

**Public Service Loan Forgiveness: Repayment Assistance Plan and Buyback
RISE Negotiated Rulemaking Committee**

Submitted by Deborah Lilly (Student Loan Borrowers Constituency)

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Regulatory Citations: 34 CFR §685.219 and 34 CFR §685.209

The Department has proposed updating §685.209 to add the following paragraph:

For purposes of the Repayment Assistance Plan under this section, a borrower's monthly payment under (f)(5) of this section is considered on-time if the payment is received on or before the due date for the current month, but after the due date for the previous month.

It is understood that the Department intends to incorporate parallel revisions to **§685.219** for Public Service Loan Forgiveness (PSLF). Under the current draft framework, periods of forbearance or deferment would not qualify for PSLF buyback, given the Repayment Assistance Plan's (RAP) requirement for on-time monthly payments.

As the Department continues reviewing and drafting these revisions, I seek clarification on the scope and intent of the proposed changes—specifically regarding how deferments, forbearances, and buyback eligibility will be treated for PSLF borrowers under RAP.

- **Ask #1:** Because the proposed language is explicitly structured around an “on-time monthly payment,” PSLF credit would only accrue for months in which a RAP payment is made. As a result, borrowers would be unable to retroactively convert periods of deferment or forbearance into PSLF-qualifying payments.

Please confirm whether this reflects an intentional narrowing of buyback eligibility under RAP, such that future deferments and forbearances would be excluded and buyback effectively eliminated for RAP-era payments.

- **Ask #2:** Section §685.219(c)(2) currently specifies the conditions under which a borrower will be considered to have made monthly payments:

(2) A borrower will be considered to have made monthly payments under paragraph (c)(1)(iii) of this section by—

* * *

(v) Receiving one of the following deferments or forbearances for the month:

- (A) Cancer treatment deferment under section 455(f)(3) of the Act;
- (B) Economic hardship deferment under § 685.204(g);
- (C) Military service deferment under § 685.204(h);
- (D) Post-active-duty student deferment under § 685.204(i);
- (E) AmeriCorps forbearance under § 685.205(a)(4);
- (F) National Guard Duty forbearance under § 685.205(a)(7);
- (G) U.S. Department of Defense Student Loan Repayment Program forbearance under § 685.205(a)(9);
- (H) Administrative forbearance or mandatory administrative forbearance under § 685.205(b)(8) or (9);

If the Department intends to remove or eliminate buyback for future RAP-era payments, will this change also apply to the deferments and forbearances enumerated in §685.219(c)(2)(v), including military deferments and administrative forbearances, such that they would no longer be eligible for buyback even though they are currently treated as qualifying payments?

- **Ask #3:** Please confirm that borrowers who accrued deferment or forbearance months prior to the effective date of RAP will retain buyback eligibility and credit for those periods.
- **Ask #4:** Are there any specific scenarios that will be explicitly preserved for PSLF credit or buyback under RAP, notwithstanding the general requirement for on-time monthly payments?
- **Ask #5:** Will exceptions be provided in cases of administrative processing delays, servicer-caused errors, or other circumstances outside the borrower's control that result in gaps in qualifying payments?
- **Ask #6:** What safeguards will be implemented to ensure that borrowers are not improperly steered into deferment or forbearance when such months will no longer be eligible for buyback?
- **Ask #7:** Has the Department assessed whether eliminating buyback for RAP-era payments could disproportionately affect certain borrower groups (e.g., military service members, AmeriCorps participants, or borrowers facing economic hardship)? Please provide any relevant data or findings to help the committee assess the potential borrower impact.