

**Follow-up on excluding rehabilitation during payment pause towards rehab limit
(Submitted by Tamar Hoffman)**

Good afternoon,

I'm writing to follow-up on the following:

- We also previously proposed a minor edit to 682.405(a)(4)(ii) to account for the fact that ED restored eligibility for defaulted student loan borrowers who had previously rehabilitated their loans to rehabilitated them again under the Fresh Start program between March 1, 2020 and September 1, 2023, and that the rehabilitation program started on August 14, 2008. Therefore, the current limitation on rehabilitations should exclude any rehabilitation prior to August 14, 2008 and between March 1, 2020 and September 1, 2023.

In the attached materials, the Department previously shared that borrowers who rehabilitated their loans during the payment pause period would not have that rehabilitation count towards their rehabilitation limit. Specifically, on p. 3, the Department says: "Typically, borrowers who rehabilitate a defaulted federal student loan and default on that loan again cannot rehabilitate it a second time. To ensure that borrowers who could have taken advantage of Fresh Start—but rehabilitated instead—are not harmed, borrowers who rehabilitated their loan during the payment pause will be able to rehabilitate again if they re-default."

For this reason, rehabilitations completed between March 1, 2020 and September 1, 2023 should be excluded from the rehabilitation limit.

Thanks for your consideration and looking forward to continued discussions!

Thanks,
Tamar