

2025 Negotiated Rulemaking - 9/30/25

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
REIMAGINING AND IMPROVING STUDENT EDUCATION (RISE)
SESSION 1, DAY 2, MORNING
September 30, 2025

On the 30th day of September 2025, the following meeting was held in-person, from 9:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. WEISMAN: Good morning, everyone. Welcome back to day two of our negotiated rulemaking session on the Reimagining and Improving Student Education Committee or RISE for short. Once again, we have quite a lot to cover today, and I think that the negotiators have seen that things move very quickly around the table. I'd ask that you remain present, as you did yesterday, and please ask any questions that you have. That can mean just asking us to slow down for a minute. Or if you need help with what document we're reviewing, what section of a document, what regulatory section, please do raise your card so that I can acknowledge that and help to get us all on the same page. And just a reminder that if you have a question, there are probably others around who have that same question. And so don't be shy, please do ask. We want to make sure that you have what you need, so that we cover each topic as thoroughly as possible, and that you feel comfortable that you've understood the content. We're going to start with a quick roll call, and that will also serve as a double check for your microphones. I'm going to call off the names by sector. And so we'll have the alternate go first and the primary second. If you could just say your name and that you're here, that would be really helpful.

So we're going to start with legal assistance organizations.

MS. NAPORLEE: Ashley Naporlee.

MS. WEISMAN: And for the alternate?

MS. HOFFMAN: Tamar Hoffman.

MS. WEISMAN: Thank you. Student loan servicers, collection agencies, lenders, and guaranty agencies. Primary?

MR. RICCI: Alex Ricci is present.

MS. WEISMAN: Thank you.

MS. HARTUNG: Lori Hartung.

MS. WEISMAN: Thank you. Organizations representing taxpayers and the public interest. Our primary?

MR. HOLT: Alex Holt.

MS. WEISMAN: Alternate?

MR. GILLEN: Andrew Gillen, present.

MS. WEISMAN: Private nonprofit institutions, primary?

MS. COLVIN: Jenna Colvin, present.

MS. KOHLER: Patti Kohler.

MS. WEISMAN: Alternate? Thank you. Proprietary institutions?

MR. VAUGHN: Andy Vaughn, present.

MS. WEISMAN: And the alternate?

MR. BODIMER: Jeffrey Bodimer,
present.

MS. WEISMAN: Thank you. Public
institutions, primary?

MR. KING: Timothy King, present.

MS. WEISMAN: Thank you. And our
alternate?

MR. ELLSWORTH: Matt Ellsworth,
present.

MS. WEISMAN: Thank you. State
officials, primary?

MR. KEMP: Scott Kemp, present.

MS. WEISMAN: And alternate?

MR. BOGGS: Bennett Boggs, present.

MS. WEISMAN: Thank you. Student loan
borrowers, primary?

MS. LILLY: Deborah Lilly, present.

MS. WEISMAN: And alternate?

MR. OGUH: Emeka Oguh, present.

MS. WEISMAN: Thank you. And our
student loan borrowers who are veterans, it appears that
neither our primary nor the alternate are here at this
time. And we do have our Federal negotiator, Tamy
Abernathy.

MS. ABERNATHY: Present.

MS. WEISMAN: Present. And from the Office of General Counsel?

MR. LALLO: Jake Lallo, present.

MS. WEISMAN: And from the Office of Postsecondary Education?

MR. ANDRADE: Jeff Andrade, present.

MS. WEISMAN: Thank you. And, Jeff, I believe you said you have an important announcement for us.

MR. ANDRADE: I do. Remember about 24 hours ago when I was talking about contingency plans? So forget about what I said yesterday. But no, in all seriousness, you know, one of the things in government that we do, and I think we probably do well, is contingency planning and constant monitoring. So as we've gone one day closer to the situation about a possible lapse in appropriations, there has been a change in our contingency plan, and there are some government lawyers who went to law school that I will honor their education by reading the statement that they have prepared for me. So, as I said, typical agency practice in anticipation of a lapse in appropriations is to monitor and continuously reevaluate what functions would be exempt or accepted from a furlough. So based on the current circumstances, the Department has determined that the current negotiated

rulemaking and certain other regulatory functions will continue in the event of a lapse of appropriations to ensure that otherwise funded programs at the Department are not prevented or substantially impaired from executing the programs as authorized. In particular, failure to actively continue work towards promulgating these regulatory changes would substantially impair otherwise funded programs like Pell Grants and Direct Loans from implementing new statutory requirements by the statutory deadlines under the One Big Beautiful Bill Act. So you guys are doing such a great job that the Secretary's office and the Administration has recognized that we're making continued progress. And so we are going to proceed in the event that there's a lapse of appropriations and the Department tomorrow has to otherwise start an orderly shutdown of other activities. So we anticipate that will not have an impact tomorrow because there will be folks coming in, but later on Thursday and Friday -- and I will provide updates to you all about changes in entrances and times and things like that. But we will be proceeding. We will not be pivoting to a virtual format in two weeks. And we will be doing business as usual as we come through. And, Alex, you have a question?

MR. HOLT: I have a question. Do you

anticipate that we will be physically coming into this building for the rest of the week?

MR. ANDRADE: Yes, sir.

MR. HOLT: Okay. Thank you.

MR. ANDRADE: Just as we're doing now. Maybe a little bit change in the morning protocols, but I will give you ample opportunities -- hopefully based on yesterday's comments, which were done in full faith, and have been in the works for several weeks, hopefully nobody made changes to their travel plans. But appreciate you staying on there. Appreciate the good work. And we will continue to plow through. Okay. Thank you.

MS. WEISMAN: Does anyone have any questions before we get started? Alex Ricci?

MR. RICCI: Does this mean the live stream continues? And everything else around this rulemaking is as-is? Okay, cool. Thank you.

MR. ANDRADE: Yes. And we're in the process of -- we will have many of the same staff that you've been working with. Tamy in particular is -- was added to the list. I met with the Secretary's office and the undersecretary last night, and we sort of worked through the logistics. So appreciate your cooperation in this.

MS. WEISMAN: Any other questions

before we get started? And I just wanted to complete our roll call. We have one member who just joined from the student loan borrowers who are veterans, military service members, or groups representing them, if you could just say your name for the record.

MR. SULMAN: Good morning. My name is Faisal Sulman.

MS. WEISMAN: Thank you.

MR. SULMAN: I apologize for being late. I had a phone call.

MS. WEISMAN: Okay. Seeing no questions, then I'll turn it over to Tamy to get us started.

MS. ABERNATHY: Thank you, Annmarie. You guys are stuck with me, sorry. And I will have three shots of espresso for tomorrow. Okay. One of the things that we like to do in the morning is regroup and talk a little bit about the business from the day before that was left outstanding. And I just want to commend each and every one of you for the way that you're engaging with us, the way that you are suggesting things. And while we may not take every suggestion you have, we may have limitations on the statutory language, we hear you and we want to hear more from you. Not too much. I'm just kidding. The whole purpose of why we engage in negotiated

rulemaking is to make sure that the Department has it right. This is our first pass at the regs. And admittedly, the OBBB is an extremely voluminous bill with a lot of moving pieces and parts. And it's going to take the village that we have in this room and the public to make sure that we get every piece and part correct. To that end, I want to mention the forbearances. You guys presented a very great opportunity for the Department to take a step back from our proposed language. We will need to reevaluate and come up with a little bit different language to make sure that we capture the intent of Congress and that it's clear to the community what forbearances count, what don't count. And we feel like we need to tweak that language and make it a little bit more in line and precise with where we really want to go on the Department side. So thank you so much for pushing on that issue for us to take another look at that. We're also going to look a little bit at the deferment. So while I said we would not be going through that first issue paper of 674.39, we will because we're going to be making some changes. We're just not able to do that. We did work until after 7:30 last night and found ourselves not being able to, after a very long day of negotiations, flesh all of the pieces out that we want. So we ask you to let us take a few more days and get it right, and then

circle back to you guys on that. Okay? That's the first thing. Yes, ma'am.

MS. NAPORLEE: I just wanted -- so do you still -- would you still like us to email you?

MS. ABERNATHY: Absolutely. Absolutely. We are still -- yes, absolutely. If there's -- you know, we don't want to squelch any of your creative minds because, seriously, we are looking at everything that you send us. We look at it and we talk about it. That's why we have morning huddles and lunch huddles and afternoon huddles and evening huddles, because we take it very seriously. And so if you have something, an example or something that will help us, we most definitely would like to see that. So thank you for offering to do that for us. Sooner rather than later, but, you know.

MS. NAPORLEE: Gotcha. Thank you.

MS. ABERNATHY: Alright. Any other questions before we go through a little bit more housekeeping from yesterday? Okay. So we are going to get to some of the changes that we've made in the loan limits. I do want to apologize for the loan limit discussion draft that was posted yesterday, we noticed, after a second attempt of trying to make sure that we had the right paper posted on the screen and in the web to the public, that we did not have the right paper again.

So we're still not sure what happened there, but there were a few internal edits on that document. So we've recirculated a new loan limit discussion draft to you. I would ask that you don't use the other one any longer and refer back to the new -- or refer to the new one now, so that we can make sure that no internal edits are on those documents. It's hard enough to look at red lines. The last thing we need to do is look at red lines that have been crossed out a couple of times, and don't need to be there and don't need to take us away from the appropriate red text that we're trying to get through. Okay? So thank you for that. And our apologies to the public and our apologies to those of you around the table and in the room. We're sorry that we missed the mark on that one. We're going to do better. We promise. Alright. You wonderful, imaginative people have provided us with a few proposals and a data request. So I want you to know, Mr. Holt, the data request has been circulated to the team or will be circulated no later than this morning when they all get in here. And they'll be working on this. I do not have an estimated time of completion, but that data request has made it to the area that it needs to. So thank you very much. We'll get back to you as soon as we can.

MS. WEISMAN: Tamy, if you can take a

minute, we have a question from Jenna.

MS. ABERNATHY: Oh, I'm so sorry.

MS. COLVIN: Can we get printed copies of the language that was circulated today? At my hotel, I didn't have the ability to print it before we left.

MS. ABERNATHY: How many need a printed copy of it? One -- I'm sorry. One, two, three, four, five, six, seven, eight. Will someone please make eight copies of the loan limit paper? We'll have that for you. We're not discussing that right at this moment. So soon, maybe we'll have it for you in the next little bit. So, thank you. Sorry about that. Alright. Back to the proposals that we received. We received from Mr. Ricci a rehabilitation question. Let's see. We appreciate that you want to allow us to interpret the effective date so that borrowers may start their second rehabilitation process ten months before July 1, 2027. We believe that the whole trigger here is rehab starts on the date that it's sold to the lender, and that cannot start until July 1, 2027. So we are not going to be able to change the reg text to address that concern. But we do appreciate you sending that in for us to consider. Ms. Deborah Lilly submitted a proposal on professional student. She provided two issues and a recommendation. I want to clarify something. We were kind of saying yesterday, and

I feel like we may have confused you, and that's certainly not our intention -- we've been saying an exhaustive list. It is not an exhaustive list. It is a list at a fixed period of time that we are coming to the table and providing that information as it is in 668.2 as a professional degree, but it is not an exhaustive list. We've identified the programs that are aligned with these definitions, and what we plan to do is allow that to be open-ended. Meaning, at some later date, we will look at negotiations. Currently right now we are not looking at creating a negotiated rulemaking around the definition of professional student. So at this point, we would like to keep the language where it is. But I will tell you there are some other changes that we'll talk about in a minute about professional student that may help ease some of the concerns that you presented to us yesterday. But, you know, I can't reveal everything at once. I got to keep you waiting and guessing so that you stay engaged with us. Issue number two, we understand that there was considerable confusion around HEAL and health profession loans. There was also a lot of confusion, and a lot of conflating of terms. I want to be perfectly clear here that there are three loan limits, an annual, an aggregate, and a new lifetime maximum. If we put those together, we get ourselves all turned around and

confused. So I want to make sure that when we're talking about loan limits and you are giving us a question, it's going to be very easy for us to get confused as well if we're not clear what loan limit you're referring to and we could be off on a rabbit trail that's not even addressing your question. We obviously do not want to do that. So please refer to the loan limit your -- within your question whether it is an annual, an aggregate, or a lifetime. That will help us answer your question more correctly and keep us all on the same page. And because this stuff is so confusing, perhaps eliminate confusion for both you, the public, and ourselves. We -- you know, it's very easy to get caught up in what all of that means. And so I want to make sure that if you help us with that, maybe we can navigate through this a little bit quicker with a little less confusion. To that end, we have looked at the public health and we will talk about that in a few minutes. I just want to let you know that we will get to this part of your question, but I am not ready to jump into the red text. I would like to finish the other proposals, if that's okay. Thank you, Ms. Lilly. We're going to have some conversation around accepted loans. We're not able to make any changes. Thank you for asking us about unbundling, but FFEL loans really do need to be consolidated to qualify for certain things.

And so we're not able to fulfill your request, but thank you for submitting that. We appreciate that. And we will have a member of our team walk through in a little bit more specificity some of the things around the eligibility criteria and why consolidation is important for those things. So look for someone to reach out to you during one of the breaks. Thank you so much. Alright. One of the things that came out of yesterday was wanting a distinction between health professions and HEAL. HEAL -- at the end of '98, HEAL went away like so often our loan programs do. This was not a loan program under the Higher Education Act. This is a loan program -- it was -- HEAL was with HHS and now it is -- it is now ours. But we did not administer -- for the many parts that HEAL was available, we did not administer that particular loan program. It did end. And because it ended under the Public Health Act in 703, it provided for additional health profession loan limits. So here we go again with another loan limit. And all the better reason that we simply make sure we understand what loan limits we're talking about. While we do -- we are taking back to make sure that it's the intent of Congress that these remain separate, our position at this point, but we really do need to take this back and get ultimate confirmation that our read of the statute does not include health

profession loans as loan limits. It's separate and apart because it's under a separate authority. It's not under the same authority as the bill. It's under its own separate authority. But I do not want you to go away from the table thinking that is the definite answer. We want to go back and make sure with 100% certainty, before we come out with an official position, that that is the answer. But we do recognize that that was a very important distinction that we needed to make, a very important baseline understanding. And so thank you so much for pushing on that for us to take another look at that, because we did not see that in the bill. And therefore we're assuming that we are not going to assume anything until we know. So we will take that back. You'll hear from us after we've had a chance to work with our upper administration to make sure we have the answers right. And then, of course, if we do need to either speak to it in the preamble or make sure we speak to it -- I'm not sure we'll speak to the actual HEAL part or the health professions and the regulations because they're separate regulations. But we will speak to it in the preamble so that there is clarity out there. We will also make sure that our operations team has language on the website. We do know that we speak to this on the website already. And even though those programs are listed as

health professions and there are loan limits at 50,000 and 80,000 for those different health professions, that is not -- we are not taking those health professions and moving them into -- if they're already in our definition, they're in the definition. But we're still going to use the 668.2 as the professional degree definition. Okay? And a reminder, it's not an exhaustive list, but it is the list fixed at this point in time, but with the caveat that if it needs to be negotiated at a future date, it would be. But there is not, right now, anything scheduled for professional student or professional degree on the rulebooks for -- I shouldn't say rulebooks -- on the, on the books for negotiated rulemaking at this time. Okay? Alright. Let me make sure -- I told you about deferments and forbearances. There was a dear colleague letter from 2008 that we're also -- you know, that talks about the health profession loan limits. So that dear colleague letter, if someone could provide a link to that dear colleague letter for the negotiators, if you would send it to the negregfacilitator@ed.gov, that way they could get that out to the facilitators -- they could get that out to the negotiators and you guys would have that as a reference, okay? Alright.

MS. WEISMAN: Tamy, I have a question over here from Ashley.

MS. ABERNATHY: Yes, ma'am.

MS. NAPORLEE: Sorry. I have one thing a bit off topic, but I just wanted to bring your attention to it that we also submitted a data request this morning, so I just wanted --

MS. ABERNATHY: You submitted one this morning? Separate and apart from --?

MS. NAPORLEE: It was at 8:50 this morning, so I'm not sure if you've had a chance to review it. So I just wanted to bring that to your attention.

MS. ABERNATHY: So if you've submitted anything this morning, it would come to us around lunchtime to make sure. So we'll make sure -- the people in the room will take this and look, look at it. We usually try to do it in order of receipt, so that may be something that we'll have to look at during our lunchtime huddle. But rest assured, if it's a data request, it's going to take the same path as the other data request. We'll get it to the right person, and we'll try to get that as soon as possible. But I have no guarantees as to when that will be.

MS. NAPORLEE: That's fine. I just wanted to (inaudible)

MS. ABERNATHY: Thank you, we appreciate that.

MS. NAPORLEE: Thank you.

MS. ABERNATHY: Keep us honest.

MS. WEISMAN: Jeff?

MR. ANDRADE: Yeah. I just wanted to provide a reference on the dear colleague letter that Tamy just referenced. It's GEN-08-04. Also as under the financial partners designation is FP-08-04, and it deals with aggregate loan limits for graduate and professional students preparing for the health professions. Makes reference to the 703A of the Public Health Act.

MS. WEISMAN: Jenna?

MS. COLVIN: So, thank you. I understand you're saying there's a different authority out there. I'm not sure I'm tracking on how that impacts what we're talking about.

MS. ABERNATHY: Technically, it doesn't, and that's the point we're trying to make. It does not have an impact at this point. We are going to confirm with 100% clarity that the intent of Congress was not to include this in any way, shape, or form with the loan limits, the annual and aggregate loan limits that we have right now for our loan programs. So because we don't -- it doesn't speak to it in the bill, we just want to make sure that before we finalize this issue that we reach out to others. So we need to take it back and get

back to you after we've heard from our upper administration. But it is exactly that point. This is separate and apart from what we are talking about as the loan limits as they apply to our Direct Loans. Does that make sense? It looks like you -- let's talk it through.

MR. ANDRADE: So yesterday, when you were making references to the handbook was dealing with that section and that authority. It did not fall under the general definition. So again, our assumption coming in was that there wasn't a change there. So again, we're going to confirm that with our colleagues throughout government on that there was not a change, but that particular reference that you were talking to, when we went back and looked at it, was dealing with the separate authority.

MS. WEISMAN: Jenna, and then Deborah.

MS. COLVIN: So the separate authority still exists and is in -- is operational or it's going to go away. Sorry, that's (inaudible)

MS. ABERNATHY: No. The separate authority -- when there is different authority over something, that means that what has been impacted by OBBB, by the bill, has not impacted that. So that's separate authority because it's not under the Higher Education Act, it's under a different authority in 703

and public law. That was not touched at this point or impacted by OBBB. The one thing that we want to make sure before we continue to chart this course is that was the intention and that is still the intention, and we want confirmation on that before we go any further. We believe that it is separate. That is our position at the moment. But we want ultimate clarity so that we can provide that to you. Does that make sense? Okay, great. Anyone else?

MS. WEISMAN: Deborah.

MS. ABERNATHY: Sorry, Deborah.

MS. LILLY: Thank you. Just to clarify Jeff's request, are you asking for a -- one of us to send you the GEN-080 --

MS. ABERNATHY: No, ma'am.

MS. LILLY: -- dear colleague letter?

MS. ABERNATHY: No, we have it. We want to give you what it is, so we're going to provide you the link. But he was giving you the identifier in case you were looking it up right now and you didn't have the link yet.

MS. LILLY: Perfect. Thank you.

MS. ABERNATHY: But thank you for offering. So if we need something, we'll just reach out to you in a little bit later. You guys are so helpful.

MS. WEISMAN: Scott?

MR. KEMP: And just to clarify on, you know, the list, the -- yes, we understand that it's not exhaustive, but it's the list that's set in place right now. I think some of us came to the table looking at the language that was presented that there was -- the Secretary could designate through rulemaking any changes to that. We're already in rulemaking right now, and there was an opportunity to do that here. And I guess the understanding is that that door has been closed. So for our constituents who disagree with this list and have been giving us an earful about this, what would it take to have the Secretary designate a rulemaking process to discuss the list so that they can start that process?

MS. ABERNATHY: So at this point, I would like for you to table that question until we get into the weeds of the actual new language. As I said, at this point, the Administration does not have any rulemaking on this scheduled. And so, unfortunately, we know that not everyone is going to agree with us. But we hope that by going through the changes that we made and clarifying some things based on the suggestions that you made yesterday, that that will help show in good faith that we are trying to negotiate around the pieces that we can negotiate around.

MS. WEISMAN: Alex Ricci?

MR. RICCI: Tamy, you had mentioned that you were working on a process to understand Congress's intent when it came to loan limits. I was hoping you could give us an understanding of what that process looks like, because a lot of what we're trying to do here is sift through intent of Congress.

MS. ABERNATHY: We need clarification from them that they purposefully excluded the health profession loans from the loan limits that are in OBBB. That is -- and when I say we're working, we have an upper administration that is looking to finalize that answer for us. It's not those of us sitting at the table. It's several layers above us. And so we did speak about it this morning. They will get back to us when they've had a chance to flesh that out all the way up, what I call a food chain, the chain of command, and make sure that what we are doing is not impacted by something that we did not see in the bill. Does that make sense? Is that a better answer? You still look kind of confused, I don't know.

MR. RICCI: I think Jake wants to weigh in.

MR. LALLO: Yeah, just to clarify. So because that was done through a DCL that's subregulatory guidance, we need to -- and that was interpreting the intent of Congress at that time. If you look at the DCL,

they specifically mention updates to the HEA that were made in 2005. And, you know, it was the Department's attempt to basically read the intent of Congress at that time and determine that those were -- those loans should be treated separately. So because it's subregulatory, we need to consider that more carefully. It's not something that really we can just make a determination on. It needs to go up to the Secretary effectively to determine whether or not the Department still wants to carry on with that process because again, we don't want to preempt Congress here, and it is some careful analysis that needs to be worked out.

MS. ABERNATHY: It is also a separate authority. So it is not under the Higher Education Act. And that's that right there.

MS. WEISMAN: Alex Holt?

MR. HOLT: I just want to clarify. I understand that it's going up to the Secretary and this is, you know, important people talking to important people. But I just want to understand. So Congress passes a law, there's a -- like there's text. And then my understanding is typically the text is then interpreted. So are you asking the members of Congress who passed the law, like, how do you determine congressional intent after a bill is passed?

MR. ANDRADE: I think what we're looking at is making sure that changes in one section -- or determine whether changes in one section override authority in another section, and how that authority has been exercised. Because there is no -- there's no current connection between the two. I think that our initial read on that is that they were separate, but again, this has enough impact that we want to make sure, doubly sure, that that is the case and that everybody agrees with that interpretation up the line. So again this authority has been exercised, I think, since the mid-90s when the HEAL program started to go away and we started to fund loans for certain health professions under the Direct Loan authority.

MS. ABERNATHY: Okay.

MR. ANDRADE: And just to add one -- and again, we did -- it didn't come up before because we did not envision that as part of the general definition of graduate and professional students. It's its own sort of niche.

MS. ABERNATHY: You guys ready to go on? Excuse me. Get me all choked up already. Okay, let's turn our attention to the new loan limit paper. Has anyone -- we may not have had a chance to circulate that yet, but we're going to go ahead and get started on that,

so it will be up on the screen, Jenna. So one of the things as we went back, I believe -- let me see. Yes. Thank you. Yes, if we could get right there. Thank you, Linnea, that's exactly where I want us to be. If you will notice on the screen, there are some items that are in this beautifully bright yellow. And we have marked through something that you saw as proposed text yesterday. So the changes that we have here -- and so, this particular section, we have stated -- we, we had an -- excuse me, we had a suggestion that perhaps we could provide additional clarity around this particular section by separating out the sentence a little bit and making it a little bit more clear. So what we did was these programs are designated as professional degrees. Then we list what they are based on 668.2. We stopped there and then say additional professional degrees must be designated by the Secretary through rulemaking. So I hope that responded to, I believe it was one of the Alex's that requested that that was a bit confusing, and could we fix that? So Alex, I hope that did what you wanted it to do there.

MS. WEISMAN: Alex?

MR. HOLT: It did. Thank you to the Department. It perfectly clarifies. Thank you.

MS. ABERNATHY: Wonderful. So while

we're talking about the graduate and professional degree, and we're talking about the loan limits as we navigate through this, I am going to, you know, go back to my script a little bit so that I can kind of walk you through what the Department was thinking and also give you some additional rationale as we talk through all of the sections that we made amendments on. So we did hear from you. And one of the things that we will be doing as we get to this in our paragraph (l), and Linnea, you don't have to share the screen right at the moment because we'll get there again. I just want to talk through the changes and then we'll go from there. The Department heard from you. We understand in a dual degree situation or a joint degree situation, that there could be an MBA and a Juris Doctor. And you'll see when we show you the proposed language that we've tweaked it slightly. We still want to hear from you. And we'll go through that in specificity in a minute. But we've moved the regulations from what was (l) to add a joint -- to add a definition and add parameters around this joint degree, dual degree. And then we've moved what was (l) to (m). And so as we go through this, I just don't want you to see that we've -- oh my goodness, they've changed stuff drastically. That drastic change was just moving it down a paragraph and putting, with clarity, in subparagraph

(1), this particular instance of creating this -- the parameters and the definition around what is considered the dual degree. Okay, so let's just go through the red text. And as we get to the sections, I'll respond to all of the things that I need to respond to that are on my list. So I'm going to consider this particular -- you know, right now we have -- we believe that we have been responsive to this definition. We do not have an appetite to change it. We do not have an appetite at this point to schedule another rulemaking. So we are going to consider this particular definition right here, the professional degree, professional student definition as finalized for the purposes, whether -- as far as not going through negotiated rulemaking. So there's not an appetite for us to continue to discuss this over and over again. We're not going to change at this point. This is the fixed list because of the regulations in 668.2. This list is fixed right now.

MS. WEISMAN: Tamy, we do have some cards up. Start with Ashley, then Deborah, then Andy.

MS. NAPORLEE: With regard to section 668.2, that this particular section seems to mirror, I think important language that's omitted is that 668.2 explicitly says examples of professional degree include, but are not limited to, and that part is what's missing.

And I think that causes us concern that this list is very limited and cannot be expanded without additional rulemaking.

MS. ABERNATHY: Correct. That is exactly the intention.

MS. NAPORLEE: So it's intended to mirror 668.2, but then eliminate the important --

MS. ABERNATHY: Is to reference 668.2 with those, with those particular programs that are listed on the screen. And it says additional programs and additional professional degrees must be designated by the Secretary through rulemaking. So at this point in time, we are saying this is the definition that we want. At some later date, through rulemaking, it would be considered if this was part -- obviously, we'd have a rulemaking on this particular definition, it would be considered. So at this point, we're not, we're not modifying the definition. We're going to keep this definition as it is on the screen.

MS. WEISMAN: Andy?

MR. VAUGHN: No need for reply necessarily, but I just want to make sure before we depart later this week, I exude the following, and that is there are ten programs on the professional designation list. The glaring omission from this list is mental

health, and physical health is all over that list. It's 90% of it. Mental health doesn't even occupy one slot on the list, and it's possible through the professional designation from the separate statute outside of OBBB that could solve the issue, but there's no guarantee of that. And, you know, we rarely have a week in our country where some national story about mass violence doesn't hit our news feeds. And every time that happens, mental health is the foundational, seminal place that we point to. And I believe in the greater good. I believe everyone in this room believes in the greater good. And mental health seems to be the root cause issue of a lot of our challenges in this country, especially today, just in the last couple of weeks. So, including mental health licensure programs, one way or the other, I think is really critical because this is going to decimate the pipeline of mental health professionals. I've been in mental health for the last 12 years. We're used to it. Physical health gets all the attention. They always get the stars. Mental health is always the forgotten child. We're second-class citizens sometimes, and I think we have to stand up and do what's right. Even one month ago, the VA Office of Inspector General said in their audit dated August 25, clinical psychology was the most difficult position to fill in VA hospitals. As someone

with a dad that committed suicide at 61 as a veteran and a brother did the same, a Navy veteran at 55, mental health is that important for our veterans. And I think suicide prevention is the VA's number one goal right now. Just want to put on the record that the largest employer of clinical psychologists is the Veterans Administration. And I think Congress is literally inviting us to expand on an antiquated list. And for today's country's challenges, I think mental health is vitally important. I implore the Department to rethink the list just based on the needs of today. We're not trying to solve the mental health crisis in this room today, but we are positioned to do something about it and expand the list that is completely outdated to help fix what's broken in this country. And I would again ask the Department to reconsider that. We should not let this moment pass. We owe this to the American people. Mental health is a crisis in this country, and it's up to us to help fix that. Thank you for your time.

MS. ABERNATHY: Thank you for your comment.

MS. WEISMAN: Next we have Timothy, followed by Alex Holt.

MR. KING: Thank you. I have two comments. One is unrelated. I mentioned this to Assistant

Secretary Andrade yesterday. I just want to comment. Thank you all for the Department for what you're doing. I know you have a difficult job. But we appreciate it, and thank you for inviting us here. The second thing, I want to build on what Andy said. I am a mental health counselor by training. That's what my doctorate is in. The number one threat to retention and graduation rates in college is mental health. It's not financial aid. Financial aid, second and third in most places. But I want to -- you know, I realize we're not going to change any language, but for future reference, I would like the Secretary to consider these numbers with Masters of Science in Nursing and DMD, according to the American Association of Colleges and Nursing, 95% placement rate, 46 months from graduation outside of graduation for MSNs for DMPs, 100% placement rate. MSW, DSW, both requiring -- all these require licensure. According to the Occupational Outlook Handbook, predicted 6% job growth over the next ten years. The US Bureau of Labor Statistics for Clinical and Counseling Psychology, 4.4% increase in job growth over the next ten years, and also from the Bureau of Labor Statistics for Clinical Mental Health, average of 3% growth, with some of those being up to 18%. And I'll go back to what Andy said that 18% growth rate is in addictions and other related mental

health positions. So I just wanted that stated for the record, for the Secretary to consider when regulations can be talked about in the future.

MS. WEISMAN: Alex?

MR. HOLT: I would request a caucus with just like 10 or 15 minutes with the following primary and alternates: private nonprofit institutions, proprietary institutions, public institutions, and state officials.

MS. WEISMAN: So just to confirm, you would like a 10-to-15-minute caucus. Members would be the primary and alternates from private, nonprofit institutions, proprietary institutions, public institutions, and state officials.

MR. HOLT: That's correct. And the taxpayer and public interest, just to be clear.

MS. WEISMAN: Adding taxpayer and public interest as your constituencies. So given that we have a smaller number than the number of people in the room, if I could have an Ed staff member escort this group. Your escort is Valerie (inaudible) over here.

MS. ABERNATHY: Val, we'll do it right there.

MS. WEISMAN: Welcome back, everyone. We've had a caucus and a break. I'd like to ask the

caucus group to please do a brief report out to the rest of the team.

MR. HOLT: Sure. The caucus discussed the Department's proposal related to the professional degree versus graduate degree list. The caucus requests the ability to return to this question at a later point in the negotiations.

MS. ABERNATHY: We'd like that.

MR. HOLT: Okay.

MS. ABERNATHY: Sounds great. Thank you.

MS. WEISMAN: And I understand that Jeff has one brief announcement.

MR. ANDRADE: Yeah. Thank you. Just to give you a quick update with regard to tomorrow. We -- the only difference in terms of security is there'll be only one door, which will be the far door over here in the corner behind you folks, where I'm pointing, enter onto the C Street side, and then you can go through security at that, at that point. But we're just going to be limited down to one entrance. And that'll start on tomorrow. And then we'll be open here starting at 8:30 a.m. Okay.

MS. WEISMAN: Okay. Seeing no cards, I'll turn it back to you. Tamy.

MS. ABERNATHY: Fabulous. Thank you so much. Alright. Trying to get my wits about me. If we could get on the screen, please pull up the regulatory provision of professional student. I believe that was the -- yep, thank you. Oh, see that? I just snapped -- they just snap it, and it's right there for me. You got to love this.

MS. WEISMAN: Could you read the regulatory text number?

MS. ABERNATHY: Sure. It's 685.102. It is the same issue paper. The loan limits issue paper that we've been discussing that we handed out to you earlier and sent earlier today to you in email. Okay, so we have covered the first part of the changes here on Professional Student. And we know that our caucus will come back and relive this. Again, in a very nice way, I'm saying relive this. You want to report out and have additional conversation about this later. We appreciate that because we do need to move on, seeing as it is getting -- you know, we want to make sure that we get through the rest of the changes that we have here. One of the things -- let's see, we need to talk about -- if we could go to -- let me see. Make sure that I'm in the right thing. We need to stay on -- we need to stay here. And please go to (1) for me. Yeah. So we're -- yep. So we

move here to go to (1). So one of the things that we did here, we heard from you where a student enrolled in a program that awards both the graduate degree and professional degree, and the academic program would award both. You know, for instance, if it's an MBA and a Juris Doctor, the -- they would award both for -- you know, upon completion of the program, they award those for loans. The Department proposes to add this new paragraph (1), for a borrower enrolled in a program that awards both a graduate degree and a professional degree. And we'd like for you -- as we read through this, we'd like -- you know, as we are looking through it from the Department standpoint, we would ask for you to consider maybe an increase in the percentage. Am I on the right spot? Yes. Okay. So it says for the purposes of this section, if a student is enrolled in a program that awards both a graduate degree and a professional degree, the student shall be considered a professional student if more than 50% of the credit hours in that program count toward the professional degree, and we were wondering if the committee would consider, should that be 75%, 50%? We'd like to engage in conversation around that. Our idea here is we're trying to give a more beneficial loan limit for the people that are enrolled in dual enrollment or however you define joint degree or dual enrollment. We're

kind of trying to stay away from those terms, because it appears that there's a variety of ways that schools do this. And so if we try to put a round peg into a square hole and define a dual program or a joint program, we might end up causing consternation in the community. So how we've tried to account for that is to say it here. This is how we would perceive this particular fix towards that question that came up yesterday.

MS. WEISMAN: So I think we have a little bit of confusion as to where we are. I believe we're in 685.203 section (1)?

MS. ABERNATHY: Right.

MS. WEISMAN: So if you're looking at the paper that was just passed out, again, as a revision, you're on page 11. And then we have a question from Jenna. And after that, Alex Holt.

MS. COLVIN: I just want to say thank you for this additional language. I don't know the answer. I would like to talk to my constituent group.

MS. ABERNATHY: Absolutely.

MS. COLVIN: (inaudible) back on that.

MS. ABERNATHY: Yes. Please take this back. This is, again, our proposal, so.

MS. WEISMAN: Alex?

MR. HOLT: I just want to state a

concern with the definition and I -- I'll be fully transparent. I don't necessarily have a solution yet. I think that 50% seems too low. My concern is, again, that it would incentivize people to enroll in dual degrees in order to get that professional limit. So you would suddenly potentially see more MPA JDs or MBA JDs. And I know that sounds a little crazy. Because why would somebody take on a lot more debt and be in school? But I do think there's a relatively large incentive to borrow, which we've seen. I mean, that's part of what was going on in Congress's intent to limit. My immediate thought would be something closer to 75%, but that seems like it could be an arbitrary number. And so I don't want to necessarily commit to an arbitrary number, but yeah, it's more that concern for now.

MS. ABERNATHY: Thank you. Alex.

MS. WEISMAN: Timothy?

MR. KING: In response to Alex, these are not very typical or common programs in higher education. There are a few here and there. I know of one person who has, you know, a joint -- dentist -- he's a dentist and a pharmacist, but they're not very common. But I do agree with Alex that we need to have a more research-based figure in terms of that percentage.

MS. WEISMAN: Jeff, and then Faisal.

MR. ANDRADE: Yeah. And just to clarify, on the 75%, it's really conceptually going from majority to substantially. You know, that's the notion there. So you know we can have a -- we can definitely have a range, but I -- it is a conceptual difference.

MS. WEISMAN: Faisal.

MR. SULMAN: I -- as one -- as someone who does have a JD and an MBA, I do understand the concern. I do agree of the potential incentivization to have the ability to potentially, you know, get more -- acquire more money through your loans while also at the potential detriment of incurring more student debt. Just on -- I do agree, and I do think that further research should be done of establishing a set number. I know from my own personal experience, the MBA portion of my classes did have some overlap in my JD. I want to say close to 30% to 40%. But I also went to a school where the -- my JD was on a trimester-based system, whereas the MBA portion was on a semester-based system. So I think further research should be done first. But I do think the essence of ensuring that a student would be considered to be a professional student should just be that their joint degree is more leaning towards that in terms of class amount. But I think that it's kind of already inherent in the fact that you only have a few number of classes that

can overlap between both anyway. Maybe a third, because I know that when I was, again, going through my degree process, I could only transfer like 12 hours out of the 36 or 40 towards that dual credit, so, thank you.

MS. WEISMAN: Next to Alex Holt.

MR. HOLT: Just a further question then -- that was very helpful. Thank you. Further question and a quick comment. So my question is, if they fully overlap, then how would the Department count it? Like if it's both at the same time, would it count towards the professional or towards the graduate as -- when you're counting the percentage? And then my comment is, I understand and I'm totally fine seeing the research of how rare these degrees are. However, I don't know how helpful that is because my hope is that we keep them rare, and my concern is that they no longer would be rare because of the new incentive structure in place. But yeah. Thank you.

MS. WEISMAN: Jacob, and then Timothy.

MR. LALLO: So this is in response to both of your questions a little bit, or comments, I guess. So we heard -- we also had the same concern of we don't want, you know, programs to abuse this by creating graduate and professional programs that lead to the majority of the program actually being a graduate program

to effectively disguise this at the higher loan limit. That's why we said 50% effectively at the bottom. In no case we want to go below that. We want the majority to always be the professional program. That being said, we also agree that there is, you know, some flexibility in terms of what that number should be. We're willing to go higher. That's why we brought the 75% number to you. And we're willing to discuss how that plays out ultimately. We don't want to encourage abuse of that either. In terms of counting credits towards both programs, you know, as Faisal mentioned, a handful -- like if you're doing like a JD, MBA, typically a handful of MBA credits count towards your JD. That's why we really tried to look at the overall program. I think generally where they count towards both the professional degree and the graduate degree, we would generally treat that as being part of the professional degree. I know I took -- I don't have a JD, MBA, but I took some courses that were cross-enrolled between JD and MBA students. Obviously, for that only counted towards my law degree. That counted towards their business degree. I think where the professional -- but because we're favoring the professional degree here with a higher loan limits, if it counts towards the professional degree, I think we would count that as part of the professional degree percentage. But that's

something that we can look at a little bit more in detail.

MS. WEISMAN: Timothy?

MR. KING: I think what -- I think we need to differentiate between programs that are completely different from each other. I think what you're more than likely are seeing in higher Ed now are like the four plus one where it's a bachelor's and master's in the same field. So that probably needs to be distinguished, and what you probably are seeing more of in higher Ed nowadays versus some of the differentiated programs.

MS. WEISMAN: Alex Holt.

MR. HOLT: Just very quickly, in response to Jake. I think that if you're -- it makes sense to me to count the -- when they're both that you would put it towards the professional, though, that would indicate to me then that you should err towards the 75%.

MS. WEISMAN: Tamy?

MS. ABERNATHY: If I'm not mistaken, we already account for your scenario already, because if a student is in a bachelor's and a master's, then they're not going to get the Pell Grant. So that is already covered, I believe, so. So -- is that not true?

MR. LALLO: Yeah. It's the FSA handbook.

MS. ABERNATHY: Yeah, in our handbook we have language around this already. So for the purposes of this, I would like for us to move on from this. So we can take this last question, and then we need to move on because we have other things that we need to discuss. Thank you.

MS. WEISMAN: Timothy?

MR. KING: Not a question, just a clarification. I was referencing that just because of its commonality.

MS. ABERNATHY: Thank you. That is very helpful. I thought you had a question there. You scared me for a minute. Thanks so much.

MS. WEISMAN: We do have one last question from Faisal.

MR. SULMAN: Not a question. I just want to say that if we're just discussing definitions, I'm going to swap with Bob Carey, my alternate. Just to let you guys know.

MS. WEISMAN: Thank you.

MR. CAREY: Do I have to sit at the table or can we just pass a comment?

MS. WEISMAN: You need to come up to the table. And if you could just announce your name and your constituency.

MR. CAREY: Bob Carey, military veteran, borrower, student negotiator. I'm not going to say comments about this in particular at this time, because we want to move on, and as I understand, there will be opportunity for us to come back to some of these issues. And what we're sort of doing is -- Faisal is doing a lot of the lead on the loan limits, and I'm doing a lot of lead on the loan -- on the definitional side of things.

MS. ABERNATHY: So we're going to move on. I'm going to cover one more thing before we go straight back to the regulatory text. We talked already about making sure that we understand the distinction between graduate and professional annual aggregate. I want to just make one more clarification. When we are talking about a lifetime, maximum that is separate and apart from the annual and aggregate. And so I think as we get through some of this text, you'll see where we've made additional clarifications for that. The other item that you guys brought up from yesterday was ceases to be enrolled. And if we could go to the reg text that is somewhere on here, I don't have that in front of me. Oh, it's above. Just go up above to four. There you go. Thank you so much. If the student ceases to be enrolled, we have crossed that out. Meaning we are proposing to delete

what we had there initially and we say withdraws in accordance with 668.22 or otherwise ceases to be enrolled in the program of study at any point after receiving the exception under paragraph (j)(3) of this section, the limitations under paragraph (j)(2) of this section shall apply. So what we try to do here, we took your insight on when the interim exceptions would not apply and the borrower ceases to be enrolled. So we wanted to provide additional clarity of the intent and updated the language throughout 685.203, if a student withdraws or otherwise ceases to be enrolled in the program of study, then the interim exceptions would not apply. So that was something that you all brought to our attention yesterday, and we appreciate that very much.

MS. WEISMAN: Scott?

MR. KEMP: Yes. Thank you. And actually, I wanted to comment on that. I appreciate you addressing that issue. My concern then is, yes, you've added in the additional language that clarifies, you know, withdrawals in accordance with 668.22, but you still have or otherwise ceases to be enrolled. And I think the gray area was ceases to be enrolled. So when you have an or statement like that, then it's still -- the gray area, the undefined, is still there.

MS. ABERNATHY: So one of the reasons

we did that is the definition of a leave of absence is they're still enrolled.

MR. KEMP: Okay.

MS. ABERNATHY: So we wanted to make sure that if there are other conditions that are not accounted for under 668.22 and they do cease to be enrolled, they -- there has to be a distinction there, because not every provision under 668, if they're not officially withdrawn, right, they could still be considered enrolled. And we want to make sure that we are crystal clear here. That's why we put the or statement. So we agree with you that, yes, it is an or, and we did that intentionally.

MS. WEISMAN: Bob, and then Andy.

MR. CAREY: I don't know the answer to this right now. One of the issues that was a big deal in was military reservists and Guardsmen who were recalled to active duty while they were in school. And there were some times that the reservists or guardsmen had to withdraw to get your -- you -- get their protections. I'll find out more about that. But that would be one thing I would think that it would be an unintentional secondary consequence of this language, potentially, that the Department may not necessarily want to impose. So I'll try to get more on that.

MS. WEISMAN: Thank you. Jeff?

MR. ANDRADE: Thanks, Bob. That's, that's an important distinction there. And again, just to your, your point, Scott. Again, with 66 -- we think 668.22 captures the most and it's something that schools are familiar with. It deals with voluntary and involuntary. The only thing it doesn't deal with specifically is the situation of someone who's a no-show, which has a separate requirement. So I think that's why we have to have other -- others -- why ceases to be enrolled. But other than no-shows, there's not a lot of folks I see in that -- potentially in that category, because 668.22 is, is very comprehensive in terms of addressing all the situations of when a student withdraws and when they're still considered to be enrolled, such as the case of leave of absence.

MS. WEISMAN: No more cards. So, Tamy if you want to take it back.

MS. ABERNATHY: Yes, thank you. I would absolutely love for us to close down this discussion draft and move on to our repayments, which would be in the discussion paper. I think we will -- beginning -- be beginning with 685.208, the fixed payment repayment plans. But let me tell you the other sections that you're going to want to have handy as we move

through them. 682.215 685.209, which I know, 685.208 is one paper. 685.2 -- excuse me. 682.215 and 685.209 are the other -- the second paper, and I believe the rest of them are the third paper. Okay, so we'll give you a second to get all those there before we start. Start with 685.208. Let me know when you all are ready. Good. Thumbs up. Okay. So right now we want to do a deep dive into the items that we discussed about fixed payment, fixed payment repayment plans. The fixed payment repayment plans are plans with monthly payments that are based on the amount of the borrower's student debt, their loan interest rate, a prescribed repayment period. Three types of fixed repayment plans are Standard Repayment Plans, Extended Repayment Plans, and Graduated Repayment Plans. So in 685.20B -- 208(b) and (c), these contain the regulations of Standard Repayment Plans, and these plans allow borrowers to make (inaudible) payments, monthly payments that remain the same over the life of the loan on their loans over a defined period. Section 685.208(d) and (e) contain the regulations of the Extended Repayment Plans. Extended Repayment Plans afford borrowers with a large total of -- large total balances the opportunities to make lower monthly payments in return for extending the repayment of their loans for a longer duration. By extending the repayment period, interest accrues over a

longer period, and as a consequence, the larger amount of interest is paid by the borrower under the Extended Repayment Plan than would be paid according to the Standard Repayment Plan with a ten-year term. We'll move to section 685.208(f), (g), and (h). These contain the regulations of the Graduated Repayment Plans. The loan repayment terms according to the Graduated Repayment Plans, are structured so that a borrower's monthly payment will periodically increase over the course of repayment period. In general, borrowers will be required to make smaller payments at first and larger payments later. For the -- for all the fixed repayment plans, the current regulations and 685.208(i) and (j) specify the repayment periods based on the borrower's outstanding loan debt. And finally, paragraph 685.208(k) contains a provision that the repayment periods under these fixed plans exclude period --exclude periods of deferment or forbearance. The Higher Education Act amendments introduce a new fixed repayment plan, which the Department is now calling the Tiered Standard Repayment Plan. The Tiered Standard Repayment Plan has a repayment term based on the total outstanding principal of all Direct Loans at the time the borrower enters repayment, and the terms are as follows: For a borrower with a total outstanding principal of less than \$25,000, a period of

ten years. For a borrower with a total outstanding principal of not less than \$25,000 and less than \$50,000, a period of 15 years. For a borrower with a total outstanding principal of not less than \$50,000 and less than \$100,000, a period of 20 years. And for a borrower with a total outstanding principal of \$100,000 or more, a period of 25 years. Standard amortization is used to calculate the borrower's monthly payment based on the loan term, as explained earlier. The outstanding principal balance of all loans being repaid under the plan and the borrowers' interest rates on the loans being repaid under the plan. So all Direct Loans are eligible for the Tiered Standard Plan, regardless of when they were made. So we can stop and have a conversation about this section right now. Or I can go through the whole paper and then we can go back and talk. We'll let you guys decide how you want to do that. Let's go ahead and take questions on this, should there be any. That way we'll move on after.

MS. WEISMAN: Alex Ricci?

MR. RICCI: I know I'm probably being dense here and getting twisted into a pretzel. I want to understand. Yeah, I want to understand this just a little bit more. And I know I raised this yesterday at a high level when it comes to when a borrower enters repayment

versus when a loan is made for purposes of a fixed repayment plan. So let's say I'm a borrower in March of 2026 and I drop out of school. So I already have the loan. Like, I got the loan this year but I drop out in March of 2026. So under 685.208(b)(1) here, I haven't entered repayment before July 1, and I'm not going to get a new loan on or after July 1 of 2026. Like I'm this weird interim borrower. Am I in the fixed ten-year standard or am I in the tiered -- the new Tiered Standard Repayment?

MS. ABERNATHY: You have -- excuse me, you have a loan made before July 1, 2026, or no?

MR. RICCI: Yeah, a loan was made to me in September of 2025.

MS. ABERNATHY: Alright. According to (b), fixed payment plans for Direct Loans made before July 1, 2026, the Standard Plan, so that's available under (b). Can we keep going down so I can make sure that I'm seeing --? Oh, wait, just a bit. So July -- so these are before July 1, 2026, who have not received a Direct Loan on or after July 1, 2026. Linnea, would you go up just a little bit? Let me see the first part of that. So the Standard Repayment Plan for all direct subsidized. So right there, you have the Standard Repayment Plan. And under that repayment plan, that would be the Standard

Plan for you for that period of time. Number two is after July 1, 2006, who have not received a new loan on or after July 1, 2026. So the case that you have, you have your loans prior to July 1, 2026.

MR. RICCI: But I didn't enter repayment and that's what's -- so the headline says loans made but then (b)(1) specifies enter repayment. And those are two -- that's what's tripping me up.

MS. ABERNATHY: Let's -- give us five minutes for us to huddle quick, because I want to make sure that we get this right. Thank you. Hold on.

MS. WEISMAN: Thank you for re-joining us. We have Faisal, and then we'll go back to Tamy.

MR. SULMAN: Faisal Sulman, swapping out or, I guess, back in for the veteran -- senior veteran military constituency. Thank you.

MS. ABERNATHY: So in this regulatory provision, the very first thing that it says under the title is made, for loans made before July 1, 2026. You would have had to have received -- made means disbursed. So you got the money in your hands. A loan was made to you. Under the Standard Plan, you entered -- also entered repayment before July 1, 2026. So it is an and. It is this and that. It is you received the loan and you entered repayment. So for you to qualify for the Standard

Repayment Plan, you would have received your loan before July 1, 2026, and you would have entered repayment before July 1, 2026. And you would not have received a Direct Loan after July 1, 2026. So there's three pieces right there that you have to focus on. You received a loan before July 1, -- July 1, 2026, you went into repayment July 1, 2026, and you did not borrow after -- on or after July 1, 2026.

MR. RICCI: So, just to clarify then, in my example, my borrower does not fall into what you just described.

MS. ABERNATHY: Did you not say you borrowed before July 1, 2026?

MR. RICCI: So, the borrower did -- in my example here, borrowed in September of 2025. Right? So we checked that box, we did borrow before July 1, 2026. But because I am not receiving a Direct Loan on or after July 1 and I'm not in repayment yet, I'm wondering if that borrower --

MS. ABERNATHY: So are you in grace? Or were you a borrower that had already exhausted their grace and went into repayment upon ceasing to be enrolled at least half-time?

MR. RICCI: So in the example I cited, I left school in March, so I'm still in a grace period.

MS. ABERNATHY: Are you? Because what we would need to know there to make sure that this is correct is if you had at any other time exhausted your grace period before, the minute you cease to be enrolled at least half-time, you would enter into repayment. So that condition right there is if you had been continuously enrolled and you do not -- you have not used your grace period, then you are entering grace period for that period of time that you're not enrolled for that six-month grace period. That's not being in repayment. Repayment starts when you are obligated to make a payment, not when you are in this grace period.

MR. RICCI: So, trying to dig out -- and I know it's hard because we need to talk about specific hypotheticals in order to get concrete answers. Totally appreciate that. So let's say then that -- because I still think that there's this gray area where -- in this borrower example. So maybe I didn't leave in March. Maybe I'm in grace period. So I'm not entering repayment. I just need to know, is that borrower then treated as a Tiered Standard borrower?

MS. ABERNATHY: So let's go to number two. Linnea, would you bring the screen up so I could see Standard Repayment Plan under paragraph two, please? Okay. So let me make sure -- let me look this through

before we -- so a Standard Plan for direct consolidation. So that's not going to be applicable to you at all. Under this repayment plan, the borrower must repay a loan full (inaudible) so that would not work. Can you go to the next repayment plan? We're not worried about that. So can you go to the Tiered for me? I'm not doing this from memory, y'all, because this stuff is complicated. Okay. So the Tiered, the Tiered Standard Repayment Plan is you received a loan before 2026 and also received a Direct Loan that was made on or after. So we are going to take this back because we are playing a game of Stump the Fed on this one, because we don't have an answer for that. So let us take that back and look at it. Because if we need to do clarifying language that exactly accounts for the various scenario -- this is the perfect example of why we want you guys to talk to us about our reg text and push back, push back on things so that we can get it right. So in this particular instance, this is going to be something we need to look and clarify where that particular borrower would fall. So, thank you.

MR. RICCI: No, thank you. I really appreciate that.

MS. ABERNATHY: Absolutely.

MR. LALLO: And please send us the precise scenario just so we make sure we answer it

(inaudible)

MS. ABERNATHY: I have it. I've got it.

MS. WEISMAN: Next, we'll go to Scott.

MR. KEMP: A few minutes ago, you clarified that made means dispersed. So why don't you just use the term dispersed instead of the term made? And let me give you an example. If you go back to what the -- where you start talking about the Tiered Standard Repayment Plan, so number eight. It talks about, you received a loan, it was made on, and then enter repayment. And when I -- I mean, I don't have full access to NSLDS, but when borrowers send me their files, there is a dispersed date and there is a repayment date. There is not a made, there is not an entered. If the regs say that and a borrower is looking at it, they don't know that distinction.

MS. ABERNATHY: So one of the reasons we are very particular in the language we use here and, and we can try to figure out a way to be more clear on this, is when you had a FFEL loan back in the day, you had that origination, the loan was made, but it had not been disbursed yet. The money had not left and gotten into the borrower's hands. So a loan was made, yet not disbursed. Well, Direct Loan removed some pieces of the

process of making a loan to a borrower because under FFEL, you had a loan, you had a loan servicer, you had a guarantee agency, you had a different path (inaudible) older loans. For the Direct Loan, you know, we're able to immediately -- when we say make and disperse because it's all through the Department. There's one channel. So we do keep that language in there. We will take this back. I can't guarantee that we are going to scrub the regs with all the places that we say made, but what we can do is be very clear. It's no different than award year and academic year being synonymous, made and dispersed in the Direct Loan program is synonymous. So we can take that back and look at it. But again, you know, I'm not sure where we're going to land on that one, but thank you so much.

MR. KEMP: Yeah. And you know, I appreciate the, the distinction, but I mean, you're talking about a smaller subset of a population that you're using language to be inclusive of them. And would it be easier to say dispersed and then in parentheses or in the case of FFEL, made. So let the exception -- rather -- not -- don't let the exception drive the rule. But let --

MS. ABERNATHY: We'll take it back.

MR. KEMP: -- the exception be

included. Thank you.

MS. ABERNATHY: Thank you.

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

MS. ABERNATHY: Let's move on to 685.208, please. Everybody good? Okay. The Department proposes to modify our regulations in section 685.208. First, we propose restructuring the contents of 685.208. And you will see in paragraph (b), we outline all the fixed repayment plans for the Direct Loans made before July 1, 2026. You'll see the various standard -- did I just not say all this already?

MR. LALLO: You did.

MS. ABERNATHY: You know what? Surprise! We've already done this one. Let's move on. I'm so sorry, guys. The good news is, is now that we are on 682.215.

MS. WEISMAN: Question from Alex Holt.

MS. ABERNATHY: (inaudible) first separate issue paper, though. That is, this is going to be the Income Driven Repayment section issue paper next, just so you guys know where that is.

MS. WEISMAN: We have a question from Alex Holt, and then Ashley.

MR. HOLT: I just want to clarify, are

we -- did we finish 60 -- 208? Like the entire 208?

MS. ABERNATHY: Oh, I guess I did rush that, didn't I? I forgot. We did have to talk about the Tiered Standard, didn't we?

MR. HOLT: Yeah, I have a couple --

MS. ABERNATHY: Yeah. I think we probably need to go back. I'm sorry. Just kidding. This is what happens when one doesn't get a break.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I had a similar -- that was 208.

MS. ABERNATHY: Okay. I was really excited about moving on. Can you tell? I answered Alex's question. I thought we were finished. Alright. Okay, so let's go back to 208. Make sure -- see, we ended with -- can you come up just a little bit? I think we talked about Standard Repayment. I think we were in paragraph two, three, okay. So, in paragraph (b)(1) through (b)(8), it is important to note borrowers have not received a Direct Loan on or after July 1, 2026, will retain access to the plans. And we added a clause, who have not received a Direct Loan on or after. We propose, including within this discrete fixed plan, terms of repayment periods. And so each -- what we did with this is we added to the end of the sections. We talked a little bit about

this when I talked to you about the restructuring. Instead of having, here's the loan, all the information on the loans and then all the way at the end of the regulations, we had the repayment periods, we moved the repayment period up underneath the respective section of the plan that we're talking about, so that all of the information for that respective repayment plan is contained in one whole paragraph, subparagraph. So that's what you see. A lot of the red lines are all we did was move from the latter half of the initial reg, the rule of record -- the, the reg that is on the ECFR currently, and we just moved all of those pieces and provisions, the same language, underneath those respective repayment plans. So it looks like it's a lot of red line, but we are not adding brand new text here. We're moving the text from later in the, in the reg pack -- later in the reg to earlier. So if that wasn't confusing -- okay, so we're going to go on now to paragraph, paragraph (c). This is the only fixed plan available to borrowers with Direct Loans on the Tiered Standard Plan are for Direct Loans made on or after July 1, 2026. So if your loans are made on or after -- disbursed on or after July 1, 2026, the Tiered Standard Plan is the repayment plan available to you. And in paragraph (c), a borrower must repay a loan in full by making fixed monthly payments over repayment

period, which we just discussed what the repayment period ranges are. And we're not going to go back through every single one of those again because I did go through them with specificity before. But again, here's where standard amortization is used to calculate the monthly payment and using the outstanding principal balance on all the loans being repaid and the borrower's interest rate. Okay, we can stop here for questions. And then we're going to 682.215.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I have a couple -- so I'll start one at a time. As far as the, the Tiered Standard Plan, I know that for the old Standard Plan, there was a minimum monthly payment that's actually listed. I think it's \$50, and there isn't anything as far as the Tiered one. I wasn't sure if that was purposely omitted or if that's supposed to have a minimum monthly payment. Perhaps it could be \$10 to align with RAP.

MS. ABERNATHY: So we'd like to just take that back and clarify because we just need to look at that. Thank you.

MS. NAPORLEE: Okay. And my second question is that for borrowers who have pre-July 1, 2026, loans and then who take out new loans after July 1, 2026, I know that they must be repaid either under the Tiered

or RAP. But my question concerns whether or not the total loans -- is that based off the amount, or is that based off the repayment date of the pre 2026 loans or the post-2026 loans? Like, what's the actual borrowing date here? Because it's when do they enter repayment.

MS. ABERNATHY: So they have a new loan after July 1, 2026?

MS. NAPORLEE: Pre and post, yes.

MS. ABERNATHY: So, that's the trigger. So with a new loan after July 1, 2026, right? Am I -- Eric, am I correct on this? We're going to let Eric come up and make sure that we have this correct for you guys in a way that's understandable.

MR. HARDY: Eric Hardy, Federal Student Aid, Department. My interpretation of your question is, are we going to use the balance at the time that the borrower entered repayment on the original loans or is it the balance when the borrower enters the Tiered Standard Plan? And my understanding is it's when the borrower enters the Tiered Standard Plan for all of the loans.

MS. ABERNATHY: Ashley, does that answer your question?

MS. NAPORLEE: I believe so, let me just digest that.

MS. ABERNATHY: Yeah. We are triggering and entering the plan here.

MS. WEISMAN: Alex Holt?

MS. ABERNATHY: Also, we checked. The statute does not have a minimum listed as you required, so we will take that back and take a look at that. So thanks for bringing that up. That's what I thought the answer was. But I was too afraid to say that, yes, for sure.

MR. HOLT: So I don't think I'm jumping ahead, but if I am, you know, let me know. It's on page nine under (8)(i), or what do we call it, romanette one?

MS. ABERNATHY: Very good.

MR. HOLT: I'm learning.

MS. ABERNATHY: Tell me the page number again.

MR. HOLT: It's on page nine. It's up on the screen, but it's on page nine.

MS. ABERNATHY: Okay, I have it in front of me. Okay, ready.

MR. HOLT: Alright, so the romanette one reads, a borrower must repay a loan in full by making fixed monthly payments over repayment period that varies with the total amount of borrowers Direct Loans. So what

I want to clarify here is for borrowers that are on RAP -
- can I keep going?

MS. ABERNATHY: Oh, yes.

MR. HOLT: Okay, sorry. For borrowers who are on RAP who also have Parent PLUS Loans, and so therefore the Parent PLUS Loans would be under the Tiered Repayment Plan, my question is the repayment period determined by the total balance outstanding or just the Parent PLUS loan outstanding?

MS. ABERNATHY: I need you to -- I would like for you to ask that one more time because my -- I am not on the right spot. So you just -- I would like for you to ask that one more time so that I can make sure I write down what the question is so I can look at it.

MR. HOLT: Of course. Let me know when you're ready.

MS. ABERNATHY: I'm ready.

MR. HOLT: Okay, so the question is, for a borrower who has student loans and Parent PLUS Loans, and the borrower is in RAP with the student loans, for the portion that are Parent PLUS Loans, where they're in the Tiered plan, is the repayment period calculated based on the borrower's total loans or just on their Parent PLUS Loans outstanding?

MS. ABERNATHY: Parent PLUS. I believe

that's correct. Eric is giving me the thumbs up, so I'm correct.

MR. HOLT: Okay. So I -- two thoughts. One, I think that probably needs to be clarified in the text because it's the total amount. Right now, it says the total amount of the borrower's Direct Loans. And so that would include their individual loans as well. I think the Department has flexibility here, and I would humbly recommend that it should actually be based on the total amount. The reason being that if you think about it, this borrower is paying a -- possibly a high percentage of their income already on RAP. And so you would want to allow them to reduce their payments in the fixed portion. If you think about it, it's kind of a weird situation where they're paying both a percentage of their income, and then there's an expectation of them also paying under a fixed plan. So I think they should be allowed to sort of have that lower payment and pay over a longer period of time.

MS. ABERNATHY: Let's take that back. Thank you so much. Did somebody from my team grab that question?

MS. WEISMAN: Scott Kemp?

MR. KEMP: In that same vein, if you have -- and just trying to clarify, you know, entered

repayment and -- I mean, I understand the Direct and total of all Direct Loans. So let me give you a scenario. So you've got a borrower who, you know, got an associate's degree in 2010, entered the workforce, entered repayment, go back for a bachelor's degree in 2015, entered the workforce, entered repayment. When you're looking at it, do you treat those as two different loans because they have two different repayment dates? And if not, do you choose the earlier or later? And then as far as the calculation is concerned, because, you know, we deal with -- not every borrower consolidates. And you know, we have borrowers that have 10, 15, 20 loans, and to try to sort through those, so from the borrower's perspective and helping them understand how the amount is going to be calculated. And I know the loan simulator will probably be able to sort through all of that out, but people that question -- that want to see the math behind it and not just accept the numbers, how would, how would they treat that when you've got somebody who has multiple loans, degrees that -- and multiple repayment start dates?

MS. ABERNATHY: How I would counsel a borrower with multiple points of entry and multiple repayment, is it in their best interest to consolidate? That would be a time that I would ask the question. And

then if it's not, then if you have -- if they're with one servicer, right, which our idea is hopefully we can get them one servicer, all of that would be together, and they would get one payment and the servicer would know how to allocate that payment across the loan programs. That's currently what happens today, I believe. And so with that said, that borrower, I mean, quite frankly, I would not be able to sit here and say it's this amount for this one and this amount for that one and this amount for that one. That's not something that we would do in regulations anyway. And so if I'm understanding your question, what would the borrower do? The borrower would have different loans with different repayment terms lumped together with one payment if they're at the same servicer. And therefore, they would have that payment allocated across the different loans. Eric, am I not right on that? How does our servicing handle that?

MR. HARDY: Eric Hardy, Federal Student Aid. If the borrower is split across multiple servicers, then we work on a proration across --

MS. ABERNATHY: Multiple servicers. What if it's one servicer?

MR. HARDY: It's one servicer, we -- the proration -- the amount applied is based upon the balance of the loan. Although, I heard your question a

little bit differently. If the borrowers entering repayment at different periods of time, would the borrower have separate terms based upon entering that repayment? Is that correct?

MR. KEMP: Yeah, and I wasn't -- my question wasn't about whether to advise them to consolidate or not, because it could be a situation where they are working, have a PSLF count on one loan, go back, you know, and we have borrowers that have different PSLF counts because they start and stop, and consolidating would restart the clock. So they're not going to do that. My question was just how do they understand the terms if they, you know, if they choose the Tiered.

MR. HARDY: Well hopefully --

MR. KEMP: How that would be -- how would -- that would be treated?

MR. HARDY: Yeah, hopefully if they're in PSLF they're not choosing Tiered since it won't count towards --

MR. KEMP: Well. Okay (inaudible)

MR. HARDY: Just -- you're right. Just a side note there. You're right. I think this answer goes back to it's when they when the loans entered the plan. So we would use the balance from the earlier loans if they entered the plan earlier, and then new loans enter

the plan later. We would then use the balance from both, combine those to reset the term.

MS. ABERNATHY: Thank you, Eric. Did that answer your question?

MR. KEMP: Well, yes. No, and I get that. It's just the language at the top says the total amount of the borrowers, all Direct Loans. So what I -- I guess what I was trying to get at is you've got two different sets of loans, two different repayment starts, but the language says the amount calculated for the Tiered is based on all of their Direct Loans. So is it -- I guess what I'm trying to, I'm trying to get at is where you tie the amount that's used to determine what the payment is going to be if you've got multiple repayments? Is that -- does that make any sense?

MS. ABERNATHY: So we're going to huddle on this at lunchtime just to make sure that we understand fully. Because I clearly did not understand your question fully. And so this is very complicated. And this question is an excellent question for us to take back and make sure that we have fleshed out all of these moving pieces and parts so that we get it straight, and we'll look at the language to see if we've done that or if there are modifications that would make it clearer.

MS. WEISMAN: Deborah?

MS. LILLY: Yes. At this time, I would like to concede my seat to my secondary for the next question. Thank you.

MS. WEISMAN: Is your question for the next -- for a new regulatory section?

MR. OGUH: I was just piggybacking off some comments that Eric made, Scott and Alex, specifically about this topic. So the question was, hopefully, those borrowers do not go into a fixed repayment plan that doesn't qualify for PSLF. So my question is the Department taking steps to proactively reduce administrative overhead related to individuals that go into a Tiered fixed repayment plan, which, as we know, will not qualify for PSLF, either through automatically routing them to PSLF-qualifying plans like RAP, or requiring clear disclosure of the PSLF ineligibility of these Tiered fixed payment plans?

MS. ABERNATHY: I think we get into that a little bit later when we start talking about RAP. I'm not sure that the regulations would be the best place to specify. We are pretty clear on what qualifies for PSLF everywhere in the PSLF world, on the website, through the servicer communications, through information on terms and conditions. And so I think when we get into the specificity of the Repayment Assistance Plan, it does

-- we are making changes to 685.219 to say that the Repayment Assistance Plan is a qualifying plan underneath PSLF. So I think it is clarified there. And I think when we start to go through the rest of the language that it will probably cover it. And then if there are ways that we can either speak to it in the preamble or an additional communication, we can look at that as we go through that.

MR. OGUH: This goes back to my earlier question about the TEPSLF, because I think in the past, there was some frustration from borrowers that although it was documented, as you mentioned, people still didn't know that they were in non-qualifying plans. Will these new fixed plans also qualify under TEPSLF for, again, the same exact scenarios where --?

MS. ABERNATHY: We're just going to take that back.

MR. OGUH: Okay.

MS. ABERNATHY: Thank you.

MR. OGUH: Thank you.

MS. WEISMAN: Just as a reminder, when we're swapping out, we're to be doing that based on the regulatory section, not within a regulatory section. So generally, if an alternate has something that they want to communicate, they should do that through their

primary, okay? Thank you.

MR. OGUH: (inaudible)

MS. WEISMAN: You were -- you swapped within a regulatory section. And we're trying to hold it to with -- when we change regulatory sections.

MR. OGUH: Okay.

MS. WEISMAN: Thank you. And I'll go to Jacob next.

MR. LALLO: Yeah. You know, as Tamy said, I think we're very clear on what does and doesn't qualify for PSLF and basically everything that's linked to it. But also, we have an operational solution built in to direct borrowers to the right plan. So I don't think we're too concerned about borrowers who are aiming for PSLF getting disqualified by being put into the wrong plan.

MS. WEISMAN: I see no other cards, so you can proceed.

MS. ABERNATHY: Let me get to the right page. 685.215. We're ready? Okay. Did we make it through all of the repayment plan stuff, the tiered? Yeah, there we go. Okay, that's what I was looking for. Thank you. I so want us to get to 682.215, don't I? I'm rushing us. Okay. We are now going to talk about the Tiered Standard Plan. It is up on -- okay. So we're in

paragraph (c). All of this is new. We talked about this, moving the loan limits. Excuse me, moving the repayment periods up underneath. And so for this fixed plan is on or after July 1, 2026. And it shall apply to Direct Loans made on or after July 1, 2026, the Tiered Standard Plan for Direct Loan borrowers who received a Direct Loan on or after. So this is for loans that happen after the effective date of July 1, 2026, on or after. This repayment plan, the borrower must repay the loan in full by making the fixed payments like we talked about, and the borrowers Direct Loans as described in paragraph (c) (1) romanette -- I think that's a one, (c) (1) romanette two of this section. The repayment period lasts less than \$2,500, \$25,000, and it takes you all the way down to over \$100,000. So in this particular Tiered Repayment Plan, these are the conditions for which a borrower would enter the Tiered Repayment -- Tiered Standard Repayment Plan. And I think we've kind of covered this already. So I think we can move on. I think that is the end of this section. And we can now really go to 682.215. I've been trying to get us there. Let's see, what time is it?

MS. WEISMAN: (inaudible) recognize
Andy?

MR. VAUGHN: Is it appropriate to

switch now? We'd like to make that switch, alternate moves up. Thank you.

MS. WEISMAN: Ashley?

MS. NAPORLEE: Can we pause for just a minute or two before we switch to the section, so we can consult, so I can consult my alternate?

MS. WEISMAN: Is that okay, Tamy?

MS. ABERNATHY: Sure.

MS. NAPORLEE: It'll be brief. Thank you.

MS. ABERNATHY: Actually, could we just take, like, a five-minute break?

MS. WEISMAN: Yes, we can. Five-minute break. Thank you for coming back. If we can start with Tamy, and then we'll move over to Ashley.

MS. ABERNATHY: In order for us to adequately look at every bit of the complexity of your questions, the best way for us to do that is for you to submit them to us in writing, so that we can work through them, not in front of you. Come back with answers, we'll have -- will go over this. And then when we are in our caucus, whatever we're calling Thursday, our working group, what we'd like to do is have our operational expert, Eric, work through some of these scenarios with us after we've answered them. So we're going to take

these things back. This just goes to the complexity of this bill and the changes that are implicated with every moving piece and part, and we're going to get something wrong. If I try to do this at the table, there's no way that I can do that, and I'm not going to pretend to do that. I certainly don't want to give you misinformation and have to come back and correct it. So what I'd like to do is make sure that we're 100% with all the facts that you have for your respective scenarios, so that we can give you the right answers that you can take back to your constituents, should there be additional questions. Or should there be things in the regulations that we need to tighten up, this is a great way for us to force us to look at the language and make sure we've gotten it right, because this is a lot of it is new language on the tiered and on the Repayment Assistance Plan. So if you would be so kind as to do that for us, I think that is a better way, a better use of our time to showcase what these changes are with actual real scenarios, perhaps. And even though they are hypothetical, it's a real scenario. So if you could do that, we'd really appreciate it. Thanks so much.

MS. WEISMAN: Ashley?

MS. NAPORLEE: With that said, my question may fall under that category, which I'm happy to

put in writing, if you prefer.

MS. ABERNATHY: Go ahead and say it, and then we'll go ahead and have you submit it in writing anyway. I'm already thinking it's probably going to have to be in writing, too, so that will just help us. We'll start there.

MS. NAPORLEE: (inaudible) was already nodding at me, so I'm like, okay. So it was with regard to the Tiered Standard Plan. I -- my scenario was if a borrower is put in the Tiered Standard Plan and the 20-year, let's say, repayment term based off their loan balance, but they were trying to qualify -- make their monthly payments qualify for PSLF, so they wanted to pay more so that they fall under the 34 CFR 685.219 romanette three, where their payment is not less than the -- would be under ten-year Standard Plan. Can they make that request, and how would they qualify? Does that make sense?

MS. ABERNATHY: It does make sense. I'd like for you to submit that in writing. I believe the answer -- I do not know whether or not we are going to allow fluctuation between the plans like that. So let's take that back to confirm the answer on that. But please go ahead and submit it in writing. If you would submit that to negregfacilitator@ed.gov, then what we'll do is

somebody from my team, or one of the millions of wonderful people we have supporting us right now, a little exaggeration, they can kind of start working -- we'll put these down and we'll start working them and make sure that we get back to every single one of you. That'd be really helpful. Thank you.

MS. WEISMAN: Scott?

MR. KEMP: Just to understand the procedure, are you suggesting that we don't ask any questions and send them in writing, or be accepted with, if you say, send it to us in writing? Ask first and then --

MS. ABERNATHY: Absolutely, no.

MR. KEMP: (inaudible) it sounded like (inaudible)

MS. ABERNATHY: I do not -- I want you to exercise your voice of asking questions, please. I didn't mean to make it sound like that, so thanks for clarifying. We appreciate that.

MS. WEISMAN: Jeff?

MR. ANDRADE: Yeah, I think we just want to have the entire fact pattern, because these things are so technical that we want to make sure we have them all. We may even go back to you and say -- you know, ask for clarification, but we want to make sure it's all

there on paper, on the responses.

MS. ABERNATHY: Alright. If my screen sharer would be so kind as to switch that, which it's already happened, so there we go again. Alright. We're going to turn now to the next set of statutory changes. And these are changes to the existing Income Driven Repayment Plans, creation of the new plan, the Repayment Assistance Plan, RAP. The discussion paper that you should be looking at is, of course, the one with 682.215 and 685.209. So our discussion draft provided you an overview of the legislative action in the bill and the regulatory sections that were impacted by those statutory changes and the brief proposal regarding the IDR plans. So you're welcome to reference the IDR comparison document again. And that would be our red, white, and blue flag. I'll pull my little copy out right now. So the IDR plans base a borrower's monthly student loan payment on income borrowers family size. The monthly payments under an IDR plan or in an IDR plan are generally a percentage of the borrower's discretionary income each year, and the borrower must update their income and family size, known as recertifying under a specific Income Contingent Repayment Plan. Recertification, recertifying, same type of concept. Borrowers can provide consent to obtain Federal tax information from the

Internal Revenue, Revenue Service, and by the end of the repayment period, the -- any remaining balance will be forgiven. 685.209 contains the current regulations. So I think we want to stop and stay with 685.215 right now. So let's go through the changes that we see here in 685.215. So you'll notice under paragraph (a)(4), we have removed the term partial financial hardship. As you know, the bill removed partial financial hardship as a requirement. And so we have replaced that with applicable amount. So for the purposes of the IBR Plan, the Income Based Repayment Plan, 15% of the result obtained by calculating on at least an annual basis the amount by which the borrower and the borrower's spouse, if applicable, adjusted gross income exceeds 150% of the US poverty guideline. Okay, so that's the first change that you're going to see on the screen. And then we're going to move to paragraph (b). And paragraph (b), this is for the Income Based Repayment Plan, a borrower may elect to have their aggregate monthly recalculated to not exceed the applicable amount when the borrower initially enters the plan. That's the only piece that we've added to be subparagraph one. Okay? Down to paragraph --

MS. WEISMAN: We have a question, Tamy.

MS. ABERNATHY: Oh, sorry.

MS. WEISMAN: Actually two. Alex, and then Scott.

MS. ABERNATHY: What -- do we need to go back to put on the screen?

MR. HOLT: Just -- yeah, up to where -- right, right where we started on page four, (a)(4), the applicable amount. This is just a very tiny suggestion. I would recommend changing the sentence to the amount by which the adjusted gross income of the borrowers and the borrowers' spouses, if applicable. Because it's a little unclear. It's just a slight clarity thing about what the AGI applies to. So I'm just saying, if you put AGI before borrower and borrower's spouse, because it's just a little unclear what AGI is applying to here.

MS. ABERNATHY: Okay. Thanks for that suggestion.

MS. WEISMAN: Jeffrey?

MR. BODIMER: Moving to (b)(1) for the Income Based Repayment Plan where it says that the, the borrower can have their payment recalculated, is there going to be a set number of times that that can happen, or is it unlimited, where they can request to have their payment recalculated?

MS. ABERNATHY: That is anytime.

MR. BODIMER: Okay. Thank you.

MS. ABERNATHY: Yeah, that would be unlimited.

MS. WEISMAN: Alex Ricci, and then Scott.

MR. RICCI: I'm sorry, can we just go over -- so we're talking (b) (1), the Department just said that they could interpret that they -- the borrower could ask for that recalculation at any time. But the -- (b) (1) says when the borrower initially enters the plan.

MS. ABERNATHY: It says for the Income Based Plan, a borrower may elect to have their aggregate monthly payment recalculated to not exceed the applicable amount when the borrower initially enters the plan. So you're thinking, we need to look at that last clause when the borrower initially enters the plan, to clarify that they are able to ask for their recalculation other times?

MR. RICCI: Yeah, it just strikes me that initially, you know, that would (inaudible)

MS. ABERNATHY: Let us take a look at that. We'll take that back, take a look. Thank you.

MS. WEISMAN: Scott?

MR. KEMP: Well, yeah, and related to that, our group is a little bit concerned about it, so maybe could you possibly operationally define how that would look so we can understand?

MS. ABERNATHY: How about we go back and take a look at the language? And then yes, we would be more than happy to have Eric Hardy from FSA to come right back up and explain our operational stuff. We may just give him a little honorary seat right here. He'll kill me if I say that out loud, but we may just put him up here for the purposes of this stuff, it's so complicated. I know he definitely belongs up here, doesn't he? He's certainly an expert, and we're so lucky to have him. Thank you, Eric, for jumping in and helping us out with this stuff. Anything else before we move on?

MR. RICCI: Yeah, and some of the main concern is that it's -- it could trigger a capitalization interest situation, so clarify how all that works out.

MS. ABERNATHY: So now you've moved into where I would like for you to email us that as well so that we have those scenarios. This is a perfect example of it gets too complicated for us to know everything that we need to go through and look through. The last thing we want to do is try to sit here and go through this very complicated -- things that we have the system already calculate where they're -- you know, they -- you can program something to do something the right way. My brain is not a programmed system. I don't trust it to even begin to try to do this stuff on the fly. So

that would be super helpful if we could get that in writing, and then we can flesh it out and then come back with, you know, specifics to help you guys understand this. Thank you. Okay. We talked about (b) (1). If we could move down, I believe we talked about -- okay, so we're on paragraph five. We had to make corresponding edits, conforming edits where we removed the term partial financial hardship, and then we put in the terms, when their aggregate monthly payment amount exceeds the applicable amount. And so you'll see in paragraph five, paragraph six, paragraph seven, where we -- and even (d) (1) a little bit where we're making the conforming edits around the applicable payment, applicable monthly amount. So in (d) (1), the monthly payment, the borrower's monthly payment amount exceeds the applicable amount. Again, because of the partial financial hardship, we're removing that. Any (inaudible) on that we can move forward?

MS. WEISMAN: Alex Ricci?

MR. RICCI: So not (d) (1), but up above that. Actually, if we could just dive into that for a quick minute. So I understand the HR one strikes partial financial hardship for entry into IBR for borrowers. No problem there. My -- I have two questions. One, I think is a technical clarification. I believe that

aggregate monthly payment is not defined anywhere in statute. So I'm -- it is mentioned in statute in section 493(c), paragraph (b), subparagraph (1) of the HEA. But I just wanted to make sure that operationally -- because that's an Income Contingent Repayment section, that nothing's changing there, like operationally, we're all on the same page about what aggregate monthly payment means. So that's just like a general technical question. And then my second question is a little bit more substantive in terms of the policy. So again, I understand partial financial hardship is no longer required for entry into IBR. But the way I read this, and again, I might be misunderstanding it, is that in interest accrual -- so there's no partial financial hardship. But interest accrual is capitalized when their aggregate monthly payment exceeds this new stand-in for partial financial hardship, which you define as applicable amount. And so I just wanted to clarify that that is indeed a capitalizing event. Or did the elimination of partial financial hardship also eliminate that capitalizing event?

MS. ABERNATHY: We're going to take that one back too, just to make sure.

MR. RICCI: And then just to add to the list.

MS. ABERNATHY: Add to my list.

MR. RICCI: So that was that sort of covers (5). But, but paragraph (6), I read as potentially kicking the borrower out of IBR, similar kind of situation, when you know there is no partial financial hardship, but when the aggregate monthly payment amount exceeds the new stand-in for partial financial hardship, that could, I think, kick somebody out of IBR. And so I just wanted to clarify again what, what exactly (6) was trying to accomplish.

MS. ABERNATHY: Okay. Again, we'll take that one back. Seven?

MS. WEISMAN: We have Alex Holt, and then we have Ashley.

MR. HOLT: I have similar concerns that Alex just raised related to (7).

MS. ABERNATHY: Alright, let's go. Good job. Thanks.

MS. WEISMAN: Ashley?

MS. NAPORLEE: I just wanted to clarify that if, assuming based off what Alex said, that the PFH is replaced by applicable amount, the borrower is not kicked out of IBR, they're just -- they're monthly payment is recalculated to be higher, but they're still technically enrolled in IBR, so they should still get the

IBR qualifying payments towards forgiveness.

MS. ABERNATHY: That is correct.

MS. NAPORLEE: (inaudible) that was unchanged.

MS. ABERNATHY: Yes. That is not changed.

MR. HOLT: Thank you.

MS. WEISMAN: Alex Holt, your card is still up. Did you have another --? Okay, thank you.

MS. ABERNATHY: Let's get to the next section first, right? Alright. Under paragraph (e)(1), we talk about -- we have removed determines whether a borrower and says recalculates the borrower's aggregate monthly payment to not exceed the applicable amount. So here we have another applicable amount change. And then we say for the year the borrower elects the Income Based Repayment Plan. We've inserted those actual words there. So we'll go to paragraph two, where we've struck, again, partial financial hardship and determining the borrower's aggregate monthly payment. Initially enters the plan and remains on the Income Based Repayment Plan. The loan holder will -- so that the pieces there we're just removing partial financial hardship language, putting in the borrower's aggregate monthly payment and saying remaining -- remains in the IBR Plan. For paragraph (3),

we are removing current -- obviously the current partial financial hardship. Same thing on (4), and where recalculates the borrower's monthly payment amount. And then in romanette three, we take out partial financial hardship, recalculate the monthly payment amount, and further down, we remove partial financial hardship in a couple of places that it's mentioned. And then we insert language of, if the loan holder recalculates the borrower's monthly payment amount based on the borrower's request, and the remainder of that paragraph stays as-is. Paragraph (5), it also removes the partial financial hardship. And then at the end of that paragraph, we say the borrower's payment is the amount described in paragraph (d)(1) romanette one and removes the does not have a partial financial hardship. Annmarie?

MS. WEISMAN: Alex Holt?

MR. HOLT: So for paragraph (6), that clause, I'm a little confused what it's doing, the clause, or if the loan holder determines that the borrower's payment is the amount described in paragraph (d)(1), romanette one. I think this can be struck, this subclause. Because if we go to (d)(1) romanette one, this is again this applicable amount thing, and I don't quite understand what it's doing.

MS. ABERNATHY: So I don't want to do

that on the fly. I would like to take that back and look at it, to make sure that there's nothing in the statute that causes us to have to have that in there. So I don't want to make that change yet. We can mark this and look at this during lunch, though.

MR. HOLT: Thank you.

MS. ABERNATHY: I need to just get the right provision. Can you come down a little bit, Linnea? The other way? That's okay. Right here. So it's (6), so it's (e) (6)?

MR. HOLT: Yeah.

MS. ABERNATHY: Okay. Alright. Let us take a look at that. Okay. And if you would go to the last reg provision. Did we go over (f)? So (f) we're removing partial financial hardship, not making any other changes. And I think there's one more provision after this that we need to look at quickly. No, there is not. We will not start five minutes before lunch on 685.209.

MS. WEISMAN: Alex Holt, your card is up. Is that from before? That's okay. Then we'll move to Jenna.

MS. COLVIN: I have an inquiry about the cleanup from yesterday. I might not have had enough coffee this morning. Did I miss what you said about the loan limits application or inclusion for previous loans?

I felt like at the end of the day yesterday, we were talking about whether previous loans --

MS. ABERNATHY: Oh, (inaudible) we did not skip that. We did talk about -- we -- I'm sorry, we didn't skip it when we talked about it in our huddle. We did not make sure that we mentioned that today. And I -- can I get back to that right after lunch because I have notes on that? And I just want to make sure that I have it correct. So yes, absolutely. Thank you so much for doing that. That's very helpful. I can count on you guys to keep us honest, right?

MS. WEISMAN: Okay, then it is the lunch hour. We'll do an hour for lunch and return here at 1:00.