

To: RISE Negotiated Rulemaking Committee

From: Ashley Naporlee, Tamar Hoffman (on behalf of legal assistance organizations that represent students and borrowers, consumer advocates, and civil rights groups that represent students)

Date: October 1, 2025

Re: **Open Questions with Hypothetical Examples**

Please see the below open questions that are relevant to the RISE Negotiated Rulemaking Committee's work with hypothetical examples of how borrowers may encounter these issues. We look forward to continued discussion regarding these open questions and concerns.

Question #1: Can a borrower with older loans who will be eligible for both IBR and RAP going forward switch back and forth between RAP and IBR?

Hypothetical #1: Susan only has Direct Loans disbursed prior to July 1, 2026, which she is repaying in PAYE. She does not elect to switch into IBR before the July 1, 2028 deadline. ED therefore switches her into RAP. Borrower is surprised that her payments jump up, and wants to switch from RAP to IBR. Can she switch from RAP to IBR?

Hypothetical #2: Stephanie has 2 Direct Loans issued in Feb. 2015. She has no plans to take on any loans in the future. She wants to know, if she voluntarily enrolls in RAP, will she be able to enroll in IBR? This is especially important because Stephanie earns \$30,000 as a barista but is worried about the possibility of losing shifts at her job because she needs to care for her sick parent and could have income below 150% of the federal poverty guidelines in the future. If she is enrolled in IBR, she'd be eligible for \$0, but if she is enrolled in RAP, she will not.

Question #2: Will Parent PLUS borrowers who submit consolidation requests prior to July 1, 2026 whose consolidation request is not processed until after July 1, 2026 due to servicer delay be eligible for IDR?

Hypothetical #1: Patrice is a Parent PLUS borrower who borrowed to pay for her daughter Sam's education and also has loans from her own education. Sam had a 0 SAI (student aid index) when she submitted the FAFSA. Patrice cannot afford her payments. Patrice applies to consolidate her Parent PLUS loan with loans from her own education on March 1, 2026 and faxes her application to her loan servicer, but the servicer does not process the consolidation application and disburse a consolidation loan until July 15, 2026. Is Patrice eligible for an IDR plan on that consolidation loan?

Question #3: In the following examples, what would the borrower's forbearance options be moving forward? If the borrower had different grounds to request a forbearance, would they be prohibited from using it?

Hypothetical #1: Brenda does not have a HS Diploma or GED and did not take any entrance exams to enroll at Hypo University. On February 1, 2027, Hypo University falsified Brenda's eligibility to borrow a Direct Loan, which Brenda used to pay for her first semester. In July 2027, Brenda realizes that Hypo University is a sham and withdraws from her program. Brenda then contacts legal aid for help and submits a false certification discharge application in January 2028. As of February 2029, over one year later, Brenda is still waiting for her discharge application to be adjudicated. What kind of forbearance is Brenda in while her discharge application is pending? Will it count towards the forbearance limit?

Hypothetical #2: Lupe borrowed \$4,000 in Direct Loans to complete a certificate program that she was enrolled in from September 2027 until September 2028. She then tried to enroll in the RAP plan in March 2029 by faxing an IDR application to her servicer, but the servicer lost Lupe's IDR application. For one year, Lupe's servicer's portal and studentaid.gov account shows the application was pending. What kind of forbearance is Lupe in while her IDR application is pending? Will it count towards the forbearance limit?

Hypothetical #3: Kristina borrowed a Direct Loan in September 2027 for an undergraduate program. She stopped attending the program in December 2027 because she was diagnosed with cancer. In June 2028, it became clear to Kristina that her cancer was unfortunately terminal. She then applied for a Total and Permanent Disability Discharge. As of October 2028, her discharge application is still pending due to an internal servicer processing issue. What kind of forbearance is Kristina in while her discharge application is pending? Will it count towards the forbearance limit?

Hypothetical #4: Robin received a notice from her servicer that she was enrolled in IBR and that her payments would be \$0 per month because she is very low income. However, Robin's servicer kept sending her monthly bills for the standard repayment amount, which Robin did not pay because she believed this to be an error. This went on for ten months, even though Robin called her servicer about this error. Will Robin be placed in forbearance? For how long? Will it count towards the forbearance limit?