

Clarifying that collections will not begin while rehabilitation is in progress (Submitted by Tamar Hoffman)

Good afternoon,

I just had an opportunity to check in with Tamy, and at her request, I'm sending this email so that the Department can consider the following. I understand that, despite our prior proposals, the Department is not open to suspending AWG before five rehabilitation payments are made at this time. However, part of the proposal that we had submitted also requested that the Department implement regulatory language to 34 CFR § 685.211(f)(11) and 34 CFR § 682.405(a) that states that:

(1) If a borrower's loan is not currently collected by administrative wage garnishment, treasury offset, or offset of federal benefits, and a borrower enters into a rehabilitation agreement, collection will not start unless the borrower fails to make the the required payments.

(2) That if a borrower's loans are certified for treasury offset or offset of federal benefits (not AWG), and that borrower enters into a rehabilitation agreement and is making the required payments, that collection by that those means is suspended.

The Department shared that these proposals are already in line with its current practices. Given that is the case, we hope that the Department will add this language to the regulations. However, if the Department is not open to doing so at this time, we are asking that the Department at least clarify that this is the practice in the preamble.

Thank you for your consideration, and looking forward to continuing the conversation.

Thanks,
Tamar