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OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
STUDENT DEBT RELIEF COMMITTEE
SESSION 4, DAY 1, MORNING
FEBRUARY 22, 2024

On the 22nd day of February, 2024, the following meeting was held virtually, from 10:00 a.m. to 12:00 p.m.

P R O C E E D I N G S

MS. JEFFRIES: Good morning and welcome back. For those of you who don't remember my name, it's Cindy Jeffries, and those listening from the public who are joining us for the first time. I'm a Federal mediator with FMCS, and I'll be your facilitator for the morning session. It's my distinct pleasure to welcome you all back to session four of the United States Department's negotiated rulemaking Student Debt Relief Committee. At this time, I'd like to welcome back the Federal negotiator, Tamy Abernathy, and turn it over to her. Tamy?

MS. ABERNATHY: Thank you, Cindy. Good morning and welcome to this session of negotiations relating to student debt relief, specifically the proposed regulations on the Secretary's authority to waive student loan debt based on a borrower's hardship. Before we get started, please join me in welcoming Undersecretary James Kvaal to provide our opening remarks. Undersecretary Kvaal?

MR. KVAAL: Thanks, Tamy. Thanks, Cindy. Thanks, everybody, for joining us. Good morning. Appreciate your coming back for this fourth round of rulemaking as we try to do everything we can to deliver student debt relief to as many borrowers as possible, as

quickly as possible. And as the Secretary has said repeatedly, President Biden and the Biden-Harris administration is not going to leave any stone unturned in our work to provide relief to borrowers. Seven and a half million borrowers are now enrolled in the SAVE Plan, the most affordable plan in history, and President Biden announced yesterday that 153,000 borrowers have now earned loan forgiveness under the SAVE Plan. Including these borrowers, nearly 3.9 million people have now been identified for loan relief due to the actions of this administration, including public servants, borrowers with disabilities and borrowers who were ripped off by for-profit colleges. But we're not done yet. We know that despite all of these efforts, there are still people who need help with their student loans, and they're not getting it. This committee has helped us draft four additional plans to offer relief to struggling borrowers. And thank you for that work. And today, we continue turning over another stone with a focus on borrowers experiencing hardship. Our goal here is to advance a regulatory proposal that focuses on the Secretary's existing and longstanding waiver authority to clarify how the Department will consistently and transparently deliver relief to borrowers. The proposal the committee will consider today outlines a few new ways to help

borrowers who are struggling to make payments on their loans, in other words, delivering relief to borrowers facing hardship. One way we can provide critical breathing room to these borrowers is to identify factors that may affect a borrower's ability to repay their loans and show hardship, including a borrower's total student loan balance, how much they have to pay compared to their income, and whether a borrower has a student loan debt that interferes with paying for basic needs, like getting food on the table and access to health care for their families. This proposal would also allow the Department to provide automatic relief to borrowers who are likely to be in default within two years. This is critical. A big reason the president has been pushing for student debt relief is to address the fact that before the pandemic, millions of borrowers struggled to repay their loans. By and large, borrowers who are struggling are people who have been failed by broken policies, and our student loan default system drives borrowers who are already facing financial hardships into a deeper hole. Today's proposal also leaves open paths for additional ideas on individualized relief or other automatic processes. And it was developed after careful consideration of the ideas suggested by members of this committee. So thank you. In addition to the negotiator's

feedback, we hope members of the public will watch the session and we welcome them to register to provide public testimony. And as always, there will be a later opportunity to submit written comments on the draft rules. I mentioned earlier that this committee has already discussed four other proposals for student debt relief. We took final consensus checks on those items in our December session, so we won't be discussing them today. But as a reminder, those categories are borrowers whose outstanding loan balances are more than they originally borrowed. Borrowers with loans that are older than 20 or 25 years. Borrowers who have been taken advantage of by career training programs that left them with high debt and no credential, or who attended schools with unacceptably high default rates. And borrowers who are otherwise eligible for loan forgiveness but haven't yet applied for relief. I want to thank the negotiators for all the work they put in thus far and for joining us in this additional session. And I want to thank the staff of the Department, who have been working very hard for many months now to go through these proposals, the feedback we've received from the committee and at other steps of this process, and all the background work to make these rulemaking sessions successful. Your work hasn't gone unnoticed, and I appreciate everything you've

done and your commitment to providing relief to students. So thanks, everybody. And on behalf of the Department, I look forward to some productive conversations today. Thank you.

MS. JEFFRIES: Okay. Thank you, Undersecretary. We appreciate your presence and your comments. At this point in time, we're going to take official roll call of record. And so when I call your name if you will just indicate your presence. For civil rights organizations, Wisdom Cole.

MR. COLE: Here.

MS. JEFFRIES: India Heckstall.

MS. HECKSTALL: Here.

MS. JEFFRIES: Thank you both. Legal assistance organizations that represent students or borrowers. Kyra Taylor is the primary, but she's unable to attend today or tomorrow. So in her absence, Scott Waterman, the alternate, will preside at the table. Scott?

MR. WATERMAN: I'm here.

MS. JEFFRIES: Okay. Thank you. State officials, including state higher education, executive officers, state authorizing agencies and state regulators of institutions of higher education, Lane Thompson.

MS. THOMPSON: Here. Good morning.

MS. JEFFRIES: Hi, Lane. And her alternate Amber Gallup will not be joining us for either day. State Attorney General's, Yael Shavit.

MS. SHAVIT: Here.

MS. JEFFRIES: Hi. And the alternate slot in that continues to be vacant. Public institutions of higher education, including two-year and four-year institutions, Melissa Kunes.

MS. KUNES: I am here. Good morning.

MS. JEFFRIES: Good morning. J.D. LaRock. It doesn't look like he is able to join us. Private nonprofit institutions of higher education, Angelika Williams.

MS. WILLIAMS: Good morning. I'm here.

MS. JEFFRIES: Hi. She's the primary, and she's joined by her alternate, Susan Teerink.

MS. TEERINK: I'm here. Thank you.

MS. JEFFRIES: You're welcome. Welcome to you both. Proprietary institutions, the primary is Kathleen Dwyer.

MS. DWYER: Good morning.

MS. JEFFRIES: Good morning. And alternate, Belen Gonzalez. Belen was here, but it looks like she's left. Historically Black colleges and universities, tribal colleges and universities, and

minority-serving institutions, institutions of higher education eligible to receive Federal assistance under Title III, parts A and F, and Title V of the HEA. Sandra Boham is primary, and she is not able to join today or tomorrow. So Carol Peterson, the alternate, will be presiding at the table. Carol?

MS. PETERSON: Good morning. I'm here.

MS. JEFFRIES: Good morning. Federal Family Education Loans, or FFEL lenders services or guarantee agencies. Scott Buchanan is primary. Scott, are you with us?

MR. BUCHANAN: Good morning.

MS. JEFFRIES: Good morning. And Benjamin Lee, his alternate is not able to attend today or tomorrow. Student loan borrowers who attended programs of two years or less, primary Ashley Pizzuti.

MS. PIZZUTI: Good morning.

MS. JEFFRIES: Good morning. And David Ramirez, her alternate is tentative. Are you here, David? Okay. He may join later on. Student loan borrowers who attended four-year programs, the primary Sherri Gammage is unable to attend, so the alternate Sarah Christa Butts will preside at the table in her absence. Sarah?

MS. BUTTS: Present. Good morning.

MS. JEFFRIES: Good morning. Student

loan borrowers who attended graduate programs, Richard Haase is primary.

MR. HAASE: Good morning. And actually, for today and tomorrow, Jalil Bishop and I will be switching. I'll be the alternate, and he will be primary.

MS. JEFFRIES: Okay. Alright. But just make a note that when it comes to consensus taking tomorrow, if you are present, you are the one that partakes in that. Okay.

MR. HAASE: Okay.

MS. JEFFRIES: Alright. Thanks. And Dr. Jalil Bishop.

DR. BISHOP: Good morning.

MS. JEFFRIES: Good morning. Currently enrolled postsecondary education students, Jada Sanford is unable to attend, so Jordan Nellums the alternate will be presiding. Jordan?

MR. NELLUMS: Good morning. Here.

MS. JEFFRIES: Good morning. U.S. Military service members, veterans or groups representing them, the primary is Vincent Andrews.

MR. ANDREWS: Yeah. Here.

MS. JEFFRIES: Hi. And the alternate is vacant. Consumer advocates, Jessica Ranucci as

primary.

MS. RANUCCI: Good morning.

MS. JEFFRIES: Good morning. And Ed Boltz as alternate.

MR. BOLTZ: Good morning. I'm present.

MS. JEFFRIES: Good morning. And individuals with disabilities or groups representing them, John Whitelaw is primary. John?

MR. WHITELOW: Good morning, friends and colleagues.

MS. JEFFRIES: Good morning. And Waukecha Wilkerson, the alternate is unable to attend. And of course, we have our Federal negotiator, Tamy Abernathy.

MS. ABERNATHY: Here.

MS. JEFFRIES: Welcome back again, Tamy.

MS. ABERNATHY: Thank you, Cindy.

MS. JEFFRIES: Alright. So non-voting members present today from OGC are Brian Siegel, Toby Merrill, Genzie Torres, and Soren Legaard. They will be assisting off and on. The rest of the FMCS team that is present with me today is Mike Franczak, Brady Roberts, and John Weathers. We will- now we're going to address the process for the next two days, and then we'll be

turning it over to Tamy for her comments and to get us started. So first, let me remind you all to adhere to the naming convention, please. P for primary, A for alternate, followed by your name, and lastly, the constituency you are representing. Note on the chat feature. It will remain enabled during our sessions together. Please know that all messages sent out to the full group are subject to an ongoing transcript that will be posted publicly on the OPE site after the negotiations. I want to remind everyone that the protocols that you agreed to in the first three sessions are still in effect for this session and will be adhered to. These two days will solely be focused on the topic of hardship, which the Department has provided all of you with proposed regulatory text. We will not be reopening any previous issues or regulatory text that were discussed, and consensus was taken on during the first three sessions. If the primary for a constituency group is unable to attend this session, the alternate will serve in the absence for the purpose of consensus, which will be held on day two of this session. If both the primary and alternate are unable to attend, it will not hold up consensus. As many of your proposed changes, suggestions, and questions should be asked at the table or presented at the table to the extent possible. The

Department will address what they can, but no expectation of a response should be assumed. The Department may accept written proposals, data requests, and questions. Given this session is two back-to-back days, the Department will consider what they can at the end of today and before the start of tomorrow's sessions. There will be a public comment period at the end of today's session, and we have reserved one hour from 3:00 to 4:00 Eastern Time for public comment. At that time, registered individuals will be admitted one at a time at their scheduled time into our Zoom.gov meeting from the waiting room and permitted three minutes to speak. They will be removed from the session when the remarks or time are completed. The Department has posted the registration link for that on their website. There will be a different link for the afternoon session, which we will announce again just before lunch break. Now I'm going to turn it over to Tamy to begin review and discussion on the proposed regulatory text regarding hardship and any additional opening comments she'd like to make. Tamy?

MS. ABERNATHY: Thank you again, Cindy. I do want to make one clarifying statement from the remarks that you made. Because this is only a two session- a fourth session for our rulemaking, we will not be filling data requests. So we ask that you respect that

there's no way that we'd be able to get anything fulfilled before we have to end our negotiations. So I want to take a few minutes to further explain the process for the next few days. We will review and discuss the proposed regulatory text today and tomorrow. And while the Department may consider changes, you may suggest the proposed regulations, we may need additional time to consider your suggestions. And as with our prior sessions, we just cannot guarantee we will accept those suggested changes. This is the final negotiated rulemaking session on student debt relief. Since we are only discussing one section, we're not going to do temperature checks. We are going to ask for final consensus on this section of the proposed regulatory text overall and not on individual pieces by the end of tomorrow's session. During this session, we're not going to discuss the other items that we took final consensus checks on in December. Our screen sharers will now share our section 30.91. Most of the regulatory text sections we discussed in our prior sessions were within newly proposed subpart (g) of 34, Code of Federal Regulations, part 30 and covered section 30.80 through section 30.90. This language will be included in subpart (g) proposed new section 30.91. We're going to start with an overview of the proposed regulatory text. We appreciate all the

white papers, information, and proposals for the hardship category that many of you provided last session. This is a very complex topic, and we thank you for the input that you did provide to us. The Department's regulatory proposal focuses on our existing and long-standing waiver authority to clarify how the Department will consistently and transparently deliver relief to as many borrowers as possible, as quickly as possible. With the focus in this session on borrowers who have experienced or are experiencing hardship. This proposed regulatory text defines the conditions that may be considered as hardship for purposes of debt relief. The regulations also identify the factors that may indicate hardship. Once finalized, the regulatory text would provide the Department with the structure to offer multiple pathways to relief. The proposed text outlines an automatic pathway for relief for borrowers at heightened risk of default using such factors. It also describes the pathway for relief through an application. However, important questions remain with respect to administrative capacity and how the factors could be considered for determining relief for specific borrowers who apply. We are seeking input from you and through the public comment process. As a reminder, because this language is within subpart (g) of part 30, this proposed regulatory language applies to

Department held loans, including Direct Loans, Federal Family Education Loans, FFEL loans, Perkins Loans, and Health Education Assistance Loans or HEAL loans. This language does not cover FFEL loans held by lenders, institutional-held Perkins Loans, and HEAL Loans in repayment. Let's first look at the overall structure of the text and how each paragraph relates to the others. Broadly speaking, paragraph (a) would set a standard for student debt relief based on borrower hardship. Paragraph B lays out a list of non-exclusive, relevant factors that the Secretary may use in determining whether a borrower has or is experiencing hardship. Paragraphs (c) and (d) describe how the Department will deliver the relief. At this time, I'd like the screen sharer to share paragraph (a) of the text, please. The Department proposes two standards for determining hardship. First, we would determine if a borrower is experiencing or has experienced hardship based on whether such hardship is likely to impair the borrower's ability to fully repay the Federal Government. This may be determined by considering the factors enumerated in paragraph (b), as well as any other factors the Secretary determines relevant. The factors laid out in paragraph (b) may impact whether a borrower is capable of fully repaying off their debt over the life of the loan without some

form of debt relief. Second, the Department would determine hardship based on whether the costs of enforcing the full amount of the debt are not justified by the expected benefits of continued collection of the entire debt. This is an independent standard for relief. A borrower may be eligible for relief under this standard, even if the borrower is not eligible for relief based on their inability to fully repay. The Secretary may determine the costs and benefits of collection by considering the factors enumerated in paragraph (b), as well as any other factors the Secretary determines are relevant to showing hardship. The regulatory text does not define costs, and the concept broadly includes a number of ways of thinking about costs. For example, the Secretary could consider costs beyond costs to the Government. Once finalized, these regulations would specify clear standards for the Department's consideration of student debt forgiveness based on borrower hardship. These standards are distinct from the Federal Claims Collection Standards, or FCCS, because the FCCS are not specific to the kind of relief that would be provided by the proposed text. These standards draw on principles the Government commonly considers in deciding whether to forgive outstanding debts. In this case, however, these standards specifically apply to student

loans, not any other type of debt owed to the Department. The standards would not only allow automatic relief as described in paragraph (c) but would also provide the Department with the ability to establish pathways to relief based on the factors in paragraph (b) through an automatic process or an application-based process in the future. I'd like to turn it over to FMCS now to open up the discussion and answer any questions on paragraph (a).

MS. JEFFRIES: Okay. Thank you, Tamy. If we could stop the screen share. Appreciate it. I want to give a thanks to everyone behind the scenes making all of this work for us. Our screen sharers, I believe this Vanessa Freeman today and all of the wonderful production team that's making the live broadcast work for us. So with that, let's open up for discussion on paragraph (a) of the proposed regulatory text. Jessica Ranucci.

MS. RANUCCI: Good morning. I have a couple of specific things then I'll get back in line, but I just wanted to kick this off by saying that I strongly support the Department's proposal to extend its waiver authority to situations based on financial hardship. I think you heard loud and clear from the committee last time that this was really important to our constituencies. You know, personally, I will say we have, you know, many, many, many clients who experience

significant financial hardship and for whom regulations like this can be a critical benefit. People who, you know- or here in New York City have trouble affording- afford housing, afford food, and who are saddled with student loan debt. So I want to thank the Department. I think you heard us. I appreciate that you called us back here and that, you know, I hope that, you know, we're able to negotiate throughout the day. I think that you know, I have some feedback you'll hear from me. But just to start off on that note.

MS. JEFFRIES: Okay. Thank you, Jessica. Yael.

MS. SHAVIT: I want to also add my thanks. It was really heartening to see the neg reg scheduled and I'm really enthusiastic about what will be achieved over the course of the next couple of days. So really, many thanks to the Department for going through this process and bringing us back here. And I will also sort of get back in line for more specific points, but I do want to note that I support and think it's very important to take a broad approach to costs as you described, Tamy. I think that there are a lot of costs that the Department should take into consideration, including the impact of continuing to need to make efforts to repay debt on people based on the

circumstances that are- that the Department is informed of when people who are facing a hardship do in fact raise their hardship to the Department. And ensuring that the Department has the greatest flexibility to consider such costs, I think, is critical. So thank you for that clarification as well.

MS. JEFFRIES: Thank you, Yael. Jalil?

DR. BISHOP: Thank you. Again, I'll echo the sentiments and just express appreciation to Department for creating another session so that we can really have a discussion around hardship, which I think is kind of the cornerstone of this rulemaking process, that for us to be able to really use an evidence-based approach to identify and not leave borrowers behind but try to create a broad approach to include borrowers who really are in need and who are experiencing hardship. Just appreciation there and, you know, appreciation to the advocates both in and off the committee who really helped to make this session happen. And I think one question I have for Department, if we could just- it would help me if you could voice over a little bit more what's meant by borrower's ability to fully repay? So does this mean if a borrower cannot repay within a certain amount of time, does it mean if a borrower is showing some type of indication that payment is unlikely?

But just trying- for me, it would be helpful if I could get a little more voice-over around a borrower's ability to fully repay and what we mean by fully.

MS. ABERNATHY: Thank you for asking that. The factors laid out in paragraph (b) can impact whether a borrower ultimately is capable of fully paying off their debt over the life of the loan without some form of debt relief. I think that some of our conversations will help us form and formulate new ideas as to how to identify the very things that you're mentioning, Jalil. And so I think as we go through the day and we go through the rest of the reg text, I think it will- we want to seek your input. We want to hear from you on this. We want to know what you think about certain things and giving us some ideas to where we could enhance what we're already trying to put at the table.

MS. JEFFRIES: Okay. Thank you, both. Lane, you're next.

MS. THOMPSON: Yeah, I have a question and a comment. My comment is that I would like to see cost applied in a very broad manner, mostly to say that there's cost to communities, to states, to schools, to, you know, lots of institutions as well. So just kind of saying that I really appreciate that inclusion and that cost can mean a lot of things. My question is about

commercial FFEL loans. Right now, it's kind of front of mind with the one-time account adjustment that's going to be completed by July of this year. Really trying to get everybody into a Direct Loan right now. So I guess I'm just wondering, you know, with this specifically kind of how the Department imagines the Commercial FFEL Loans fitting in.

MS. ABERNATHY: As I mentioned, at this point, these are going to be Department held loans. So Commercial FFEL is not a Department held loan. So at this point in time, we are not considering FFEL or this hardship regulation.

MS. JEFFRIES: Okay. Thank you, Lane and Tamy. Angelika, you are next.

MS. WILLIAMS: Yes. I just have clarification from one of my first clarifying questions. Are we allowed to submit comments regarding paragraph (b)?

MS. JEFFRIES: We're going to move to paragraph (b) next. We're going to take them paragraph by paragraph.

MS. WILLIAMS: Okay, no problem.

MS. JEFFRIES: Okay. Alright, thank you. Jessica?

MS. RANUCCI: Hi. I just have one

minor comment to start, which is that I think the Department may want to consider using the word waiver rather than forgiveness in the title, just to be parallel with some of the other things in the regs. But that's your decision, not mine. Substantively, I think there's one group of borrowers that I'd like to make sure are included in here which are borrowers who have court judgments against them. Here in New York City, we see these borrowers, I know that they're common across the country. You know, I have clients who are facing homelessness and have a judgment from the Department. Those judgments can be a real hardship on people and often people get to the point of having a judgment against them because of the extreme hardship that they've experienced. That's led to that point, as you noted, the hardship that can come with default. I think, you know, having a judgment against you from the Department is often just bad luck in different geographic areas across the country are treated differently here in New York. People with low balances who live in Brooklyn, Queens and Staten Island can get sued on their student loans. Whereas if you happen to live in Manhattan, which is more expensive, you can't get sued unless you have a higher judgment amount. So I understand the legal framework for judgments can be complicated, and there may be external

reasons why people with judgments aren't always eligible for waiver. But I would propose that the Department not tie its hands here and just add into this language something along the lines of whether or not such loan has been reduced to judgment. That would just essentially preserve the Department's flexibility going forward to apply these financial hardship standards to loans with judgments. I think that that's a population that really experiences financial hardship, that often doesn't have eligibility for other forms of relief, and I can put that language in.

MS. JEFFRIES: Okay. Thank you, Jessica. Appreciate it. Other comments, questions, or suggestions for the Department on paragraph (a)? Wisdom.

MR. COLE: Good morning. I was wondering if as just a clarifying question, if folks were to consolidate their loans into direct, would they still be eligible?

MS. ABERNATHY: Yes. If they are a Direct Loan borrower, which would include consolidation, they would be- it would be included. Yes.

MR. COLE: Thank you.

MS. JEFFRIES: Thank you. John Whitelaw.

MR. WHITELOW: Yes. And that sort of

hesitation of trying to, I think, quote correct something, my friend Jessica said, I think when she said financial hardship, she means hardship more generally not a narrow definition in terms of financial hardship. But that being said, I totally agree with her approach to that and that it's- and I do think I, you know, I want to express my appreciation for the Department for coming forward with this complicated process. But I do think it's important in terms of how we discuss it, to talk about hardship more generally than in a narrow financial hardship context, and that there are other things that are beyond a narrow version of what financial hardship means directly. And that I again, I encourage, just as the Department has indicated, I think earlier, that it's going to view the terms costs of enforcement broadly and beyond the quote, mere costs to the Government. I applaud that approach and encourage the Department to apply that approach to all of the various subparts that we're going to discuss today.

MS. JEFFRIES: Thank you, John. Tamy, you had your hand up. Do you?

MS. ABERNATHY: I was simply just going to thank everybody, and I just decided that I would just do that when I started paragraph (b). Sorry.

MS. JEFFRIES: Oh, no worries, no

worries. Anyone else on paragraph (a)? Jalil.

DR. BISHOP: Just clarification. I want to make sure I understood this correctly. As we discuss paragraph (b), we'll be able to come back to touch on some of the items like cost or fully repay or benefits of continued collection. I just- that was my understanding from kind of Tamy's response to me is that when we get into section (b), we also can have a discussion around kind of how those two paragraphs interplay. So I just wanted to clarify that before we move to (b).

MS. ABERNATHY: Absolutely.

DR. BISHOP: Okay.

MS. JEFFRIES: Okay. Alright. I don't see any further hands-on paragraph (a), Tamy. So you want to take us into paragraph (b)?

MS. ABERNATHY: I would love to, Cindy. Thank you. If the screen sharers would put paragraph (b), section (b) up, that would be great. Excuse me, paragraph (b) up. I'm getting my sections in my paragraphs mixed up. Moving on to paragraph (b). This paragraph is a list of the non-exclusive factors that we believe could be relevant to determining hardship. We're interested in your feedback regarding these factors. These are factors are used alone or in combination with

other factors to relate to showing hardship. Under these proposed regulations, the Secretary could consider the borrower's total debt balances owed on the eligible loans in providing relief to borrowers, which was a recommendation taken from our last session. This list also includes predictive factors, including many that the Department already has, such as time and repayment, loan status, degree attainment, repayment plan, institution attended, outstanding debt, Pell Grant recipient, income reported on the Free Application for Federal Student Aid or the FAFSA and completion status. There are also borrower-specific factors that the Department does not have that could also be used. This includes things brought up in prior negotiation sessions, such as borrower's disability or the cost burden from things like medical or dependent care. The ways in which the Department would use these factors are described in paragraphs (c) and (d), which will be discussed later. For now, we want to focus on whether this is the right list of factors or not. So with that in mind, we'll turn it back over to FMCS for discussion and questions on paragraphs (b), excuse me, (b).

MS. JEFFRIES: Okay. Thank you, Tamy, for walking us through that. So we'll open the floor for discussion, questions, suggestions. Angelika? Thank you

for leading us off.

MS. WILLIAMS: No problem. I apologize about earlier. It's still 7:00 here on the West Coast. So I'm catching up, I apologize. Yes. I just have questions about item number seven. It says receipt of a Pell Grant and other information from the FAFSA form. Now, one is referring to the result of the FAFSA, while one is- it appears to be referring to the data reported on the FAFSA. And we know that the FAFSA has also changed from prior to the current year that we were in. So really trying to get a hold on the reference of what other information is being referred to reported on the FAFSA as some elements may shift from year over year. And also wondering if students or the Department will have access to FAFSA information after the FAFSA year has closed. So one appears to be reporting to a- referring to (a)(2). So not sure if it's referring to me-based aid as a holistic point of view, whether the student has received FSEOG or other need-based aid. It appears to be referring to two different particular areas is what I'm seeing. And also the [inaudible] area may be of a concern when you're referring to the significant changes that recently happened to the FAFSA form.

MS. ABERNATHY: So first off, we're looking at Pell Grant recipients. So we haven't to my

knowledge, and we'll have to discuss this, but we have not looked at need-based aid as far as FSEOG or Federal Work Study. We have not explored that option, but we do know that the data that we received when a borrower was in school, because more than likely, these borrowers are no longer in school because they're experiencing hardship because they're in repayment. And that would be something as if they were a Pell Grant recipient in the past. As far as data received on changes in FAFSA, you know, what we plan to do is use these factors in conjunction with each other to kind of get at the heart of where a borrower might be in their repayment or experiencing their hardship. So we might use a Pell Grant recipient, we might use additional information received from the borrower themselves. And it's meant to be again, not an all-inclusive list. So as far as the other questions we'll have to take the rest of your question back and come back with an answer when we've had a chance to digest it a little bit more. But I hope that at least answers part of your question.

MS. JEFFRIES: Angelika, anything you wanted to add?

MS. WILLIAMS: I'll just put more clarifying notes in the chat here.

MS. JEFFRIES: Okay.

MS. WILLIAMS: But yeah, Tamy did fulfill my comments.

MS. JEFFRIES: Okay, thanks. I have a note here that Richard Haase is stepping in as primary for graduate borrowers, and he is in the queue. But before him is Ashley Pizzuti.

MS. PIZZUTI: Hi. Thank you. I just want some clarification about- I know it's going to be- the hardship is going to be around household income. Is the household debt also going to be considered? Especially for those married filing jointly. I know quite a few married couples who also have partners with student loan debt. Some of that debt is private. There's also medical debt. And other debts that should be weighed against that. Or is that only considering the actual person holding the student loan debt? So I just want some clarification regarding if debt- total household debt is going to be taken into consideration.

MS. ABERNATHY: I think one of the things that the Department is trying to do is to have a very broad stroke across what hardship means for each individual borrower. And while we have some ways of identifying certain things, we certainly will not know borrower specific hardship issues until they explain it to us, until they show it to us. And that may be an

application process. So it's the debt of the borrower. But we do also welcome thoughts on the non-student loan debt. So I think that if you have suggestions for that that would be helpful. We will detail the expenses of the household, childcare, health care and things like that. So I think we're trying to take that broad approach and look at it holistically.

MS. JEFFRIES: Okay. Thank you.

Richard.

MR. HAASE: Hi. Good morning. Yes. Actually, my question was and my comment were kind of related to that as well. I do appreciate identifying the factors that are substantiating hardship here that we've created room to recognize costs of things like housing and household income and how all these things factor in here. So I just wanted to clarify and again, thank the Department if we're now creating some of this breathing room to adjust for regionally- regional variations and cost of living because I know that's something that we've discussed in the past. So I am thankful that that's there. I did have one question here. I was curious if there was any discussion about borrowers who were harmed by servicer errors or anything like that if that came up in any of the hardship discussion. Because I don't see those people identified here.

MS. JEFFRIES: Not sure that Tamy has an immediate response to that.

MS. ABERNATHY: I do, I do.

MS. JEFFRIES: Alright.

MS. ABERNATHY: Trying to find my button. Sorry. When servicing errors are made, we fix them and we seek to hold our borrowers harmless. And we have addressed many historical servicer errors through the IDR account adjustment. So in this particular instance, we are looking at the hardship of the borrowers and all of those non-exhaustive lists of factors and other things in the reg text that we've proposed.

MR. HAASE: Thank you.

MS. JEFFRIES: Okay. Thank you. Scott Waterman.

MR. WATERMAN: Thank you. Question for Tamy. How do you define household?

MS. ABERNATHY: I think for the purposes of this proposed regulatory text, we probably will take that back. I don't know that we are going to define household any differently than we define it in other ways when we talk about the FAFSA and the household size. But I'd like to take that one back. So let us circle back with you on that, Scott, if that's okay.

MS. JEFFRIES: Tamy. Would you like

that in the chat?

MS. ABERNATHY: I would absolutely like that in the chat, Cindy. Thank you for suggesting that.

MS. JEFFRIES: Alright. Scott, can you take care of that for us? Thank you. Next up is Ed Boltz, who has come to the table in place of the primary. So, Ed. Ed you're on mute.

MR. BOLTZ: Thank you. I'm sorry about that. I wanted to follow up related to two of the recent things that were brought up. The first is, I'm very grateful, especially with the past things, you know, that the Department has said in regards to the consumer debt balances under (b)(6) here, that, you know, my hope and is that there's further clarification that borrowers who are getting other sorts of debt relief, whether that's through other programs, bankruptcy or elsewhere, that the fact that they're getting that relief is that the other debt balances will be used as of the date of, you know, when they're going in. Not that the fact that they're getting, whether it's a bankruptcy discharge of some debts or getting assistance from a, you know, regarding a mortgage deficiency from a housing finance authority, that those don't get held against them, where they have to choose between student loan relief and saving their

home in many circumstances. And I also, in regards to the questions about servicer errors that were just brought up, I do want to again commend the Department for its work with the Department of Justice, wherein its student loan guidance for bankruptcy discharges. It fully recognized that a lot of the hardships that borrowers suffered were because servicers often put people into improper forbearances, rather than the appropriate Income Driven Repayment Plan over time, and hope that that can be reiterated as part of this hardship process, too. Because that goes to show, you know, that many people who didn't pay on their student loans or enroll in IDR programs did so not because of their own errors, but because of servicers and who, you know, and the despair that they were put into because of the servicer problems. But thank you for all of this good work.

MS. JEFFRIES: Thank you, Ed, I appreciate that. I just want to make a note that Jalil has come back to the table as primary. So next up is Lane Thompson.

MS. THOMPSON: Yeah. I also wanted to speak to the servicer error and malfeasance topic. I know this has been a big topic that I've been bringing to the table, but it's because I work directly with borrowers. And a lot of times the reason they end up with me is

because they've exhausted every other possible route to address the issue. And generally that's because the issue is completely outside of their control. Meaning the hardship was that the servicer incorrectly copied and pasted the wrong social security number, or the servicer lost the last payment history prior to 2006 or the servicer. So I just really want to point out that borrowers are not being held harmless for servicer error. Borrowers are being expected to pay on loans that there is poor record keeping on. And I just really want to keep that front of mind. I think there's a lot of really excellent stuff covered here and hardship, and I want to make sure that we're really including those hardships that were 100% completely outside of people's control. So that's kind of why I bring up FFELP, the commercial loans as well, because folks didn't decide to take loans that aren't owned by the Department. Right. That had to do with the time period they took them out. So just really reiterating that there is a big issue with servicer error. It's not a one off that borrowers are held harmless. Thank you.

MS. JEFFRIES: Thank you, Lane. I just want to welcome back Jessica Ranucci to the table as primary again. With that, next up is Yael Shavit.

MS. SHAVIT: Hi. Thank you. So I do

also want to speak to servicing error and to two particular pieces of it. So first, while I do appreciate the efforts that the Department has made recently to address historical servicing failures, I think it's incontrovertible that there are many borrowers who are facing the burdens of debt that they would not be in right now were it not for historical servicing errors, and that the experience of borrowers writ large in this regard is not that they feel that they've been held harmless, or that practically they have been held harmless. And so I do think it is critical that the Department create space and take into consideration the consequences of servicing failures in its hardship standard. And one thing that I also want to make sure isn't lost in this discussion. I think when we talk about servicing error, it is often the case that like we go into our heads into a place where it seems like we're only talking about historical servicing error. There's absolutely no reason to think that there will not be significant servicing errors going forward. And while I think we all really hope that that doesn't happen, there are reasons to think right now that that is likely not going to be the case. Right. And you know, again, while everyone hopes that where there are servicing errors, it will be easy to fix them, I think it's critical, given

how hard the Department has needed to work over the last few years, to try and address the historical failures to ensure that there's an avenue for the Department to deal with those in a manner that can be, you know, expedited and more straightforward when they do happen going forward. And so, again, I think when considering what hardship means and all of the relevant components here, servicing error needs to be part of that conversation internally for the Department. And again, that doesn't just mean correcting problems that happened in the past. That means creating avenues for addressing problems that arise in the future. Thank you.

MS. JEFFRIES: Thank you. Sarah Butts?

MS. BUTTS: Good morning. Thank you for the opportunity to comment here. I'd like to encourage the Department to consider as a factor of public service workers who have provided often ten years or more of public service and may still have remaining loans. There are any number of reasons why that could occur, some of which are servicing errors. There are also, as we know, many public service professionals, including frontline health care workers who just simply don't qualify for forgiveness. And so we would like that to be a factor considered as part of hardship. Also, I ask that the Department consider it hardships from lost

loved ones, particularly over the last few years during COVID-19, many students lost parents, grandparents and other family members who were contributing or could contribute to their higher education costs. And they are experiencing hardship. But it may not be apparent unless we look for that information. And then I did have one question, which is, are Parent PLUS borrowers considered at all through what's being proposed?

MS. JEFFRIES: Not sure. Tamy may have to get back to you on that, Sarah. Oh, she might have something.

MS. ABERNATHY: Direct loans. Yes. PLUS borrowers with Direct Loans, yes, are included in this. And I just wanted to say thank you for all of the suggestions and I know I'm not chiming in every single time that you guys are saying them. But I am writing them down and we have a whole team that's writing these down. We really appreciate the formative discussion and the suggestions that you're making, and we will certainly take them back and look at them very seriously.

MS. BUTTS: Thank you.

MS. JEFFRIES: Thank you. John Whitelaw.

MR. WHITELAW: Yes. I just wanted to comment on the term household. And I would urge the

Department to take a very broad approach to determining a household. And to note that different Government agencies take different positions on what is a household. But from my experience working with families, families are complicated. They are often people in households who may not even be technically in the blood sense related to other people in the household, but they are functioning as a household. And I would urge the Department to take a broad view and not pin that when they get to be talking about this, not necessarily as defining it in a regulation, but actually employing the test to be flexible in who is considered a member of the household. There are many families who raised children who are not related to them, not as part of any foster care system or anything official, but they are clearly part of a household. And I would just urge the Department if it's looking for either a regulatory or a subregulatory definition, to be very careful about defining it in a way that doesn't cover the expanse of families who live together in the United States. So I would just urge you to be very cautious about limiting that definition in a way that would remove your ability to count people when the circumstances suggest that it makes sense because they are functioning as a household, regardless of their legal relationship.

MS. JEFFRIES: Thank you, John. Next up is Jalil.

DR. BISHOP: I have a clarifying question and then a comment. Tamy, for Parent PLUS borrowers, are you saying Parent PLUS borrowers who consolidate will be eligible, like the consolidation into a Direct Loan?

MS. ABERNATHY: Yes. Direct Loans are eligible. That is correct.

DR. BISHOP: Thank you. And then I think the, you know, looking through the 17 kind of factors of hardship, I think we have a good start here and possibly regulation that can really create the relief. And I would even argue kind of the justice approach that's needed around student debt when we understand how hardship is unequally spread across communities of color, low-income communities, women, and women of color. And so on. I think what is going to matter here is the technicalities of how this policy is implemented and how we're defining terms here. So, for example, if we are going to return to a 25-year window to determine someone's- the cost of enforcing full repayment, I think that can be really limiting for borrowers who need relief right now. I always like to remind us in these discussions that when someone takes

out a student loan, that their goal of taking out that student loan wasn't simply to repay the loan, but it was to take out a student loan in order to have a thriving life, in order to build to have class mobility, to build to save for a home, to start a family, to build to contribute to retirement. And that when we're trying to understand the cost, we want to have that broad perspective of saying, what does it mean to keep people trapped in a student debt that's extracting from those original reasons why they took out the student debt? And I just ask us to keep a broad definition of how we understand cost, how we understand what it means to measure whether or not a borrower can fully repay. And then understand the larger cost to society by having 40 million plus borrowers under this extracting debt, understanding the cost to our economic growth, to our growth of businesses, to the cost of communities of color, having generations, both parents and grandparents and young adults having their wealth and income extracted each month. All of these costs are things that I'm just strongly encouraging the Department to shape and how they implement this policy, because this can be great in the regulatory text, but can then implementation be really limited if we go back to sometimes narrow frames. And then to end, my last question is that we mentioned Pell

Grant borrowers as an indication of hardship. But can we speak to Parent PLUS borrowers who took out a Parent PLUS Loan while their child received a Pell Grant?

MR. WEATHERS: Jalil, you have 30 seconds left.

DR. BISHOP: We know from the data that 59% of Parent PLUS borrowers since 2000 received a Parent PLUS Loan when they took out the Pell- when their student took out a Pell Grant. So can we include them in this Pell Grant hardship factor?

MS. ABERNATHY: So I first want to clarify something. When you ask the question about if a FFEL PLUS Loan borrower consolidated into the Direct Loan program, would they be eligible for if they were experiencing hardship? I also wanted to just clarify that an unconsolidated Parent PLUS Loan would be eligible already. So I just wanted to make sure that we completely clarified that. I didn't want to have any confusion around that. The other thing is these are amazing suggestions that you guys are giving us so much to think about. It would be really helpful if you had some proposed regulatory language that you could put in the chat for us if you have some suggestions on text. It's not that we want a whole list of huge proposals, but if you have an idea of, you know, how to define household or

some of the things that you've been mentioning, and you have a few words to help us take back and look at, that would be super helpful.

MS. JEFFRIES: Thank you, Tamy. And I just want to reinforce that you know, given the short turnaround here, the sooner the Department can get those types of proposed regulatory texts. Doesn't have to be, like, detailed. But like Tamy said, if you have an idea of how to define household in a few words, put it, you know, put it in the chat, get it to them as soon as possible. Okay. And that's why I said in the beginning, if you have suggestions on regulatory texts, let's try to get them out there today and then so that they can be in the brain going into recess today. Alright. Jessica. Tamy, did you have something else or?

MS. ABERNATHY: I do. I also want to remind everybody that paragraph 17 says that the Secretary may consider any other indicators of hardship. So we are using those very broad strokes that all of you are mentioning to us. And I just wanted to point that to your attention.

MS. JEFFRIES: Thanks, Tamy. Jessica Ranucci for consumer advocates. I think you're on mute, Jessica.

MS. RANUCCI: Sorry. Again, I just

want to, you know, state my strong support for what the Department is trying to do here. I really appreciate that you have taken into account what we've put forth in terms of a financial hardship that millions of Americans are facing and how urgently this relief is needed. I think I would just encourage at a high level the Department to try its best to make sure that borrowers are not going to fall into sort of like an accidental pitfall, I would say, in accessing this relief, you know, whether that be their servicer made a mistake or that, you know, they weren't aware of the value that could be had of consolidating their commercially held FFEL or HEAL Loans. And I think there's- I have a couple minor tweaks to the language to that. And I would look at, you know, (9) and (10). I think in my work, I often will see a student who attends one program that, you know, maybe at a school that closed, for example, or a program that didn't work out and then is funneled into another similar program ends up leaving, you know, we'll often see students in like a cascade of school closures. And so I think it would be really- I wouldn't want that student to somehow not get relief to which they would otherwise be entitled just because they tried a second school and then left after a week because it didn't work out, for example. So I want to put some language in the chat that's just an

attempt to clarify that I think the Department should take into any school or program-related factors should take into consideration, like any attendance at any program. And you shouldn't, you know, just because you went to one program shouldn't exclude you from relief that was related to another program if that makes sense. But the overall point is just, you know, I appreciate what you're doing here. And I think I'd like to make sure there aren't sort of accidental pitfalls.

MS. JEFFRIES: Okay. Thank you, Jessica, appreciate that. Lane?

MS. THOMPSON: Yeah. I have maybe a question and a suggestion around disability. My question is there's already a total and permanent disability discharge. So I guess my question is kind of what is the Department thinking in terms of how disability might look like a hardship other than total and permanent?

MS. ABERNATHY: So we're looking at it very broadly and we would have to look at it on a, you know, a case-by-case basis and what the borrower presents to us through an application process, because we obviously wouldn't have those pieces of information that we could pull from. So when the borrower reaches out to us and reports it to us, and maybe they have issues that don't reach to the level of the total and permanent

disability, we're going to look at that. And as we build this hardship path to forgiveness, we're going to look at all of those different factors as the borrowers present that information to us, and we're going to take everything into consideration at that time. So it would be we're not looking to narrowly define every piece of what a hardship could be because hardship is different for everybody. And I think if we try to narrowly define a hardship, then we will most definitely miss. And we don't want to do that to ourselves. We don't want to regulate ourselves into a very narrow path. The whole purpose of what we're trying to do in 30.91 is to have these broad strokes pathways to relief for borrowers who are experiencing hardship. We're looking at the information we do have on our systems past, you know, schools, debt level, Pell Grant recipient, indicators of low-income borrowers, things like that that can help us make informed decisions and additional information provided by our borrowers to help us meet them where they are in their respective situations.

MS. THOMPSON: Great. So my suggestion on that same note is that I would really encourage the Department to allow doctors, medical professionals to write a letter saying this is the disability rather than having to fill out a form. The forms that currently

exist, doctors tend to really not like. So I just want to put that out there that it would be great if there's any space for like just a wider net on what's acceptable to document disabilities. Yeah. Just to clarify that doctors, for some reason, they really do not like filling out those forms. And they would, in a lot of cases, prefer to write their own letter. And kind of, you know, not say things like, when will this disability end, for example. Thank you.

MS. JEFFRIES: Thank you, Lane.

Appreciate it. Jalil?

DR. BISHOP: I just want to come back to uplift the idea that for I think particularly for a Parent PLUS borrowers I know that the Department received a letter from a group of Senators this week advocating for Parent PLUS borrowers to be more explicitly included in regulatory texts. And I think as some of the negotiators are already asked for clarification, if borrowers are going to see this regulatory text, it's important for them to see themselves in the text so that they know that they're a part of intended relief. So I think something that explicitly can call out that Parent PLUS Loans are included in this text will be important if we want to reach those borrowers who have been excluded from other regulatory relief, such as the SAVE Plan. I

think it's important to have them explicitly called out and named here so that they know that this is not another moment when their type of loan is excluded from relief.

MS. JEFFRIES: Thank you, Jalil. And I would encourage you to if you have a few words of regulatory text on that to put it in the chat. Okay. Thank you. John Whitelaw.

MR. WHITELOW: Thank you. I just wanted to provide some clarification, perhaps to answer in part, Lane's questions. The standard for TPD is quite onerous. And there are people who are disabled in every real sense, but for various reasons, including ones you've mentioned, not being able to qualify for TPD. And I want to and I think putting disability in as long as folks understand that that means the entire point of the hardship exception is to grant hardship to people who don't otherwise qualify for forgiveness. And I'm assuming by just putting the terms disability, the Department isn't restricting it to a specific form or any specific way of proving disability. I do think it's incredibly important to keep it in as an either complete or partial basis for forgiveness outside TPD, because for reasons that I am not going to, like, bore you all with the intimate details of being disabled and qualifying for TPD are two very different things. And I again, I think it is

important and the Department has recognized this, that having disability as a separate category or, you know, something that folks can talk about separate and apart from whether they make TPD is important. And I don't want the Department to try to narrowly define disability or how you show it. And though I do agree with Lane, which I think is not a subject for today's discussion, but I completely agree with Lane that the current TPD doctor forms are a hot mess. But I also acknowledge and recognize that fixing that problem is a subregulatory matter that is not appropriate- not for this today's discussion but is one where there could be fruitful discussion between disability advocates and the Department about how to come up with a form that works better, both for the Department and for individuals with disabilities. Thank you.

MS. THOMPSON: Can I clarify that I wasn't- I didn't mean that we should change the TPD. That's not what I was saying. I was saying that when we're looking at disability here, I'm hoping we can do it differently than how it's been done previously.

MS. JEFFRIES: Okay. Thank you both for that great conversation and clarity. Melissa Kunes.

MS. KUNES: Thank you. I have a few comments and a suggestion. First of all, I do want to add

my thanks to the Department for organizing this conversation today regarding hardship. I think it was very necessary and I'm glad you listened to the proposals of the participants here. So again, my thanks.

Secondarily, I will agree that the language of the proposed regulation to include parents would be very important because as I read the text today, the title says waiver of Federal student loan debt. So when it was clarified that this does include Parent PLUS borrowers, I was pleasantly surprised. So thank you for that.

Otherwise, I would not have thought to ask. So I'm glad that we are talking about Parent PLUS borrowers in this mix all and to include more information on the disability concept. I am all for writing regulations that are very broad-based, open-ended, and wide to interpretation because that does give the interpreters the ability to add flexibility to how they interpret this. So I'm not necessarily a fan of very nuanced regulations for that purpose. However, I will ask that in this context when we're talking about disability applying it to Parent PLUS borrowers, can we implicitly include that a Parent PLUS borrower who has a student for whom they've borrowed the PLUS Loan becomes disabled and unable to put their education to work, be considered as a part of a waiver authority? Thank you.

MS. JEFFRIES: Thank you, Melissa. Again, I would encourage you to put some consolidated regulatory text proposal language around that for the Department to consider. I show one more hand. And then I think we're gonna take a 15-minute break before we continue with discussion and moving on to other paragraphs. So, Wisdom, you are up.

MR. COLE: Definitely. I just want to agree with my colleagues around the table. Just around the work done by the Department, by the Secretary, to really bring this session together. I definitely want to second the broad definitions around disability. I added some regulatory or some recommended text in the chat to check out as well. I just want to highlight three points that I think can really continue to strengthen this, particularly for communities of color for Black borrowers who are disproportionately impacted by the burden of student debt because they are coming in at a weaker economic base. The first being, you know, an explicit consideration of racial and economic disparities. Amending the criteria to explicitly include considerations of racial and economic disparities that affect the borrower's ability to repay the loan. This could involve incorporating metrics that reflect systemic disadvantages or barriers faced by borrowers of color.

The second being community and environmental factors adding criteria that accounts for borrowers living in economically disadvantaged or high cost living areas. Recognizing that such environmental factors are significant impacts on one's financial stability and ability to repay debt. And the third being historical debt patterns, including a review of historical debt patterns and their impact on borrowers, acknowledging the past discriminatory lending practices, and disparities in wealth accumulation that can affect the current ability to manage debt. And I can definitely provide some text as well.

MS. JEFFRIES: Thanks, Wisdom. Ashley Pizzuti, I thought when I started to speak about where we were going to cut off, I had seen two hands, Wisdom, and yours. But my face overshadowed your box window. So if you still have a comment, please, let's have you state that.

MS. PIZZUTI: Great. First of all, I'm having some internet issues right now, so I was gonna maybe wait until after the break. But we'll go ahead and ask my question, and maybe we can just visit it after. I just wanted a little bit of clarification around the sector and level of institution attended. And what that really means in a broad stroke. Does that mean those for-

profits? You know, what does that encompass?

MS. JEFFRIES: Okay. Not sure they have an immediate response on that. So if we could just put that in the chat, Ashley, that would be great. I can't say if they'll have a response when we come back or not but please.

MS. ABERNATHY: Cindy? It is the type of institution. So it could be proprietary nonprofit. So it's the type of institution that we're talking about.

MS. JEFFRIES: Does that answer your question, Ashley? I think she's. Oh.

MS. PIZZUTI: Yes. It does a little bit. Maybe we can get into that a little bit later on how that's going to be determined in creating hardship. Is it going to be the amount of Borrower Defense applications or, you know, lawsuits against the school? So I'm just wondering if we can touch on that. But I know this is kind of a loaded question. So, you know, if we need more time after the break, I'm happy to jump in after the break for that.

MS. JEFFRIES: Okay. Thank you. So with that, I would like to call a 15-minute break. It's 11:12. Let's resume at 11:30. To make it easy. And we'll move forward with our discussion in paragraph (c). See you at 11:30. If we could pause the live stream, I'd

appreciate it. Okay. Welcome back. I hope you enjoyed that well needed 15-minute break there for stretching and what have you. So with that, let's pick back up. Tamy?

MS. ABERNATHY: Yes, ma'am. We want to kind of circle back to what Ashley was saying about the type of institution. The Secretary is going to consider information available to him. And one way we consider hardship is the effect on a borrower's ability to successfully repay the debt in full. The sector of institution is helpful in understanding this ability because it's a predictive of a likelihood of default or delinquency. So that's how we anticipate using the sector information to help us define hardship that a borrower may be experiencing.

MS. JEFFRIES: Okay. Thank you. Sarah Butts?

MS. BUTTS: Thank you, Tamy. Can you give us an example of what a sector may be for this purpose?

MS. ABERNATHY: Proprietary. Not for-profit. Public. Four-year. Two-year. Community college. Technical college.

MS. JEFFRIES: Okay. Thank you. Tamy, I don't see any further hands. Do you want to move on to start paragraph (c) before lunch? We will break at noon

for lunch, so.

MS. ABERNATHY: Yes, ma'am. Let's do that. Will my lovely screen sharers please go ahead and screen share paragraph (c)? Thank you so much. Under paragraph (c), the regulations would outline a model that could be used to predict the likelihood of default. The goal of this provision would be to provide automatic relief to one portion of the student borrower population that we know has experienced or is experiencing hardship. The proposed standard of 80% or greater likelihood of default in the next two years is intended to provide relief for those who are clearly experiencing hardship. Here's how the model would work. Based on the factors in paragraph (b) and any other factors identified by the Department, borrowers who are predicted to be at least 80% likely to be in default at any point in the two years from the date in which the final regulation is effective, would be eligible for this relief. The development of the model is ongoing. The model uses appropriate statistical and machine learning techniques, historical data currently available to the Department, and with consideration of best practices used by other agencies and in research literature. The variables used in the model could include factors listed in the proposed regulatory text and paragraph (b), as well as other

factors already available to the Department that are not listed. Now I want to elaborate on the treatment of defaulted student loan borrowers under this paragraph. As a reminder, borrowers are not currently facing the consequences of default because of the Fresh Start Initiative. Fresh Start is a temporary initiative implemented by the Department that offers special benefits for borrowers with defaulted Federal student loans, including stopped collections, restored ability to rehabilitated defaulted loan, and to be reported in good standing to credit reporting agencies. All borrowers who were in default prior to the pandemic temporarily have the benefits of Fresh Start through September 2024. Borrowers must opt into Fresh Start to keep the benefits long-term. The main limiting principle of this proposed regulatory provision, however, is that borrowers must be predicted to default in the next two years. Excuse me. This means that borrowers who have opted into Fresh Start and are likely to be in default based on the hardship factors used by the Department's predictive model, would be eligible for the relief. The same applies for defaulted borrowers who do not opt into Fresh Start. If a borrower who defaulted prior to the pandemic does not opt into Fresh Start and is at least 80% likely to be in default in the next two years, under the Department's

model, they would be eligible for relief. Conversely, if a borrower is less than 80% likely to default in the next two years, but does default, that borrower would not be eligible for relief under this pathway to relief, though they may be eligible under other hardship relief described in this section. Another important point here is how this provision works with the on-ramp transition policy. The Fiscal Responsibility Act of 2023 ended the student loan payment pause last fall. The Department created a temporary on-ramp period through September 30th, 2024, to help borrowers successfully return to repayment. This on-ramp period protects borrowers from having a delinquency reported to credit reporting agencies. The clock to default will not begin until the end of the on-ramp period. It takes at least 270 days for a borrower to default on a loan, and that means that a borrower cannot default until 270 days after September 30th, 2024. The predictive model is intended to identify borrowers who have a reasonably high likelihood of defaulting in the near future, meaning between the final rule's effective date and two years from that date. Finally, this provision is written as an automatic and a one-time benefit. However, paragraph (d) is written as ongoing which we will discuss in later detail. We will discuss later in detail. However, borrowers who do not

receive automatic relief under paragraph (c) could apply for relief under paragraph (d) once the Secretary determines when and how to stand up an application. We'll turn it over to FMCS for discussion and questions on paragraph (c).

MS. JEFFRIES: Okay. Thank you, Tamy, for that overview. So with that, the floor is open for discussion, comments, and suggested regulatory text. Jalil?

DR. BISHOP: Thank you, Tamy. Just a question to get some clarification. So for borrowers who have come out of default because of Fresh Start or other programs, can you just give me a little bit more clarification around kind of the lookback period? I'm trying to understand how this model is going to apply to borrowers who, you know, were in default until the Fresh Start program and, you know, likely would potentially go into default again or would be experiencing a large level of hardship. So just try to understand what the lookback period would be for a borrower who's out of default now because of Fresh Start.

MS. ABERNATHY: So a borrower that pursues Fresh Start could still be viewed as having a risk of defaulting in that period. Borrowers who have opted into Fresh Start and demonstrate indicators of

hardship, including those in paragraph (b) such that they are likely to be in default under the predictive model, would be eligible for relief. And if Fresh Start borrowers are likely to be in default under the Department's model, they will be eligible for relief.

DR. BISHOP: Okay. So for those of us who, you know, have spent the last couple of years helping borrowers, if we told a borrower to use Fresh Start to pull themselves out of default, they are now in one of the many different repayment plans, there still could be a possibility that they could get immediate relief if your model shows that they could be at risk of defaulting again. Is that a correct understanding?

MS. ABERNATHY: So yes, what you're saying is correct, but I want to make sure that we understand this is not based on a lookback period. It's based on if you're predicted to be in default. So we're not looking back anywhere. We're looking at the factors and the model that predicts whether or not you're likely to default within the two years.

DR. BISHOP: Okay. So then if a borrower comes out of- if a borrower went through Fresh Start, let's say they enrolled in SAVE or ICR, in theory, they could have a \$0 payment and they in theory would not be in danger of default. But if they stayed in default,

they would get immediate relief? I'm trying to just understand, like if some folks could be excluded here because they use Fresh Start two months or, you know, a year or some months earlier from the immediate relief that's being offered here.

MS. ABERNATHY: I think I'd like to take that one back and come back because a borrower that pursues Fresh Start could still be viewed as having a risk of defaulting in that period.

DR. BISHOP: Okay.

MS. JEFFRIES: Okay. Thank you. Ed Boltz, you're next. Could you, there you are. Thank you.

MR. BOLTZ: Thank you. My question relates to again, as usual for me, for many borrowers may be in a Chapter 13 bankruptcy which lasts for as long as five years. During that time, historically, the Department and its servicers have put people into an administrative forbearance. Will this default provision allow people who are unable to pay anything during that extended period that is likely to extend even beyond the two years that the regulation is contemplating because they are in bankruptcy, allow for them to get the automatic hardship discharge because of that or will they be precluded because of their bankruptcy status? Thank you.

MS. JEFFRIES: Okay. Thank you, Ed. I think Tamy needs a moment. Let's just take a second here.

MR. LEGAARD: We can get back to you on the bankruptcy question, Ed.

MS. JEFFRIES: Thank you, Soren, for stepping in.

MR. BOLTZ: I'll [inaudible] for Jessica again. Thank you.

MS. JEFFRIES: Okay. Thank you, Ed. Scott Buchanan?

MR. BUCHANAN: Yeah, thanks. I think we all can agree, sort of, you know, we want regulatory benefits to actually reach borrowers, right? And this proposed regulation is incredibly vague, ambiguous, and untethered to statute in such a way that it actually does not obligate the Department to forgive, waive, or whatever you want to call it a single loan. But could also equally be sort of an arbitrarily massive expansion of authority beyond statute. It doesn't define any metric term or eligibility requirement. And this will lead to pretty much mass borrower confusion if this regulation moves forward, which can harm borrowers, the student loan program, and the [inaudible]. Ambiguity allows whipsawing policies and disparate borrower treatment depending upon political winds or administrations just as we saw with

borrower defense. Regulations should be definitive guidelines that borrowers and those who advise them can rely upon and plan around. So we urge the Department to reconsider this vaporous language and craft a proposal that can withstand judicial scrutiny and that borrowers can understand and actually rely upon. As such, I have three questions, I think, to propose to put to the Department. Can you give an example under this drafting of a specific borrower and their characteristics, who would get forgiveness? And can you give an example of a specific bar in their characteristics who would not get forgiveness under this regulation? The other question I would have is, you know, can you describe sort of the magical model here for considering those who are likely to default? What are the factors? What is the weighting of those factors that the Department would consider? So that borrowers could actually understand who might actually be eligible and who might not be eligible. And then a final question is a practical one. So how does the Department plan to staff for implementing this? We've seen other proposals that have taken years for the Department to implement. The Department is grossly understaffed for its current demands under the statute. And this expansion, which would require sort of assessing individual characteristics for potentially millions of

borrowers, would require staffing that is on an enormous scale. How does the Department plan to address that issue, given the fact that it is not in control of its own resources and staffing size?

MS. ABERNATHY: So Scott, the development of the model is ongoing and we are using appropriate statistical and machine learning techniques, and historical data currently available to the Department with consideration of best practices and some of the other things that are out in the industry at the moment. Forgive me. I'm so sorry. Excuse me y'all. The inputs into the model could also include predictive factors listed in the proposed regulatory text, paragraph (b), as well as other factors already available to the Department that are not necessarily listed. Additionally, the implementation details could be shared once we have final rules in place and we would consider workload carefully in whatever we do at the Department. Our language contains provisions that would allow for automatic relief for some borrowers, and we will continue to consider the best way to stand up an application process. Some of what you're asking us is, you know, we're ongoing in our development of what we're doing and what we're seeking your input on.

MS. JEFFRIES: Thank you. Yael, you

are up next.

MS. SHAVIT: Thank you. So a couple of points. First, with the caveat that, you know, I assume that more detail about the actual model that the Department would be using would be available at the time that there is a proposed rule on a final rule. But not speaking to, you know, without being able to obviously, to comment on the details of that, I'd like to just say that I think the exercise of identifying people who are in likelihood of default is very far from vague and in fact, quite specific, and a responsible effort for the Department to take in trying to identify those people who are at need of relief under this type of provision. So I disagree strongly with Scott's premise there. I'd also like to note that the Department typically drafts its regulations in "shall" as opposed to "may" language. So to Scott's point as well, there is nothing aberrational about the Department maintaining discretion in this kind of regulation. It is typical for the Department's practice. So I would like to commend the Department in generally speaking on endeavoring to do this. And I think it's both a constrained and appropriate use of the Department's authority. With that said, obviously, you know, it will be interesting to see what the predictive model ultimately looks like that the Department proposes,

and the one piece that I did want to ask questions about here is the 80% threshold that is identified here. It strikes me that where the Department has determined that somebody is more likely than not to default in the next two years, that is both a reasonable and adequate measure for when a person should get relief. And you know, and more than that, all of the commensurate things that go along with it, like, you know, the burden on the borrower who is likely to default of continuing to in the near term of continuing the efforts of repayment and, you know, the cost to the Department and to taxpayers for continuing to try to get money from people who, again, are more likely than not to default. So I was hoping, Tamy, that you might be able to give a little bit of a more of a window into that 80%.

MS. ABERNATHY: I'm going to do my best to try to do that without coughing. The goal of this provision is to provide automatic relief to one portion of the student borrower population that we know is experiencing hardship. Such that they have a reasonably high likelihood of defaulting in the near future. We don't want to use a percentage that's too low to accurately capture the population of borrowers that are experiencing hardship, and we think that the 80% properly balances, including borrowers who are likely to face

hardship. So that's why we chose 80%.

MS. JEFFRIES: Okay. Thank you.

Jessica Ranucci?

MS. RANUCCI: Thank you. I really appreciate the Department for putting out this proposal in a couple of respects. But I want to start by echoing what Yael said. I think that borrowers who are more likely than not to default in the immediate term are borrowers who are experiencing hardship. They're borrowers who are experiencing many of the factors that are outlined in (b). And I think that that is- (a), like, as a policy matter, an appropriate group of students who can get relief. I think (b) is a regulatory matter. The Department is preserving its authority to immediately waive the loans of those borrowers. Were that regulatory text to be added, I do not believe would foreclose what the Department is proposing to do right now. And so I think it might be prudent to include those in the regulations. I just want to speak to a couple of other things that I appreciate about this proposal. I think that it is the Department, as I understand it, is using a model that has been tested and validated. I think that that is a good approach to use in terms of something that's inherently predictive. I also appreciate that the Department here is being transparent about its intended

use in the near term of its more general regulatory authority. I think that that transparency to the public and to us is valuable. I think in terms of burden, I don't, I know I say this all the time, but I don't want to forget that when you waive people student loans, those people stop calling their servicers. They stop calling the Department. That eases a burden on the student loan system. And I think we can't forget that waiver itself has spillover effects in terms of making the student loan system work for people who are left with student loans after a certain exercise of labor authority. And I also understand you to be saying that this is an automatic- a proposal for a form of automatic relief, which I strongly support. That being said, one minor comment is in line with what I said earlier. I think it might make more sense here to use the term waive, not discharge as you've used in the other regulations.

MS. JEFFRIES: Okay. Thank you, Jessica. Appreciate those comments and suggestions. Jalil?

DR. BISHOP: Thank you. So I know we don't know yet what the model will look like and exactly what will be the variables and the approach. But I think it's important for us to just uplift that we know so much about borrowers who are likely to default, borrowers who

have been in default. We know that they are experiencing a lot of what we are using in section (b) to define hardship. And I think that this should be an approach that- this model should be something that can capture what we know from the evidence, what we know from talking to borrowers. And not something- this shouldn't be something that's applied narrowly. And I think it's just important to make that explicit. You know, throughout this whole entire rule making session, I've made a point to highlight Ben Miller's research because I think Ben is right here at the Department's assistance. So Ben showed that for every \$40 that we pay to debt collection agencies we only- the Department only collects back \$1. So we are already spending a lot of money to try to track down, harass and extract income from borrowers who simply don't have the money. So that's kind of underscores Jessica point that not only would this be relief for borrowers, but relief on an overall student loan system that is often spending unnecessary funds to try to collect money that borrowers simply do not have. And again, I would just underscore that we know default borrowers are struggling and that we should apply this broadly. Apply to borrowers who are on a \$0 repayment plan. Apply to borrowers who have been in default for multiple years in the past but apply it broadly so that

we can provide relief immediately to those that we know are either on the edge of default or have had deep hardships because they have navigated the trenches of being in default.

MS. JEFFRIES: Okay. Thank you, Jalil. Appreciate that. Lane Thompson?

MS. THOMPSON: Yeah. I just wanted to speak to the idea of the administrative burden and default. I know that a lot of folks who are in default end up taking up a lot of service or time because they're trying to figure out what their options are. I also know that a lot of folks who default once default again. So when we're talking about the administrative burden, if those loans weren't on the books and servicers didn't have to take a call every time that they missed a payment I think that would be really to everyone's advantage. I just want to kind of say, as a technical point, it might be good to include defaulted or re-defaulted. Just to kind of make it very clear that people who partook in Fresh Start aren't excluded from this. So, you know, that have this potential to default or to re-default. And just kind of the last point I want to make is that a default is nine months of missed payments. So I really want to make sure that we're all thinking about this as predicting somebody who is 80% likely to not be able to

make nine months' worth of payments is really quite a high bar. So I think, you know, I think even below 80% would make sense. Because we're talking about, you know, if you're nine months behind on something, you've got probably some pretty big financial issues going on.

MS. JEFFRIES: Okay. Thanks, Lane. If there's any of that you have some regulatory text that you'd like to put in the chat. That would be great. Or at least capture your concepts. Jessica Ranucci?

MS. ABERNATHY: May I interrupt?
Sorry, I don't want to interrupt but I want to respond to that. I'm sorry I couldn't get my thing off of mute, but. You know, the Department's proposal is 80%. But Lane, if you have some suggestions for a different set of parameters along with the rationale for those parameters, we would be happy to consider that. So if you feel like there is a percentage that may more adequately represent hardship in that manner or the likelihood to default, please go ahead and include that information for us and let us take a look at it.

MS. JEFFRIES: Thanks, Tamy. Okay.
Jessica, you're up now.

MS. RANUCCI: Thanks. I was just wondering if the Department could speak to the phrase all or part of the Federally held student loans. I understand

why you would want to preserve the authority to waive portions of loans in the general authority, but as to this specific exercise of authority, it seems to me that given, as Lane mentioned, the extremely high burden here. And as I understand it, it looks like you're looking at a borrower-by-borrower level, not a loan-by-loan level. So I don't think consolidation would be an issue. I was just wondering if we might be able to strike that and just say that you intend to waive the borrower's full loan balance. Or maybe there's something I don't see here.

MS. ABERNATHY: So, Jessica. This is full or partial relief. So it could be either. So in paragraph (a), the text states that the Secretary may waive up to the outstanding balance of a loan owed to the Department. If partial relief is what guides that choice, we're interested in identifying how to provide relief that is proportionate to the degree of hardship being faced by the borrowers. So if you have some thoughts on how to do that, or you see this as something where the Department's consistent practices over time would build up transparency in how we award that type of relief, we'd be greatly interested in that information.

MS. RANUCCI: Yeah, I'm not sure that really answered the question. You're fine to answer after lunch, but I understand that conceptual point as to (a)

and (b), but I'm just not- since (c), in my view, appears to be something that the Department is ready to do soon. I'm curious what the Department's actual plans are soon, and if they're in fact to waive borrower's full balances, I think it might be better to be explicit about that now.

MS. JEFFRIES: Okay. Thank you, Jessica. It's 11:57. We are scheduled to break at noon. We're going to take John and Yael. And then take our lunch break. So, John?

MR. WHITELOW: Very briefly, two points. I, you know, significantly disagree with Scott and his opposition to this provision and offer support for it. And I also just can't help but note the irony that many of the borrowers in default and borrowers with difficulties are as a result of errors by, you know, student loan services. Yet it is the student loan service alliance and the student loan services that are opposing this relief. And I strongly support the Department's effort here to grant relief based upon a predictive model.

MS. JEFFRIES: Okay. Thanks, John. Yael?

MS. SHAVIT: Thanks. So, you know, Tamy, having heard the explanation and the subsequent discussion, I will just state and, you know, I do think

that the appropriate metric here is more likely than not to default in the next two years. Again, you know, the Department's creating a model and can control to some extent the level of confidence in that model, accurately predicting that someone is in fact more likely than not to default. But I think that is really sort of the appropriate measure in light of, you know, the Department's, I think appropriate effort here to identify quickly people who are in great need and have kind of a demonstrated need based on the factors that are in the Department's- available to the Department. So that's one point. And as to the other, I think, I mean, what I'm hearing Jessica to be saying here in particularly in light of the discussion around the administrative costs associated with continuing to collect on loans of people who are going to be defaulting, is that, again, notwithstanding the discretion the Department is keeping for partial or full relief as to (a) and (b) generally, that in (c) in particular, it seems appropriate to just do it as full relief. In order to achieve what I understand the Department's goals of (c) to be and I'm having a little bit of a tough time picturing the way in which partial relief could kind of be applied in the context where the Department is determining that people are unlikely to be able to pay their debt like are likely

to default period and within a certain period of time. So again, without sort of conflating this discussion as to the broader discussion about the possibility of partial relief for (a) and (b), I think for (c), it does read to me as raising a slightly different concern, the same way, you know, I'm sharing Jessica's question and comment here and would be interested to hear more about any plans the Department does have in that context, specifically with respect to section (c), to the extent there's something the Department can share after lunch or tomorrow.

MS. ABERNATHY: We really appreciate your feedback, and we will consider your comments.

MS. SHAVIT: Thanks.

MS. JEFFRIES: Okay. With that, we are going to be breaking for lunch. But before we break, I want to remind our participants that are viewing this live over the live stream to please use the correct link for this afternoon session, as it is different than the one that you used this morning. So please make sure that you use the new link so that you're able to continue viewing. So with that, we'll go ahead and break for lunch from 12:00 and we will resume promptly at 1:00. So if you could come back a few minutes before 1:00 so that we can get situated and on camera and ready to go at 1:00, I'd appreciate it. Thank you.

Zoom Chat Transcript


Student Loan Debt Relief Committee - Session 4, Day 1, Morning, February 22, 2024

***Chat was copied as presented, as a result minor typos or grammatical errors may be present.**

From A-Richard Haase (Graduate Borrowers) to Everyone:

+1 to Jessica: strongly support Department's efforts to support borrowers suffering from hardship


From Ashley Pizzuti - P - 2 Year Borrowers to Everyone:

Reacted to "+1 to Jessica: stron..." with 


From A- India Heckstall, Civil Rights Orgs to Everyone:

+1 to Jessica: strongly support Department's efforts to support borrowers suffering from hardship


From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 to Jessica: stron..." with 


From P - Wisdom Cole, Civil Rights to Everyone:

Reacted to "+1 to Jessica: stron..." with 

From A- Susan Teerink 4 year - Private Not for Profit Colleges to Everyone:

Reacted to "+1 to Jessica: stron..." with 

From P - Wisdom Cole, Civil Rights to Everyone:

Reacted to "+1 to Jessica: stron..." with 

From P - Lane Thompson - state officials to Everyone:

+1 to Jessica and Yael strongly support providing relief based on hardship

From A-Richard Haase (Graduate Borrowers) to Everyone:


+1 to applying broad, flexible approach to interpreting 'costs' of collecting on outstanding debt

From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:


+1 costs considered beyond costs to the govt is critical to make this an effective regulation

for borrowers in need

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 costs considered ..." with 

From A- India Heckstall, Civil Rights Orgs to Everyone:

Reacted to "+1 costs considered ..." with 

From P- Jessica Ranucci (Consumer Advocates) to Everyone:


§ 30.91 ~~Forgiveness~~ **Waiver** due to likely impairment of borrower ability to repay or undue costs of collection.

(a) The Secretary may waive up to the outstanding balance of a loan owed to the Department arising under the Federal Family Education Loan Program authorized under title IV, part B, of the HEA, the William D. Ford Federal Direct Loan Program authorized under title IV, part D, of the HEA, the Federal Perkins Loan Program authorized under title IV, part E, of the HEA, and the Health Education Assistance Loan Program authorized by sections 701-720 of the Public Health Service Act, 42 U.S.C. 292-292o, **whether or not such loan has been reduced to judgment**, when the Secretary determines that a borrower has experienced or is experiencing hardship


From P- Jessica Ranucci (Consumer Advocates) to Everyone:

+1 to John. I support the Department's interpretation of hardship broadly to include both financial and non-financial factors.

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 to John. I suppor..." with 

From A- India Heckstall, Civil Rights Orgs to Everyone:

Reacted to "+1 to John. I suppor..." with 

From A-Richard Haase (Graduate Borrowers) to Everyone:

Stepping in as primary for graduate borrowers

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

Ed Boltz is stepping in for consumer advocates

From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:

Jalil coming back as primary

From Scott F Waterman - Legal Assistance Organizations to Everyone:

How will you define household?

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

I'll be coming back in for consumer advocates

From A-Richard Haase (Graduate Borrowers) to Everyone:

Adding comment to record here: It's important to factor in high-cost burdens such as housing which can vary greatly by region. When looking at household income under (b) here, it's critical that we also look at those high cost burdens

From Edward Boltz (A: Consumer Advocate)((he/him) to Everyone:

This from the DOJ /ED guidance on student loan discharge in bankruptcy:However, where a debtor has not enrolled in an IDRPs, the Department attorney should give significant weight to the fact that, as noted, Education has found widespread problems with IDRPs servicing. In particular, Education has advised that IDRPs have not always been administered in ways that have been effective for, or accessible to, student loan debtors. In some cases, borrowers may not have been aware of their IDRPs options. At times, servicers failed to inform borrowers about these options in favor of other repayment plans or nonpayment options like forbearance. Likewise, many schools have failed to advise prospective borrowers about IDRPs, despite being legally obligated to do so. See 20 U.S.C. § 1092(d). Thus, non-enrollment alone does not show a lack of good faith.

From A-Richard Haase (Graduate Borrowers) to Everyone:

+1 to Lane: those are definitely examples of how errors not made by these borrowers can cause them hardship

From (P)-Angelika Williams: Private, Nonprofit Institutions to Everyone:

Seeking clarification on paragraph b, (7) "Receipt of a Pell Grant and other information from the FAFSA form":

The initial part pertains to the outcome of the FAFSA, while the latter addresses the data disclosed on the FAFSA.

(1) One specific concern is whether the Department of Education (ED) or students will retain access to information submitted on the FAFSA after the conclusion of the aid year or award year, especially if the borrower is no longer enrolled.

(2) A second concern arises when the borrower is no longer enrolled, prompting the question of which FAFSA form will be applicable or utilized if the borrower possesses FAFSA information from multiple years.

(3) The third concern centers on whether all need-based results from the FAFSA should be taken into account in this particular item.

From (P)-Angelika Williams: Private, Nonprofit Institutions to Everyone:

(4) The fourth concern pertains to the recent changes in the FAFSA due to simplification. The query is whether the information under review will be aligned with the data from prior years before the simplification modifications were implemented.

From P - Lane Thompson - state officials to Everyone:

+1 to Yael, having reg text to refer to in order to address servicer error would be very valuable

From P - Lane Thompson - state officials to Everyone:

+1 to broadest definition of household

From Edward Boltz (A: Consumer Advocate)((he/him) to Everyone:

+1 John Whitelaw: Ozzie & Harriet never existed in the 1950s and certainly don't today

From P - Wisdom Cole, Civil Rights to Everyone:

+1


From P - Kathleen Dwyer - Proprietary Institutions to Everyone:

+1 agree with John Whitelaw on encouraging broad definition of household size


From Ashley Pizzuti - P - 2 Year Borrowers to Everyone:

+1 to broad household. Some borrowers have no choice but to move back in with their parents in middle age or move in as a caretaker to someone in the home.

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 to broad househo..." with 

From A- Susan Teerink 4 year - Private Not for Profit Colleges to Everyone:

Reacted to " +1 agree with John ..." with 

From P-Carol Peterson-HBCU to Everyone:

+1 agree with Jalil

From P-Vincent Andrews-Veteran & Military Groups to Everyone:

I would also encourage the Department to include regional cost-of-living variances we discussed in previous meeting to be included in hardship, particularly related to income, debt obligations, etc.

From A-Richard Haase (Graduate Borrowers) to Everyone:

+1 to Jalil's recognition of the value proposition taking on student debt has for the well being of the student, their family, and their community at large, and the importance of recognizing these in discussing 'cost'

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

(9) Typical student outcomes at **any or all** the last programs attended;

(10) Whether the borrower has completed **any or all** postsecondary certificate or degree program for which they received title IV, HEA financial assistance;

From P - Wisdom Cole, Civil Rights to Everyone:

Recommended language would be any and all disabilities outlined within the Americans with disabilities act. And any and all disabilities that prohibit major life activities.

From P-Vincent Andrews-Veteran & Military Groups to Everyone:

Veteran and military disability is already tier based, and information could easily be acquired for severity and type of injury from VA doctors or records

From Sarah Butts, P-4-year Borrowers to Everyone:

Consider employment in public service as a factor in considering borrowers for relief. For example, some borrowers who receive PSLF forgiveness, after completion of 10 + years of public service, may have remaining loans that create hardship and should be forgiven.

From A-Jordan Nellums-Currently Enrolled Student to Everyone:

+1 on including parent plus borrowers explicitly in the text

From A- India Heckstall, Civil Rights Orgs to Everyone:

Reacted to "+1 on including pare..." with 

From P - Lane Thompson - state officials to Everyone:

I think disability inclusion here is very important, I just wanted to push for a broader definition, seeing as TPDD is VERY SPECIFIC

From Sarah Butts, P-4-year Borrowers to Everyone:

+1 on explicitly including Parent Plus Borrowers


From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:

Revise b (7) from "7) Receipt of a Pell Grant and other information from the FAFSA form;"

To

7) Receipt of a Pell Grant and/or Parent Plus borrower whose dependent student received a Pell grant and the dependent student's education was supported with the PLUS loan, and other information from the FAFSA form;

From P-Vincent Andrews-Veteran & Military Groups to Everyone:

Reacted to "I think disability i..." with 

From A-Richard Haase (Graduate Borrowers) to Everyone:

+1 to explicitly including Parent Plus borrowers

From Sarah Butts, P-4-year Borrowers to Everyone:

Consider loss of a primary caregiver/ parent as a factor that may cause hardship. This information may or may not be included on the FAFSA form and should be given consideration.

From P-Melissa Kunes-Public 2&4 Yr to Everyone:

Disability waiver should include the waiver of a Parent PLUS borrower who borrowed for a student whose has become disabled.

From (P)-Angelika Williams: Private, Nonprofit Institutions to Everyone:

Paragraph (b)(7): Receipt of a Pell Grant and federal aid programs awarded to low-income students'

From Sarah Butts, P-4-year Borrowers to Everyone:

+1 on considering environmental factors, including high cost of living areas and underserved communities, as examples.

From P - Kathleen Dwyer - Proprietary Institutions to Everyone:

Reacted to "Disability waiver sh..." with 👍

From P - Lane Thompson - state officials to Everyone:

Replying to "Revise b (7) from "7..."

+1 to including Parent Plus borrowers explicitly in the Pell reference

From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:

+1 on including parent plus borrowers in paragraph A

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

Reacted to "+1 on including pare..." with 👍

From A-Richard Haase (Graduate Borrowers) to Everyone:

Reacted to "+1 on including pare..." with 👍

From A- Susan Teerink 4 year - Private Not for Profit Colleges to Everyone:

Reacted to "+1 on including pare..." with 👍

From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:

Reg Text for the Department to include Parent Plus borrowers explicitly.

(b) Factors that substantiate hardship. In determining whether a borrower meets the conditions described in paragraph (a) of this section, the Secretary may consider any indicators of hardship related to the borrower or, for parent borrowers, the parent borrower or the student on whose behalf the parent borrowed, including but not limited to--

From A- India Heckstall, Civil Rights Orgs to Everyone:

Reacted to "Reg Text for the Dep..." with 👍

From A-Jordan Nellums-Currently Enrolled Student to Everyone:

Reacted to "+1 on including pare..." with 👍

From A-Jordan Nellums-Currently Enrolled Student to Everyone:

Reacted to "Reg Text for the Dep..." with 👍

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

Reacted to "Reg Text for the Dep..." with 👍

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

Ed Boltz is coming in for consumer advocates

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

I'm coming back to the table.

From P - Wisdom Cole, Civil Rights to Everyone:

+1 Apply Broadly

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 Apply Broadly" with 👍

From A-Richard Haase (Graduate Borrowers) to Everyone:

+1 to Jessica's point on 'burden' - we all know (and many of us are/have been) people who've spent dozens and dozens of hours in communication with servicers, the Department, and advocates trying to manage their student debt. Review of a forgiveness application would take comparatively little time.

From P- Jessica Ranucci (Consumer Advocates) to Everyone:

(c) Immediate relief for borrowers likely to default. The Secretary may consider any indicators of hardship related to the borrower, including but not limited to the factors described in paragraph (b) of this section to ~~discharge-waive all or part of~~ the federally held student loans of borrowers who the Secretary determines based on data in the Secretary's possession have experienced or are experiencing hardship such that their loans ~~are least 80 percent~~ **more likely than not** in default in the next two years after [INSERT EFFECTIVE DATE OF THE REGULATIONS].

From A-Richard Haase (Graduate Borrowers) to Everyone:


Reacted to "(c) Immediate relief..." with 👍

From P - Lane Thompson - state officials to Everyone:

My recommended change: (c) Immediate relief for borrowers likely to default. The Secretary may consider any indicators of hardship related to the borrower, including but not limited to the factors described in paragraph (b) of this section to discharge all or part of the federally held student loans of borrowers who the Secretary determines based on data in the Secretary's possession have experienced or are experiencing hardship such that their loans **are more likely than not (at least 50% likely)** to be in default in the next two years after [INSERT EFFECTIVE DATE

OF THE REGULATIONS].

From P-Jalil Mustaffa Bishop- Graduate Student Borrowers to Everyone:

Reacted to "(c) Immediate relief..." with 

(ED Note: Documents shares in chat are available on the Department of Education's [2023-2024 Neg Reg website](#))