

To: Department of Education, Negotiated Rulemaking Committee

From: FFEL Lenders and Guarantors Constituency

Date: July 1, 2025

Re: Proposal to amend Amendatory Text in Final Day 2 Discussion Paper as of 1pm – Borrower Notification of regained eligibility as a qualifying employer

We continue to believe that it is critical that the Department and the Secretary align rulemaking with the goal of centralizing information and resources, reducing risks of borrower confusion or missing information, and keeping administrative expenses efficient to properly steward taxpayer dollars. As such we propose to strike the provision [(e)(11)] that would trigger notification of the borrower of a change in status of an employer who regains eligibility. Instead, our proposal [a new paragraph (k)] would require - as part of the employer restoration of eligibility process – a timeline to ensure the database of qualified employers is updated regularly for public and stakeholder transparency.

First, we all know that the Department has spent great effort to develop centralized and online resources that allow borrower to see the relevant information and conduct transactions in the PSLF Help Tool. Ensuring this workflow is updated in a timely manner would be essential for borrowers, but is also the proper real-time system of record for statuses. The currently proposed borrower notification in (e)(11) requires extensive record-keeping, ongoing costs, and risks data integrity errors. We are concerned that borrowers relying upon said notification could find it may not be timely, or it could not find its way to the borrower at all because it was sent to a previous address if ED has not pulled current information. Practically too, it will only reach a subset of borrowers who may need to know this information as it only likely would be triggered by completed certifications or applications, and not those who have merely inquired before about their employer eligibility. Further, pointing borrowers to a centralized location for all things PSLF makes it easier for third parties, servicers, and ED to counsel borrowers with information on which they can rely in real-time. This is important especially as dated notifications can become stale or inaccurate later, which a borrower may in the future rely upon to their detriment.

Proposed change as follows:

*(e) Application process.*

\* \* \*

~~(11) If the Secretary approves a corrective action plan under (j)(2), the Secretary notifies the borrower of the employer's status.~~

\* \* \*

*(j) Regaining eligibility as a qualifying employer.*

\* \* \*

(k) Borrower Notification of regained eligibility. Once an organization has regained eligibility under paragraph (j) of this section, the Secretary shall update within thirty (30) days the qualifying employer list, which is accessible to borrowers for purposes of certification or application.