

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
AFFORDABILITY AND STUDENT LOANS COMMITTEE
NEGOTIATED RULEMAKING SESSION 1, DAY 5, AFTERNOON
OCTOBER 8, 2021

On the 8th day of October 2021, the following meeting was held virtually from 1:00 p.m. to 4:00 p.m., before Jamie Young, Shorthand Reporter in the state of New Jersey.

P R O C E E D I N G S

MR. TOTONCHI: Welcome back committee and public from lunch. We hope you had a good lunch and a good break, ready to dive into the afternoon. But first, a few notes. Number one, we want to thank the committee for your proposed suggestion regarding amending the agenda. As you know, the protocols empower FMCS to develop the agenda. We will, we will move on from after we finish issue ten, we will move to twelve. Okay, and then 11. There's just a little bit of a caveat, we want to make sure to get to all the issues today. Okay. We've generally been taking a break around 2:15 Eastern or so. We will do that today. When we come back from that break, regardless of where we're at on issue 12, we will move into false certification. Okay. Persis, I see your hand. Proceed.

MS. YU: Thank you. I was hoping that we could just quickly wrap up the default discussion from this morning. And I just wanted to start with a question for the department, a clarifying question that as we are negotiating the topic of income driven repayments that I see on the issue paper that we have noticed one set of regulations, but on the notice itself, the notice of intent, there were more regulations. And so, I wanted to confirm that as we were discussing the income driven repayment plans that any of the HEA implementing regulations that implicate income driven repayment are up for discussion at this rulemaking.

MS. HONG: Yes, I think the answer is yes. With the condition that we're, you know, this, this will be an income-contingent repayment (inaudible).

MS. YU: So not, so not the income. So, I guess the question was, right, because income, right. So, it's framed as income driven repayments, income based repayment, the note the regulations on that were noticed in the department's notice of intent, and those are not. So, you're saying that those regulations as well as the forced income driven repayment regulations are not a part of this negotiation?

MS. HONG: Right. So, our authority to develop an income-driven repayment plan is through the income-contingent repayment plan.

MS. YU: Is the issue about your authority, or is the issue about what's been noticed?

MS. HONG: It's our authority. I'm sorry, you're saying what we noticed initially? I think Brian's chiming in, and he can better articulate this (inaudible).

MR. SIEGEL: Our, we have more, we have more discretion in how a plan is developed under ICR than under IBR. So, our ability to do more of what the department wants to achieve, and what I think a lot of committee members want to achieve, it, it is more likely to come under the ICR plans than under IBR. Now there is a possibility that some, you know, there'll be some technical change (audio) IBR as a result of the

changes that are made or the new plan that's made in ICR, but our emphasis will be on the ICR.

MS. YU: I appreciate that as your emphasis I just want to, to just procedurally clarify that the other ones can be implicated and discussed at this rulemaking.

MS. HONG: Yes.

MR. SIEGEL: Yes.

MS. YU: Okay, thank you for that clarification. And so then I, I will just say that I am not going to ask for a consensus vote on the discussion and what I am going to not propose but suggest out loud is that we will be coming up with some language for the department to consider on how to use the HEA and the implementing regulations of the income-driven repayment plan to craft a proposal for the department on how to better protect defaulted borrowers. And while I'm not asking for a working group, I would like to invite any members of the committee to reach out to me to be included on such an informal group of people that would like to discuss these topics and how to best draft these proposed regulations. So that is what I will say on the topic. And any folks, I will drop my email address in the chat for those who do not have it. And any, any negotiators at the table or alternates are welcome to reach out to me to be a part of this informal discussion.

MS. JEFFRIES: (Inaudible).

MR. TONCHI: Oh, someone needs to mute.

MS. JEFFRIES: (Inaudible).

MR. TONCHI: Hold on hold on before Jennifer, before you go, I want to make sure everyone's muted.

MS. JEFFRIES: Okay, girls.

MR. TONCHI: Yeah, we have someone who's speaking that needs to mute. Can we find that person, please?

MR. TONCHI: Okay, thanks, Brady. Jennifer, please proceed.

MS. HONG: Just quick response, we welcome, we welcome those suggestions, particularly to the extent that you could have proposed regulatory text for us to look at.

MR. TONCHI: Alright, folks, and just one more clarifying point on kind of the agenda for the afternoon. Again, after the break, we will move into false certification, regardless of where we at on issue paper twelve. However, if we finish, you know, early, and there's still time for closing remarks, and there's a little time to continue issue twelve we'll do that as well. We'll make sure we use every minute we have together today. Alright. So, with that, we will pick up and finish our discussion on issue paper ten. So, I ask, are there any remaining comments and questions eight and nine regarding IDR?

MS. JEFFRIES: Emil?

MR. TONCHI: Yes?

MS. JEFFRIES: Before they start raising their

hands, I just want to recognize that for this afternoon, Eric Apar is taking over for the state attorneys general.

MR. TONCHI: Thank you, Cindy. Any remaining comments and questions eight and nine regarding IDR? Persis.

MS. YU: So, question nine references the GAO report, is that, that's what we're discussing as issue, as question nine correct? Okay, thank you. So yeah, so I just wanted to emphasize how important the ability of low-income borrowers to self-certify that they have no taxable income is to my clients. I find the report by the GAO, I find, I find the language in the report concerning in that it raises the possibility, you know, the possibility of fraud and not actual fraudulent activity. And so, as we are going through, as we're going through this discussion, and how we implement income-driven repayment plans, I want to emphasize that it is really important, both in terms of automation, but also in terms of simplicity, that borrowers who have no income should be able to self-certify that they have no income. It is incredibly challenging to prove a negative. You know, when this when this change was made to the forum to allow this, it was hugely beneficial to my clients. My clients prior to this change, had, were running around in circles trying to figure out how do you document the fact that they don't work. The ability to self-certify has been critical to ensuring access to IDR for low-income folks, and I would urge us to continue to allow that as

an option. Thank you.

MR. TOTONCHI: Thank you, Persis. I see John has his hand up. Proceed, John.

MR. WHITELAW: I just wanted to echo what Persis said. As a longtime Legal Aid attorney, I cannot tell you how many dozens and hundreds of times we have worked with people trying to prove negatives. How do you prove you don't have money in a bank account if you, throughout the entire country, proving negatives is excruciatingly painful and difficult and, and often impossible, other than with, same, doesn't mean necessarily that (inaudible) doesn't mean you can't, you always have to take it at face value. It's clearly not accurate but allow them generally allowing people to self-certify especially with respect to negatives. Crucially important to low-income folks, I can just tell you this, we have been tripped up by this and a huge variety of different contexts with different agencies across multiple states and federal agencies. It is a very significant issue in terms of not so much big picture policy, but the mechanics of how things work. And I think we really do need to get into the weeds on these things.

MR. TOTONCHI: Thanks, John. Michaela.

MS. MARTIN: I just wanted to take the opportunity to challenge the presumption that poor people lie a lot. Because I think that often in our social services, you know, somebody who's on section eight and receives a lot of

public benefits, it's constantly presumed that whatever I'm saying isn't true, right? And so that causes like so much more paperwork? And like, again, how do I prove that I don't have things if I don't have them, because then I don't have proof to show that I don't have them. We're like in another one of those circles, where we are just chronically putting people that are poor, in this framework of they're going to be liars, and they're going to defraud the government. And that's true even for the state boards, right? The ABA says that if you owe money, you have to go and prove yourself through a character fitness test, because poor people are bad people. And I just needed to voice that. Thank you.

MR. TONCHI: Thank you. Daniel, you're likely the last comment on this, before we move on.

MR. BARKOWITZ: I would just I would just echo aloud what I've put in the chat. If it's, if we are envisioning how allowing students who apply for financial aid through the FAFSA, or parents to confirm the lack of an income tax and without need to go further, if we can do that through the FAFSA, under the new regulations coming, you can do that here. So again, plus, you know, 1000 or a million to automation and trying to connect this without a need for a further documentation would be really highly supported.

MR. TONCHI: Dixie, and then I'd like to tee up a temperature check.

MS. SAMANIEGO: Yeah, also 1000 plus (inaudible) Michaela, I also agree, but also on the other side of it is like, stop criminalizing poor folks or harassing them. And Noelia made this point, and in my own experience, most of the time, we're asking for documentation of poor people that we cannot produce, that we cannot get access to, that it's difficult already to get access to. Right. And this also brings up the point that we've made very clear previously is that there, it's hard to understand these documents, right? So, they're -- it's not just that we can't have access to the documentation that we're being asked to present. But it's also that understanding this is difficult. And so, I really want to emphasize a point that Michaela and Noelia made into the chat that Michaela said, super important to stop harassing low income folks. And it's just having the, the framework that all poor people are trying to defraud, or like, take advantage of things when these things are there to help poor folks, right. And so self-certification is super important. And poor folks aren't just trying to scheme up ways, right? No. Like what we're trying to do is figure out a way for us not to be poor anymore, right? So super important point.

MR. TOTONCHI: Marjorie I see your hand, you can, you can proceed, I just want folks to be mindful of how much we have to accomplish before the public comment period. Okay. Go ahead, Marjorie.

DR. DORIME-WILLIAMS: Yeah, so I just I also wanted to think about this in the other direction. And we'll sort of put it in the chat as well, the assumption that it's low income and poor bars who are doing the fraud, when there's no indication that we have any information about any of that. I think Varsity Blues is a great example that show that significant widespread fraud happens in higher education that isn't perpetrated by low income, first-gen, marginalized students. In fact, it's those who know how to game the system. And I think what the GOA points out is potentially an issue. But also, some of these numbers are relatively small. And so, I think that, yes, this is important. We don't want people abusing the system. But what I want to challenge this assumption that it's low-income borrowers who are doing that abuse, and too, like Daniel pointed out, there are several ways that we've already created checks for income and family size, again, looking to existing data sources like IRS. And so, I would strongly recommend not using this to penalize borrowers, but to find those instances where folks who are gaming the system absolutely are caught but, but I don't want this to become simply about burdens on low income borrowers.

MR. TOTONCHI: Thank you, Marjorie. So, my instinct is to tee up the following temperature check for tentative agreement, tentative agreement on a concept. Okay, Jen, if you'd like more specific guidance than this, please jump

in. But --

MS. HONG: Yeah.

MR. TONCHI: Essentially, oh go ahead tee it up.

MS. HONG: I'll just, you know, because this was so open ended this was really about information gathering at this point, I think. I don't I don't know about a temperature check is necessary on this issue at this point in time.

MR. TONCHI: Sounds good, I was going to suggest a very open ended one, so okay. Excellent. So, with that, you know, pursuant to the change in our agenda, we'll be moving on to issue, issue paper twelve. Jennifer, if you could take us through that, please.

MS. HONG: Sure, I'd be happy to. So, this is issue paper number twelve, regarding establishing in regulation, a framework that an institution must follow to initiate and maintain a prison education program. So, in December 2020, Congress passed the Consolidated Appropriations Act of 2021, which allows incarcerated individuals to access Federal Pell Grant funds for qualifying prison education programs, which we will refer to as PEPs. This permanent change codifies much of the Second Chance Pell experience, experiment created by the Obama administration, and expanded by the Biden administration, which allowed incarcerated students to access Pell Grants. So, the new statute on prisoner education programs takes effect on

July 1, 2023. We found that the research shows that high-quality prison education programs increase learning and skills among incarcerated students, increases the likelihood of stable employment and reduces the likelihood of recidivism. So, one of the things you want to do is want to clearly define quality indicators and ensure that students who are incarcerated are offered high quality programs. One of the things we noticed that within a corrections facility there's generally at best one post-secondary institution offering prison education programs. And given this, incarcerated students have very limited options and cannot feasibly apply their Pell Grants to a different, potentially higher quality institution. Thus, we want to ensure that incarcerated students apply their Pell Grants to quality programs. So, as you know, we plan to seek input from the subcommittee on implementation of the new statute and to bring their recommendations back to this full committee for a vote. And that's why we had put this actually last because I don't know how much of a fulsome discussion, we can have on this issue short of hearing for the subcommittee. So, you know, the subcommittees will meet October 18 through 20th and November 8 through 10th. And, and we are hoping to provide some proposed regulatory language late next week. And just to kind of go over some of the things that we hope to gain input from the subcommittee, there's some issues with regard to student eligibility. Congress amended section 484T of the HEA to allow

confined or incarcerated individuals to access Federal Pell Grant funds to enroll in a PEP. Issues of institution eligibility, the statute states that public, private nonprofit or vocational post-secondary institutions may offer a PEP. The post-secondary institution cannot have been subject in the last five years to various adverse actions by the department, or the institution's accrediting agency or the state. Issues of program eligibility in addition to fulfilling all other applicable program eligibility requirements; the Federal Bureau of Prisons the applicable State Department of Corrections or other entity that is responsible for overseeing correctional facilities must determine that the PEP is operating in the best interest of students. Credits earned in the program must be transferable to at least one post-secondary institution, and a confined or incarcerated individual receiving a Pell Grant cannot be enrolled in a PEP that is designed to lead to licensure employment of formerly incarcerated individuals. As far as reporting goes, annual reporting from P -- participating post-secondary institutions as well as an evaluation by the department. I'm not going to go into great detail of the areas that we plan to regulate proposed regulation on again, because I think we need to hear from the subcommittee first. I'll just read it aloud: we want to codify additional location status, provide conditions of institutional eligibility. We also need to clarify the date, extent and duration of eligibility and

eligibility removal procedures, ensure that institutions report additional PEPs at additional locations, codify the definition of quality indicators for eligible programs, and define prohibitions and licensure. We also want to clarify how existing accreditation procedures might apply to these PEPs. We also want to create a smooth transition from Second Chance Pell. And too (inaudible) we want to provide disclosures to help students understand their options. We want to describe the process for reporting and to provide technical changes to conform with the statute. So those are some of the things that are on the table. For this issue, I can open up to discussion here. Aaron Washington on our team is leading the subcommittee on this effort. So, he may be available for questions as well.

MR. TONCHI: Thank you for teeing that up, Jennifer. And, you know, a couple things, I just want to repeat something Jennifer said regarding, you know, the subcommittee meeting on the 18th 19th and 20th of October, there'll be, I'm sure very in-depth discussion there. We will not take you know, each point by point in terms of each different posed changes and take like a, you know, a temperature checks on each, we're just going to discuss the paper as a whole. Okay, for our purposes here, and we will try to get in at least you know, a temperature check or tentative agreement, you know, on, on these concepts prior to moving, prior to moving on later. Okay. So, with that, I'll open it up to, oh, and I believe I need to mention, Stan

Andrisse has joined the committee for independent students. Okay. David, please proceed.

MR. TANDBERG: Thank you. I'll just say my, the constituency that I represent is thrilled to see the extension of the Pell Grant to incarcerated individuals and the attention of the current administration to incarcerated individuals and recently incarcerated individuals and providing opportunities for post-secondary education to those populations. With the, with the Pell Grant, we, there are some challenges, though, that are, that are introduced, that I think needs attention. And I'm struggling because I am not sure how much flexibility we have given the language in the Higher Education Act. But I would want us to push that as far as we can. One example is that, for thousands of incarcerated individuals, the primary means of accessing post-secondary education is via correspondence, because they don't have ready access to computers, or in-person instruction. This is critical. And with the Pell Grant, it could be read that those students, those incarcerated students wouldn't be able to use the Pell Grant towards the correspondence education. That means they will be perhaps unable to access support, affordable post-secondary education, it also likely means that those institutions offering those educational opportunities will lose enrollments. And these aren't for-profit colleges. For example, in Colorado, public HSI Adams State University has one of the most popular prison

education programs provided almost entirely via correspondence. And so I would encourage some flexibility and interpretation and push these things as far as we can because, and they're likely other examples where the statutory language around the Pell Grant was never written with the intent of it being used to provide access for incarcerated individuals and so we've got to explore what we can do regulatory, with the regulatory language, and then I know it goes beyond this committee, but also statutorily. Just putting that out there.

MR. TONONCHI: Thank you David. Daniel?

MR. BARKOWITZ: Thank you, and a few topics for feedback. But first, I want to echo what David said about the complexities of Pell. And I also want to say that as a constituent group, we're very supportive of this program as well and the expansion of this program. A few thoughts, one a procedural question, one a more definitional question. So, from a procedural point of view, what I see ED highlighting in the proposal is the requirement for the first two PEP programs or prison education programs to be approved by ED. In addition, each location to be approved by ED. Location is already part of the approval process, when you add a location as an institution, you need to go through an approval process already anyway. So, I would really react I think, negatively to two PEP programs being asked to be approved, because the initial location already requires approval. So, it seems to me this sets a different

standard than any other program level. And I would, I would strongly urge that it'd be the first that requires specific approval not, not each individual or the second and beyond. The other issue is just to David's point about Pell, Pell as I understand it under the Second Chance Prison Program is not refundable above the basic cost of tuition and fees assessed in the program. And I just want to confirm because there's language about LEU here, I just want to confirm that for prisoners if they're unable to get the full benefit of Pell, so for example, if it's a \$3,000 award and tuition's only \$1,500 that they wouldn't be dinged for the full value of the Pell for that semester, because of the limitation on the refundability of Pell Grant. I know I had more questions, technically, but I'll let that wait until we have a, a more deliberate proposal. Sorry, and to provide clarification for Jeri who asked LEU, LEU is lifetime eligibility limit, or lifetime eligible used. So, a student is limited to the equivalent of six years of Pell as an undergraduate. And that's based on the percentage of the full Pell that they've taken for their EFC level. So again, I don't want to penalize the student who's not able to get the full access to Pell, because of a rule the department set about refundability of, of the excess portion.

MR. TONCHI: Folks, we have a somewhat unique hand that's being raised, and I'd like you, if you have any objections to me calling on him, please speak up.

(Inaudible) Aaron Washington from the Department of Education, who is leading the subcommittee, he's going to be facilitating that coming up on October 18th. Any objection to him responding right now? I'm not hearing an objection Aaron please proceed.

MR. WASHINGTON: Hi, everybody. My name is Aaron Washington. And I'll be leading the, facilitating one, one of the facilitators for the subcommittee has been mentioned. And I kinda wanted to just respond to some questions. I'm trying to write as fast as I can. Daniel had asked some pretty detailed questions, so I hope that if I didn't answer it specifically, then you would let me know. But I just want to start with David. David Tandberg's question on correspondence programs. There is no statutory prohibition and, and the amendments to the Higher Education Act made by the Appropriations Bill, for correspondence education through prison, for prison education programs. In fact, I think you'll see that we proposed to amend the definition of additional location to incorporate the idea that if education is offered at a correctional facility through, primarily through correspondence education, that would be, the department would consider that an additional location.. So we're kind of letting the community know right now that correspondence education would be eligible as long as it met the definition of whatever, you know, posed language that we come to during the committee. Also, I also wanted to just clarify, I think, obviously, David, you know this, but, and Daniel you know this,

but just so that, for the community's awareness, there is a Pell, Pell, students that are enrolled in correspondence program are eligible for Pell. There are Pell formulas that are already outlined in the regulation. And there is a specific formula for Pell eligibility for correspondence programs. So I think, I think we're covered there. Can I get a thumbs up, David, or, alright, great. Okay. Moving on to Daniel's question, you talked about the approval process, there in setting a different standard than other programs. In the statutes in the authorizing statutes, there is a different standard already kind of baked into it. These prison education programs have to be not only state, authorized by institution that has state authorization and accreditation, but they also have to be approved by the Bureau of Prisons and State Department of Corrections. So there's already we're already creating a different, there's already a different standard created. And if you kind of dive further into the statute, these, the institutions offering the prison education programs can't be subject to any adverse actions by the accreditor, they can't be subject to, I believe it's emergency action, termination, or suspension by the department and any revocation of ability to operate in the States. So there are, you know, several standards beyond what, what other programs would have to, do anyway. Now to the, the part about Pell LEU, I, maybe I need a little bit of clarification, Daniel, I apologize if I didn't get this, right.

But if a student doesn't use the Pell, the student doesn't, if the student, the Pell is actually not dispersed to the student because the student didn't enroll in the program that would not count, did not enroll in the course of the program or payment period, that wouldn't count towards the student's LEU. It would be the, the, we are not proposing to amend the way in which the department calculates LEU. There's a provision in the 2021 Appropriations Bill that states that the Pell cannot exceed the cost of attendance that would result in a credit balance. When I was in school, we will call it a refund. But I know the Department of Education speak amongst this committee, of course, we call it a credit balance, as defined I believe it's 668.164 the cash management rule. So that's really what we were getting to, we were trying to what we intend to propose language to ensure that the Pell Grant doesn't result in a credit balance. But if the student is eligible for more, you know, Pell and in, and the Pell is required to be reduced per statute, that amount that is required to be reduced wouldn't be included in the student's LEU. It would it was just be -- so I hope, I hope I answered your question, and I get a thumbs up if I did or not.

MR. BARKOWITZ: Yeah, that, that was the point. So --

MR. WASHINGTON: Oh, okay.

MR. BARKOWITZ: I want to make sure if it was statutorily required to be reduced that it wouldn't be counted

against a student in that case.

MR. WASHINGTON: Yes, you're correct.

MR. BARKOWITZ: Alright.

MR. WASHINGTON: Alright. I know we got a lot more questions, so I'll go back on mute. Thank you.

MR. TONCHI: Thank you. I just want to recognize Michale, for coming to the table on behalf of accreditation. Heather?

MS. PERFETTI: Thank you. So I was going to indicate that Michael had some remarks that he wanted to make on behalf of accrediting agencies. But I will just indicate, while I have the floor, of accrediting agencies support for this, as well as our trusted experience in overseeing the programs at correctional institutions already and among the student population. But certainly, we're most interested in how the regulations may redefine some of those expectations. And so we're interested in the conversation and hearing from the subcommittee as well, but Michael did want to speak to this topic, too.

MR. TONCHI: Michale is in the queue. So, you know, stand by Michale, if you wouldn't mind. I'm going to take Dr. McTier.

DR. MCTIER: Cool.

MR. TONCHI: I remember where you are Mike, Okay, go ahead. Dr. McTier.

DR. McTIER: Okay, cool. I am Dr. Terrence McTier, currently the Director of our prison Education Project at Wash U. We are extremely supportive; Pell Grant being implemented to students. Look forward to working with a subcommittee to bring some of these other regulations to the forefront. I think some of the things that just to kind of consider in this negotiation process is really looking at students being penalized for involuntary transfer of institutions. And so, as we begin to think about implementing those Pell Grants, as students are moved from a facility, to another facility in the middle of their program, just taking, taking that into account. I think the other things is really, as many of my colleagues have talked about is accessing documents is going to be one of the biggest challenges for individuals who have been in prison for 15 to 20 years. I think that's going to be something that we have to (audio) out in relation to the FAFSA, but I'm not going to really go too deep because I know we're going to be having a conversation later on. I just wanted to kind of bring those, those issues up to the committee. So, thank you.

MR. TONCHI: Thank you, Dr. McTier. Dixie you're up.

MS. SAMANIEGO: Yeah, first and foremost, I really want to, you know, some of my support for this, especially coming from the CSU, this last week, or actually

three days ago, CAL STATE LA had its first set of graduates from the prison education program, about 25 graduates making that the first folks who were incarcerated to have a Bachelor's degree from a public university in the state of California. So big ups to the CSU, but specifically CAL STATE LA. But also, my biggest question is really, how is the Department of Education going to make sure that (audio) Pell Grant, that incarcerated folks are receiving go to accredited schools, and not just accredited schools, but quality programs that are actually (audio) help these folks after they come out of, you know, incarceration, because that's my biggest worry, right? Because we all know that some of these folks are upon, you know, one of the demographics that are easily preyed upon, and you know, exploited. And so that's my biggest concern. And I don't want these folks to, you know, be taken advantage of, after wanting to, you know, pursue higher education and, you know, after all these hurdles that they've had to face, and then being taken advantage of, and so that's really my question for either Aaron or Jennifer at the department. What is the department going to do to ensure that folks aren't being exploited, when they finally get the chance to pursue higher education with the Pell Grant?

MR. TONCHI: Thank you, Dixie. Marjorie?

DR. DORIME-WILLIAMS: Thank you, Dixie, for those comments. And I would also add in consideration of quality, that when the department is looking at these measures,

so I see language around inputs and outputs, as well as looking at other groups to compare students who participate in these programs, sort of against and so one example is high school students who have not been in this program. And it seems like we're, we're comparing apples to pineapples. So, the challenges that students who were incarcerated or formerly incarcerated are facing are completely different than students who simply just graduated from high school, whether it's social, cultural, economic capital, whether it's thinking about the stigma that comes with having that as a part of a student's identity. And so, I want to make sure that when we're talking about these quality indicators, we're not sort of only thinking about common language that we're using in post-secondary education. Obviously, wages and employment are important, but we're actually paying attention to the experience of the students in the program. There are plenty of students, and this is, you know, not limited to prison programs, who graduate in spite of their education, not because of their experience in education. And I think this is one population that, particularly might be faced with that. And as Dixie pointed out, in programs that might seek to take advantage of this legislation or take advantage of students who are, I think, even more marginalized in any of the groups that we've talked about today. So, I just want to make sure that we're careful about what we're measuring and how we're measuring it. Because those are very different

experiences and the expectations for the students have to be different because of the things that they are going to be facing coming out of those situations.

MR. TOTONCHI: Thank you, Marjorie. I understand that Jennifer will be coming to the table on behalf of student loan borrowers. Stan, you're up.

MR. ANDRISSE: Happy Friday, everyone. Can you hear me okay? So, we've made it to Friday. I'm excited to be here with you all. As I mentioned on Monday, when we first started, I am a formerly incarcerated person who works with currently and formerly incarcerated individuals in the capacity of helping them pursue higher education. I was one of the leaders, along with many others in a coalition called the Unlock Higher Ed Coalition that worked to get this, you know, Pell restored for incarcerated students. And I just want to make a couple of comments, one being, I appreciate the language that many who have spoken on this topic, you know, we're using but I also just wanted to be aware that a few have used some disparaging language. I would ask the committee and also ask to consider in the language that's actually in the text, to stay away from language such as prisoner, convict, felon and center around people language: so, currently incarcerated individual, currently-incarcerated student, formerly-incarcerated person, etc. So that's, that's one thing that I want to add a comment towards. I wanted to ask about what is the power of the

subcommittee? So, to my, you know, I did not, you know, recall hearing another openly formerly-incarcerated person on the committee. So, you know, we've had a lot of language or talk around having dependent or excuse me, defrauded and defaulted students come speak and how it's important to have their voice, I would say it's important to have a voice of formerly-incarcerated people and students and leaders. And you know, I'm here, I know of a few others. But how do we get more of that voice? And I know there's more of that voice in the subcommittee, but then the subcommittee doesn't have the voting power. So, I was going to ask, what did we think about you know, leaning heavily on the recommendation that comes from the subcommittee since is made up of more individuals, closer to this topic being there's more formerly incarcerated people in that, and people that work in that field? And I think that's all that I wanted to comment on so thank you for, it's been great serving with you all.

MR. TONCHI: Thank you so much, Stan, for your comment. Michale, you're hidden, but I know you're there. And Jennifer, Michale did have his hand up before you so we'll go to Michale.

MR. MCCOMIS: Thank you. And I would just echo everything that's been stated so far, in significant support for moving forward. I've worked with a number of groups that have been working on this project for some time, and a lot of these

questions have, have come up. And from what I've seen, in the vantage point that I have kind of coming from the idea that all individuals, all individuals have access to quality education. Yeah, you know, I would urge this group and the department to think about more opportunities for us to really be monitoring the success of these programs. Because really wanting to make sure that the quality is there. I think that, you know, there's already been comments made about outcomes are going to be difficult to measure, so let's really make sure that we're looking at the inputs. And so the idea of only looking at some of those, while not wanting to be barriers to moving these programs forward, I think it'll be important for the for the committee to consider the extent to which, if not one, if not two, if not all additional locations, if not all, programs, PEP, should be reviewed by the accreditor by the state just to ensure that yes, and part of that is largely because these additional locations are not like other additional locations, insofar as the control that the college or the eligible, eligible institution will be able to exert there. They are a guest within the walls of that facility. And so, there's only so much they may or may not be able to effectuate through that agreement. So, the more I think that accreditation can review can look at the quality at the inputs at the faculty at the curriculum, because yes, outcomes will be a more difficult kind of assessment to make if you're, if we're looking at wages and employment. So,

let's focus on as much as we can, I think the input side of it, and, and keeping that on focus. My last comment is really just maybe a point of clarification. I don't I don't need it here directly, but this memo speaks to eligible institutions moving into an in providing education of PEP in the prison, I wonder if there's been any contemplation of the prison itself establishing its own, quote, unquote, eligible institution, acting as a school itself within and being able to apply for eligibility in that way. And if, if that is an allowance within the department's thinking and some of the other movement in this area, for it to be potentially in the future impendent, then maybe these regulations to con -- contemplate that as well. Thank you.

MR. TONCHI: Thank you, Michale. Before we go to the next speaker, there are a couple of questions I think that are pending that need answering regarding just the work of the subcommittee and reporting back to the committee. Number one, there is, under the protocols, section 11E states that the subcommittee will provide timely recommendations to the committee. Committee may also request additional information, that means you, the committee, may request additional information from the subcommittee as needed. And as I understand, obviously, the subcommittee will be meeting October 18, 19th and 20th. I understand that the subcommittee itself will decide how to report back to the committee in terms of who

is reporting back at the November, and December sessions. Okay. Alright, Jennifer?

MS. HONG: Just to add to your remarks and thank you (audio). Oh.

MR. TONCHI: Go ahead, sorry.

MS. HONG: Okay. Sorry. Oh, Jennifer, you said --

MR. TONCHI: Jennifer, from ED go, and then Jennifer from student loan borrowers after.

MS. HONG: I can wait, it's, it's just a response to procedures and Stan's comment.

MR. TONCHI: Please, please do go.

MS. HONG: Okay. Real quick, Jennifer, I just wanted to acknowledge Stan, your comment, which, we really wanted to get this right, which is why we constituted a subcommittee of all relevant parties to this issue, so that we can really get strong subject matter expertise. And the idea was to get that filter onto the main committee to make sure that the main committee was very knowledgeable about this subset of programs. Our challenge was balancing that against the 11 other issues that we had this main committee addressing. So, the idea was to really get all the substantive concerns and issues, all the technical information gathered by this subcommittee of different constituencies, and have a really clean reporting line to the main committee so that all those concerns could be

communicated through the affected constituency. That's why we set aside some, expressly set aside a subcommittee for that work.

MR. TOTONCHI: I know, Jennifer, Student Loan Borrowers, I said you're next, but just the facilitator in me compels me to call on Stan really quick. Stan, go ahead.

MR. ANDRISSE: Thank you, Jennifer. And thank you to all that, you know, the plus one, on your comments. And I mean, to (inaudible) idea, and I appreciate the approach that we're taking, honored to be here with you all incredible group of individuals. But you know, even with the, I'm concerned with the power of the subcommittee, so we have the subject matter experts. But, you know, there's, they don't hold any power. And I'm concerned, there's a little idea of how that is going to go. And I appreciate the extra information, Emil, that you just shared. But I think I would, you know, that why I was, you know, I don't know if this a consensus. And I don't think anyone would want to take a consensus to say that we will take the recommendation of the subcommittee. I don't take away your autonomy. I don't want to do that. But I just want to stress that it does have, you know, a good deal of experts that have been working on this for a long time. But that's the only additional comment I wanted to add at this time.

MR. TOTONCHI: Thanks, Stan, for what, for what it's worth, if I can offer the following. One of the

beauties of the consensus space process is that and this probably doesn't address, you know, all the interest that you've raised, but one of the beauties of consensus is that the number of votes isn't relevant. It's just consensus. So, you'll be able to, and whomever the subcommittee empowers to present in November will be able to come and present and, you know, you have the power of consensus. So, each committee member does. Okay. So, Jennifer?

MS. CARDENAS: So, the first thing is moving forward is, if Jennifer's okay, can I go by Jen? One I kind of like jump up every time I hear my name, but it's not my name. So, we have like a few more weeks of this in the next coming months. So, if you're okay with it, Jennifer, I'm gonna go with Jen.

MR. TONONCHI: We'll go ahead and change your name after your comments.

MS. CARDENAS: Okay, secondly, I wanted to ask, I'm seeing that we have a program eligibility, what it means within those five years. And then application for date extension. Oh no, yeah, we see that ED also has the right to like, pull out if the post-secondary institution fails, I kind of want clarification on how those students will be protected if that happens, because we I see the eligibility for it for the institution. And I see how they could be denied after failing to provide for those students. But I want to see like, is there

like, unless I missed something, I just want clarification on how the students are going to be protected if that happens? And that's my question, thank you.

MR. TONCHI: Thank you, Jen. If you could go ahead and write your question in the comments that might be helpful. Okay. Given you know, the fact that we have the subcommittee coming up, I'm inclined to call on Eric and Greg, and then we'll probably take a short break after that. Okay. So go ahead, Eric. There's a third person whose camera's off that we'll also call on. Go ahead, Eric.

MR. APAR: Thank you. So, I just wanted to raise a quick concern about program eligibility. So, it says in the issue paper, this is the last sentence of the program eligibility paragraph. A confined or incarcerated individual receiving a Pell Grant cannot be enrolled in a PEP that is designed to lead to licensure or employment for an occupation, if that occupation typically prohibits licensure, or employment of formerly incarcerated individuals. So, I just want to raise for the subcommittee and I know that details are going to be flushed out later. But that determination as to whether an occupation typically prohibits licensure or employment can often be a very thorny one, and heavily contingent on state laws. So, in New Jersey, for instance, we have a fairly broad statute, regulating the licensure of formerly incarcerated individuals as a standard is whether the offense has a direct or substantial

relationship to the profession. And it's considered on a case-by-case basis. So, it's not necessarily the case that any occupation, you know, quote unquote, typically prohibits licensure. So, I would just encourage the subcommittee to think carefully about what exactly that means. That's on the licensure front. With respect to employment, I'm just curious as to how that's going to be measured. How are we going to determine whether an occupation typically prohibits the employment of formerly incarcerated individuals?

MR. TOTONCHI: Eric, if you could note that question in the comments, that would be great. Greg is next. And then Aaron will have the final comment, Aaron's off camera, but he will have the final comment. Go ahead, Greg. And I want to recognize Greg, for coming to the table on behalf of dependent students.

MR. NORWOOD: Thank you. I just wanted to lift up two things that were kind of already said, but I wanted to just repeat them, because I think it's so important. Dr. McTier and I'm sorry, I don't remember the first name mentioned about the process to even get financial aid and or Pell Grants. As one who represents a constituency of dependent students, one of the most challenging things, I guess, if you will, with receiving financial aid, as a dependent student is trying to get documents, get information that you just don't have access to, and you're relying on someone else, to provide that information

in those documents for you. It's one of the most challenging things. And particularly if you come from a, you know, low income, or just a disorganized family, if you will, it could just be, it could be challenging. And so, I really hope that the subcommittee will think about how we can maybe create a separate process for those who are incarcerated, that will allow them to still have access to what financial aid has to offer, without having to go through the grueling process of trying to get documents that they don't have. And I think even, even more so, I think that the requirements on FAFSA like tax returns, things like that, if you've been in prison for an extended period of time, you haven't filled out taxes. So, all these different things would, would be an inhibitor. And so, I think it'd be critical that we look at creating a separate process for those who are incarcerated. But then secondly, I did want to likewise lift up what the state AG just mentioned, here is what I was thinking of wanting to lift up, but he did before me, was a hope that this covers that there, there's language in the writing that would give the impression, that those who are incarcerated would have limited options as to how they want to use that program. As to the kind of programming, the kind of career, whatever the case may be, I do hope that that's something that we challenge and look at differently, that I do hope that it is open to whatever field they wish to go to. And so those were the two things I want to lift up. But really this piece about

information gathering is so difficult, even as a dependent student who is not incarcerated. And so, I can only imagine the difficulty one who is incarcerated would have.

MR. TONCHI: I'm muted, sorry. Aaron, please proceed. Thank you, Greg.

MR. WASHINGTON: Thank you for allowing me to speak one last time, I realized that if I was going to try and answer every single question or chime in, then we would kind of go way beyond time. But I wanted to say thank you to Dr. McTier, Dixie, Marjorie, Stan, Michale McComis, Jen, Eric, and Greg, for all of your ideas. And I noted all of them down and we have notetakers at the department as well. So, while I couldn't get to answering your specific questions, just know I wanted to jump in there, but I know we have limited time. So, thank you so much for all those comments.

MR. TONCHI: Thank you to the committee for the great discussion, I'd say initial discussion on this, and I certainly look forward to the report back from the subcommittee in November. At this stage, we will take a break. Okay. We're going to, let's round up to one, I'm sorry, that would be 2:05 Eastern, a little short, but hopefully it's enough for you to take a quick break 2:05 Eastern, please be back in your seats and we will be ready to go. Welcome back from the break everyone, we are moving on to our final issue of this first week, false certification. Before we move into that, just a

heads up that I will need about five minutes prior to the public comment just to go over some kind of closing items so we can tee up our workup for our November, our November session. Okay, so that'll likely be about 3:25 or so. Jennifer, please proceed with a false certification.

MS. HONG: Great, thank you Emil and thank you everyone for joining us on this last issue of the first session. We are on issue paper number 11. And that is improving borrower access to false certification discharges. Briefly in Section 437C1 of the HEA authorizes the Secretary of Education to grant the false certification discharge to Direct and FFEL loan borrowers if the borrower's eligibility to borrow was falsely certified by the school or was falsely certified due to the crime of identity theft. In general, a borrower may qualify for full certification discharge if one, the borrower did not have a high school diploma or its recognized equivalent and did not meet the applicable alternative eligibility criteria. Two, the borrower had a status either physical or mental condition, age, criminal record or other circumstance that disqualified them from meeting the legal requirements for employment in the occupation for which the training program supported by the loan was intended. Three, the school signed the borrower's name on the loan application or promissory note without authorization, or four the borrower was a victim of identity theft. And here we see again, in the false certification regulations, we have two

separate requirements depending on when the loans were first dispersed either before July 1, 2020, or after July 1, 2020. We find that different false certification discharge requirements for different cohorts of borrowers are confusing, create equity issues that are challenging for the departments to implement. So, throughout the issue paper, you'll notice that we've provided examples of some of those differences and standards and procedures related to eligibility and the application process. We also find that current provisions in the regulations may be overly burdensome for borrowers. So with that being said, we're proposing standards to cover all false certification discharge claims, regardless of where the loan was first disbursed. We believe that this would provide more clarity to borrowers, ensure that all borrowers applying for false certification discharges are treated under the same standards. And the first solution that we're proposing is actually, I don't know how much discussion this requires, this is more technical in nature. You know, right, right now, the regulations, taking a step back, we don't have any proposed regulatory limits at this time. But for this piece, it currently ties into loan disbursement. And we just want to use borrower status regarding having high school diploma or its recognized equivalent or meeting the alternative to graduation from high school eligibility requirements at the time the loan was originated, originated, meaning the school has certified the loan and the loan was created within the FSA

system, not the kind of loan that was disbursed. So, it's just, it's just changing. You know, this disbursement language to origination language, just to ensure that students do in fact meet the title for eligibility requirements, and that institutions do not authorize loan disbursements to ineligible students. So that's just a technical change. We can discuss that if you like. I'll put myself on mute if anyone has any questions, otherwise, we can move on to the second one.

MR. TONONCHI: And I see a couple of comments. And you know, Jennifer, my instinct is to do temperature checks for temporary agreement as we go on the concepts. If that's not what you're looking for, please let me know. Daniel?

MR. BARKOWITZ: Actually, I'm reading ahead, I rescind my question because you address it in the third point. So, I will turn it over to Josh.

MR. ROVENGER: Thanks, I'll just start off by saying that we really appreciate that these regulations, proposed regulations that come are going to be retroactive for all borrowers, or rather, will cover all borrowers regardless of when they took out their loans. And as Persis and I have been emphasizing throughout this week, we think that should apply broadly to all the changes we've been discussing. And on this specific requirement, we're also in favor of this change. What we have found is that using the date of disbursement rather than origination essentially allows the school to falsify the

eligibility of a borrower and then try to cure it by allowing them to complete six credit hours of his or her program. I think our biggest question, and this may just be one that can only be answered at least the regular proposed regulatory language, is whether there's going to be a definition of origination, because we just want to make sure that however this is crafted, that it's (inaudible) to a time that's close to when the student actually signs the promissory note, and not a process that can be delayed inadvertently.

MR. TOTONCHI: Excellent. Again, Jennifer.

MS. HONG: So, Josh, if you could just again, put that suggestion in the chat. If it's anything, you know, that gets by to what you see in the parentheses there, that would be helpful. Thank you.

MR. TOTONCHI: At this stage, I'd like to take a temperature check for tentative agreement on this concept suggested by the department. Let me see your thumbs. Dr. McTier? I can't see your thumb, can you please raise it remember, reminder to put it next to your head like this, folks? Can I see thumbs again? Once more. Okay, thanks. I don't see any thumbs down. Okay. Moving on to the next proposed solution. Jennifer, if you could see that up, please.

MS. HONG: Okay, the next one is, okay to explicitly state in the regulations that all loans may qualify for the discharge based on false certifications of high school

diploma or equivalent, although the regulations applicable to loans disbursed on or after July 2020 still allow implicitly for false certification discharges based on falsifications by the institution, we just want to revise it and put that, for upfront so that it's quite, much clearer for borrowers. Straightforward as well.

MR. TONCHI: If there are no comments or questions, I will, okay, there you go, Jessica.

MS. BARRY: Sorry, I just have a quick question. We generally support this solution, but I have a question about coming back to fraud that we were talking about before. So, it's possible that some students may lie intentionally to an institution and the department, in order to access, or access federal student aid programs. We just want to make sure that when a student is lying and the lie was not forced or coached by an institution, that the department will be holding institutions accountable, will not be holding institutions accountable for false certification liability concerning high school completion. Is that true, Jennifer, that they won't be holding schools accountable?

MR. TONCHI: Jennifer, if you want to mull over that, you can, if you have a response, that's great. If not Jessica, if you could note that question in the chat, please. Okay. I do want to recognize Suzanne, coming to the table on behalf of state regulators. Josh?

MR. ROVENGER: Thanks. And I think this is a comment that also applies to some of the other discussions we've been having this week. But we're making broad policy here or proposing broad policy and to the extent that negotiators come to the table and discuss the possibility of fraud, and it would be helpful if that was supported by data or specific incidents, rather than this hypothetical concept that may or may not exist.

MS. BARRY: Can I respond just real quick? I can drop an example into the chat.

MR. TOTONCHI: Thank you, Jessica. Stan?

MR. ANDRISSE: I'm sorry, but this may tie into, I may tie into a topic that we were just (audio) before but also tie to this one. What is the department's procedure on if individual's lie on the FAFSA? Question related to drug conviction, which, of course has been removed with this new change. But moving, you know, moving forward, how would it, you know, I'm not sure I know how it's going to be handling defaulted students. So, a lot of defaulted students who are incarcerated, were, due to their incarceration, having student loans before. So how is it handling that now that that question is no longer there? And also, I'm just, you know, how was it handling those questions? If there was somebody that lied on them before? And that, sorry, that's kind of towards a little bit of a mix of both this topic and the last.

MR. TOTONCHI: Looks like Brian may have reaction to that. Go ahead, Brian.

MR. SIEGEL: Yeah, in general, if any party in the student financial aid program, students, school, whatever, once we identify who lied on a form or committed fraud, we pursue that liability through appropriate steps. It can include going after the school for liabilities, if it's the school that's at fault. It can be the student under the False Claims Act, that the, there's a certification that what you provide on any form is, is accurate and complete. You know, I, we don't, we don't track the number of fraud cases on either the state, the school side or the student side. So, I don't want to get into a debate over who's at more fault. It does happen on both sides. But no, I don't, I don't know that if you consider the size of the student loan program, particularly in regard to false certification. The number of claims of fraud on either side are relatively small.

MR. TOTONCHI: Thank you. Justin?

MR. HAUSCHILD: Yeah, thanks so much, Emil. I want to take this opportunity to actually talk a little bit about some lies, and I apologize, because I'm gonna zoom back from this a little bit. But I think to talk about the lies, that should be really the focus of this conversation today. And that's the lies of the students, that's the fraud perpetrated on students here. So, I'm going to go through a few quick examples

of how veterans have been impacted by falsifications when it comes to student loans, and I hope you'll indulge me here. So, first Army veteran Travis Craig. Craig's college required him to tell veterans to sign routine paperwork on an electronic signature pad, but didn't show them the computer screen, see what they were actually signing. In reality, the veterans were signing up for student loans, they never wanted and explicitly told the institutions that they did not want because they had the GI Bill. That's something we've heard already. I think it's in the public comments, you'll likely hear more of. Marine Corps veteran, Jonathan Nuack, got a refund check from his school. The school financial aid officer told him it's extra money he got because your account was overpaid. He said, that can't be true, the VA paid the right amount. He asked if the financial aid officer was sure, it wasn't a loan, because he had told them he didn't want any loans. The financial aid officer said, I'm positive, it's not a loan, and even told him to use it on things like buying a truck. It turns out that he found out he had student loans three years later, when the servicer calls them started asking them about the loan. And he still thought he didn't have loans. And lastly, a college whistleblower actually told the veterans organization that he and his financial aid colleagues regularly signed veterans up for loans without their permission. He said it didn't feel like a forgery, because it was all electronic. They said that they would use email

accounts, something like first and last name of the student 123@gmail.com, sign up for the loans, and then when the education department would email that individual, the financial aid officer would respond via the fake account. And the student would never know that they had the loan, or that it was taken out in their name. So, you know, I think the, the main message here is that I think we need to keep at the center of this conversation, you know, what really underlies the need for this relief, and that's falsifications and, you know, functional lies that have been that have been told to students. Thank you.

MR. TOTONCHI: Thank you. At this stage, I'd like to ask for a temperature check for tentative agreement on this proposed solution, and please, Aaron, if you could stop the screen share. Oh, Greg, I see your hand up. Please speak and then we'll proceed with the temperature check.

MR. NORWOOD: It'd be super quick, because I'm thinking about dependent students and particularly first-generation students as case may be, that may just make a mistake. So, I wonder if we could maybe include something about intentionality, this intentional, this intent to whatever the case may be. Just, just want to bring it up really quickly, because mistakes do happen on documents that are insanely difficult to read, particularly when you're a first-generation student and don't have the support to kind of work through that process.

MR. TOTONCHI: Thank you, Greg. I believe Jen is coming in for student loan borrowers. Is that right? So, let's proceed with the temperature check. Again, this is not redlined language, it's, it's proposed solution, but it's concept. Okay. Can I see thumbs? Jen, oh thank you. Alright. Great. Alright. I don't see any thumbs down. Jen -- Jennifer, if you could proceed with introducing the next proposed solution. Oh, I see Jen has her hand raised, that's, please go ahead, Jen. And then we'll tee up the next proposed solution.

MS. CARDENAS: Yeah, sorry, my computer was lagging a little bit. But I want to also support what Greg said, I think one thing that people forget is we are a non-traditional, we come from parents who sometimes didn't speak the language. So, when we try to fill out these forms at age 18, on our own, it's really difficult. And we shouldn't be punished for making mistakes. And we don't have ill intentions. We're trying to get a higher education; we're filing this we're getting ourselves into debt. Because that's the only way we're able to create social economic mobility for ourselves. So, I just want y'all to like, remember that we, we do this because we need to help our community, ourselves, and be able to create, like, steps forward for us to continue our education. So, I just wanted to say what Greg said, we're first gen, sometimes we don't have the support that other people have. And okay, well,

that's it.

MR. TOTONCHI: Thanks, Jen. Daniel, we'll hear from you.

MR. BARKOWITZ: Thanks, Jen. And I want to echo and agree with what both you and Greg said, so student mistakes are different than student intentional fraud. My concern, though, is the broad nature of the way the proposal is written, that student mistake would be an institutional accountability. And that's the piece that I think we need to understand and explore. So, I agree that if a student makes a mistake, the student should not be held accountable. But frankly, neither should the institution, unless there's evidence that the institution has intentionally misled or deceived the student. So, I think again, it can be both. So that's, that's, I think, my, my concern, and I would support that, that exploration in that language.

MR. TOTONCHI: Thank you. I see a number of, okay, Brian, you have the last word, I do want to move on because we have several other proposed solutions we need to get to. Brian, proceed.

MR. SIEGEL: Okay, just, I'll be quick. One, to respond to the last few comments, this is regulation is not designed to punish students, it's defined to explain situations under which a student would get a discharge or cancellation of a loan. So, it's not a judgment, it's not intended to be in any

way a judgment on what the student does. In regard to when a school is held liable, you know, in order to hold a school liable for one of these debts, we have to go through an administrative process where we establish a liability and then prove that liability before a hearing official. So, we're going to have to have a certain amount of evidence in order to show that the school is responsible for it. So, it's not just the student gets a discharge and the school is automatically liable for the amount.

MR. TOTONCHI: Thank you, Brain. I believe Jeri's coming back on behalf of student borrowers, is that right? Okay, thank you. If you could note it somewhere, rather than just popping in maybe you did. I apologize if I missed it, but if you could note it somewhere that'd be helpful for us. Thank you. So, Jennifer, you can tee up the next solution I believe it's the third one.

MS. HONG: Great, thanks Emil. I just want to circle back to Josh's point about the origination we do have a definition of origination and I put the regulatory citation in the chat. I will confirm it with some of the words that you've suggested. Okay, so, finally, thirdly, rescind the (inaudible) provision in the regulations at any borrower who attested to having a high school diploma or equivalent does not qualify for full certification discharge. And what this will do is it will ensure that borrowers can seek a discharge through the false

certification regulations if they were coerced or deceived by their school and had reported not having a valid high school diploma or equivalent.

MR. TONONCHI: Questions? Comments? Josh?

MR. ROVENGER: Yeah, so obviously, I'll be contingent on the specific language, but the legal aid community is generally in support of rescinding this provision. The 2019 provision incentivized preparatory schools to defraud both students and taxpayers, while denying relief to injured borrowers. Typically, students at preparatory schools don't prepare their own financial aid applications or documents. And instead, recruiters and financial aid representatives fill out the documents for students and instruct them to sign. This ends up leading students to unknowingly signing documents that contain false or inaccurate information, including such an attestation. Since most nowadays, since most of the financial aid forms were completed electronically, a borrower sometimes doesn't even need to be present to review or sign the financial aid documents before they're submitted. Under the new rule, we think that rescinding this would help, help solve that type of falsification.

MR. TONONCHI: Thanks, Josh. At this stage, I'd like to take a temperature check for a tentative agreement on this, the concept of this proposed solution, we could stop the screenshare, please. If I could see folks, thumbs. I don't

see any thumbs down. Thank you for the feedback. Jennifer, we can proceed with the next proposed solution.

MS. HONG: Okay, this is to specify that the Secretary may grant a false certification discharge without an application due to falsification of satisfactory academic progress for all loans, and this would just provide clarity to borrowers and institutions and ensure that all borrowers are treated on the same standards.

MR. TONCHI: Thanks, Jennifer. Questions or comments? Anything? You know what I'm going to do if there are no questions or comments, right? I'd like to take a temperature check for a tentative agreement on the concept of this proposed solution. I see no thumbs down. Thank you for the feedback. Jennifer let's proceed with the next proposed solution.

MS. HONG: Okay, so this you might have some discussion on. This is about including disqualifying status as a false certification discharge condition for all loans. Again, this would ensure that borrowers applying for discharge are treated under the same standards. However, in addition, we would like to invite your thoughts on whether to expand the disqualifying status provision to include other de facto barriers to employment that exists in many fields, but do not rise to the level of a state law, state legal requirements such as employment restrictions for, for those with a criminal record, or requirements for professional license.

MR. TONONCHI: Thank you. Daniel?

MR. BARKOWITZ: So again, in this particular status, I'd be curious to hear a little more about what dates to Josh's point is envisioned here is it origination, is it disbursement? The particular reason is that a student may actually be in one program and choose to switch to a different program after the loan is certified or after loans originated. And in that situation, the disqualification status may be applicable to the program the students switch into, and if the school requires that switch. That certainly is not student's fault, but the student originates that I'd have concerns about requiring that as a condition for, for discharge.

MR. TONONCHI: Any reaction to that? Brian, I see your, your mic is on. Did you want to comment or is that?

MR. SIEGEL: No, not.

MR. TONONCHI: Okay, Josh proceeds.

MR. ROVENGER: Yeah, so I think the legal aid community is strongly in support of both reinstating the false cert. discharge based on ineligible disqualifying status and also expanding it to de facto situations. To start, (inaudible) department didn't have a sound basis to eliminate the provision from the front end. But in terms of expanding, and I mean, as a practical matter, there's no difference for a borrower if there's a legal prohibition on them entering their field of study, or a de facto one. So, there are two specific types of

examples that we routinely see. One is where a student is unable to obtain employment because the school lacked the type of programmatic accreditation necessary to qualify the student for profession -- professional certification, that's actually required by most employers. So not a formal state requirement, but one, one by employers. And then another area where we see a lot of abuse is particular industries where students are unable to obtain or maintain employment, because he or she does not speak English. So we were interested in seeing what the department is thinking in terms of expanding this, but are broadly supportive, covering both de jure and de facto prohibitions on employment.

MS. HONG: Josh if you could put those two suggestions about programmatic accreditation employment in the chat. We appreciate it.

MR. TONCHI: Thank you. Justin?

MR. HAUSCHILD: Thanks Emil, and I'll be very honest, upfront, I'm not entirely sure if this is the appropriate place to raise this, nor am I sure there will be a more appropriate place to raise it, which is why I'm doing it here. I think we would encourage the department to consider other potential bases for, for false certification discharge, or just to consider broadly, some of these other really inherently improper loans that are disbursed. You know, we've got reports of veterans experiencing homelessness, that are essentially

forced to take out loans to enroll in an online class when they have no shelter, no access to internet, no computer and no smartphone. And so, I mean, I think I recognize that this might not fit squarely within this particular provision, but really just would encourage the department to think more broadly about some of these basic unfairnesses that underlie, you know, loan, loans. Thank you.

MR. TOTONCHI: Thank you for your comment, Justin. Any other comments or questions? Okay, I will ask for a temperature check for a tentative agreement on the concept of this proposed solution. May I see thumbs? I do not see any thumbs down. And Justin, I assume that's a lingering hand? Okay, thank you. Alright, thank you so much. Jennifer, could you please introduce the next proposed solution?

MS. HONG: Yes, this is to require borrowers to submit an application within 60 days of their loan being placed into forbearance but allow borrowers an additional 30 days to submit supplemental information. It's really just expanding the timeframe by which borrowers can send information to support their false certification application. Borrowers may request and the Secretary will provide the evidence used by the Secretary in making the determination on a discharge explicitly state that borrowers could submit additional information to the Secretary for reconsideration, if they received a negative decision and also to ensure that borrowers are given a chance to

put the strongest case forward. Borrowers who submit the incomplete applications will be given an additional 30 days to amend their application and provide supplemental information. If the borrower does not amend their application after 30 days, the claim will be closed as incomplete, and collection would resume on the loan. The borrower would still have the option to reapply. Borrowers must also be able to access any of the evidence used in determining whether they will receive a discharge, for example, information provided by the school to help inform any request for reconsideration. This is just to, again, make it easier on the borrower and to ensure that they have maximum time and flexibility to get the discharge application in.

MR. TOTONCHI: Michaela, I want to recognize you coming back to the table for independent students.

MS. MARTIN: (Inaudible) 60 days, I still sometimes am amazed, I'm wondering like why there's so much difference. And all the times I know that there's probably specific reasons, but 60 days doesn't seem like a whole lot of time.

MS. HONG: They're -- just to respond -- I mean, I think that was the most reasonable timeframe that we thought we could apply after -- I mean, because the loan's already in forbearance, so we felt it was a reasonable timeframe.

MR. TOTONCHI: Thank you, Jeri.

MS. O'BRYAN-LOSEE: Along the same lines just a little bit, 30 days, 30 days after the 60 days or 30 days after they're informed plus three days for mail delivery? How is -- it's more like how -- the second part of when that 30 days starts would be just something to think about.

MR. TOTONCHI: If you could note that, Jeri, please. Josh?

MR. ROVENGER: Thanks. I think one of us big concerns just generally are we've had a difficult time getting requested evidence from the department that would be necessary to support a borrower's application. And then so usually we have to do FOIA request. And that takes obviously, a substantial amount of time. And so, as part of this process, the question we have is just whether the department would agree to provide any requests -- the requested evidence after denial in a timely manner. So, for instance, 30 days or so after the request.

MR. TOTONCHI: Josh. Any other comments or questions? At this stage -- well, before I ask for a temperature check, Jen, is there any other particular feedback you're looking for on this one before I take a temperature check?

MS. HONG: (Shakes head)

MR. TOTONCHI: Okay. I'll take a temperature check for tentative agreement on the concept of this proposed

solution. Can I see your thumbs please? Okay, thank you. I do not see any thumbs down. Excellent. Jennifer -- well, before I ask Jennifer to move on, I just want to note we are about 50, five zero minutes away from public comments, and I encourage public commenters to log in early, okay? Doesn't have to be right now. But please log in early. Okay, Jennifer, if you could introduce the next proposed solution.

MS. HONG: Thanks, Emil. This is actually removing the requirements of us submit signature specimens. Prior for discharge data due to unauthorized loan, unauthorized payment or identity theft. We will continue to allow borrowers to voluntarily submit signature specimens as evidence if the borrower feels the signature specimens strengthen their case, but we will remove the requirement that they do.

MR. TONCHI: Any comments or questions?
Josh.

MR. ROVINGER: I'm just curious in hearing from the department, either kind of what the department is thinking or how the department decides ID theft and unauthorized loan, false cert applications in cases of electronic authorization, just because that is increasingly the norm. And so, I would just be interested in hearing from the department, how it intends or intends to handle cases such as those.

MR. TONCHI: Jennifer, go ahead.

MS. HONG: I realize I kind of put it back on

this committee a lot of times when you ask these questions, but you know, part of this session is to, to hear, you know, if you if you all have any ideas that'll help inform what we have going into this as, like I said, some of these ideas are less developed than others. So, if you have any ideas regarding that, we'd love to hear about it.

MR. TONCHI: Justin. Oh, you're on mute, Justin.

MR. HAUSCHILD: Hey, thanks. I think just seconding what Josh has said on electronic signatures, one of the examples I gave previously, I think, highlighted how that's impacting veterans specifically. And, and, you know, when folks can't see what they're signing, it exacerbates it even further, right? So, we've got an electronic signature on something that people don't -- can't even see what they're signing. And so, we're supportive of electronic signatures being addressed as well. And, and understand the department is looking for some more concrete suggestions there but wanted to voice support for that. Thank you.

MR. TONCHI: Thank you for that, Justin. John.

MR. WHITEHEAD: Yes, I just have a clarification sort of question. I understand that I support not requiring a signature. But assuming there are certain claims where a signature would be helpful, just telling the person that

they don't have to submit one, but then not telling them that well, in your case, we need one, is there a mechanism for the department to say, before denying a claim, look, we know we don't generally require a signature, but because of the particular nature of your -- of the claim in your case, we really need to see one. Is that something that would be contemplated in the process? Or is it a -- and then if that's not there, I think it's a little more complicated than if it needs some more information. Because I'm -- it's not clear to me that all students will understand when a signature is helpful, and when it is not helpful. And I don't -- what I don't want is to have claims sort of denied on the grounds of a signature wasn't submitted, when in fact, that was because the student didn't understand that it would be helpful for their claim.

MR. SIEGEL: This is Brian, the department does that now, in, in cases where there's other evidence that could be helpful, we'll say to a student, you know, if you have this information, it would be helpful and intends to, you know, identify the, the evidence that would be helpful to the student.

MR. WHITELAW: Perfect. That's, that's what I was hoping you would say. Thank you.

MR. TONCHI: Any other comments or questions on this proposed solution? Jen, do you -- are you looking for any other particular guidance on this item before we take a temperature check?

check?

MS. HONG: Well, I think that feedback has been helpful thus far.

MR. TONCHI: At this stage, I will take a temperature check for tentative agreement on the concept of this proposed solution. Oh, can we stop the screen share? Sorry, keep your thumbs up. But if we can stop the screen share. Okay, I don't see any thumbs down. Daniel, I see you have your hand raised.

MR. BARKOWITZ: Sorry, just a quick return to one thing. There's some confusion among my constituent group, the 60-day window. I just want to come back to that for one second. The concept is that a request for discharge for false certification can happen at any point in the loan repayment lifetime. Is that correct? That is not limited or proposed to be limited. The 60 days is the timeframe from when a borrower first reports it to when documents must be submitted. So, there's not a limitation to 60 days from origination. It is at any time during the lifetime of the loan, that a borrower may initiate a request for false loan certification discharge. That's the question. If not, we would like to support that that be the case.

MR. SIEGEL: I think the intention here is that the borrower notifies us that they believe they meet a

qualification for a discharge on these grounds and then have 60 days to add evidence on that while their loan is in forbearance. You don't want to continue forbearance for inevitable, you know, to continue on because the borrower is continuing to accrue interest. So that's why there's a 60-day limit, then if the borrower has provided -- hasn't -- has provided some but not enough information, they can get an additional 30 days. That's not tied to when the loans disbursed, but when they first inform us of the claim.

MR. BARKOWITZ: But again, Brian, that could be at any point in the lifetime of loans. So, let's say, let's say, you fraudulently signed up for a loan, and doesn't discover that until the loan is placed into default, the student could attest to false certification at that point, even though the education may have been over years ago.

MR. SIEGEL: Yes, that's true.

MR. BARKOWITZ: Okay, thank you.

MR. TONCHI: Thank you, Brian. Justin.

MR. HAUSCHILD: Thanks, Emil, I just want to take this opportunity to, to inquire the department, you know, how much how much latitude it has to consider other parts of this process. So, for us, when we're thinking about your electronic signatures, one of the things that comes to mind is a student really not knowing what they're signing. Of course, there's the obvious form of that, where the, when the student

can't see a computer screen, or something of that nature. But there -- I think there's also a very much wrapped up in this idea of, you know, students not understanding what a Master Promissory Note means. And whether or not there might be a better term for that, whether, you know, renaming it entirely or putting some type of subtitle, you know, or some of these other kind of fraudulent tactics that go into the process, the use of fake email accounts that the student never -- that the student really never has access to, just things not being clear to the students in terms of what they're actually signing, and what it means for them in the process. So again, the question would be, to what extent does the department feel like there's, there's latitude or the ability to operate in kind of those, those few tangential spaces?

MR. TOTONCHI: Jennifer, go ahead.

MS. HONG: Just to your point, Justin, you're suggesting, you know, how we can communicate these things more broadly. I mean, not just exclusively regarding false certification, but generally, you know, how, how the borrower can be better informed as it relates to false certification, or your statement was more concerning the programs generally. Right?

MR. HAUSCHILD: Perhaps, but I think it's, it's also very much related to the borrower being deceived or not knowing what they're signing, right? Again, we're talking

about electronic signature here, or they're being shown documents that they -- that, that it's not clear on their face what it is, it's easier for an institution to falsely certify a loan. So, I guess that's, that's the tie that I'm getting at here.

MR. TOTONCHI: Jaye.

MS. O'CONNELL: I just wanted to clarify, so the statutory language is 685. Just whether this was intended to cover FFEL originations from more than a decade ago.

MS. HONG: Yes, to the question regarding applicability for FFEL loans as well. Jaye, is that what you're asking? It applies both to FFEL Direct loan programs.

MS. O'CONNELL: Okay, so we should expect FFEL -- (interposing)

MS. HONG: Yeah. Yeah, right, right. All -- in areas where the regulation proposed regulatory changes apply to all, all the programs, all the loans programs, we will provide conforming a mandatory language for all those sections as well.

MR. TOTONCHI: Please correct me if I'm wrong, we've taken -- we took a temperature check on this particular item. And then we kind of extended the conversation, right? So, we don't need to do another one right now. Correct? Okay, thank you. So, with that, I'll ask Jennifer to introduce what I understand is the final proposed solution and concept on this topic.

MS. HONG: Sure, I'd be happy to. This is the last concept that we're trying to address and that is to replace the requirement that a borrower provide a judicial determination of identity theft with alternative evidence, such as through the FTC identity theft affidavit process, filing a police report or disputing a loan through all three credit bureaus. The department may need to include multiple measures for a borrower to fully prove identity theft as one single measure, for example, the FTC identity theft affidavit. Right, because it may be too weak of a standard to use as a basis for a loan discharge, one single measurement, too weak of a standard to use as a basis for loan discharge.

MR. TONCHI: Suzanne.

MS. MARTINDALE: Thank you. I appreciate the concept of providing alternative documentation or allowing for alternative documentation to prove identity theft. In fact, legislation just passed here in California, that now gives consumers the right to use the FTC identity theft affidavit in response to a debt collector and to compel the debt collector to investigate instead of the valid basis for a dispute. It's been called to our attention here at DFPI that this is a persistent issue, particularly with survivors of intimate partner violence, who are frequently the victims of identity theft, and for reasons that many folks can probably imagine, do not want to

have to go get a police report, for example. So, I think -- but even the FTC identity theft affidavit, it's kind of lengthy. So, I would just caution here that multiple measures mean multiple hurdles. And so, you know, I would want to have a little more discussion on that, but directionally support the concept, certainly of replacing the requirement of a judicial determination. But making sure that there's some flexibility about the kinds of evidence that can be presented, particularly because ID theft can happen to just about anybody, but it is very, very common in the community of folks who are survivors of intimate partner violence, which has been an issue discussed a lot here in California. Thank you.

MR. TONCHI: Thank you, Suzanne. Any other comments or questions? Jennifer, go ahead.

MS. HONG: I just I appreciate that comment. Suzanne, I think you could tell what we're trying to do here. You know, we're trying to balance the, the provision of evidence here and we want to be sure that we have multiple measures, but we don't want to make it so difficult for borrowers to obtain, you know, judicial determination, for example, balance that against the fact that we are discharging loans that we may need multiple rather than a single standard for loan discharge. Thank you for that.

MR. TONCHI: Daniel.

MR. BARKOWITZ: Jennifer, I just had a

confirming question on the issues that have been brought to the table. It's my understanding, correct me if I'm wrong, but these, these proposals would impact all Direct loans, including Parent PLUS loans, graduate PLUS loans, etcetera, correct? So, where we read borrower, we should understand borrower to mean parent borrower in the case of grad PLUS, graduate student borrower as well?

MS. HONG: Yes, the answer to that is yes. I'm going to have Brian correct me if I'm wrong.

MR. SIEGEL: No, that's correct. The false certification discharge is available to all Direct loan borrowers, assuming they meet the standards.

MR. BARKOWITZ: And so again, just to be clear, if a Parent PLUS loan under this proposal then could be discharged, if a student satisfactory (inaudible) progress is falsified by the institution. So, the proposals brought to the table when they speak to student records apply equally to all loans under those conditions, not simply the student loan. And I would argue in favor of that. I just wanted to confirm that that is the intention of the department.

MS. HONG: That is correct.

MR. BARKOWITZ: Okay. Thank you for clarifying that. I appreciate it. Thanks.

MR. TONCHI: Josh.

MR. ROVINGER: Thanks. So just in response to

the point made by the department that there might need to be additional forms of evidence, it seems like what they -- I may be reading this incorrectly -- that the department is suggesting a nonexhaust -- exhaustive list. And to the extent that's not the case, we would urge first, the department to do so if it ultimately concludes that it needs multiple forms of evidence on this.

MR. SIEGEL: (Inaudible) responding, when we looked into this, it didn't appear that there was any common -- commonly accepted forms of evidence that would -- that everybody accepted would reach a standard of proving identity theft. So, you know, we're looking for ideas from, from you all and from state AGs in particular and others who have dealt with this in other context as for what evidence is available, what evidence is shown to be accurate? And what should we be looking for? So, we're looking for a lot of suggestions in this area.

MR. TONCHI: Josh. Josh, you're on mute.

MR. ROVENGER: Oh, sorry about that. Brian, thank you for that. I appreciate that. And I mean, one quick one that comes to mind that I don't think is on this list is just an affidavit from the individuals sworn under oath saying that they never signed any -- signed the loan. I mean, that in conjunction, for instance of filing a police report would be multiple forms of evidence, at least in my mind should be sufficient.

MR. TONCHI: Any other comments or questions?

MS. HONG: (Inaudible) Anymore thoughts that folks have on ID theft? Anybody has anymore thoughts on other examples to add to that non exhaustive list that Josh already added to?

MR. TONCHI: Anything else the department needs in terms of feedback? I know we didn't get any feedback on that item. But anything else on this particular proposed solution before I take a temperature check?

MS. HONG: I guess not, not unless anybody has anything that they want to add? Those are the issues that we have on the table for false certs. So, when we go back and bring back proposed regulatory language, I'm sure we'll get a big thumbs up from you guys.

MR. ROVINGER: So, there are three additional issues related to false cert that I wanted to just raise and my understanding, like, I know I'm going to be sitting around a lot and writing. And I'm happy to do the same on these three to tee up a broader conversation. But the first is it's our understanding that there's subregulatory action and as required corroborating evidence in the ATB context. And so, the first thing we want to see is a removal of that corroborating evidence standard with respect to that process. The second thing we want to discuss and propose is, we think there should be a process

through which discharges can be requested in the false certification context. The department has existing authority already -- I mean subregulatorily -- to do this and has done so in the past. And we think amending the regulations to identify the instances in which the department must provide for group discharges and would be a step in the right direction.

Particularly for borrowers who attended the same school who attest to similar, for instance, ATB testing violations in which there is common evidence that can allow for accurate discharge. And then the final proposal that we'd like to discuss at some point is thinking more broadly about what it actually means to have a false certification. Now, right now, ED has focused on falsely certifying the student's eligibility to borrow but under the statute, our reading of it, it would also constitute a false certification when institution falsely certifies their institutional or programmatic eligibility to participate in the student loan program. And in instances like those, we think false certification should also be an option. So again, happy, happy to put all that in writing. But did want to raise (inaudible) the flag.

MR. TOTONCHI: Thank you, Josh. Any final comments or questions on this before a temperature check? Okay, then I'll ask for a temperature check for tentative agreement on the concept of this proposed solution. Okay, I don't see any thumbs down. Thank you so much for the feedback.

So, first of all, I want to note that we are at the final -- we just finished the final point of the false certification section. Okay. So, bravo, to the committee. A few things that I want to mention first, again, we're just under 30 minutes until the public comments period. Okay, please, if you are going to be making a public comment, please log in early, so we make sure that you get to do your comments. Okay? Now, before obviously, we have -- before we move to the public comment, we kind of want to wrap up, you know, so if there are any final substantive thoughts on all of the topics that we've talked about this week, we have some time. So, what I'm going to do is think back where we started on Monday, okay, and I'm going to go, to the extent we have time to do this -- I'm going to go issue by issue, and just ask for final feedback on that. Okay? So, as you as you recall, so think about all the work that we've done, if there are additional final thoughts you have on any of the points we have left, please raise them. Okay? So, as you recall, the first issue that we discussed was total and permanent disability discharge. So first I'll ask the Department of Ed. Jennifer, specifically, do you have what you need on this, in order to know work on work on this matter between sessions? Or do you need anything else?

MS. HONG: We do. That was a fruitful discussion, and we'll go back and discuss that internally.

MR. TONCHI: Okay, thank you. Any additional

comments, final thoughts on this issue from the committee? John.

MR. WHITELOW: Just briefly wanted to let the department know, we will almost certainly be sending you some things between -- in a -- sufficiently in time for you to consider them before the next meeting, in terms of suggestions. We did -- talked (inaudible) and I think we have some ideas about additional categories to the ones that were listed in the original proposal, we will be sure to put those to writing to make sure that you have -- and we may -- they were probably mentioned briefly in the comments, but we'll, we'll put that to writing also.

MR. TONCHI: Thank you, John. Persis.

MS. YU: I just wanted to mention that I think it's critically important that we expand the categories to look at anyone who has been disabled for 16 months, and that that's a critical piece to include, and certainly support the disability negotiators proposals, and the constant refrain of automation as much as possible and looking at as many sources to do such automation as possible. Thank you.

MR. TONCHI: Thank you so much. Moving on to the next issue. It was issue number two, closed school discharge. First, I'll ask the department. Go ahead, you've raised your hand, Jennifer.

MS. HONG: You were just going to come to me anyway. Yeah, I just want to emphasize because I realized that

this discussion for closed school, you know, kind of was confusing for folks and we veered in all different directions. If I could just say generally, as simply as possible this -- that the department proposed language in support of making this close discharge process easier, and to uphold what we -- our interpretation of the statute to support reenrollment of students and balance -- balancing that against the fact that we do want to be able to get -- provide these discharges for students and borrowers, even if they try out and teach out and find that it doesn't work for them, they can still get their closed school discharge. So, it's really a much more generous, proposed language than there ever has been. And we have to retain again, I don't know if I made this point clear, when your window -- we're changing that from three years to one year, in light of the fact that we want to keep these borrowers out of default. And I just want to emphasize all this is very supportive of the borrower. And, and to find a way to streamline the process and automate, automate this process within, within a year for borrowers that want to avail themselves of the discharge, but they can still apply and get the discharge if they want as well.

MR. TOTONCHI: Thank you, Jennifer. Josh.

MR. ROVENGER: Yeah, the one the one point I'll hit on closed school discharge is anyone who attended the school that closed pre-2014, irrespective of whether there's --

whether they entered another program should have, have a discharge at this program and that requirement should be, it is likely to be more broadly eliminated, certainly limited to a group who has been waiting the longest and are least likely to know of their right to (inaudible) this relief.

MR. TOTONCHI: Jessica.

MS. BARRY: Yeah, I just want to say that we'd like to circulate some proposed definition of "school" for the closed school discharge. So, we'll be working on that, we'll circulate that shortly.

MR. TOTONCHI: Thank you. All right. Issue number three, eliminate interest capitalization for non-statutory capitalization events. I'll ask the department; does it have what it needs at this stage to work in advance of the November session?

MS. HONG: I think we got what we need on this one.

MR. TOTONCHI: Any final thoughts? Go ahead, Jaye.

MS. O'CONNELL: Thank you. So, I know we're still waiting for the some understanding regarding the FFEL implications. But as I was -- as we were getting the tutorial today, on the IBR payments, I was just thinking of the value of having some information from Raj around the effects of interest capitalization, you know, in some of the scenarios that we're

talking about, and it I know, this was our learning and listening session, but I think that could be just helpful. There's the perspective that we always had in -- as we've serviced FFEL loans is that when you cap interest, there's, there's that implication of the added costs. When you don't cap interest, there are large pools of interest that remain outstanding, so then borrowers aren't seeing their balances decline. And it was always the -- there was sort of always the opposite group of people came out in opposition to whatever we had happened to do. So, I just think there's some education piece around not capping that, you know, it's not going to look like people think it should, because as the payments are being made, if there are pools of interest, the loan balance doesn't go down. So, I don't know if there's any opportunity for Raj to, to educate a little on, on the effects.

MR. TOTONCHI: Thank you. Go ahead, Raj.

MR. DAROLIA: (Inaudible) I'm happy to do that (inaudible) next session. Do you mind just reading that in a little more detail? I was taking notes, but just kind of specific requests in the chat or (inaudible)?

MR. TOTONCHI: I just want to recognize; Persis and Josh will probably be rotating in and out topic by topic on this one. Persis, go ahead.

MS. YU: Thank you, and apologies for making your screens flash around. But this is where I think, you know,

these topics are really interrelated. So sometimes this topic-by-topic format is a little complicated, but I -- in the elimination of interest capitalization, there are some deferrals in which the statutes dictate the capitalization. And so, I would encourage the department to think creatively as it's drafting the IDR language to think about whether or not we could simulate those deferrals to provide those opportunities under the ICR statute. And then thus eliminating the capitalization in that format.

MR. TONCHI: Thank you, Persis. Issue four, and I know I'm going a little bit out of order from what we did this week, but I'm just going in the order of the number of issues. Issue number four, improving the Public Service Loan Forgiveness application process. Jen, does the department have what it needs in order to work on this prior to the November session?

MS. HONG: Yeah, I think so. I know there were a lot of questions still regarding a -- you know, the temporary waiver that we just provided and what we're proposing, we could provide a document like a side by side for, for you all, to have just to see what the, what the executive actions are, and how they might relate to what we're proposing for the table as well. If that would be -- if that would be helpful.

MR. TONCHI: Alyssa. I'm recognizing you for coming to the table. I'm going to do that less during this final

segment. Alyssa, please proceed. Oh, you're on mute, Alysa.

MS. DOBSON: Of course, I am. First, I'll apologize, my kids just got home. And so that means that they need to eat everything in the house. So, if you hear loud noises, or folks running around, I apologize. I just thought it was really important. I do think we need a two-tier structure for a pathway to forgiveness, I think, you know, retaining the one that we have, that everybody's familiar with it, it's a good program. But every occupation does have a stock code. And while that might sound like a foreign concept, it's not foreign to ED, I think it would be pretty easy to maintain a list of qualifying occupations. And then you could very simply add a section on the form for the employer to approve or certify that standard occupation code. And then it would alleviate the burden to try to somehow qualify private for-profit employers, and additionally open it up to folks whose private employer couldn't qualify under whatever we may come up with to do that. But we're still doing work that, that fell into the category of public service work.

MR. TOTONCHI: Thank you. Dixie.

MS. SAMANIEGO: Yeah, so I also really want to reemphasize a point that I made earlier during the week that -- and I've asked Raj into the chat, right. And during that session, or that day to really add into the workload, that adjuncts and guest lecturers take on specifically with travel

times that -- I know the adjuncts on my campus, they travel a lot like, one of my professors has teaches at four campuses. And so that's a lot of workload. And then also, Daniel made a point, and I really want to reiterate it, also, including in-office hours, because that is a part of the workload. So, I really want to reiterate that into, you know, into the discussion, so that adjuncts can also be included.

MR. TOTONCHI: Thanks, Dixie. Jeri.

MS. O'BRYAN-LOSEE: I'm going to do a plus one on Dixie, because that's initially what I was going to say. So, the other point I want to make is, as we're thinking about all this language, I'd like to just plant the seed of who's going to read the language, who's going to be expected to understand the language as we move forward. Because you know, students aren't going to be able to necessarily understand kind of what's going on, on the whole. So, I just want to plant that as a reminder for people who actually may need to be understanding the work we do. And just because time was ticking away, I wanted to add that as well.

MR. TOTONCHI: Thanks, Jeri. I just want to note, there are a lot of good final comments and questions coming into the chat. Please continue to do that. Marjorie.

DR. DORIME-WILLIAMS: Again, of course, plus one on what everyone said so far, and I just wanted to ask the

department, I know that sort of right now under the emergency, sort of temporary statutes, there will be review of those that were denied. And then in the current document that reviewed there was conversation about reconsideration. And so, if there could just be some clarity about where the department's going to be, I guess actively reviewing cases and if there's a cut off, so maybe if your loans were from the State or, or whenever that's happened to make clear for folks who might need to actively sort of ask for that reconsideration or actively reapply versus those who already denied but the department might be looking at it. So, I think that was something that wasn't really clear in the document or in our discussion.

MS. HONG: I'll just reiterate what -- (interposing) Sorry, I just -- didn't mean to jump in here. I just wanted to reiterate what Ian Foss had said, and that is FSA is actively reviewing those inquiries. So, so yes. And yes. The proposal to put to codifying the regulations is just so we have it there. We have a process codified but that is happening as we speak.

MR. TOTONCHI: Thank you. Issue number five. Does the department have what it needs to work on this before the November session?

MS. HONG: I think so, I think that was the more challenging of the discussions. So, I mean, we're always open to feedback on that piece.

MR. TONONCHI: And for everyone's edification, I'm referring to PSLF employer eligibility and full-time employment. Okay? Any final thoughts from the Committee on this? Okay. I'm gonna ask for -- we're going to do issue 6, 7, and 8 together, okay? Issue six is borrower defense to repayment adjudication process. Issue number seven is BD to repayment post adjudication. And number eight, is borrower defense to repayment recovery from institutions. Okay? So, we're essentially going to talk about borrower defense together. Initially, Jennifer, any -- does the department have what it needs to work on this prior to the November session?

MS. HONG: Yeah, I believe so. Happy to hear any closing remarks on it.

MR. TONONCHI: Yes, Daniel, saying your final thoughts.

MR. BARKOWITZ: So again, to do -- these are tied together -- very happy to support the extension to the lifetime of the loan for students to submit their request for borrower defense to repayment, very concerned about the six-year limitation period and the lack of definition of when that limitation begins, specifically for institutions that may no longer have records to support in the case of institutional liability. So, I just want to again, highlight that those two issues can't be seen separately. They, they tie very deliberately together.

MR. TOTONCHI: Thank you. Jessica.

MS. BARRY: Yeah, I just want to let you guys know, Carol and I are planning to work on a definition of aggressive recruiting. So, if anybody wants to work with us on that, we would love to get your feedback, just reach out to one of us.

MR. TOTONCHI: Thanks, Jessica. Michaela?

MS. MARTIN: Yeah, I understand that these are all like similar. But I do find them to be different. So, I find it interesting that we are lumping them all together right now for feedback. But I would say that there's been some like, expressed concern about, you know, mass discharges, or again about student fraud. And I want to just ring that bell again, that when we're making policies here. I really encourage us not to focus on like this fear of theoretical fraud and we allow like the department or the government to protect their assets, and then in this space, we consider how we're benefiting students and be very student focused here.

MR. TOTONCHI: Thank you, Michaela. Josh.

MR. ROVENGER: Thanks. I think my closing take on BD for the week is that the department should not be compounding the harm that students have already suffered. And that specifically means including a time limit, a very defined time limit, by which it has to define BD -- by which it has to decide BD claims, it fails to do so, it should grant the

borrower defense and that relief should be retroactive for the people who have been waiting for five years to have a decision. Thank you.

MR. TONCHI: Thanks, Josh. Heather.

MS. PERFETTI: Thank you. So, I think this is where the theme of communication -- improved communication among the regulatory triad surfaced. And so, I would simply put a plug in. I know it was a theme in some other areas that we discussed as well. But I would like to see some specific requirements about those communication protocols to ensure that we all have the information relating to the claims that the department is considering and processing and especially when an institution may be in violation of an accreditor standards to ensure that the accreditor understands where that has happened and where there may be trends across an institution. Thank you.

MR. TONCHI: Thank you. Eric.

MR. APAR: Thank you. So, I just want to reiterate for the reconsideration process on issue paper number seven, the department should be adjudicating reconsideration claims under both the federal and the state standard in the first instance, rather than requiring students to apply under the federal standard, get rejected, and then ask for reconsideration on the state standard. I think state AGs just think that imposes an unreasonable burden on the student. And if the department is concerned about adjudicating claims under

state standard, they can always adjudicate the claim under the federal standard in the first instance, if the claim succeeds, there would be no reason to adjudicate it on the state standard. If the claim fails, then the department would have to adjudicate it under the state standard, but they're already providing for that possibility in the event of a reconsideration request. So, I just wanted to reiterate that point on behalf of state AGs. Thank you.

MR. TOTONCHI: Thank you. Okay. Issue number nine, predispute arbitration. Jennifer, does the department have what it needs to work on this prior to the November session? And you know, while, while I do that, I'll, you know, ask about issues 10, 11, and 12, we'll do this collectively. Issue 10, creating a new income-driven, income-driven repayment plan, issue number 11, false certification discharge, issue 12, Pell Grant eligibility for prison education programs. I realize we just talked about few of these things today. But I'll ask the same questions. Jennifer, does the department have what it needs to work on these topics prior to the November session?

MS. HONG: Yes, I think we have something to start with here.

MR. TOTONCHI: Any final thoughts about these four topics, issues 9 through 12? Persis?

MS. YU: Thank you. Yeah, so I had a number of thoughts about the income driven repayment. One of the things

that we did not have quite as robust of a conversation around for IDR as we had for PSLF is what counts as a qualifying payment. And so, I wanted to also flag that a lot of the topics that we discussed during Public Service Loan Forgiveness also apply to the income driven repayment context, such as the counting deferments and forbearance times, the issue of restarting the clock, when a borrower consolidates and making sure that we count all of the payments that were made prior to consolidation. And, you know, and finally, like, well, not finally, sorry -- and also that we are being as expansive as we possibly can to ensure that we're covering Parent PLUS borrowers, and FFEL borrowers wherever possible. And then finally, reminding us that I'm excited that to try to figure out how to best protect defaulted borrowers through this process as well. And I still encourage everybody to email me if you would like to be included in that offline conversation. Thank you.

MR. TONCHI: Thank you. Dr. McTier.

DR. MCTIER: Yes, I just want to reiterate some points that were made earlier regarding the Pell eligibility for students who are incarcerated. Piggybacking off of my colleague, Dr. Stan Andrisse, making sure that the language is people-centered, student-centered, ensuring that we make the process as easy as possible for those who are incarcerated. Taking into account the difficulty of accessing documents, we just want to make sure that those things are

specified and outlined. And again, we look forward to diving deeper in the subcommittee.

MR. TONCHI: Thank you, everyone. Well, with that, folks, we are just about five minutes away from public comments, I'd like to ask Jennifer, if she has any final remarks for the week.

MS. HONG: I do have some final remarks quickly. I just want to thank each and every one of these committee members for your service. We've really appreciated the thoughtful deliberation at the table and at times lively. I anticipate they'll be lively moments (audio) and we just will -- we realized this is a devotion of your time and we thank you for your service to talk about these very important issues for students and borrowers. So, thank you. I also want to acknowledge you know, in a live session, we have two rows of seats set aside for department staff and see them furiously writing taking notes running up to the table, drafting regs as we talk. That's all happening right now, you just don't see them. And the -- you know, once we (audio) making, you know the department has a flurry of activity. It is a massive coordination effort among all the offices as well as interagency and I believe Undersecretary Kvaal alluded to that effort. And I just want to just give a high five to the staff for bringing us to this point. We'll continue to keep forging ahead. Also, the public has engaged with this process. The fact that it's been

virtual has allowed them to engage in unprecedented numbers, we really appreciate the feedback. We loved hearing from you, both orally and your written comments. We're about to hear from you now. Thank you very much. And I don't want to forget that IT -- as far as staff, the IT guys that kept us going through this whole week. So, thank you. And also, finally, our very competent facilitators, thank you for your service as well and helping to keep this conversation going.

MR. TOTONCHI: Thank you, Jennifer. And thank you for that. So just a few -- we are a few minutes away from public comments. A few closing things to discuss, we've talked about this at length but remember, we have a subcommittee meeting on October 18th, 19th, and 20th. Committee members who are not members of that subcommittee, you may register, just like the, the -- via the public registration, to pay attend -- to be in on those meetings or to view them. Okay? Another thing I want to raise is that at FMCS, we take pride in when we get involved in negotiation, and being as helpful as possible to the parties, that's not only when we are present here with you at a scheduled meeting, but also between sessions. Okay, so please let -- please reach out. You have our contact information, all four of us, what was given to you in the initial outreach letter that I believe Kayla sent out. Please do not hesitate to reach out to us if we can be of assistance between sessions. Okay? In addition to that, we are able to receive data requests,

documents, and answer any other questions, provide answers in the interim. Okay? Please keep an eye out for five new links -- Zoom links that you'll be receiving in your inboxes for session two, November 1, 2, 3, 4, and 5 will each have their own unique invitation -- unique link, we won't be using one link for all of them just like we did here. Okay? I do want to note that additional documents shared out by the department will be posted on the website. So just in case you think you may have missed something via email, or something along those lines, there could be issues, new issue papers or regulatory text or other items, please check that website for the new information. Okay? So, I understand the link for this website is in the chat. So please copy that for your, for your reference. Okay? With that, we're just about ready for public comments. I want to thank the committee, the advisors, everyone, the primaries, the alternates, the FMCS team, the Department of Education team, and all the other teams that are working behind the scenes in the background, for all of your hard work, and excellent robust discussion this week. On behalf of FMCS, we certainly look forward to the discussion in November and, and look forward to taking public comments now. So, who is our first public commenter?

MR. ROBERTS: I'm letting him in right now. It is Blake Baron representing himself.

MR. TONCHI: Mr. Baron, if you are here, I

don't see you.

MR. BARON: Yes, actually.

MR. TONCHI: Hi, how are you? Are you able to turn on your camera? If not, it's fine.

MR. BARON: I am, yeah, I'm just not as a finely dressed as everyone.

MR. TONCHI: That's okay. No problem, proceed. You have three minutes.

MR. BARON: All right. So yeah, as mentioned, my name is Blake Baron and I ended up in a massive amount of debt after being taken advantage of by a for profit college when I simply wanted to improve my quality of life. The worst part is that in wrapping up \$30,000 in student debt, I've never even obtained a degree because the school didn't let me know that the program that I was enrolled in was over \$90,000 until I'd already invested a year and a half of my time in that program. So, I can confidently say that I barely learned anything while in the program for multiple reasons. Sleep deprivation, demanding work schedule, the unwillingness of the faculty to alter my schedule in a way that would best suit me despite the program being online and having to spend hours at a time on the phone feebly arguing with the financial aid department among other reasons. Once -- oh, excuse me, sorry, once I was no longer on the program, I was forced to deal with that large amount of debt that I couldn't afford. My own brother cut ties

with me because he thought I was a complete loser. I couldn't afford a car for the longest time because of the way my credit suffered, which makes life almost impossible on the west coast. My mother also had to help me out with rent on multiple locations, which was a struggle for her, she's on a fixed income. And I worked 14-hour days trying to make ends meet. And for a while I was up to my eyeballs in payday loan debt as well, because I simply was not able to make enough money to pay these payday loans down and afford my basic bills. I was considered an unskilled worker, you know. So it is in my, my hope that my story the other stories that you hear, you know, from people that have experienced something similar that it'll inspire the creation of a program that will allow someone who has been taken advantage of by these for profit colleges, some recourse to be excused from these student loans, particularly if they're not seeing any improvement in their overall quality of life as a result of the debt that they owe. Thank you.

MR. TONCHI: Thank you. Thank you for your comment, Mr. Baron. I believe our next commenter is Jason Porta, representing himself. Jason, are you in the room? Oh, it looks like you're in the room. He's connecting to audio. I know he can't hear me yet, that's why I'm not speaking. There he is. Hello, Mr. Porta, can you hear me? Can you please unmute yourself?

MR. PORTA: There.

MR. TONCHI: Mr. Porta, welcome. You have three minutes to make a public comment.

MR. PORTA: First of all, I didn't even realize that for the 10 years, it had to be 120 monthly payments. My -- to give you an example of what my system was -- it's literally showing zero because I was paying payments (audio) in bulk instead of paying on a monthly basis. So, I'm not even sure how well this will impact me. So that's, that's the type of thing I faced. And when I went to my senator for help, they were like you didn't condense to the right loan. You didn't condense it at its correct loan until 2016, so you're, so you're not going to be eligible for five more years. So that's pretty much what my experience was. Thank you.

MR. TONCHI: Thank you so much for your comment, Mr. Porta. Our next public commenter is -- and I apologize if I mispronounce this, Chalis Montgomery representing herself. Can you hear me? You have three minutes to make your comment.

MS. MONTGOMERY: Thank you. Good afternoon. My name is Chalis Montgomery, and I am the mother of a child with a disability and I hold student debt. I've come today to respond specifically to the memo regarding income-driven, income-driven repayment. And under the heading marked solutions, point seven, which asks, what design factors and changes can better support borrowers? We can't ignore the fact that the economy is an

ecosystem, one that relies on predictable outcomes for steady progress. However, parents like myself and caregivers of the disabled, and chronically ill are not afforded the luxury of that stability. While it is admirable and long overdue that those borrowers who face total disability may have their loans discharged, families who bear the responsibility for their care often make hard choices in order to balance their lives and their budgets. Caregivers frequently must choose employment that is part-time and lower pay in order to adjust care schedules, even families caring for those who are not fully disabled, but instead are chronically ill face the constant specter of a large medical bill that fully depletes discretionary income. If, for example, my discretionary income is \$500 per month, and I receive a medical bill for \$1500, my negative balance is of course, \$1,000. So, I asked the committee, what part of my negative balance would you like in a monthly payment? Because it is very difficult for families like mine to anticipate these costs, even the suggestion of a reduction to 5% of expendable income seems unrealistic, especially when groceries are not purchased on a percentage and are going up. Housing is not purchased on a percentage and is going up and transportation is the same. So, I would ask the committee to consider a permanent rate of 0% for families with children on a 504 or IEP, or who are caring for disabled adults. My daughter spent the pandemic hearing about the elderly and immunocompromised, and how they

were at risk. And she watched as the world wrestled with a return to normalcy, that for her seems impossibly far away. She told me that she thinks the government does not care about her because she has a disability.

MR. TONCHI: 30 seconds.

MS. MONTGOMERY: Caring for families like mine by revising the income-driven payment plans appropriately would be a great start. I yield the balance of my time.

MR. TONCHI: Thank you, Ms. Montgomery, for your comments. Our next public commenter is Lauren Marquardt (phonetic) representing herself. Ms. Marquardt, if you can hear me?

MS. MARQUARDT: I can hear you.

MR. TONCHI: Excellent. If you, if you'd like to turn on your camera please, please do so. Excellent. Welcome, you have three minutes to make your public comments.

MS. MARQUARDT: Hi, so I was asked by other classmates to come on here and speak on behalf of our experience with this process to say it hasn't been dramatic would -- you know, wouldn't be giving it justice. It's, it's something that is painful to go over to work through with not only my loans but my Parent PLUS loan which exceeds you know, near \$300,000. I went to Brooks Institute and got a degree in professional photography. By show of hands, who has a smartphone with a camera? We all do, so you all are my competitors in the

industry. You know, I wouldn't have gone to a school knowing where the digital photography age would take us, not that we knew that, you know and we can't predict those things, but I'm sitting with debt where I should be a doctor and I can -- sorry barely pay my bills in the career that I chose so you know I think that I -- my whole expectation of what I would get from a college experience is something that I will you know always see as a lie and I feel like I am a big victim of false advertisement and I know a lot of us are in the same boat but you know, I just want you guys to know that what you're doing is important and I hope you take into consideration all of us that have been -- you know our lives are completely affected by this forever I mean I probably will never pay off my loan and I'll see the death of my father before I get any kind of relief from a monthly payment and, you know, I live in a vehicle. Like I, I don't go -- you know I don't pursue another degree because none of my tr --- my credits will transfer. So, I've have, I have a degree but I can't go and become anything bigger than what I already am without taking out more debt and have no credits to transfer. Yeah, it's -- it sucks. You know, I work hard every day to just to get by and I live a simple life. And I don't ask for much. I just -- you know --

MR. TOTONCHI: 30 seconds.

MS. MARQUARDT: (interposing) -- my family and my relationship with my family truly sucks. Thank you for your

time and I hope you guys are able to help us out.

MR. TOTONCHI: Thank you for your comment Ms. Marquardt. Okay. Our next commenter is Aaron Shenck, who's the executive director of MAACS. Mr. Shenck, if you could unmute yourself. You have three minutes.

MR. SHENCK: Thank you very much. My name is Aaron Shenck. I'm the director of Mid-Atlantic Association of Career Schools, which is a regional association that works with approximately 100 technical colleges and trade schools in several states. I believe it is important to note to this discussion that our association includes both nonprofit institutions and for-profit institutions. Let me start by saying I've seen some of the other public comments, some of which have been from borrowers who attended trade schools similar to those whom I work with. I trust the sincerity of their stories, and I'm sorry to hear those were their experiences. However, I can say their stories are not the majority experience of students at most trade schools. I've personally visited approximately 120 different career schools in several states, and met with literally 1000s of students, family members, veterans' groups, employers and other stakeholders at these schools. The things that I've seen or heard with my own eyes and ears have been overwhelmingly positive. These schools serve a vast majority of students extremely well and are critical to our country's workforce and the economy. My main reason for speaking today is

-- was a comment specifically on a couple pieces of the BDR proposal. Speaking to countless administrators of both nonprofit and for-profit institutions across the country, the general view is the 2016 BDR role tipped the scales of justice in the claims process too far against the institutions. I think it's safe to say that the consumer groups believe the 2019 BDR role does the opposite by tipping the scale too far against the borrowers. The committee's job is to find that right balance. Stated plainly, this means creating a process that favors neither students nor institutions but gives both parties a fair and equal opportunity to be heard, and is designed to be administered fairly from one federal administration to the next. Here are my five main suggestions to further improve this process. Number one, the adjudication timeline. Overall, the timelines for response for schools and students in the proposed rule, I believe, seem to be pretty reasonable and fair. My only request would be that there should be some sort of waiver or other option for exceptional circumstances that may require additional time. Number two, the categories of BDR claims. There is an addition of a new category referred to as aggressive recruiting as a cause for claims. All sectors of higher education engage in recruiting. However, it needs to be defined and is a little unclear from what my understanding so far, so I have requested you define in detail what is considered aggressive recruiting so institutions know for certain what they can and cannot do. Number three, group

claims. I believe group claims should not be the default option. Several negotiators contested this recommendation a couple days ago --

MR. TONCHI: 30 seconds.

MR. SHENCK: -- and the main reason was they believe that you know, essentially that this should help as many borrowers as possible. I'd like to see, you know, group plans not be the default option. Number four, the timeframe to submit claims. I believe it's critical that the window not be (inaudible) schools to basically defend themselves for things that happened 15, 20 years ago. And final thing is program review determinations. I believe that schools should have the ability to --

MR. TONCHI: Time's up, sorry Mr. Shenck. Thank you for your comments. Next public commenter is Victoria Torres, veteran. Ms. Torres, can you hear me? Ms. Torres, can you hear me? Okay. Ms. Torres, can you hear me? Ms. Torres, can you hear me? Hello, Ms. Torres. Are you Ms. Torres?

MR. ROBERTS: No, I think --

MR. TONCHI: No, I apologize.

MR. ROBERTS: Still getting her sound set up and I admitted Kira Horning, who's representing herself.

MR. TONCHI: I apologize. Sometimes the Zoom name doesn't match up with the name, so I just wanted to make sure. Ms. -- this is Kira Horning representing herself. Ms.

Horning, if you -- could unmute yourself? You have three minutes for your public comments.

MS. HORNING: Okay, thank you. My name is Kira Horning(audio) public services.

MR. TOTONCHI: If you can speak up a little, Ms. Horning. I'll start, I'll start the clock over. I'll start the clock over, okay?

MS. HORNING: My name is Kira Horning. I'm an occupational therapist and I'm here to speak to you today about public (audio) large school district for the last four years (audio). However, I work this job with a lingering concern that one day my school district (audio) other schools and non -- and other nonprofit agencies and that is to switch from hiring positions like OTs and PTs as direct employees using contract agencies to (inaudible) therapists as contractors. Being a school-based contract therapist may seem like a good opportunity on paper based on the higher pay per hour. However, these therapists usually do not receive insurance through their employer. They don't qualify for retirement things or pensions through the district, and they're not paid for time off or for hours (audio). On top of it all, these therapists who are receiving special -- who are servicing special education students in public school districts are not currently eligible for public service. It might sound reasonable to simply find a school-based position that directly hires therapists rather than

taking a contract position. However, therapists actively working for nonprofits are more and more finding themselves in the position where they're in an eligible position one day, and not the next. For example, two years ago, the nonprofit agency that provides early intervention services to all of the preschool aged students in Philadelphia, told all of their therapists and specialized instructors, that they would no longer be employed by that company. Instead, employees were given the choice between staying on as contractors or finding a new position. This company is ultimately still paying the therapists, they are just using contracting agencies as a middleman to save them money by not having to pay for insurance, days off, or indirect hours worked beyond a certain point. The outcome was that hundreds of therapists previously working for an employer who would make them eligible for public service loan forgiveness, were no longer eligible. Despite doing the exact same job, providing the same public service with the same special education population. Many of these therapists have been in this position for years making less pay than they would have received elsewhere in order to be eligible for public service loan forgiveness. They were left scrambling to find any open qualifying position with their loan forgiveness future in jeopardy. Personally, my student loan debt has increased 50% since I graduated. At this point, if my school-based position switch to a contract position, no apparent increase in hourly

wages could offset the loss of benefits.

MR. TOTONCHI: 30 seconds.

MS. HORNING: But especially detrimental would be the loss of public service loan forgiveness eligibility. I'm thankful that the public service loan forgiveness program is going through important changes and I ask (audio) expanding what employers qualify for this program to include independent contractors and contractors working for an agency who are providing (audio). Thank you.

MR. TOTONCHI: Thank you. Miss Torres. Ms. Horning -- Ms. Torres, are you there? I just saw you.

Mr. ROBERTS: Just left the meeting. She just left the meeting, but we'll let her back in if she rejoins.

MR. TOTONCHI: Thanks, Brady, for letting me know. I understand the next person will be Chris Henjum, president of -- I'm going to pronounce it Esqyr SBC. Mr. Henjum, if you can unmute. You have three minutes.

MR. HENJUM: Hi, my name is Chris Henjum, and I'm the president of Esqyr SBC, E-S-Q-Y-R. We're the only public benefit corporation focused on test prep and giving back to tackle student debt. We have many concerns with PSLF and most revolve around one overarching concern. The promise of this program isn't merely just to be the 501(c)(3), or government employee loan forgiveness program, it's to be the public service

loan forgiveness program. No matter what particular employee pays you, if you serve the public, you deserve relief. Here's just one example of how the interpretation of current rules leads to unfairness. Urban government entities have the resources to employ their own attorneys, while many rural cities need to contract out for more of their city attorney work. As a South Dakota Law Review reported recently, nearly 20% of the country's residents live in rural areas, but only 2% of those attorneys' nationwide practice in those communities. And as the Pew Charitable Trusts noted, rural attorneys often need -- often take contracts with public entities to serve their communities. So regardless of who pays them, a government attorney serves as a government entity's legal agent. According to Black's Law Dictionary, an agent is one who is authorized by a principal to act in place of them. Despite those current rules provide government attorneys in urban areas with benefits not available to similarly situated rural attorneys despite a massive need for their services. Luckily, there are solutions under current law to address the issue if the program was administered this way. First, an agent of a government entity should be deemed that government's employee for purposes of PSLF. Currently, under the rules, a government employee is an individual who is employed by a local, state, federal, tribal government. However, a government employee ought to mean work also done as that public client's legal agent. Secondly, and alternatively, the work of

an agent of a public entity should qualify as public interest law service. Currently, the rules say public interest law services cannot be organized for profit. But here the actual duty of that public entity's agent is not done to further the bottom line of a rural city or an urban city, but to represent that public entity in court or advise them on legal issues. Therefore, this work should not be deemed organized for profit. More broadly, public service should mean having a duty to an entity with a with a public good at its center. There are so many excluded employers who provide --

MR. TOTONCHI: 30 seconds.

MR. HENJUM: -- who provide the same public service as qualifying entities, but which are unfairly excluded. We owe them creative solutions and a fierce commitment to get this right. Thank you for your time.

MR. TOTONCHI: I understand the next public commenter is Julie Chris representing herself. Hello, can you unmute, please? You're still muted. If you're on a laptop, it'll be the lower left-hand corner.

MS. CHRIS: I've got it. I got it. I got it.

MR. TOTONCHI: Okay, excellent. You have three minutes to make a public comment.

MS. CHRIS: Thank you. In the PDF materials available from this committee, it was noted how confusing the statute is that attempts to define employment as public service.

If the employer is not a 501(c)(3) or a government agency. It's crucial that this confusion be resolved during revamping of the PSLF program. The statute's language includes as qualified a private company providing a public service such as health care, but then seems to contradict itself by excluding any for private companies, such as an LLC that provides the same service. I contend that if any company is primarily paid for its services by Medicare, Medicaid, or any other government-sponsored social program, it should automatically be deemed as providing a public service and therefore qualified as a PSLF employer. Case in point, I'm an occupational therapist providing treatment to children with autism, 98% of whom are on Medicaid, yet since my current employer is not a 501(c)(3), but rather a private LLC, which by definition is for profit, I'm told I don't qualify for forgiveness. In my previous position, my employer held 501(c)(3) status. When that employer disbanded their OT program and laid me off, virtually all of my Medicaid clients at that time immediately followed me to my new clinic. But since the new clinic was run by a for profit LLC, my accrued six-year eligibility for forgiveness apparently seized. Same exact clients. Same exact services paid for by Medicaid, but I worked for a different ineligible company. In short, a borrower's eligibility should not -- should be directly related to the borrower's contribution to public service, not based on the employer's tax status. This should be retroactive to give relief

to borrowers who have been providing this type of public service since the program began. And on a different note, there's a tendency to think of student loan borrowers in their 20s 30s and 40s. I want to respectfully caution the committee not to forget that 22% of current student loan debt is held by millions of seniors like me, who went back to school at a late age who unless changes are made will no doubt be saddled with student loans until death do, we part. Please --

MR. TONCHI: 30 seconds.

MS. CHRIS: (Inaudible) made during these proceedings include relief for seniors. To that end, as has recently been empowered to do for borrowers with disabilities, I propose that President Biden issue full and retroactive blanket forgiveness once a borrower has reached their full Medicare retirement age. American seniors have enough financial trouble in retirement without being burdened with this never-ending debt. Thank you.

MR. TONCHI: Thank you. Thank you for your comments.

MS. CHRIS: Thank you.

MR. TONCHI: The next commenter is Kendrick Harrison, veteran. And I'm just waiting for him to connect to audio. (audio) Mr. Harrison, you have three minutes to make your public comments.

MR. HARRISON: Yes, can you hear me good?

First, I'd like to say thank you guys for taking the time to address this matter, and to take public comments. I think it's really important. I applaud you all for that. I'd also like to press upon you guys the importance of regulating this industry. My name is Kendrick Harrison. I'm a father, a military veteran, an entrepreneur, and I'm also a former August University student. For those that don't know about August University, they've allegedly stolen \$16 million from students and veterans such as myself. My family and I were evicted. My credit score dropped over 100 points; my car was repossessed all because of the deregulation of this industry. August was one of the schools that, prior to the deregulation, they were prohibited from acquiring such institution. Through deregulation, they were allowed to acquire it and subsequently, the mayhem ensued with you know, them withholding student stipends, predatory practices, it's, it's, it's, it's really a consumer issue that gets to the bottom and the core of the fabric of our nation. I mean, education is one of the cornerstones of American dominance. I mean to be leaders in innovation and things of that nature, we need education, and for students and veterans and citizens like myself to strive to get a higher education and then be met with unscrupulous, you know, dealers like this is something has to be done. So, if I could leave anything was with you guys, today, it's a call to action, please. You know, do something to fix this industry, it doesn't have to be another

Harrison family. It shouldn't have been the first one. But the thing is, we can fix it. And it starts with what hearings just like this.

MR. TONONCHI: Thank you for your comment, Mr. Harrison. Final public commenter of the, of the day and the week is Ashley Hardin, representing herself. Ms. Hardin, are you -- can you hear me?

MS. HARDIN: Yes. Can you hear me?

MR. TONONCHI: Yes, I can hear you. Are you able to turn on your camera? And if so, would you like to do so?

MS. HARDIN: I am. I think I am. I don't know how to back out to do it.

MR. TONONCHI: It's okay. If you can't do it, it's -- there, you figured it out. Excellent.

MS. HARDIN: How's that?

MR. TONONCHI: Perfect. Ms. Hardin, you have three minutes to make -- you disappeared? Can you tap that same button again?

MS. HARDIN: I can, but I am reading from something and I can't do both at the same time.

MR. TONONCHI: No problem. whatever you're comfortable with. You have three minutes to make your public comments.

MS. HARDIN: Okay. Thank you. I wanted to say hello and thank you for this opportunity today. My name is

Ashley Hardin, and I graduated from Brooks Institute, a CEC owned school, in 2009. My journey since my enrollment and Brooks Institute has been nothing short of a mess. I've spent the past 15 years sorting through and dealing with what feels very much like a bamboozlement where I, along with my colleagues, were taken advantage of and preyed upon by not only our college, by the federal government and their servicers. I'm not alone when I say that I have spent a great deal of time in pain in recalling or preparing my BDTR application for the reviewal process, only to be part of what I feel like as a blanket denial, which I don't think myself nor my colleagues were given a proper review nor judgment. If only the mysterious people reviewing our applications would actually read them, hear us, and recognize that what we've endured is unfair, and it's unjust. So far what I've encountered is a waiting game, whereby steadily time passes, and no judgment is made. Where's the justice? Where are the honest people who have morals and ethics and can see that we have literally been preyed upon by those, quote unquote bad actors, as many of my colleagues put it. I want to know where the buck stops. You know, what happens to us? I'm -- that's -- yeah, that's all I have to say at this point.

MR. TONCHI: Thank you for your comments, Ms. Hardin. Another. Thank you so much for your comments. Okay. I thank all the public commenters, I thank the committee, I think the Department of Education, and everyone involved in this

week's session. We look forward to continuing these important discussions the week of November 1st. Be well and be safe.

Appendix

**Department of Education, Office of Postsecondary Education
Zoom Chat Transcript
Affordability and Student Loans Committee - Session 1, Day 5,
Morning, October 8, 2021**

DISCLAIMER:

Note: The following is the output of transcribing from a recording. Although the transcription is largely accurate; in some cases, it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting but should not be treated as an authoritative record.

From Eric Apar (A); State AGs to Everyone:

I'll be taking over from Joe as the negotiator for state AGs for the afternoon.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Kudos to the excellent production team!!

From Persis Yu, (P), Legal Aid (she/her) to Everyone:

pyu@nclc.org

From David (P) - State hi ed agencies to Everyone:

Thank you for your work on this, Persis.

From Jaye FFEL agencies P to Everyone:

I've heard there are IDR pilots for fed loans supporting simplification but don't know details. ED may be able to share context re: discussions prior to lunch.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 for no income self-certification

From David (P) - State hi ed agencies to Everyone:

+1 self cert

From Rachelle Feldman to Everyone:

+1 self cert. Can always be audited later if fraud is a concern.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

We will be able do this through the FAFSA Verification process, and I would suggest the same process...

From Rachelle Feldman to Everyone:

Exactly Daniel.

From Noelia (A) Minority Serving Inst. to Everyone:

Yes - if students can do it on the FAFSA, they should be able to do it across all federal application processes

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

Thank you, Michaela!!!!

From Dixie (P) Dependent Students (ella/she) to Everyone:

+1 Michaela

From Rachelle Feldman to Everyone:

+1 Michaela

From Greg, A - Dependant to Everyone:

+111111

From Heather - PSLF Advisor to Everyone:

+1 Michaela

From Marjorie (P), 4 Yr Public Institutions
(she/her) to Everyone:

+1 Michaela

From David (P) - State hi ed agencies to Everyone:

+1

From Noelia (A) Minority Serving Inst. to Everyone:

+1 Michaela - we should not be harassing the poor for
documentation they can't produce.

From Bobby (P) Two Year Public Colleges to Everyone:

+1 Michaela!

From Will (A) FFEL Agencies/Lenders to Everyone:

I think this is more about scammers and not necessarily
poor people. THE Department should leverage the Stop
Student Debt Relief Act to protect borrowers

From Will (A) FFEL Agencies/Lenders to Everyone:

+1 Marjorie

From Jaye FFEL agencies P to Everyone:

And hopefully the Stop Act helps prevent fraud perpetrated
by bad actors.

From Michaela [P] Ind. Student to Everyone:

My alternate and I are going to switch momentarily

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+100000 to David.

From Bobby (P) Two Year Public Colleges to Everyone:

during covid many prison programs had to switch to
correspondence, highlighting many issues. +1 David

From Heather (P) - Accrediting Agencies to Everyone:

I will also be calling on Michale as alternate to provide comments.

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

sorry LEU?

From David (P) - State hi ed agencies to Everyone:

<https://www.higheredinprison.org/publications/the-landscape-of-higher-education-in-prison>

From David (P) - State hi ed agencies to Everyone:

Provides descriptions and details on that hi ed in prison looks like.

From David (P) - State hi ed agencies to Everyone:

*what

From Rachelle Feldman to Everyone:

For the record in chat Lifetime Eligibility which limits Pell to a student to the equivalent of 6 years.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Two points: 1. Why are we asking for 2 sites to be approved, rather than 1? We require each additional location be approved already so why ask for the two?

From Christina (A) 2-Year Public she/her to Everyone:

@Aaron do R2T4 regulations apply?

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Second: Since the Pell as I understand it cannot be refunded above the amount of the tuition and fees, the student should not be penalized for the full Pell Eligibility used. Want to make sure that if the student is

limited by some outside rule (like refundability) that the student's LEU not be impacted.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Thanks, Aaron, for answering question 2 above.

From Jennifer she/ella, (A) Student Loan Borrowers to Everyone:

+1 Dr. McTier

From David (P) - State hi ed agencies to Everyone:

Yea, thanks, Aaron

From Noelia (A) Minority Serving Inst. to Everyone:

A great story from the Cal State system regarding a graduation ceremony held in CA State Prison
<https://www.campuscircle.com/review.cfm?r=26325&h=Incarcerated-students-earn-CSULA-degrees-at-first-of-its-kind-commencement-in-a-CA-state-prison>

From Persis Yu, (P), Legal Aid (she/her) to Everyone:

+1 Dixie

From Jennifer she/ella, (A) Student Loan Borrowers to Everyone:

+1 Dixie!

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

+1!!!!!!

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

Jennifer is coming in for me

From David (P) - State hi ed agencies to Everyone:

+1 Marjorie

From Suzanne (state regulators) (A) to Everyone:

+1, people first language

From Jeri (P) (she/her), Student Loan Borrowers,
Primary to Everyone:

+11111111 Stan

From Michaela [P] Ind. Student to Everyone:

Yes! Thank you for that

From Greg, A - Dependant to Everyone:

+1111

From Dixie (P) Dependent Students (ella/she) to Everyone:

person first language is so important!!!!

From Marjorie (P), 4 Yr Public Institutions
(she/her) to Everyone:

Thank you for that comment on language Stan.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Thank you for calling that out. If I used an inappropriate
reference, I apologize...

From David (P) - State hi ed agencies to Everyone:

+1 Stan! I hope my language was appropriate.

From Rachelle Feldman to Everyone:

+1 Stan

From Suzanne (state regulators) (A) to Everyone:

subcommittee should get time on the agenda to present
recommendations

From Michaela [P] Ind. Student to Everyone:

Yes. Does the whole of the sub come speak/participate?

From Dr. McTier (A) Priv. & Non-Profit to Everyone:

I echo the sentiments of Dr. Stan A.!!

From Dixie (P) Dependent Students (ella/she) to Everyone:

Greg will now jump in for Dependent Students

From Christina (A) 2-Year Public she/her to Everyone:

I would like to explore this idea of excluding Pell used in prison from lifetime usage limits

From Christina (A) 2-Year Public she/her to Everyone:

+1 Greg, I have big concerns here

From Dixie (P) Dependent Students (ella/she) to Everyone:

+1 Greg

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

+1 Greg.

From Eric (A); State AGs to Everyone:

How are we going to define "typically prohibits licensure or employment of formerly incarcerated individuals" under "Program Eligibility"? Licensure eligibility is contingent on state law, and the standard for licensure often calls for case-by-case analysis, so it isn't necessarily the case that an occupation "typically prohibits licensure." And as for whether an occupation "typically prohibits ... employment," how are we going to measure that? Thank you.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Greg on challenges. especially completing a FAFSA on a computer...

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Also +1 on the issue of different regulations state by state for formerly incarcerated individuals and career limitations. The challenge will be large for institutions offering programs across states.

From Jenn she/ella, (A) Student Loan Borrowers to Everyone:

How are students protected if the institution loses its eligibility by not complying with the requirements of the regulations?

From Persis Yu, (P), Legal Aid (she/her) to Everyone:

Josh will be taking the legal aid seat after the break

From Dixie (P) Dependent Students (ella/she) to Everyone:

Issue Paper #12: How will the Dept. of Ed ensure that people who are incarcerated are not being exploited and going to quality programs. As well, how is the process of filling out an application for FAFSA being simplified (with ease of access) seeing as that the process to apply for financial aid is difficult when you don't have the necessary documents being asked of you.

From Josh (A), Legal Aid (he/him) to Everyone:

Apologies in advance if you hear roosters in the background when I'm speaking

From Rachelle Feldman to Everyone:

Roosters!!

From Greg, A - Dependant to Everyone:

So many questions, so many questions LOL

From Dixie (P) Dependent Students (ella/she) to Everyone:

Love that, Josh! I have 2 chickens and a rooster at home hehe

From Josh (A), Legal Aid (he/him) to Everyone:

Ohio City in Cleveland is magical :)

From Noelia (A) Minority Serving Inst. to Everyone:

My neighbors have chickens and they're my weekend alarm..

From Brady - FMCS to Everyone:

Josh, please recognize the roosters as your alternate and we will announce

From Rachelle Feldman to Everyone:

Josh wins the chat

From Dixie (P) Dependent Students (ella/she) to Everyone:

Greg will hop in for Dependent Students

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

But does he have chickens?

From David (P) - State hi ed agencies to Everyone:

Suzanne Martindale will be stepping in for me.

From Josh (A), Legal Aid (he/him) to Everyone:

We think there should be a definition of origination that ensures that it tethered to the time that the student signs the promissory note and does not involve a process that takes time and can be delayed.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Jessica

From Christina (A) 2-Year Public she/her to Everyone:

+1

From Jessica (P) Proprietary Institutions to Everyone:

It's possible that some students may intentionally lie to an institution and the Department in order to access federal student aid programs. We just want to make sure that when a student is lying, and the lie was not coerced or coached by an institution, that the Department will not be holding institutions accountable for false certification liability concerning HS completion status. Jennifer, is this true?

From Jenn she/ella, (A) Student Loan Borrowers to Everyone:

+1 Josh!

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

To echo Jessica's point, the FAFSA does not require schools to validate a student's assertion of HS graduation unless they are selected for V4 or V5 verification. This means that it is possible a student could not be honest without school pressure and a school is allowed to rely on that self-certification.

From Will (A) FFEL Agencies/Lenders to Everyone:

FMCS When we take a temp chack, can we please turn off screen share to see the full table? Thanks

From Will (A) FFEL Agencies/Lenders to Everyone:

*check

From Kayla - FMCS Facilitator to Everyone:

Yes. we have made that a practice and missed it last time. will do.

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

Jenn is coming in

From Josh (A), Legal Aid (he/him) to Everyone:

Thank you, Justin,

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Greg...

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Mistakes happen on both sides....

From Bobby (P) Two Year Public Colleges to Everyone:

+1 Greg

From Dixie (P) Dependent Students (ella/she) to Everyone:

+1000000000 Greg students are not intentionally trying to punk the system let's get that 10000000% clear.

From Jessica (P) Proprietary Institutions to Everyone:

This isn't a HS diploma example, but it is a broader example.

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

++! Jenn!

From Michaela [P] Ind. Student to Everyone:

That's a contract...

From Jessica (P) Proprietary Institutions to Everyone:

I'm so sorry everyone! I updated the wrong document

From Jennifer - ED negotiator to Everyone:

685.301(a)(6) - the date the school creates the electronic loan record

From Jessica (P) Proprietary Institutions to Everyone:

Thank you, Michaela!

From Jenn she/ella, (A) Student Loan Borrowers to Everyone:

Jeri is back

From Jeri (P) (she/her), Student Loan Borrowers,
Primary to Everyone:

Sorry, I am back.

From Jenn she/ella, (A) Student Loan Borrowers to Everyone:

Sorry I forgot to hit enter

From Michaela [P] Ind. Student to Everyone:

I am back to the table

From Josh (A), Legal Aid (he/him) to Everyone:

The two examples I mentioned were: (1) students unable to obtain or maintain employment because they do not speak English; and (2) students unable to obtain employment because school lacked type of programmatic accreditation necessary to qualify the student for professional certification required by most employers

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Concerns about students who change programs on their own initiative (without coercion by an institution) after loan certification / origination.

From Marjorie (P), 4 Yr Public Institutions
(she/her) to Everyone:

Agreed about the issue of providing sufficient time to allow borrowers to apply.

From Jeri (P) (she/her), Student Loan Borrowers,
Primary to Everyone:

@ timelines when does the 30 time start?

From Greg, A - Dependant to Everyone:

Could you define signature specimen?

From Josh (A), Legal Aid (he/him) to Everyone:

We will follow up with ideas for electronic authorization.
Thank you, Jennifer.

From Josh (A), Legal Aid (he/him) to Everyone:

Something more formal to come, but one idea for electronic signatures is to include a presumption that unless the Department can provide proof that the borrower is the person who agreed to the loan electronically, then the loan must be discharged

From Josh (A), Legal Aid (he/him) to Everyone:

Electronic authorization&

From Josh (A), Legal Aid (he/him) to Everyone:

Jessica – thank you for circulating that indictment. I'm not sure I see the connection to false certification, but I appreciate the broader point that fraud happens.

From Jessica (P) Proprietary Institutions to Everyone:

I hear your point, Josh. If I find a more specific example, I will circulate it.

From Josh (A), Legal Aid (he/him) to Everyone:

+1 Suzanne

From Michaela [P] Ind. Student to Everyone:

+1

From Josh (A), Legal Aid (he/him) to Everyone:

Agree on need to eliminate requirement of judicial determination. Also agree on need for flexibility on evidence.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Supporting the idea that Grad PLUS and Parent PLUS would be eligible for these same provisions if the falsification is proven under these new standards.

From Persis Yu, (P), Legal Aid (she/her) to Everyone:

I am back

From Josh (A), Legal Aid (he/him) to Everyone:

If we have extra time, can we have extra public comment?

From Dixie (P) Dependent Students (ella/she) to Everyone:

^

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Josh. If we have any waitlist, we could include them.

From Marjorie (P), 4 Yr Public Institutions (she/her) to Everyone:

+1 Automation

From Josh (A), Legal Aid (he/him) to Everyone:

Persis and I will be rotating in this discussion based on what we discussed throughout the week

From Kayla - FMCS Facilitator to Everyone:

Thanks, Josh.

From Justin (P) Service Members and Veterans to Everyone:

Some follow-up thoughts related to false discharge for veterans: (1) Colleges should not be allowed to take out loans in a veteran's name without extra documentation to prove the veteran truly wants the loan. For example, perhaps colleges could be required to produce a paper and pen signature on a piece of paper with a large red stop sign that says, "STOP: Do not sign unless you want student loans" -- to prove the veteran really does want a loan. (2)

The Department needs to come up with a solution to stop colleges that create fake email accounts for students in order to confirm loans for them that the students don't know anything about. (3) Most students -- not just veterans -- have no idea what the words "Master Promissory Note" mean. We ask the Department's Office of General Counsel to analyze whether the Department can rename it as "Student Loan Agreement" or at least give it a subtitle.

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Switching with Alyssa for this issue - my alternate

From Alyssa (A) Fin Aid Administrators to Everyone:

I am in for Daniel

From Dixie (P) Dependent Students (ella/she) to Everyone:

joining in on behalf of dependent students

From Christina (A) 2-Year Public she/her to Everyone:

+1

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Back in

From Jenn she/ella, (A) Student Loan Borrowers to Everyone:

+1 Dixie!

From Heather - PSLF Advisor to Everyone:

I'll pull together information for the committee on SOC and the listed public services from the statute. Thank you for the comment, Alyssa.

From Raj - Advisor Econ/Higher Ed/Data to Everyone:

Dixie -- I will do what I can to find estimates on these questions in research and data. If anyone's constituent groups have good data on this, feel free to have them send it my way.

From Heather - PSLF Advisor to Everyone:

Thanks for that Jeri and Dixie. I'll look at options for defining full-time service that better includes such circumstances.

From Dixie (P) Dependent Students (ella/she) to Everyone:

Thank you, Raj and Heather! Appreciate y'all pulling info on this.

From Jeri (P) (she/her), Student Loan Borrowers, Primary to Everyone:

Any chance of continuing the administrative forbearance until the review process is done?

From Heather - PSLF Advisor to Everyone:

Thanks, Jennifer. I will provide additional ideas to ED and this committee on that point.

From Marjorie (P), 4 Yr Public Institutions (she/her) to Everyone:

Agree with Jeri.

From Bobby (P) Two Year Public Colleges to Everyone:

In addition, want to reiterate consideration for graduate research/teaching assistants that fall below half-time student status and are required to begin paying on their loans. Especially in STEM fields, they often have adjunct teaching assignments as well as research responsibilities but are not considered full time as defined by 30 hrs.

From Heather - PSLF Advisor to Everyone:

Thanks, Bobby. I'll also look closely at that.

From Dixie (P) Dependent Students (ella/she) to Everyone:

+1 Bobby! Super important.

From Jaye FFEL agencies P to Everyone:

Data Request: Similar to IBR Examples demonstrate financial implications of capping vs. non-capping events; cost and payment implications. Examples should factor proposed changes. Also demonstrate implications for customers making monthly payments on loans with 'buckets' of outstanding interest, such as number of payments to be made before payments will be applied to principal.

From Raj - Advisor Econ/Higher Ed/Data to Everyone:

Jaye -- got it, thanks. I will try to math this out (my new favorite phrase)

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

+1 to Josh!

From David (P) - State hi ed agencies to Everyone:

+1 on the triad

From Suzanne (state regulators) (A) to Everyone:

+1 to Eric, set federal floor and also allow stronger yet consistent state law claims to be bases for relief

From Josh (A), Legal Aid (he/him) to Everyone:

+1

From Christina (A) 2-Year Public she/her to Everyone:

I would like the Department to consider relief from LEU for Pell received while incarcerated

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Have I mentioned interest? And ensuring the balances don't go up (negative amortization) during IDR.

From Dixie (P) Dependent Students (ella/she) to Everyone:

+1 Dr. McTier

From Justin (P) Service Members and Veterans to Everyone:

Cont. RE: Veterans, False Certification, related issues:
(4) The Department should establish a way to let students apply for Pell grants without also applying for loans or should find a way to mark the FAFSA form so students can apply only for grants and no loans. Veterans have reported they filled out paperwork they were told was only for grants, but they ended up with loans. (5) Please consider homelessness; traumatic brain injury; PTSD; and lack of access to the internet (particularly for loans taken out to enroll in entirely online programs) as legitimate reasons to grant a False Certification application if a veteran brings one. PTSD or homelessness shouldn't block a veteran from getting a loan if he wants it, but it should be recognized by the Department as a legitimate reason to discharge the loans of a veteran who files a False Certification petition.

From Jeri (P) (she/her), Student Loan Borrowers,
Primary to Everyone:

+1 to the staff

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Snaps to the Department and also to the FEMC staff.

From Dixie (P) Dependent Students (ella/she) to Everyone:

^

From Greg, A - Dependant to Everyone:

+1 to the facilitators!

From Michaela [P] Ind. Student to Everyone:

YES! Ty all

From Daniel (P) - Fin Aid Admin (he/him) to Everyone:

Or *FMCS

From Brady - FMCS to Everyone:

<https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/index.html> for all added or relevant materials.