

From: Jessica Ranucci, Primary Negotiator for Consumer Advocates
To: U.S. Department of Education
Re: Proposed Regulatory Text Amendments Discussed at Today's Session
Date: February 22, 2024

34 CFR PART 30—DEBT COLLECTION

Subpart G— Waiver of Federal Student Loan Debts

§ 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 related to such a loan such that the hardship is likely to impair the borrower's ability to fully repay the Federal government or the costs of enforcing the full amount of the debt are not justified by the expected benefits of continued collection of the entire debt.

(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--

- (1) Household income;
- (2) Assets;
- (3) Type of loans and total debt balance owed for loans described in paragraph (a) of this section, including those not owed to the Department;
- (4) Current repayment status and other repayment history information;
- (5) Student loan total debt balances and required payments, relative to household income;
- (6) Total consumer debt balances and required payments, relative to household income;
- (7) Receipt of a Pell Grant and other information from the FAFSA form;

(8) Sector and level of institution attended;

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

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

(11) Age;

(12) Disability;

(13) Age of the borrower's loan based upon first disbursement or the disbursement of loans repaid by a consolidation loan;

(14) Receipt of means-tested public benefits;

(15) High-cost burdens for essential expenses, such as healthcare, caretaking, and housing;

(16) The extent to which hardship is likely to persist; and

(17) Any other indicators of hardship identified by the Secretary.

(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 ~~at least 80 percent~~ more likely than not to be in default in the next two years after [INSERT EFFECTIVE DATE OF THE REGULATIONS] or would have been more likely than not to be in default in that time period if Fresh Start or other similar time-limited programs available to borrowers after March 2020 had not been available.

(d) Process for additional relief. In exercising the authority described in paragraph (a) of this section, the Secretary may rely on data in the Secretary's possession to provide relief without an application from the borrower or may rely on information acquired through an application, or both, to provide relief based on criteria demonstrating the conditions described in paragraph (a).