

Amendments to Subsection (b) – Consideration of Hardship Factors for Waiving Federal Student Loans (Submitted by Wisdom Cole)

In consideration of the hardship necessary for waiving federal student loan debts under Section 30.91, the following amendments are proposed to ensure an equitable and comprehensive assessment of borrowers' situations, particularly for Black borrowers and those from historically underserved communities:

1. Racial and Economic Disparities:

- In evaluating the borrower's claim of hardship, the Department shall explicitly consider the impact of racial and economic disparities that historically and currently affect the borrower's ability to repay the loan

2. Community and Environmental Factors:

- "Assessment of hardship shall include considerations of the borrower's geographic location, particularly if residing in economically disadvantaged areas or regions with a high cost of living, and the impact of such factors on the borrower's financial stability.

3. Historical Debt Patterns:

- The Department will review historical debt patterns, including the effects of discriminatory lending practices and disparities in wealth accumulation, to understand their influence on the borrower's current financial situation and ability to manage student loan debt.

4. Educational Outcome Disparities:

- In evaluating the sector and level of the institution attended, along with typical student outcomes, the Department shall analyze how these factors intersect with race and economic status, recognizing that disparities in educational opportunities contribute to unequal outcomes.

5. Disability Consideration:

- The definition of disability for the purposes of this assessment will be broadened to include mental health conditions and other non-visible disabilities, acknowledging their impact on the borrower's employment capabilities and financial stability included within any and all disabilities outlined within the Americans with disabilities act. As well as any and all disabilities that prohibit major life activities.

6. Legal System Impacts:

- Consideration shall be given to the impacts of the legal system and incarceration on the borrower's financial circumstances and ability to repay the loan, with particular attention to the disproportionate effects on Black and underserved communities.

7. Age and Lifecycle Changes:

- The Department shall adjust its consideration of age to account for lifecycle changes that may affect older borrowers differently, such as retirement or transitioning to fixed income, especially in light of racial income disparities.

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8. Public Benefits Eligibility:

- Eligibility for means-tested public benefits will be clarified and expanded within the criteria to capture a broader range of support programs, ensuring it reflects financial hardship and includes programs disproportionately serving Black and underserved communities.

These amendments are designed to ensure that the Department's evaluation of hardship claims is inclusive, equitable, and reflective of the diverse challenges faced by borrowers, particularly those from Black and historically underserved communities.