yeah, is that not clear?

MR. RICCI: Just making sure, because the words in the existing regulation are a little bit more verbose under Direct Loan compared to FFEL.

MS. ABERNATHY: I would say more than likely that's because FFEL is no longer disbursing new loans. And so we needed to cover all of the different scenarios under the Direct Loan program. So we wanted to make sure that those were captured. I can't speak for -- well, yes, I can. I mean, my team wrote the reg text, so I guess I can speak to the intention here, but I think it's because for the FFEL language, the statute was quite specific. Boom. Here it is. And then for ours, it provided more specificity in the Direct Loan program

around this. So that would be why you see -- it's not that we, you know, chose to do more in one loan program than the other. It was what the statute dictated at this point, so if that helps with the clarification. The intent here is across the board is rehab is twice regardless of the loan program; Perkins, FFEL, Direct Loans. You get a shot twice. In FFEL, you also get administrative wage garnishment suspension twice. That's not something you get in -- I guess you could get that. But you don't get that in DL like that. Because if you're rehabilitating, you know, we control that a little bit differently than we do in the FFEL world. And so that's probably why you see more language around the specificity with administrative wage garnishment. In the FFEL provisions, that was a piece of the -- of what actually happened with the loan. Whereas in Direct Loans, it's a little bit different the way we service them because there our loans. And so we already know that those pieces are already covered. I hope that makes sense.

MS. WEISMAN: Ashley, and then Scott.

MS. NAPORLEE: I just wanted to seek some clarification regarding the \$10 minimum rehab payment. It appears the regs state that beginning on or after July 1st of 2027, but I believe the statutory text refers more to the disbursement date being before July 1,

2027, allowing the \$5 -- the previous \$5 payment to apply to all loans disbursed before July 1, 2027, not just rehabilitation agreements that are entered into after July 1st of 2027.

MS. ABERNATHY: So we haven't made it to the minimum payment part yet. So let us take that back to make sure that I'm not missing something, because this was specific to rehab and minimum payment in 685.211, and that -- it was \$5. And then it went up to --

MS. NAPORLEE: To ten.

MS. ABERNATHY: -- ten. Yeah. I need to look at that.

MS. NAPORLEE: Okay.

MS. ABERNATHY: I'm not going to be able to do that one on the fly. Give me just a second.

MS. NAPORLEE: Okay.

MS. ABERNATHY: So it, it specifies -- the statute specifies that it's part D on or after July 1, 2027. Is that not what we have here?

MS. NAPORLEE: Like a borrower who has one or more loans made under part D on or after July 1st of 2027. So that, that, to me, reads a loan disbursed -- a loan that's made on or after July 1st of 2027.

MS. ABERNATHY: Okay, we'll take that back. And if we've got something wrong, we will fix it.

MS. NAPORLEE: Okay.

MS. WEISMAN: Scott.

MR. KEMP: Going back to the, the two times, is -- well, maybe I'll ask the question first. Was Fresh Start considered a rehabilitation? So for loans that were in during the pandemic pause, it was not officially. So that would not be considered one of the rehabilitations that would count against the two that they're allowed.

MS. ABERNATHY: We had already discussed that in the Fresh Start language, that it would not count against the rehabilitation while they were rehabilitated. Basically they were they were fixed. It did not take away the entitlement that they were -- not entitlement. Didn't take away the benefit of receiving rehabilitation for a defaulted loan one time. Fresh Start was a separate initiative with separate parameters around that.

MS. ABERNATHY: I believe I am on minimum payment. Linnea, what is the next reg section to make sure that I'm right, please? Yes, loan limits. Okay. I believe it's 211 (f) (1) for minimum payment. Oh, no. That's wrong. I'm so sorry. I think we're finished with this. Okay, let's take a -- no wonder she's not snapping. Did you see that? She just kind of said -- alright.

MS. WEISMAN: Tamy, given the time, it's about 20 after 2:00. Do you want to take a ten-minute break?

MS. ABERNATHY: Absolutely. We will never turn down a break.

MS. WEISMAN: Awesome. We'll be back at 2:30. Welcome back, everyone. I'm going to turn it over quickly to Tamy so we can go back to one provision that we missed earlier.

MS. ABERNATHY: Okay. So for -- we did not cover on rehabilitation number 12, paragraph 12 romanette one. So effective for any defaulted loan that is rehabilitated on or after August 14, 2008, and before July 1, 2027, the borrower cannot rehabilitate again. That's the one-time rehabilitation. And then romanette two, this is where we allow the borrower for loans on or after July 1, 2027, they are able to return to have rehabilitation twice. So I just wanted to make sure before we go in and do what I would call, Anmarie, a pulse check on this particular section. Part of what we want to do here is see how close we are to everyone agreeing with where we are, so that we don't have to continue to cover these provisions again, because we believe that the loan limits and the loan repayment plans will take up the majority of our time. And we want to

make sure -- if we can move past this -- if not, we'll come back to it again tomorrow. But if we could do a pulse check on these regulatory provisions, which would have been, based on the paper, it would be 674.39, 682.405, 685.204, 685.205, and 685.211 paragraph (f), so that is rehabilitation deferments, forbearances, and the miscellaneous payment change that increases the payment from \$5 to \$10. Those provisions. We could do a pulse check on that. Okay.

MS. WEISMAN: So for the pulse check, remember what we talked about before. Thumbs up if you support it. Thumbs down if you block it. This is not consensus. This is just a pulse check. But thumbs down if you do not support this as written. Thumb in the middle is that you are either abstaining -- or actually, abstaining is no thumb, and then thumb in the middle is if you are not going to block the idea, but that you're not crazy about it.

MS. ABERNATHY: Or if there's something they want us to reconsider again in the middle.

MS. WEISMAN: Middle could also be that you want to reconsider something. Okay, I see Alex Ricci with a thumb in the middle. I see Ashley with a thumb in the middle. I see Faisal with a thumb in the middle, and all the other thumbs are up. Did I miss

anyone? Okay. For those that have your thumb in the middle, is there something you want to bring up? Alex Ricci, we'll start with you.

MR. RICCI: I would just be curious to hear the Department's response to one of Ashley's earlier questions about forbearances that the borrower didn't select, and whether that counts towards the new limitations of 9 months over a 24-month period.

MS. ABERNATHY: Okay, so what we'll do is we're going to take that -- that's going to be a longer conversation that we weren't able to do and get back to you. So what we can do (inaudible) negotiating here. We'll take this back tonight, flesh it out, and then first thing tomorrow, if we could revisit, if what we present is amenable, we can get to our thumbs up, thumbs sideways, or thumbs down on that so that we can be done with these provisions and then focus the remainder of our time on the loan limits and the repayment plans. How does that sound?

MR. RICCI: That's great. I also just -- a note that I need to talk to the constituency about your interpretation of the second rehabilitation, but appreciate your stance there. The main sideways point was this forbearance question.

MS. NAPORLEE: And so I just wanted to

clarify, Tamy, do you still want me to submit something -
-

MS. ABERNATHY: If you could --

MS. NAPORLEE: -- in regards to that?
Sorry. With regards to that.

MS. ABERNATHY: Could you do it -- if you don't get a chance to do that, we can always revisit at another point. Like, we can wait until -- we're going to revisit. We would prefer to have that tonight or before today is out so that we could discuss it. Because we regroup every day and discuss all of the points that we have to make sure that we cover by the next morning.

MS. NAPORLEE: Okay. I will get it to you as soon as possible today.

MS. ABERNATHY: I don't want to force -- I don't want you to feel like you're rushed to do that. If you don't get to it, we'll table this and come back at it when you're done. But we're going to discuss it today. And if we have to re-discuss it, we'll be happy to do that.

MS. NAPORLEE: Great. Thank you so much.

MS. ABERNATHY: Absolutely. Thank you. Alex, for clarification purposes, tell us again exactly what you are asking. Is it Ashley's point or you're

looking at something else? We want to make sure that we have it.

MR. RICCI: That there's no action item for the Department regarding rehabilitation. I merely need to talk to my constituency group now that you've stated your --

MS. ABERNATHY: Okay, that makes me feel better because I was trying to figure out what I was going to figure out. Thank you. Sorry, guys, it's been a long day.

MS. WEISMAN: I see no other cards, so when you're ready to move on, we can -- oh, I thought -- okay, no other cards that are current so you can go ahead and move on.

MS. ABERNATHY: I think we're all getting a little slap happy. We had some chocolate chip cookies that somebody made for us. I could really use one of those right about now. I don't know about the rest of you guys, but let's dive into loan limits instead of chocolate chip cookies. Okay. Alright. We are going to ask that our -- she's already got him up there. Alright. Thank you, Linnea. So here we go with loan limits. We have defined the terms. We talked earlier about how we were going to define expected time to credential. And you can see from the screen that we have indicated that

expected time to credential means from July 1, 2026, the expected time for a student to complete a program that is equal to or lesser of three academic years, or its equivalent or two two-year period, determined by calculating the difference between romanette one, the program length for the program of study in which the individual is enrolled, and romanette two, the period of such program of study that such individual has completed as of the date of the determination under paragraph two of this section. Next definition. Graduate student. A student enrolled in a program of study that is above the baccalaureate level and awards a graduate credential other than a professional degree upon completion of the program. Next definition. Professional student. A student enrolled in a program of study that awards a professional degree upon completion of the program. A professional degree is a degree that signifies both completion of the academic requirements for beginning practice in a given profession, and a level of professional skill beyond that normally required for a bachelor's degree, where professional licensure is also generally required and includes the following degree: Pharmacy or Pharm.D, Dentistry; D.D.S. or D.M.D., veterinary medicine, DVM, chiropractic; DC or DCM, law; LLB or JD, podiatry; DPM, DP, or Pod-D, theology; MDiv or MHL. And any other

degrees designated by the Secretary through rulemaking as required by US -- by 20 US code 1098A -- I think that's an eight, and 5 USC 553. Two, a professional student under this definition may not receive Title IV aid as an undergraduate student for the same period of enrollment. Must be enrolled in a program leading to a professional degree under paragraph one of this definition, and romanette three, has completed the equivalent of at least three years of full-time study, either prior to entrance into the program or as part of the program itself. Program length definition, the minimum amount of time in weeks, months, or years that is specified in the catalog, marketing materials, or other official publications of an institution for a full-time student to complete the requirements for a specific program of study. Alright, let's stop there and talk through these definitions.

MS. WEISMAN: First up, we have Scott and then Jenna.

MR. KEMP: We want to swap. I don't know if we have to do that officially, make an pronouncement that we're swapping, so.

MS. WEISMAN: So Bennett Boggs is coming to the table, and Scott Kemp is leaving the table. Jenna?

MS. COLVIN: Thank you. In the

expected time to credential definition, sub one three academic years or its equivalent, by including the equivalent language, are we assuming it's three academic years full-time? So sort of how would part-time status -- is that -- is the equivalent covering part-time? So if it takes you six years because you're going half-time, is that what that means?

MS. ABERNATHY: I think the equivalent -- let me get there. The equivalent is what is the equivalent to a three academic years. Not that there's the equivalent of the type of enrollment status, but the equivalent to what would be three academic years. So if you're not a standard academic year school, what would the equivalent be for your respective type of student status? Does that make sense? Yeah. Good, because I don't know what your statuses are for all these different things, so I couldn't possibly go into any more detail on that.

MS. COLVIN: So then is the three academic years full-time?

MS. ABERNATHY: I believe it is three academic years. We do not specify full-time or part-time, so I cannot -- we will take that back and look at that. But I don't think that there is a specification that it has to be. We're expecting them to credential within this

three-year period of time, regardless of how they get there, part-time or otherwise. I don't believe there's any -- there was no specificity in the statute, and we did not have any discretion to add anything additional to that. So I believe that it is however they credential based on that period of time. It's the period of time that we're worried about, not the status of enrollment.

MS. WEISMAN: Jason, did you have a follow-up to that point?

MR. LALLO: Yeah, just to tag on to what Tamy's saying. I think because the statute is not explicit there, we have to just read that as a time frame. You know, again, the statute in other places tells us where to make reductions based on, you know, full-time enrollment. There's nothing in here that would suggest that we should be looking at, you know, the hours of enrollment or the percentage that somebody enrolled. So I think we have to just treat that as a chronological time period.

MS. WEISMAN: Deborah?

MS. LILLY: Yes. Referring to the definitions of graduate and professional students, could you clarify where doctoral students and clinical and counseling psychology would fit? Since they are generally undergoing more extensive graduate studies to pursue

doctorates and require licensure for their professions?

MS. ABERNATHY: We created our regulatory language based on what was already in the statute and in our current regulations under 668.2. We did not deviate from that. So we utilized what's already considered there as that particular -- what is it -- what does it say? Professional degree? We use the language under the professional degree in 668. -- 668.2.

MS. LILLY: Thank you.

MR. LALLO: Just to follow onto that, it's kind of circular here. The statute actually says what's currently in effect in 668.2 is a professional degree. So our definition there was the definition that was effectively already there. We haven't changed that. So we're not able to add more into that because the HEA commands us to look at what was already in effect as of the date of enactment of the amendments to the HEA.

MS. ABERNATHY: But one of the things that I do want, as we get down in the professional degree language, is we talk about getting feedback from the public, right? We talk about this, we look at it. We will engage in another negotiated rulemaking should there be a need to do something more than what we've done here. Right now, we're narrow in our focus. There has been abuse of, you know, professional degree programs. This

administration wants to look very narrowly and make sure that these particular provisions are very specific in making sure that students are successful. You heard Undersecretary Kent earlier today. We want to hold these institutions accountable. They want to make sure that their costs of education are in alignment with their programs, and that these programs are doing exactly what these programs are supposed to do. What we've done is taken a direct read from the statute. And if in the event that there is something additional that may need to be added at some other time, we would engage in negotiated rulemaking, not a commitment that we would hear from our public. The whole way that we formulate, promulgate our regulations is through these particular circumstances. So in the event that we enter into any kind of idea of expansion of this particular definition, we would do that through the negotiated rulemaking process. But right now, our statute gave us the exact language that we have, and what you see here today.

MS. WEISMAN: Jeff, do you have something else on this point?

MR. ANDRADE: Yeah, maybe a little bit of a different angle on it. So, this -- so we're viewing this list as being predominantly exclusive with the ability to update it. Congress had a choice on what

programs that they could put in. They took a definition that we had, but they did not make a cross-reference to that definition. They just lifted the language that we currently have. And so at this time, what we're viewing - - that -- because Congress had a choice, is that these are the programs that Congress intended to consider to be professional degree programs, and just these programs. And again, as Tamy pointed out, if and when, at some point in the future, not 90 days after Congress passed a piece of legislation and made a decision what programs they wanted, but at some point, it is modifiable or it can be modified, but not at this time.

MS. WEISMAN: We've got several people ahead. We've got Andy and then Timothy and then Bennett, and we've got a couple more after that. So we'll start with Andy.

MR. VAUGHN: So I just want to clarify, the list is the list during this neg reg no matter what, and that would be a separate neg reg to change the list?

MR. ANDRADE: The list is the list as it -- a separate neg reg, but not any time in the future. I mean, in the, in the near future. We believe that this is what Congress and -- these are the programs that Congress intended, because Congress had the ability to

define this any way that they wanted to, including deleting some of the requirements there. Again, it's not a cross-reference to our regulations. It is simply paralleling and taking a snapshot at a definition that we had in place as of the time of enactment.

MR. VAUGHN: Okay. So my interpretation is very different than that, because the One Big Beautiful Bill, specifically states 668.2 and the exact wording in 668.2. 34 CFR is examples of include, but are not limited to. So, the key words, examples and not limited to. It's not an exhaustive list.

MR. ANDRADE: Yeah. It's not a -- it's a modifiable exhaustive -- we're considering to be exhaustive list that can be modified at some point in the future. But for purposes of this, Congress had the ability to define it any way that they wanted, not simply the way that we had to find. They chose to use a definition that we currently have, and that is our current definition. It does not include anything other than what is currently up there. And we have not added it, nor have we proposed to add it. And in our view, the way that that -- because of how it's structured now and because of -- it's different application that the way that it can be changed is it has to go through rulemaking, notice and comment rulemaking.

MR. VAUGHN: Just one more point of reference. Currently in the FSA handbook, the program you referenced, clinical psychology, is designated as a health professional program and gets extra funding right now beyond the \$20,500 graduate. The program you referred to, clinical psychology, is kind of already on the list already. Not allowing that program to be designated as professional is going to be devastating the mental health community, and it already receives extra funding beyond graduate programs. That program, technically already is a professional designated program in the FSA handbook.

MS. ABERNATHY: The current FSA handbook is not regulations or the statute. So while we do, right now, allow that to happen, and we do -- we speak to it in the handbook, the handbook is not the regulations. This is the first time that we have separated out graduate and professional students. Our read is to take -- looking at what a professional degree already states in 668.2 and putting it into the definition of a professional student. And like Jeff said, it's not an exhaustive list, but it is the list that we are basing -- and this current administration wants to keep this very narrow at this point and stick directly to the language that is specified here.

MS. WEISMAN: Jeff, do you have

something to add to this point? Because I've got a lot of cards up, but I want to let you finish if you've got more.

MR. ANDRADE: I'll (inaudible) clean up on (inaudible) those.

MS. WEISMAN: Okay. Timothy.

MR. KING: Thank you. I appreciate that the Secretary is going to offer opportunity for additional professional degree programs that require licensure to be considered. I think that's important moving forward. There are many graduate programs that require licensure that would be fitting for this definition. So I'm happy that the language says other degrees designated by the Secretary. So I appreciate you mentioning that. The other comment I have or question relates to the three academic years or its equivalent. It took me seven years to get a doctorate because I had to work full-time. And I think that needs to be clarified further. The main -- the degree program that is spelled out in the catalog, or is it some other process because most graduate students, they're going to take at least four or five years, whether they're professional or whether they're in another type of hard science graduate program. That's all. Thank you.

MS. WEISMAN: Bennett?

MR. BOGGS: Thank you. I appreciate the goal in this. And to keep it tight and to keep -- I understand the ultimate goal here. I do respect that. I also -- been around legislation long enough to know -- I also appreciate that something's already defined. You just pick it up and make use of it. Keep going forward. Everybody's already agreed to it previously. However, this list is out of date. It's just out of date. And it's missing things that we use in state economic development. And so I think about in my state, and by the way, I build off the Federal list to build my own state list. And so if they can be congruent, everything is so much easier. But we're missing engineering, we're missing business, we're missing commerce, we're missing education. I mean, there are some professions here that are crucial to our state economic development and workforce development, and this list doesn't have it. So I'm concerned this is going to really cripple certain aspects of what we're trying to get done here.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. I was curious if there was consideration given to whether the list could be published through subregulatory guidance, because my reading of OB3 is that it's 668.2 of the CFR, as in effect on the date of enactment of the paragraph.

So I don't understand candidly what any rulemaking, subsequent rulemaking, how that would get around the language in OB3 that requires it as in the date in effect.

MS. ABERNATHY: Could you clarify? So are you asking how we could rule make because of what's, what's in 668.2 already? I'm sorry.

MS. COLVIN: No, I'm asking if OB3 is language, says that it's 668.2, as in effect on the date of enactment of the paragraph, right, this language is in a different code or different CFR section, so it's a different number. So it's not the same number. And it's different regulatory language, different rulemaking than what was in effect on the date of the passage of the bill.

MS. ABERNATHY: So in effect on the date of the passage of the bill means that 668.2 as it is written. That's what they're saying. The definition of a professional degree is, right? That's what they're saying. What that means to us is the regulations that we create right now has that point in time stopped and that's what we capture. So 668.2, the reason we did not specify and use or cross-reference 668.2 is if tomorrow there's some sort of a change or let's say after the -- after we have final regulations, if there's some sort of

a change to 668.2 that would modify our definition here, it would invalidate our definition. So we're not going to cross-reference to 668.2. We're going to lift the language and say this is what we, in this provision, and these particular regulations will define a professional student as. And the language that says at the effect -- at the time that it was -- that's freezing 668.2 language for us to use here. But we're not going to cross-reference against it. And what we have put here is built-in flexibility to look at different things as others have pointed out, where we maybe have an old list that we're referring to. It does build that in, but right now what we are doing is a straight -- you know, straight from the statute and what we see as what was used as a professional degree to build our professional student definition on.

MS. COLVIN: So as a follow-up, are you saying that what is in this language is the same as 668.2, or have you changed it?

MR. ANDRADE: It's the same programs that are listed in 668.2, and it's the same leading language. What we changed was or what we clarified was that the updating of that is something that has to be done through notice and comment. Which is consistent because again this is a snapshot and if you look at it in

its context, Congress went from essentially the wild West without having any loan limits. And defining -- lowering loan limits or putting limits, I should say, on graduate and doing a carve out for professional students. And so in that context, it's the programs that were in existence that considered professional programs at the time of enactment. And that's what we're trying to preserve. Tamy -- Tamy's point about by taking that snapshot and also trying to give meaning to the language that says, but not limited to, that in the future. But again, we're so close to the time of enactment at this point, it would not be reasonable, particularly in the context that this was supposed to be a limiting effort, to say, okay, we're just going to add a whole bunch of new programs here beyond what was in existence at the time of enactment. That -- to us, there's nothing here that signals a green light, that this is signaling a massive expansion of what is considered a professional student, which is differently than what was considered in July of this year.

MS. COLVIN: Can I follow?

MS. WEISMAN: We'll give you one more follow-up and then we've got to move on to Alex.

MS. COLVIN: Sure. So I understand, and I agree, I understand that we are in a narrowing

exercise, and I'm not proposing opening the doors up. That's not at all what I'm suggesting. However, as I read this language, I think the first sentence is the rule, right? A degree that signifies both completion of, right? That language. That's operative rule language. The professional licensure is generally required feels like, a little squishy, right? And then we have a list of examples, but it's not a complete list of examples. So when I think about rulemaking language, I think the first sentence is the operative definition of the rule. And then we have a list of examples. And so if I think I'm hearing what you're saying is that we are going to make the rule, the new rule is the list, and the list is the list. Is that what we're saying?

MR. ANDRADE: The new rule is generally exhaustive, given the structure of the current definition.

MS. WEISMAN: Alex Holt?

MR. HOLT: Just some clarifying questions here. So when you say any other degrees designated by the Secretary through rulemaking, I think I understand, but I want to clarify. You mean through a different negotiated rulemaking, not this rulemaking?

MR. ANDRADE: That's correct.

MR. HOLT: Okay. And I guess my other

question is so generally speaking, from a taxpayer and public interest perspective, we are aligned with trying to limit and being really narrow. So one worry that comes up for me, but I'm not a lawyer, so I'm kind of asking the Department's opinion on this. I'm wondering if a different administration reading this could regulate -- could expand this list subregulatorily because there's a definition in here and then this set of degrees that says including but not limited to, so I would think if you want to make it exhaustive, it needs to be explicitly stated. And I'm concerned that if you don't do that, you have this -- and Jeff, you actually even said generally exhaustive. I'm concerned that this would be regulated, that this could be done subregulatorily. But perhaps I don't know because again, I am not a lawyer, which should be obvious.

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

MR. LALLO: Yeah. So I understand what you're saying. That's the 668.2 Language. The language that we're including here is written to be exhaustive. It doesn't say including, but not limited to. And it also provides it would have to be changed through notice and comment rulemaking, which to then promulgate or to change something subregulatorily, they would actually have to do

notice and comment rulemaking to strike the sentence, requiring notice and comment rulemaking to allow that. So it would require two rulemakings, really.

MS. WEISMAN: Jeff?

MR. ANDRADE: Just a question for Alex. Do you have any language that you think would further tighten it up? Because our intent here is to not allow subregulatory changes. In fact, thought it was important to put that clarification in because if you had left it on its own, it sort of begged the question that somebody could just define it.

MR. HOLT: At this moment, I -- so I didn't interpret it the way that you came in. So I'll have to get back to my constituency and see if we have some language, but we may have something to propose eventually. Thank you for the request.

MS. WEISMAN: Tamy?

MS. ABERNATHY: Alex, I just want to make sure when you are reading the language, it does not say not limited to, so please, please make sure that that particular piece -- I just want to make sure that when you are talking to your constituency group about that, it does not say include but not limited to.

MR. HOLT: So, it doesn't. I misspoke. And thank you for correcting me, however -- okay, so the

word includes -- why doesn't it just say -- implies that there could be others, right? So I think that's what I was --

MS. ABERNATHY: We could take that back. Thank you. I just wanted to make sure. I didn't want to get us down a rabbit hole.

MR. HOLT: Well, but that, that actually clarified what I was confused by. So thank you for that.

MS. WEISMAN: Jeff? Andy?

MR. VAUGHN: Okay. I just want to make sure I get clear on the timeline here. So you are saying definitively that the list is the list and then a separate neg reg. What would be the timeline? The reason I ask is there -- there's a couple thousand schools that offer clinical psychology that will be devastated to hear this. And this is the kind of program that requires about five years of study. And because of the units involved, it's virtually impossible to drop below to the graduate level of funding on mental health programs like a doctoral in clinical psychology. So if this is the list, and you're saying it definitively today, that that's not up for negotiation, it sounds to me like with this group, what would be the timeline then for a separate negotiated rulemaking to get on the list?

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

MR. ANDRADE: Yeah. Again, I don't, I don't think at this time that we would be entertaining any additional ones. Again, this law was passed with what we viewed as the programs. To the extent that there are graduate programs out there that will have lower loan limits, that, in our view, was an intent of the legislation to have graduate programs with below the full cost of education, which is what they were getting before. So to the extent that these programs were specifically called out, Congress made no changes. Congress didn't make any updates for those of you who were advocating for clinical psychology and other degrees, those aren't in here. And so all we can do is sort of look within -- look at what's in the definition and make a call in terms of determining that. But we're not setting up a situation where we are going to say we're not going to do it in this neg reg and then sometime within a year or two years, revisit, you know, revisit the topic. We view that Congress made a decision contemporaneously with what was existing at the time.

MS. WEISMAN: Has the Department heard enough on that part of the topic?

MS. ABERNATHY: We have.

MS. WEISMAN: Okay. Welcome to move on.

MS. ABERNATHY: No, guys, we're good. Thank you. No, you know, this is exactly what we expected to hear. And we appreciate the feedback. It's always important to get your perspective as well. And so, thank you. But yes, let's move on, shall we?

MS. WEISMAN: If you could mention the regulatory section in case anyone wants to swap out.

MS. ABERNATHY: The next regulatory provision we're going to be discussing is 685.200, borrower eligibility. And this is about student PLUS borrower. So is everyone --? Okay, we'll give Bennett and Scott a chance to switch back. All set. Scott, you good? Okay. Alright. Paragraph (b), student PLUS borrower. A graduate student or professional student is eligible to receive a Direct PLUS Loan if the student meets the following requirements: romanette one was changed. That was existing language and romanette two still existing language. Three turned into romanette three, four turned into romanette four, five turned into romanette five. Paragraph two, romanette one, beginning on July 1, 2026, a graduate student or professional student may not borrow a Direct PLUS Loan. romanette two, the limitation for making new Federal Direct PLUS Loan awards described in

paragraph (b) (2) romanette one of this section shall not be applicable to student borrowers during the period of the student's expected time to credential. If the student is enrolled, (a), is enrolled in a program of study at an institution as of June 30, 2026, and (b), received a Direct Loan for such program of study prior to July 1, 2026. Paragraph three. If the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (b) (2) romanette two of the section, the limitations under paragraph (b) (2) romanette one shall apply.

MS. WEISMAN: Scott?

MR. KEMP: Is ceases to be enrolled defined elsewhere? So like, if somebody is on a leave of absence or medical leave or something, is it defined or is it understood? Because that -- that's the kind of thing that would trigger them no longer being able to take those loans out.

MS. ABERNATHY: I do not believe that we define that anywhere. So -- can you give us just a second? We may have a definition in Return to Title IV. Just give us a second to take a look at that. Excuse me. We're going to go ahead and take that back. We're not able to find a definition right now. We don't think in Return to Title IV, there's one either. But let's --

instead of belaboring our research and trying to come up with something, let's just take that back. Thank you for bringing that up. So your recommendation is if it is not defined somewhere -- now, we could take time to define this in the preamble. And so in the preamble we would list what we consider to be, you know, ceasing to be enrolled for the purposes of this particular section of graduate student and professional student. What ceases to be enrolled, we consider the definition for this defined piece. We could do that as well. So, if in the event that you have additional language or you would like to propose some language to us, please feel free to submit that to us for consideration.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. I have a question about section (2), subparagraph (b), where the language has received a Direct Loan for such program of study prior to July 1. Does that have to be a PLUS loan, or can it only be a -- I mean, can it -- is it possible to only have received a Direct Loan and then get a PLUS loan after?

MS. ABERNATHY: It does not say PLUS loan. It says Direct Loan. So we were very intentional there. It is Direct Loan. So they had to be a borrower of a Direct Loan for that same program of study, okay?

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

MS. ABERNATHY: 685.201, obtaining a loan. In subparagraph (b)(2) romanette two, we've added the language on or after July 1, 2026, a graduate student or professional student may only apply for a Direct PLUS Loan if the student satisfies the conditions set forth in section 685.200 (b)(2) romanette two. We can take comments on this section, Annmarie, even though it's just one little baby one. Alright, let's go into loan limits. The first edit you see here is paragraph (b)(2) romanette three. We have added after July 1, 2012, and ending on or before June 30, 2026. So in the case of a graduate or professional student for a period of enrollment beginning on or after July 1, 2012, and ending on or before June 30, 2026, the total amount the student may borrow for any academic year of study under the direct unsubsidized loan program may not exceed \$8,500. We've added romanette four, loan limits for graduate and professional students for periods of enrollment, beginning on or after July 1, 2026. Paragraph (a)(1), a graduate student who is not a professional student for a period of enrollment beginning on or after July 1, 2026, may borrow up to \$20,500 for an academic year under the Direct Unsubsidized Loan program. A professional student, paragraph (2), for a period of

enrollment beginning on or after July 1, 2026, may borrow up to \$50,000 for any academic year under the Direct Unsubsidized Loan program. Subparagraph (b), the limitations in effect on July 1, 2026, for annual loan limits as described in paragraph (b) (2) romanette four, capital A of this section, shall not be applicable to student borrowers during the period of students expected time to credential if the student, one, is enrolled in a program of study at an institution as of June 30, 2026, and two, received a Direct Loan prior to July 1, 2026 for such a program of study. Paragraph (c), if the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (b) (2) romanette four capital B of this section, the limitations under paragraph (b) (2) romanette four capital A shall apply. Open it up for discussion. I see your face. I know what you're going to say.

MS. WEISMAN: Scott?

MR. KEMP: Well, to clarify, and this may just stop it is, are the amounts set aside for each of the two? So we're not talking about what is graduate, what is professional. Are the amounts up for discussion or not?

MS. WEISMAN: Jacob?

MR. LALLO: The amounts are fixed in

statute. That was part of the OBB.

MR. KEMP: Because I have examples of institutions that are well above that amount and -- but I'll just shelf that. Collective question. How are they going to treat some joint programs like an MBA or MB -- yeah, MBA, JD, so one's professional, one's graduate. How would they consider a joint program?

MS. WEISMAN: Jacob?

MR. LALLO: Yeah, so it's already written in here as a graduate student who is not a professional student. So if one is professional and one is graduate, it's a joint program. They fall under the professional limit because it would be a professional student. If it was just a -- they were only in a grad program, that would be in a separate bucket.

MS. WEISMAN: Jenna?

MS. COLVIN: Let me make sure I understood that. So if it's a joint degree program, they're treated as professional? But if it's -- that's the question.

MS. WEISMAN: Jeff?

MR. ANDRADE: So it's similar to say like a pharmacy program in Pell where you have a portion of it is undergraduate and a portion of it graduate. So in this case, a portion of the program is professional

and a portion of it is graduate when they're, when they're combined, when you have a graduate and a professional degree, a listed professional degree together.

MS. WEISMAN: Alex Holt?

MR. HOLT: I guess I just wanted to say, for the record, my only concern with that is that it would -- I think it would theoretically encourage people maybe to be getting MBA JDs instead of just getting an MBA, because they could be subject to the higher limit. Off the top of my head, I would wonder if you would sort of apply the lower limit to the MBA and a different limit to the JD. Otherwise, I'm just a little bit thinking through the -- you would apply the different ones depending on -- oh, the portion, okay. Never mind. Sorry.

MS. WEISMAN: Jenna?

MS. COLVIN: So if there are classes that count for both because that's usually how it works, do those -- are they -- count for professional or do they count as graduate?

MR. ANDRADE: Yeah, I'd have to go back and see how we tease that out, you know, for the other programs. We can definitely get back to you. But this is not a new concept for us and, you know, to the, to the point of, well, people try to combine it, you

know, you have other issues like aggregate limits and, you know, time to degree and all that in place. So we don't see that as a concern at the moment.

MS. WEISMAN: I see no other cards.

MS. ABERNATHY: Revise subsection (c)(2) to read as follows: romanette five, in the case of a graduate or professional student for a period of enrollment through June 30, 2026, \$12,000. I'm going to assume we can go on. Revise subsection (e) to read as follows: Aggregate limits for unsubsidized loan for graduate or professional student enrolled before July 1, 2026, \$138,500, including any loans for undergraduate study minus any Direct Subsidized Loan, subsidized Federal Stafford Loan, and Federal SLS, which was a Supplemental Loan for undergraduate students, program loan amounts. Four, beginning on July 1, 2026, for graduate student enrolled on or after July 1, 2026, who is not and has never been a professional student, \$100,000. Who is or has been a professional student, \$200,000, minus any amounts such student borrowed as a graduate student. Five, beginning on July 1, 2026, for a professional student, \$200,000, minus any Direct Subsidized Loan, Subsidized Federal Stafford Loan, and Federal SLS program loan amounts, and any amounts such student borrowed as a graduate student, if applicable.

Six, the limitations for aggregate loan limits described in paragraphs (e) (4) and (e) (5) of this section shall not be applicable to student borrowers during the period of student's expected time to credential if the student, romanette one, is enrolled in a program of study at an institution as of June 30, 2026, and romanette two, received a Direct Loan for such program of study prior to July 1, 2026. Paragraph seven, if the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (e) (6) of this section, the limitations under paragraphs (e) (4) or (e) (5) shall apply, if applicable.

MS. WEISMAN: Jenna?

MS. COLVIN: So I have a question on how the HEAL program will or won't affect these limits. So I understand there's current statutory requirements, and then the HEAL expands those programs to the -- expands the limit for health education programs. And so, how will that program impact these regulations or not?

MS. ABERNATHY: HEAL does not expand those loans in health professions. That's under a completely different program. I believe it's under HHS, I believe, don't quote me on that. But that's a different, you're able to get additional funds for that particular program of study. It's not under HEAL, though. HEAL is --

there's no more new loans under HEAL. So I understand that there's limits. There's additional limits that borrowers can receive for certain programs of study. But I don't believe that's under the HEAL program. Am I right?

MS. COLVIN: So in looking at your website now, you can see what those additional program amounts are. Will those continue in the new --?

MS. ABERNATHY: We do not think at this point, but let's take that back and we'll get some clarification on that for you, because we -- I don't really know the answer to that question. I don't think we're ready to speak to that until we've had a chance to flesh this out with both our operations side and our Office of General Counsel and (inaudible) Administration. Yeah, we think that they're qualified professional programs. So we want to make sure that we get this right. And so we'll take it back and we'll circle back once we have a definitive answer. If somebody could get this question down on the list for us, we'll take it back tonight and we'll try to get an answer for you tomorrow.

MS. COLVIN: So would that look at comparing the list that exists for that program to this one, because they're not the same?

MS. ABERNATHY: I need more

clarification on what you're asking. I'm sorry.

MS. COLVIN: The list of the programs that qualify for extra funding under that program is more expansive than what you have in this --

MS. ABERNATHY: For the professional degree?

MS. COLVIN: Yeah.

MS. ABERNATHY: Okay. So we're not going to -- I'm not sure we're going to look at that. Let's just take it all back and we'll try to flesh out exactly what we'll do with that after we -- we may not have an answer tomorrow morning, but we'll try to get that for you sometime tomorrow.

MS. WEISMAN: I see no other cards up.

MS. ABERNATHY: That means it's my turn to talk again. Oh, revised subsection (f) to read as follows: Direct PLUS Loan annual limit. Paragraph one. Annual limits before July 1, 2026, has been added to the beginning of the total amount of Direct Loans a parent may borrow. And then for -- we have inserted before July 1, 2026, after study and before may not exceed. Paragraph two, annual limits on or after July 1, 2026. Beginning on July 1, 2026, the total amount of all Direct PLUS Loans that all parents may borrow on behalf of each dependent student for an academic year of study may not exceed

\$20,000, minus other financial assistance, as defined in section 480I of the act for the student. Romanette two, the limitation for annual loan limits described in paragraph (f) (2) romanette one of this section shall not be applicable to parent borrowers who borrowed a loan on behalf of a dependent student during the period of the student's expected time to credential if the student is enrolled in a program of study at an institution as of June 30, 2026, and the parent borrower received a Direct Loan for such program of study on behalf of the dependent student or, or the dependent student received a Direct Loan for such program of study. Romanette three, if the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (f) (2) romanette two of this section, the limitations under paragraph (f) (2) romanette one of this section shall apply to the parent borrower of that dependent student. Subparagraph (g). Direct PLUS Loan aggregate limit. To paragraph one we've added aggregate limits before July 1, 2026. We've inserted before July 1, 2026, between may borrow and for enrollment. Paragraph two aggregate limits on or after July 1, 2026. Beginning on July 1, 2026, the total amount of all Direct PLUS Loans that all parents may borrow on behalf of each dependent student for enrollment in an eligible program of study,

may not exceed \$65,000 for the entire period of enrollment without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any such loan. Any amount of loan funds that have been returned by the institution or the borrower will not count against the aggregate loan limit under this paragraph (g) (2). Paragraph three, the limitation for aggregate loan limits described in paragraph (g) (2) of this section shall not be applicable to parent borrowers during the period of the student's expected time to credential if, romanette one, the student is enrolled in a program of study at an institution as of June 30, 2026, and, romanette two, the parent received a Direct PLUS Loan for such program of study on behalf of the student or the dependent student received a Direct Loan for such program of study prior to July 1, 2026. And paragraph four, if the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (g) (3) of this section, the limitations under paragraph (g) (2) of this section shall apply. Alright. Let's go to J. Under J, we've added one to the first paragraph. In no case may a Direct Subsidized Loan, Direct Unsubsidized -- I'm not going to read all that because it hasn't changed. We have romanette two from paragraph one and romanette -- we have romanette one in paragraph one and romanette two in

paragraph two. And now we read effective July 1, 2026, the lifetime maximum aggregate amount of loans made, insured, or guaranteed under the act that a student may borrow, excluding Federal PLUS Loans or Federal Direct PLUS Loans, shall be \$257,500 without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on such loans. Any amount of loan funds that have been returned by the institution or borrower will not count against the lifetime maximum aggregate loan limit in this paragraph, (j)(2). Three, the limitation for lifetime maximum aggregate loan limits described in paragraph (j)(2) of this section shall not be applicable to student borrowers during the period of the student's expected time to credential if the student romanette one is enrolled in a program of study at an institution as of June 30, 2026, and, romanette two, received a Direct Loan for such program of study prior to July 1, 2026.

Paragraph four, if the student ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (j)(3) of this section, the limitations under paragraph (j)(2) of this section shall apply. Alright. Paragraph L, additional rules for loan limits. One, less than full-time enrollment notwithstanding any provision of 34 CFR parts 682 or 685. In any case in which a student is enrolled in an eligible

program at an institution on a less than full-time basis during any academic year, the amount of any Direct Loan that the student may borrow for an academic year or its equivalent, shall be reduced in direct proportion to the degree to which that student is not so enrolled on a full-time basis, rounded to the nearest whole percentage point, as provided in the schedule of reductions published by the Secretary. Two, institutionally determined loan limits. romanette one, beginning on July 1, 2026, an institution may limit the total amount of direct, subsidized, unsubsidized, and PLUS Loans that a student or a parent on behalf of such student may borrow for a program of study for an academic year, as long as any such limit is applied consistently to all students enrolled in that program of study. Romanette two, an institution that limits the total amount of Direct Loans for an eligible program under paragraph (1)(2) romanette one of this section must document its decision and follow the record retention examination requirements in 34 CFR 668.24. Romanette three, an institution must provide clear and conspicuous information describing any program of study that is subject to the loan limitation to current and prospective students, including, but not limited to, publication in the institution's course catalog, publication on institution's websites, and award

notifications. Romanette four, prior to taking such action under paragraph (1)(2) romanette one of this section, an institution must notify the student who plans to enroll or is enrolled in the program subject to this limitation.

MS. WEISMAN: Scott?

MR. KEMP: Under the less than full-time enrollment, is the schedule of reductions already created or is that to be created?

MS. ABERNATHY: The schedule of reductions is under review, getting ready to go into clearance. The publication, what we plan to do is to provide you a narrative of what this is, what the schedule of reduction is, the actual schedule of reductions as required by the statute for the Secretary to publish, a formula, a word formula to explain it, an actual formula, and examples of charts that you can use so that it will be all inclusive. We do hope to get that out rather soon. There's a few things that are kind of contingent on us getting that out soon. And that is, of course, you know, a lapse in appropriations, the negotiated rulemaking process. We could only do so much at one time to get all of that done. But we do have that fleshed out, and we hope to bring that to you the second session, so that you will also have an opportunity to

take a look at it. Of course, we'll publish it, but we'll bring it to you as well and have your eyes on it.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. It's my understanding that institutions set the full-time status for graduate student programs. Will that continue? Or will the schedule of reductions determine what's full-time status?

MS. ABERNATHY: No. We are building for an undergraduate student. It's at least 12 hours -- well, 24 hours, at least 24 hours. So we have built that undergraduate chart on 12 hours and 12 hours for a standard academic year. For graduate and professional students, the institution will still be able to set what that -- what those -- what is considered full-time, what is considered at least half-time. So in order for loans to be given, they at least have to be half-time. None of those parameters are changing.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. And in section four, I'm sorry, section three and four -- no, sorry, just four. The language, the student who plans to enroll, I think there are other -- is that a defined term? I think we have other defined terms for prospective students. And I wonder if we should use conforming

language there.

MS. ABERNATHY: Tell me where you are again.

MS. COLVIN: Last paragraph.

MS. ABERNATHY: Oh, I see it. I think in this case, when we're saying who plans to enroll, there would be a number of ways for that to happen through the -- through their course catalog, through their website, through their award notification, through actual notifications of acceptance, should they be -- indicate their interest in a respective program. So, I think who plans to enroll, meaning we don't want to bait and switch, right? We don't want to not give this information to the student. Then all of a sudden tell the student, oh, by the way, you can't have as much money as you think for that program. We are expecting that they would give clear and conspicuous information ahead of time. It would be on their website. It would be pasted all over the place for these borrowers and students to understand this program can only get X number of dollars. That is the expectation of the Department. We are not trying to harm the borrowers in the sense where we want the schools to actively inform them of what their limits will be if they actually enroll in this program of study.

MS. WEISMAN: Timothy?

MR. KING: (inaudible) constituent.
Are Parent PLUS and Grad PLUS for legacy students included in the loan types that would need to be prorated?

MS. ABERNATHY: These loans -- the schedule of reduction -- so proration is a little bit different. I know the terminology and the statute said direct proportion. We are not looking at proration in the sense of redefining how much loan money a student can get for weeks in an academic year and less -- that's not what this is. This is looking at an academic year for, I believe it is just for the Direct Loan program. I don't believe for sub and unsub. Is it for PLUS loans? I don't know that we've discussed that, to be honest with you. Is it in the statute? Does it say what part under part D, part B? It says beginning -- no that's institutionally. Part B -- it says the Direct Loan that student may borrow. So this is student borrowing. Okay. So it is specific. We do say that in the regs as well.

MR. KING: And PLUS.

MS. ABERNATHY: Where does it say PLUS?

MR. KING: This part or part B.

MS. ABERNATHY: Oh, it does say 682 or 685. No, that's -- so we're going to confirm because we

have to make sure that we're right here. But it says the amount of any Direct Loan that student may borrow. So if it's a student borrower, it would not be PLUS. So either our reg text is not in line with the statute or we need to change that or we need to look again at the statute. So at this point, let's table that until I get clarification on the exact loans. But to get back to the point, it is not a proration. It is a reduction based on an academic year or what the equivalent of an academic year is. So if you're looking at a standard academic year and you have two semesters and you have the summer as a trailer, they take 12 hours, the fall, or say they take six hours in the fall, they take 15 hours in the spring. Right now, they're still not at the full-time of what, 24? They have eligibility for the summer, or you're going to have to look at reducing, based on their status of less than 24 hours for the fall and the spring, if they don't enroll in summer. Okay?

MS. WEISMAN: Andy, and then Jenna.

MS. ABERNATHY: I'm sorry, but Patti just looked at me like she has just -- she's like, what did she just say? Want me to explain that again? Is it too late in the day for us to do this? It's okay if you say yes. Yeah. Yes. You can talk. I'm giving you permission this one time.

MS. KOHLER: Thank you. I guess it just doesn't make any sense. So if -- and at what point is the -- are the adjustments made? So, say I'm enrolled full-time, I receive a disbursement, and then I drop the next day down to part-time. What happens in those cases? And then in your, in your example, a student may have received full-time loan for two payment periods and then they didn't complete a full-time, and you're saying we would need to have them repay it?

MS. ABERNATHY: No, I did not say repay. I said you would reduce their annual loan limit.

MS. KOHLER: Reduce their -- sorry.

MS. ABERNATHY: Alright.

MS. KOHLER: So in that case, if their reduction in their annual loan limit --

MS. ABERNATHY: If they were full-time and full-time for the academic year --

MS. KOHLER: Okay.

MS. ABERNATHY: Okay, then there's no reduction in their annual loan limit.

MS. KOHLER: Correct.

MS. ABERNATHY: If they are half-time -- so say they're nine hours. Say they're three-quarters. We considered -- I considered that when I worked in the school, three-quarter time. They're nine hours, and in

the spring they take 15 hours. What's 9 and 15?

MS. KOHLER: They're full-time.

MS. ABERNATHY: Full-time. There's no reduction at the end of the academic year for that student. If the academic year has a summer trailer and they are 9 hours and 9 hours, that's 18 hours, 6 hours in the summer, they're full-time. There's no reduction. So the reduction comes in, and these -- this is something that schools are going to have to build into their FAMS system. We -- you typically award based on intent to enroll. Correct? That's usually what most schools have done. They look at, I intend to enroll half-time. You're going to build the budget on half-time, and give them their money, right? That's usually what happens in a standard academic year. So now when you're looking at I intend to enroll full-time and that changes, there's a requirement for you to look at the enrollment at the time of disbursement, right? You have to look every single time you get ready to disburse funds to a student, you have to look and check all the eligibility criteria. So if at that point they are not full-time, you would reduce that disbursement prior to them getting it. Doesn't mean they couldn't get it again for the summer if they chose to build back up to the full-time. But schools are going to have to look at this, build it into their FAMS system,

their Financial Aid Management Systems. You already do loan limits. You already -- the capability is already there. This is another annual loan limit that you have to look at the academic year and enrollment, and you're going to have to, on your institution's campuses, for those of you that are at institutions, account for this and the fluctuations that could happen that second semester or that second term, right? The reason you don't have this in clock hours and -- is because they have to earn the hours before they get additional funding. So it's kind of -- you've got to meet the criteria of being a full-time student to get a full-time academic year award.

MS. KOHLER: Okay. I just think some clarity around also what occurs if their enrollment status changes after disbursement.

MS. ABERNATHY: That will have to be looked at on a case-by-case basis at the -- it's going to have to be a practice at the institution. So we could definitely come back and talk a little bit more about that tomorrow. But that is something that each institution is going to have to decide how they're going to handle subsequent changes to enrollment status, because of this new requirement for annual loan limit based on full-time status.

MS. WEISMAN: We have Andy and then Jenna.

MR. VAUGHN: Can we please go back to paragraph four at the bottom of the page? So I heard from many schools and our constituency group about the vagueness of this and understand your explanation. I'm just wondering that when the final rule comes out, if we could maybe provide that example that you gave earlier about website, because schools are interpreting that to say, hey, so as a new student inquiry, do I have to email them, what do I have to do? But an example or a couple of examples, not an exhaustive list, would be helpful, I think, for the schools, because that paragraph caused a lot of confusion with our schools.

MS. ABERNATHY: We can take that back. We usually try not to regulate ourselves, so we'll have to look at that. We could also do that in subregulatory language, and we certainly could also do that in our websites to provide greater clarity when we're specifying that.

MR. VAUGHN: Do you ever do FAQs after publication or --?

MS. ABERNATHY: We actually have FAQs, a lot of FAQs on our Federal Student Aid website for specific questions. I know, I know, we used to have them

for Covid. We used to have a whole bunch of different things, and if this was something that would be beneficial, I'm sure that we could get with our operational team, and we could create a list of questions and answers that would be responsive, definitely, to meet the needs that are out in the public. We certainly don't want to throw these regs at you and say, hey, we're not willing to -- but we also don't want to put something in regulations that ties our hands. We don't try to regulate ourselves when we want to leave this open to what the schools usually do, but our expectation is certainly not to deceive or try to deceive anyone or, you know, make it look like we're not being completely transparent or you guys aren't being completely transparent and honest with the students.

MS. WEISMAN: Jenna?

MS. COLVIN: Thank you. I'm going to ask if we can clarify in the regulatory language whether the new aggregate loan limits are inclusive or not inclusive of previously borrowed funds.

MS. ABERNATHY: They are inclusive of previously borrowed. It is a new aggregate loan limit. All-inclusive for everything that's been borrowed. Like if it's a student, it would be all other Direct Loans. It's a new aggregate loan limit, effective on the date of

-- I'm saying that right, right?

MR. LALLO: Mm-hmm.

MS. ABERNATHY: Yeah.

MS. COLVIN: Are there students that are over it?

MS. ABERNATHY: I wouldn't know. I'm not being purposely vague. I don't know if the students are currently over it already. I would not have that information.

MS. COLVIN: That was a poorly asked question. Not do they exist in the universe, but I guess, would, would institutions have any responsibility towards a student who has already exceeded the new aggregate loan limit?

MS. ABERNATHY: So the liability or the, the eligibility criteria is the date that this is effective. So we can't obviously right now look at oh, so this is effective right now July 1, 2026, but you're already over, so you owe money back. No. The Department is not looking to go backward and be punitive to anyone who's borrowed prior to this effective date. But what we would, would be punitive with is if a school ignores the aggregate limits and processes of the loan for somebody and, you know, that's a little bit different. But if you're looking at somebody who's coming into this

particular effective date with X number of loans that may already be over the limits, they're not going to be expected to pay that money. I mean, they're not -- it's not an overpayment like we're used to seeing. That is not what we're going to consider -- that -- these are new limits with the effective date going forward.

MS. COLVIN: Yeah. And just trying to make sure that we're clarifying the campus responsibility, right?

MS. ABERNATHY: The campus responsibility comes in if a school certifies a loan for someone who is ineligible; that is a school liability. Now, you're not ineligible -- you know, if you're coming to the table and you're doing all your checks and balances at the institution, you're going to look at that. You're going to see that they're over their limit. You're not going to give them any money, I would hope. And so therefore the school liability would be nothing because you did not award that student and that student -- these loan limits were not subject at that particular point in time when the student was eligible to receive the funds that the student received. Make sense?

MS. COLVIN: Thank you.

MS. WEISMAN: Alex Holt.

MR. HOLT: Okay. Two clarifications.

Annmarie, I promise I'm not trying to say the same thing again. Just to clarify what was just said. If somebody has, let's say, over \$100,000 in loans and they try to enroll in a graduate program, they are ineligible for further Federal loans. Is that correct?

MS. ABERNATHY: (inaudible)

MR. HOLT: Right, sorry, for the start date of next year.

MS. ABERNATHY: They would not. They have no more eligibility. They've reached their aggregate loan limit.

MR. HOLT: Okay. Is that also true for the, the maximum that you have in, I think section J, the maximum and lifetime maximum? Yeah.

MS. ABERNATHY: Yes.

MR. HOLT: Okay.

MS. ABERNATHY: Yes.

MR. HOLT: Alright. Thank you.

MS. ABERNATHY: These are new loan limits that are effective upon the dates that we've indicated here. So as soon as that becomes effective, anyone that is over that going into that effective date is not going to get any -- should not get any more loan money because they have reached their maximum lifetime maximum, or their aggregate for that -- or the annual

limit for that year. So it is, it is capping borrowing. I mean, that is exactly what we are doing here. We're capping the amount of money that they can get overall lifetime. They're getting capped on the different types of loan programs at the different types of levels, based on the credentials that they're taking for both annual and aggregate and lifetime, so here we are. Annual, aggregate, lifetime.

MS. WEISMAN: Last question of the day goes to Jenna.

MS. COLVIN: So just want to make sure I understand, because I thought this morning that you said that the aggregate limits do not include undergraduate amounts for graduate students. Did I not understand that correctly? The \$100,000, does it include undergraduate or no?

MS. ABERNATHY: I'm going to say it is too late in the day for me to answer that question, because there is a provision in here where the way we worded it looks like it's -- let's just circle back tomorrow and clarify, because if we did say something wrong this morning, I certainly want to get on the official record of fixing it. So thank you for bringing that to our attention. Let's take that back and we'll get back tomorrow. Sir? So we're just going to take it back

because we have three people sitting up here with three different interpretations, and it's way too late in the day for us to put our toes in sticky water.

MR. ANDRADE: But I actually have a entirely new issue. And it's related to what we were talking about before with regard to lapse of appropriations. This is sort of hot off the press. There was a decision made earlier today that suggests that neg reg could continue under a lapse of appropriations. And we will be working through that this evening and have an update for you tomorrow with a confirmation. So please stay tuned. One of the great things about this job is, you know, things are always changing. You never get bored. So -- but I would like to pass that on. So there's a -- there is a possibility that we can work through this. Annmarie?

MS. WEISMAN: Thank you so much.

MR. ANDRADE: Okay.

MS. WEISMAN: Bob has a comment that he would like to make. I told him earlier I would allow that. So, last comment of the day for real.

MR. CAREY: Since we have all this additional time now for the remainder of this week, myself, as the alternate military and veteran student borrower negotiator, the primary legal aid negotiator,

and the alternate legal aid negotiator do hereby move that the RISE negotiating committee go into caucus with all the negotiators and observers for the afternoon session of September 30th, that the Department show the Major League Baseball playoff games on the stage screen, and that the Secretary allowed beer and popcorn to be brought into the auditorium for the games. I would very much appreciate a concurrence vote on that. Okay, just wanted to give a little levity, folks.

MS. ABERNATHY: We respectfully decline, but thanks.

MR. LALLO: Unless we can be included.

MR. CAREY: All negotiators and observers are in the motion.

MR. ANDRADE: Does that, does that encompass the wild card playoff in the American League?

MS. ABERNATHY: Oh my goodness.

MR. CAREY: That's exactly --

MR. ANDRADE: You might, you might have something there.

MS. WEISMAN: I'd like to thank everyone for their kind attention throughout the day. And I wish you a good evening. We will resume tomorrow at 9:00 a.m.