DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

AFFORDABILITY AND STUDENT LOANS COMMITTEE

SESSION 2, DAY 4, AFTERNOON

November 4, 2021

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

P R O C E E D I N G S

MR. ROBERTS: Hi. Good afternoon everyone my name is Brady Roberts with FMCS I'll be facilitating this afternoon. I just want to I do see your hand and I just want to mention that we have Carol in for Proprietary Institutions and Greg and for Dependent Students. So welcome to the both of you. Daniel, go ahead.

MR. BARKOWITZ: Sorry, I just wanted to return to one thought on the institutional liability, Jennifer, and reflecting over lunch, which provided me a chance to reflect, which I appreciate. I am wondering if the Department is willing to consider on the six year three year issue a carve out for those issues that pertain to record retention. So again, I personally, my constituency, would be supportive of six years if there were a carve out for those issues that relate to record retention, specifically stated in the regulations. So three years for those that relate to record retention, six years for other issues, and I'm offering that as a potential solution to move us forward in good faith.

MS. SABOUNEH: And Daniel just to add on there, I would be okay with that as well. That was one of the things I (inaudible) down. So if you're comfortable with that Jennifer. (Inaudible) Department will be.

MR. ROBERTS: Thanks, Daniel and Misty. David, I see your hand too.

MR. TANDBERG: I mean, it certainly sounds reasonable on the face of it. I just wonder how many cases wouldn't involve some need for record retention? Yeah.

MR. BARKOWITZ: Sorry, can I respond David? Specifically, what I'm referring to is the record retention relating to the making of or disbursement of the direct loan. Which is the particular piece that is in regulation, about the three year record retention. So, you know, to the, to the extent of false advertising or misleading job placement rates or other issues that may come up, those don't have the same three year requirement necessarily. So in those cases, you know, again, I'm open to something different. But specifically, were in regulation, there's no need to retain beyond three years, it feels disingenuous to give people the option to discard and then require they provide the proof. So again, I'm trying to find a carve out that would meet the Department's needs and the institution's needs.

MS. HONG: I just want to make sure I understand what that would look like. So right now, we have proposed six years to recover from, from the institution and you're suggesting that because we only require institutions to retain records pertaining to their financial aid disbursement of the students for three years that when we come back after the expiration (three years), again, which institution-- that's just what we require. Institutions can retain the records beyond the three years as well. I just want to make that clear that that's just something that we require. But certainly institutions are free to retain those records. If we go back and request records beyond the three years related to a BD claim---

MR. BARKOWITZ: Yeah so let me try to respond if I can. So I think Misty's point is really valid. So in audits right now we're being called to task for for keeping records beyond the required retention period, because of cyber risk. So at the same time, we're being asked not to retain records indefinitely, that's different than academic records. And again, I'm speaking specifically about financial aid records. So there is an audit risk for an institution as well as a security risk and a cybersecurity risk to keep those records beyond the minimum required retention period. So again, I make no no comment or claim about the validity or ability of the Department to cancel loans under borrower defense. My concern is specifically on institutional liability, when again, institutions not going to be prepared to respond effectively and can't defend itself because of the of the timing issue. So, you know, the carve out may have to do with, if the issue of the borrower defense is related to the making of the loan, then those that those portions cannot be collected from institution beyond the period of the three years. Is that helpful, Jennifer?

MS. HONG: Yes, thank you. I will take that back and thank you for flushing out the the audit risk and a cybersecurity risk.

MR. ROBERTS: Thank you. Joe, I just saw your hand, but then it just went down.

MR. SANDERS: Yeah, sorry, I'm hitting the button too many times. Just a quick point. Isn't the institution on notice, once they get the request for response, not on adjudication, but on the on the borrower side? Right, so there's a request for a response that comes on the borrower side, and I think that should probably suffice to put the institution I noticed that the Department could come after you in the adjudication process.

MR. ROBERTS: David, I see you nodding, go ahead.

MR. BARKOWITZ: Sorry. Joe, can you provide clarity? So So again, as I understood it, the borrower submitted let's talk about the application, the borrower submits an application, the Department reviews the application and issues or requests to the institution to respond. Are you saying there's a time before that where the school is asked to respond? And if so, I don't understand where that would be, maybe I'm missing something.

MR. SANDERS: No, I think we're on the same page. I'm just saying that that comes strategically and timeline wise before any recruitment proceeding.

MR. BARKOWITZ: Yes. And so I agree with you once a request comes, then the three year waiver doesn't apply, or the six year waiver doesn't apply if that request comes within the three or six year period. But my concern is a borrower comes back seven years, to use example, four years later, four years after graduation and says, the institution defrauded me in the making of my loan and I'm using that as a rationale to submit my borrower defense to repayment. There's no way for the institution to respond at that point. And simultaneously, Joe, if and this, again, goes back to the reason why I support Justin's requests, or rather sorry, Josh's requests for timeliness, if the borrower submits an application, year one, but the Department doesn't approach the school until you're seven, then that's not the school's fault. And it's difficult at that point for the school who's not been put on notice. But I agree with you once that once the school has been put on notice, and it's within the waiver, timeframe, limitation timeframe, they're required to respond. So I think we're I think we're on the same page

MR. ROBERTS: Anything else on this topic? Thank you, all of you, that was that was helpful. I want to quickly point out before we move on to the next issue that John is at the table on behalf of Individuals with Disabilities or Groups Representing them, so welcome, John. Jennifer, are we ready for issue paper number nine, Predispute Arbitration?

MS. HONG: Yes.

MR. ROBERTS: Okay, great.

MS. HONG: Let me just pull it up here. And actually, while I pull it up, we can Vanessa or the Department pull it up and they already did-- step ahead of me. Okay, so just to recap, we did have proposed language during session one. From what I recall, there was a lot of agreement about that language regarding predispute arbitration and class action waivers. Some minor comments, and we went back and we addressed them. So let me just walk you through these. Basically, to begin with, we're looking at 685.300, which has to do with agreements between an eligible school and the Secretary for participation in the direct loan program. Nothing's changed in the general (a) section, paragraph (b) under Program Participation Agreement. Again, the regulatory text provides the terms of the program participation agreement of a school that wishes to participate in the direct loan program. We just went back and (b) 7 and (b) 10 are just kind of minor technical changes. We added a (b) (11), as you see there just to conform with the changes we made about credits to dispute arbitration and class action waiver rules that as a condition of its TPA to ensure that schools comply with a predispute arbitration class action waiver rules regarding BD claims and disputes. No changes under paragraph C. Paragraph D, this is what we provided before--basically this is just reinstating the 2016 regulations in full. Remember these were rescinded in 2019, and the basic principle is that we wanted to ensure that schools cannot compel students to pursue a complaint about a BD claim through an internal dispute process. And also that students would be able to present their complaint to an accredited or relevant government agency. Under paragraph E Class Action bands, some guiding principles under here-- again, we've reinstated the regulations that were in effect in 2016. Except that we added that verbiage from earlier-- under (e) (iii) romanette (iii) clarifying the deadline by which notice must be made. Paragraph F predispute arbitration agreements says, schools will not enter into a predispute arbitration to arbitrate a BD claim. Students, however, can enter into a postdispute arbitration claim. So a reliance on a predispute agreement with respect to BD claim means it's included, but is not limited to, seeking dismissal, deferral, or stay of a judicial action, avoiding discovery, or filing claim in arbitration. And some required provisions are that the school must include a predispute arbitration agreement that includes the following checks. We agree that for predispute arbitration agreements already enforced that don't contain the above text, we must amend the PDA, the predispute agreement to add text, or provide the written notice to that provision. And you also, to provide notice by the earlier of either the exit counseling or the date that the school files this initial response to a demand for arbitration. So again, the only change that we have here since session one is under F (iii) romanette 3 (i) clarifying the deadline by which the notice must be made. And then new points-- then the very new concepts that we've integrated here, what we heard during session one is under paragraph, G and H. And this is based upon our discussion of regarding publication in a centralized database. And that arbitral records that are submitted to the Department. We had that in session one, this committee or members of this committee suggested that we go a step further and publish those records in a centralized database and we've incorporated that language here under G. And then respectively under H for the submission of judicial records, requiring them to submit those records to us and also to publish those records in a centralized database. Under paragraph I, we just clarified the definition of BD claim in response to the 11th Circuit Ruling regarding Young vs Grand Canyon. And then finally, we, I think that brings us to the end. We have some, let me see here. Yeah, I'll just, I will just stop there. Vanessa, can you scroll down just a little bit? That's the end of the document. Yes, okay.

MR. ROBERTS: Did you want to take some comments and questions?

MS. HONG: Yes, that would be great.

MR. ROBERTS: Great, and Vanessa, you could bring down the document. Thank you. I see Josh, go ahead.

MR. ROVENGER: Thanks. So first of all, just to reiterate how appreciative we are that the Department is bringing back the predispute arbitration and class action provisions. These are are absolutely necessary to ensure that borrowers are able to get full relief. And in particular, I do think that the change to the borrower defense definition could have the biggest, substantive concern as of the drafting of the prior version, and so very appreciative of that change. On board with this, I do, I do think that there are at least two ways it can be improved. And we you know, we've been thinking a lot about one in particular-- questions of enforcement. Because as of right now, a school that relies on a predispute arbitration agreement, or that fails to provide the required notice, doesn't really face any clear consequences, even if the result is that the students’ claims are improperly sent to arbitration. And one idea we had is that the Department can make clear in these regulations that student loan borrowers are the intended third party beneficiaries of these provisions. And then we have some proposed language, which I'll drop into the chat in a second. And I do want to make one thing very clear with respect to this language, it wouldn't create a new rate of action, borrowers would be asserting preexisting rates under state or Federal consumer protection, contract, or civil rights law. But it would be providing a mechanism for borrowers to use the provisions essentially as a shield and if the school tries to compel arbitration. And then the other kind of area where improvement we think is possible, relates to the required notice to the Department, if a school is going to try and compel arbitration or assert a claim directly in arbitration. You know, I think I expressed last time that we've seen schools dispute that a set of facts could ever constitute a borrower defense claim, notwithstanding how it's defined in the provision. And so we think that the provision should clearly state that a claim concerns a borrower defense for purposes of these regulations. If the plaintiff or any party in the action is asserting that this would constitute a borrower defense. That way it would be on notice of the provision.

MR. ROBERTS: Thanks, Josh. Carol, go ahead.

DR. COLVIN: I would like to request a quick 10 to 15 minute caucus with the accrediting agencies and institutional representatives with both the primary and alternate negotiators, if that's possible.

MR. ROBERTS: I believe Kayla's the host of the meeting, so I might have you repeat those names very briefly just that constituency names and then we'll get that set up.

DR. COLVIN: The Accrediting Agencies, Minority Serving Institutions, Financial Aid Administrators, FFEL Agencies, two year public colleges, four year public colleges, private nonprofit, and proprietary schools.

MS. MACK: For my team, we're going to need to do that just a touch slower because all of these individuals have to be moved individually. So let's hold on for just a second. Emil, if you've got the group's if you could read out the names happy to take that. I think we could go offline and live while we sort this out and then we will plan on being back in 10 to 15 minutes. So Emil if you could read off names that would be really helpful.

MR. ROBERTS: Welcome back, everyone. Thank you for your patience during that caucus period. I wanted to turn it over to Carol who initially called the caucus. Carol, if you just want to come off of mute and feel free to speak a little bit.

DR. COLVIN: I just want to say thank you to everybody that participated in the caucus.

Jessica and I have been working with our constituency, on a proposal that we feel like would be in the best interest of our students and I definitely appreciate the feedback that we received. So there is some additional data that we would like to gather. So for the purpose of a temperature check at this point, we would probably vote no, but just know that that's because we are still we would like to gather some more data and we are still working for towards a solution on a very what we see is a very complicated issue. I very much appreciate the feedback.

MR. ROBERTS: Sure. Are you able to put that data request in the chat just so we have it as part of the transcript? Thank you. And then David, go ahead.

MR. TANDBERG: Thank you so much. So my concern is the extent to which the new red lines would extend to contracts with third party providers, OPMs, private contractors of the college and universities themselves. We know that there are examples of these contracts requiring predispute arbitration and attempting to protect the third party provider from lawsuits, class action lawsuits and alike. And so we feel like it would be important that the language reflect the extension of these restrictions to contracts and their contract doors.

MR. ROBERTS: Thanks, David. And I just want to just note that Bethany's back at the table for Groups Representing Individuals with Disabilities. So welcome back. Bethany. Brian, I see you just came up if you just want to respond.

MR. SIEGEL: Yeah, just to respond to David. As you know, there's a lot of litigation over the arbitration provisions and, you know, to be blunt, our language in 2016 is one of the few to survive litigation challenges. So my immediate reaction is, I'm concerned about extending it to control contracts that don't directly relate to our programs. So if you can provide us some legal analysis, you know, taking into account, you know, the case law on arbitrary on limits of agencies to limit the party/parties rights to require arbitration, you know, we'd be happy to take a look at it. But my initial reaction is I don't see where we have the authority.

MR. TANDBERG: Yeah, I will, admit that's not something I could provide immediately. And we need to recruit legal assistance. My my concern is the spirit of this regulatory language is to protect students' rights to legal pass that aren't limited to predispute arbitration. That spirit is not null and void if the contractors, the contracts with the people actually providing the services are mandating previous dispute arbitration. So we, we lose the effect of the regulatory language via these contracts. And so yeah, I would be interested now or in the future, working with the Department to take a serious look at this because more and more it isn't the institution that's delivering these services, it's a third party.

MR. ROBERTS: Thanks David and Brian. I see Josh's hand next, go ahead.

MR. ROVENGER: Thanks. Yeah, I first want to echo David's concern and but also completely recognized, Brian, the position that you just put forward in that, you know, at the end of the day, these regs have survived legal challenge. And so in a thorny area of law, you certainly don't want to do anything to risk that. You know, I do think, again, whether whether it's at this table or at a future table, that the Department should not only evaluate its authority with respect to the topics that David mentioned, but we think that there may be a basis as well to extend to private lenders, and in particular preferred lenders. In addition to the same statutory provision at issue here, for by way of one example, 20, USC 1094, subsection 27, might have some bearing on that issue. Again, also, like

David, happy to work on putting something together, not necessary, it doesn't have to be up this table but would love to see, as far as the Department can go on that in the future, I'd love to see it.

MR. ROBERTS: I see Daniel next.

MR. BARKOWITZ: Thank you. To David's point, I, I am, I would be supportive if we could define what provision of services means. So there are lots of third party contractors that are used by institutions of all kinds, for example, you know, we have Valencia have a contract with an agency to help students in loan repayment, manage their loan repayment and not wind up in default. You know, is that, would that be subjected to this? If we use a third party for, you know, for Ability to Benefit testing, would that be subject to this? So, so at what point are we in control of those contracts? And could we as institutions dictate terms? So, you know, again, I'm open to this David, but I want a much clearer definition of what that constitutes, as, as a part of, you know, what is considered delivery of educational services under that under that piece? As as a as a statement, right, our institution doesn't have any contract with students. So when a student walks in the door, the contract is, you know, is their enrollment, there's no written contract that a student signs. So, you know, that I go back to the earlier conversation we had about the definition of a contract, you know, I understand that they're making a verbal agreement, or a non-written agreement, but you know, I don't know, and I would have to review every single vendor contract about the use of arbitration under that under that piece.

MR. ROBERTS: Joe, I see your hand but David do you want to immediately respond to.

MR. TANDBERG: Yeah, I mean, frankly, ideally, I would love for that to happen for all the contracts to be reviewed and to see if they mandate predispute arbitration because I don't think mandating predispute arbitration is ever on the face of it, appropriate, right. And so that that would be my initial reaction, of course, that's just my opinion. But um, yeah, that would definitely be the goal. And I, and I, yeah, it's not so much the contract with the student but the contract with the vendor that I'm referring to.

MR. BARKOWITZ: And again, I don't, I don't know, and we'd have to review whether if I can respond whether the if there is arbitration required is that arbitration with the institution, who is typically the consumer of the service offered by the vendor, versus to your point, a private lender, where the contract is about student service. So, you know, I think it would depend it's a very fine point, but it would depend on the type of service being provided.

MR. TANDBERG: And I would be, in cases where it's mandating predispute arbitration involving the student would be that I'd be concerned about. Thank you.

MR. ROBERTS: Joe, go ahead.

MR. SANDERS: Yeah, I just, I want to echo, Dave and Josh's concern, and I want to do that by raising a very specific, specific example. My colleagues in California are about to start a trial against Bridgepoint Ashford for profit-school. Allegations of predatory conduct including including predatory enrollment. The parent company for Bridgepoint Ashford Zovio, has now become one of these service providers a contract with the University of Arizona. And so I think you're seeing predatory actors move into this service provision space. And although I agree, there may not be room to negotiate this, right now, I would urge the Department to to think about this issue and whether or not students are being mandated into predispute agreements, regarding services provided by these service providers, because that's potentially problematic from an AG perspective. You know, we we want students to be able to enforce their own rights, we don't want everything to fall solely to, to law enforcement on these issues. And when one last point, to Daniel's comment about loan repayment providers, I'm not sure that this is specifically what Daniel's talking about, but another term for some of those actors is cohort, cohort, default management companies. And we have grave concerns about forbearance steering with regard to those companies, something that I think Daniels alternate, even raised the other day. So there's a lot of you UDAP issues that AG sees with service providers, and we would love to to help the Department with an analysis of you know, whether this predispute issue goes to those providers. I don't know the answer off the top of my head, but I think it's a great question raised by by David and Josh.

MR. ROBERTS: Thanks, Joe. Yeah, Jennifer, go ahead. I think you're muted right now, Jennifer.

MS. HONG: I was just saying I appreciate this line of discussion and I don't mean to take us off of it I just wanted to double check with Carol. Was Carol, Carol, was your request for data was that for us or were you suggesting you needed to have further conversations with your constituency on this issue?

DR. COLVIN: We're, we're determining that. I will let you know what data we'd like for you guys to provide, if that's okay. Gotta meet on our next break.

MR. ROBERTS: Sounds good. Alright, so I'm not seeing any other hands and given that there's some potential data requests that need to be formed and then as well as some proposed language. Jennifer, do you have what what you need from the Department's perspective right now on this issue?

MS. HONG: Yeah, we are just we're eager to hear back from, you know, Carol and the institution's on if they need anything else further from us. You know, what their thoughts are, that would be great.

MR. ROBERTS: So why don't we do this, if we could just do a quick temperature check on this, and then we'll just take a quick 10 minute break just to give some more time for that discussion and then we'll come back with our next topic. So, oh, go ahead, Michaela.

MS. MARTIN: No, I was gonna ask if after the break we're moving on or you're coming back to that? I'm ready for IDR.

MR. ROBERTS: Right, right, I think if we're okay, a temperature check right now, given that there's a little bit still out there, and then a quick 10 minute break and then moving into IDR. So if that's amenable to the group, could I see a show of thumbs on issue paper number nine. Great, thank you, everyone and Carol, I see your thumb down. And I know that we're going right into a break after this for specifically that, but is there anything else that you want to add to this discussion on this topic?

MS. HONG: No. We're wanting to collect a little bit more information for our proposal.

MR. ROBERTS: Great. So with that, I appreciate that conversation. Let's take a quick 10 minute break and come back at 2:15 Eastern time. We're actually going to begin with Raj with with a data presentation on IDR. So I'll see everyone then. Thank you so much. Welcome back, everyone. Thank you so much for your patience during that short break. I hope you enjoyed it. Before we turn it over to Raj for a presentation on Income Driven Repayment, I want to turn it back over to Carol.

DR. COLVIN: Thank you. Before we move forward, we just had a couple of questions regarding the reporting requirements that are proposed in the issue page paper number nine. We'd like to know exactly what data the Department is requesting, and then what the reason for the collection of the data is? And with that, what information does the Department intend to publish publicly? It seems that there might be a privacy concern and we wanted to address that. And then we're also concerned that with the publication of this data, that it could present to be an inhibitor to prevent certain students from seeking to resolve issues as not wanting their personal information published. Jennifer, would you be able to comment on that?

MS. HONG: Sure, and you're I believe you're referring to the submission of arbitral and judicial records? I think the attempt here, and we discussed this in session one was really to, you know, get an understanding of some of this and really to kind of shine a light on on what these agreements and records look like. I think it's just a matter of transparency. And there was a a second question, I think about privacy, obviously, subject to protecting privacy. And we wouldn't be releasing any records with PII in it, Personally Identifying Information.

MR. ROBERTS: Great, thanks Carol, for that and then anything that you want to pop into the chat as it relates to predispute arbitration, feel free to. Okay, we are at 2:20 I want to turn it over to our advisor, Raj Darolia for his presentation on IDR. And just as a reminder, we are a little over an hour out from public comments. So folks who are registered, try to log in a little bit early. But with that, Raj, I'll turn it over to you.

MR. DAROLIA: Thanks all for inviting me to talk about IDR again. What I'm going to be doing today is try to dive a little bit deeper into how we might think about some of the potential changes to income assessments and protection, but not really thinking about who the primary beneficiaries for some of these changes are and thinking about folks who have different levels of income and debt. What I want to before doing that just tell you a little bit about the three supplementary documents that I included along with this presentation. So the first one is a letter where it's framed as a letter, but it's a report by the Q Charitable Trusts. So what I'm going to be doing today is trying to help develop some intuition about again, and changing some of these policy levers today with different levels of income and debt. But what they did is to give some examples of some of these policy changes, potential policy changes, such as changing income assessments, or protection levels, using historical data on kind of typical borrowing, typical income growth, typical debt loads, for kind of exemplar students of a handful of different types. So somebody who's non completer, somebody who gets an associate's degree, someone who gets a bachelor's degree, and somebody with a graduate degree. So the intent of that is to really try to take some of these conversations and put some more, more historical data on it. Whereas in these presentations, what I'm trying to do is not move too many things at the same time, right. So as we've talked about before, when you change a lot of different inputs, household size, inflation assumptions, income assumptions, you can change the the results in different ways. So what I'm trying to do in these presentations is sort of change one thing at a time, so that you can see the effects of it. But that letter is going to give you some exemplars for some, some, some kind of typical borrowers will call them based on good data, on again, income growth, income levels, debt levels. The second document that I provided is a summary from Dr. Leslie Turner, who's a professor at Vanderbilt. And this is in part Joe mentioned last last session about wanting to see some research on things like-- sometimes researchers call this choice architecture. But how do we encourage students to opt in or get defaulted into the right, or get defaulted, I guess, it's not a choice necessarily. But, if they, know, which plan to choose, you know, helping folks get into certain plans. And so what Leslie's put together, is a summary of what we're gonna call kind of the best research right now, on some of the barriers. Again, some of this is going to be directly related to the IDR discussion, some of it's just going to be more broadly about repayment plans. And then the third piece is from Dr. Dominique Baker, who's a professor at Southern Methodist University and you know, what I asked her to opine upon with specific challenges that students, students of color, face in some of the student loan programs, again, part of its going to be directly related to the IDR take up issue. But some of its more general than that, as well. And so, you know, these are all outside documents, you know, whereas all you have constituencies that you're representing. I'll say that I'm trying to represent the constituency of researchers and data experts. And so this is me asking some experts on some of these issues to help provide some knowledge to the committee. I'm not going to go over any of these documents in any sort of detail during the session, but I did want to provide them to you so you guys can have your your light bedtime reading tonight. But that said, what I'm going to do is go ahead and jump into the presentation. Today, we're going to be talking about a new fictional borrower named Miles. So some of the same caveats that we had before, these are illustrative examples, not going to incorporate things like common repayment offense, like deferment, or other things I can talk about where that might affect things in certain scenarios. What I'm going to show you is also some comparisons to the standard plan, but I'm not going to model in here explicitly is whether somebody is eligible for that IDR plan or not. And then as far as the inputs and assumptions, this is going to be largely similar to the example I gave in the last section, that borrower was named Iris, but for Miles we're going to look at a variety of different income profiles. And so the income profiles have been looked at as somebody who has a starting income of 15,000, starting income of 25k, 35k, 45k. But the rest of those assumptions are going to be similar to what we showed. So let's start with Miles on the assumption that he makes $25,000 a year and has a loan debt of $30,000. So in this first column here, standard repayment, this is going to be the repayment that he would have, under the standard 10 year repayment plan would have a monthly payment of about $300, and based on some assumptions about income growth again about two and a half percent annually, he’s going to pay about 9 to 14% of his income every month, over those 10 years. On net, on net, he's going to pay almost $36,000 for this loan has zero forgiven and make 120 payments, basically every month, for 10 years. The second column here is current case for IVR. And so this is going to be with the protection at 150%. And percent of discretionary income of 10%. As we saw last time, what this means is a substantially lower monthly payment amount, again, that's going to change over time, as Miles, as income grows over time, we're still gonna take 10% of that discretionary income. If we think about what that means, as a percentage of gross income, he's gonna pay about 2 to 2 and a half percent of his gross income every month for his whole period. He's gonna pay much less than he would have under the standard repayment plan, but also have a big forgiveness amount of almost $37,000, at the end of those 20 years. As we move from left to right here, columns 1-4 what we're going to do is increase the income protection. So this is going 175%, 200%, 250%, and 300%. I'm not going to go through all these in detail, we did something similar to this last session. But one of the things I want to point out here is that the marginal benefit from miles at $25,000 a year and this student loan debt amount doesn't really change once we get to these higher levels of income protection. Because by the time we get to 200% income production here in this column here, Miles effectively is making zero payments or $0 payments, right? That's making 10 point, 10% income share of those $0, you know, or discretionary income, and-- 240 payments over those 20 years, but it's not actually paying. So, if, for example, there was an increase in the income protection from 200 to 250% for Miles' level of income and student loan debt, there is basically zero marginal benefit for Miles in this in this scenario. So to try to summarize some of this information in a graphical form, and what I'm going to do is add on some other income levels as we go through. What I've done is basically plotted the amount paid here for Miles at different levels of income protection (inaudible). So we can think about here, for Miles making $25,000 a year, that's what that 25k means, under the current plan and with the 150% income protection level he's paid about $15,000 per year. That's going to get progressively less until we hit the 200% protection level. And then again, as we go this way, and that income protection gets more generous, the marginal benefit for Miles will basically be nothing overtime, in that way. And so this blue dashed line here on this graph is the total amount paid under the standard repayment plan, just to give people a sense of what that means. So we can go ahead and start to then plot people, you know, fictional borrowers with similar assumed inputs, but different income levels on this graph. So for example, here now, the second line with the X's instead of the circles, it's going to be somebody at making $15,000 a year, again, with student loan debt at $30,000. As you can see that at least in this range of income protection level, this person gets to no marginal benefit, for the most part, increasing marginal income protection, because they're already going to be having a discretionary income, basically below the income protection level, and therefore, kind of no better or worse off if we raise income protection. Now, as we start to add people of higher incomes, this is the next person, this is somebody who's making $35,000 a year. So Miles, instead, is making $35,000 a year to start, as we can see here, this, this borrower is going to get benefits in lower amounts paid, as we move farther out into the protection levels, as well. Sorry, what I'm going to show you next is a similar table to what I showed before. But this time, I'm for somebody making $45,000 a year. And I'll return to the graph here in a second. But I just want to show you something---just start again, develop some intuition on how we might think about some of these things with people of different income models. So this is Miles again, let's assume Miles starts at $45,000, a year, instead of the 25, or 15, or 35. What we can see is for some level here, we are going to have in total paid increasing up until about the 200% income level. And then it'll start to decline once it gets to an even higher amount. And there's a couple reasons for this. One, is you can see that, as we have income protection in IDR, we're going to have lower monthly payments. And as we talked about before, what that typically does is reduce payments monthly, but extend the amount of time that somebody is going to pay those loans and extend the total amount that they would pay. And then as we get farther out for this borrower Miles at $45,000 a year, the total amount paid is going to start to drop because we're going to start to forgive more loans as we get to the higher income levels as well. And in this case, actually, Miles ends up paying some interest only payments as well, because the income protection basically drops his payment per month, in some cases to below what is due for interest. So what I put on here is that at very high income levels, what you can see is that the percentage of gross income, right, we're keeping the discretionary income at 10% for these for these scenarios, the percentage of gross income ends up dropping to a pretty low level. Now, it's a value judgment about what's kind of too low or the appropriate amount of gross income, just want to point that out so that's something you guys can think about as you make your decisions. So now we can plot this Miles under the $45,000 a year income scenario, with this new chart. And as you can see, basically, at some level, we have an increasing amount paid, then we'll have this benefit through lower total amount paid. With the trade-off of potentially paying for a longer amount of time, paying more overtime or sorry the total amount will repay, but extending the repayment period. And as we get farther to the right on this graph, again, what we're gonna see is potentially making some interest only payments, and then we can put on a $55,000 a year scenario. And if we were to extend this out, you know, we could you know, every time we add on more money, we're basically going to have lines that go farther out and farther out. Daniel, I see your hand up, why don't we, if that's something I can answer quickly.

MR. BARKOWITZ: Yeah, thank you, Raj, so just a quick question. So I know in some income repayment plans, when your income reaches a certain level, if it's higher than the standard monthly payment, you actually could pay more monthly than the standard monthly payment for repayment as well. But in this case, when you're showing, I just want to make sure I'm clear is the overall cost or repayment costs, including interest. So have you modeled for us, so if at some point Miles is going to earn a sufficient amount where his income based repayment plan might, in fact, the calculated amount might be higher than the $300 standard. Do you have an example where that is shown as well?

MR. DAROLIA: Yeah, I was actually gonna get to that here just in a minute. But so that's exactly right. This goes to my sort of earlier caveat that you know, there is sort of an eligibility consideration that could be applied here, which I did it for kind of putting together these graphs and basically, for certain IDR plans, if your payments under the IDR exceeds that under the standard repayment plan, you're, basically not eligible for that. And as far as I think it's at least these two data points here for when it makes $55,000, if not more, I have some of the background I can look up here afterwards. But in this case, under the current sort of scenarios, Miles wouldn't actually be eligible for it. But again, I'm not modeling that specifically. And one of the reasons that you end up paying less actually as as incomes gets high, you know, if they were eligible, is because you're paying just a larger amount each month, and you end up paying for a shorter amount of time, right, and so because of that, you know, there are all these levers to pull.

MR. BARKOWITZ: Yeah and I guess and I go back to the question is that true of all IBR current plans, or IBR and ICR where you're not eligible, if your amount is, is higher than standard?

MR. DAROLIA: So I don't have the document in front of me right now, I don't believe it's out for all of them, I would have to go back through and kind of look through.

MR. BARKOWITZ: Never mind, thank you, I'll hold that.

MR. DAROLIA: So another way we can think about this is just the average monthly payment as a percent of gross income. And again, sort of the intuition of just want to try to convey here, is that, you know, when we talk about the percent of income, we're talking about percent of discretionary income as a policy lever that we can pull. And so some of these income protection levels-- what they're going to do is they're going to drive the sort of percent of gross income paid every month, down to a relatively pretty low level. Now, again, that's up to the committee to decide about what what is sort of the appropriate level that you consider, which just wanted to point this out so folks kind of have that sense. Alright, and so we can do a similar thing, I'm not going to go through this in detail but instead of on the X axis, for these doing the protection level, we can do the share of income. And so just showing again, somebody who, you know, kind of the relative marginal benefits, as we reduce the share of income which is assessed under potential policy levers. And again, for example, in this case, because this person with 15,000, their income protection level is always going to be higher than their income, they're never going to have a total amount paid, they're basically just going to have zero amounts. But there are benefits kind of for everybody else as you move right to left on these, I'm sorry, left to right. Alright, so the next thing I just wanted to go through was, was just some some basic thoughts on what you might think about as you think about changing income share, and or income protection. So we talked about last week, kind of both of these levers will reduce the amount, you know, that a borrower might pay on a month to month basis they can both do that. And again, one of the trade-offs with that is going to be about repayment, repayment lent, higher total amount paid. And as I showed just now, a higher levels of debt, this could also mean that payments do not cover interest. But there are some different differences that we might think about between raising income protection versus changing the income share. So although it's equal, raising income protection is going to could lead to a larger number of what we might call quote, unquote, zero payment borrowers. And that's because the income protection can be higher than income. Right. And as we showed in the last session, when income protection is higher than income, that basically means the discretionary income gets down to zero. So although it's equal, that's going to lead to a larger number of zero payment borrowers. But one of the things that, that I tried to convey just now, that as income protection increases to relatively high levels, especially relative to income, itself, the benefits, the marginal benefits are largely going to accrue to the higher income. And so, you know, what I'm just gonna mention here is encourage you to consider kind of the goals and design principles along two different dimensions. One is, are the goals to have what we might consider zero payments, like what we talked about where discretionary income is effectively zero, or affordable payments? And I know that's kind of a values judgment term right there. But that might be something to to consider as well, right. So are you're trying to get to zero payments or affordable payments. The second dimension you might want to consider regarding goals is re the kind of goals and the problems that you want to solve. Right. So if the goal is to provide relief to existing borrowers, then obviously revised repayment plans and some of these forgiveness options and other things you guys are talking about during these weeks (inaudible). But I'd like for you to also keep in mind is that there's a secondary goal or not secondary, but a second goal that you might want to think about as part of this and that's not just providing relief to existing borrowers, but also encouraging future students to be able to participate and succeed in higher education. And so, you know, I teach full sessions and classes on this and so I'm not going to go through it all today, but to encourage those types of things, the investments we're typically going to want to make are in other areas outside of student loans, such as lowering the price of college, increasing grants, and doing other things that facilitate, you know, access to and success in college. And so obviously, these are not mutually exclusive goals. But, you know, I encourage you to think about that, to the extent that there are limited resources, you know, thinking about where you would want to invest. And so, what I want to share next, then, is just how a way that I've been thinking about sort of changing potentially these levers in both the income assessment and the percent of the poverty. And maybe this is just for me, because because I'm a huge nerd, but like, if I think about this sort of similar to our tax system, this is actually somewhat beneficial. And so at least conceptually thinking about it. So we can actually think about the current IBR plan, as similar to sort of a marginal or progressive tax system. And effectively, we can think about it as for the first, you know, 150% of the poverty line of income for this person with a household before one, it's going to be about $19,000, the marginal assessment rate on that each dollar there is 0%. Right, and then once you exceed that 150%, you're going to jump up to a 10% marginal tax rate or assessment rate on this. So you know, for those of you who follow tax policy, these types of graphs are going to be pretty easy. So what we can then do is think about what happens to this graph, if we change some of these levels, right. So here, this is that 150% protection level, income protection level that I that I just showed, what we can say that is if we move to 200% of the poverty line protection level, again, holding everything else equal, what we see is we're shifting to the right, kind of who is covered, right, who basically have how much income is covered, or, you know, by just by the protection, right, we're kind of shifting that amount to the right. But then everybody up here is effectively unchanged. Again, we can kind of move this out, again, moving it to the right, so every time we kind of increase the income protection, you know, (inaudible), we're kind of shifting these out to the right. We can also think about the income share in a similar way, right, so this is going to be a 10% income share in this way. And in this case, we could lower it, and what we're doing is shifting things down. Right. So in this case, sort of everybody in this region is the same but in this region, there's a benefit of getting their income share shifted down from 10%, to seven and a half percent. And again, we can shift it down to five. And so how I conceptually can think about this is the income protection is basically shifting, you know, these these kind of tax schedules or these income assessment schedules on the on the X axis, and the income share is shifted on the Y axis. And so one of the things just, that is, I think, potentially an option for you is changing both of these at the same time, right, where you can shift both on the X axis and the Y axis. And we can think of this akin to our again, to kind of draw a corollary to our income tax system, progressive tax system. Where for certain levels of income, you're charged a rate, but that rate increases, that marginal rate increases as your income gets higher. Right. So in this case, that again, to kind of go back, this is our current scenario, where there's just kind of two levels here. In this next scenario, what you can see is you could basically put in some cliffs in here where, you know, for the first 150% somebody's taxes are assessed at 0% 150 to 300% of the poverty line assessments 5% and then it goes up to you know, the current 10% over 300%. And these are just examples here, and you could potentially you know, again get as gets sort of complicated as you want in this case, scenario two, you're shifting out the income protection out to 200%. And then, again, sort of this progressive tax schedule throughout the rest of the, the income distribution up until 300%. So just a bit of the conceptual benefits of this, you know, one of the reasons we have this in our income tax system, it should provide little to no incentive for somebody to have a higher income, right, because it's a marginal tax rate. And that also takes into account kind of both dimensions of vertical and horizontal equity. On the vertical equity being what I mentioned before the payment grows, the marginal assessment grows, his ability to pay grows, but there's still horizontal equity in people with similar income levels are assessed the same for that amount. And so because of that, another way that you might think about pulling some of these levers as you think about. So that's it that I have today, I have some additional figures and tables that you can look in there for yourself, and happy to answer any questions that you may have.

MR. ROBERTS: Thank you so much, Raj. We'll turn to Michaela first.

MS. MARTIN: It's kind of a question for Raj but overall talking a lot about monthly payments. But there hasn't been any conversation about what it would look like to shorten forgiveness time. That like folks with a zero or even very low balance will still end up with this on their credit and unable to seek economic mobility for 20 to 25 years. Like that's, and so I'm, I'm wondering how that that plays into this. And then I also just kind of begs the question, I guess is, why aren't we told what we're working with? Like, you know, we make mention of the cost and things but how can we make decisions on if we should shorten time or look at affordability when we don't know what that larger picture even is? It's like we're making mystery suggestions when it comes to IBR.

MR. ROBERTS: Okay, Persis?

MS. YU: So I think I mean, first of all, I think that Michaela raises really good points and I think that, you know, a couple pieces of data that we also don't seem to have is, what is affordable, right, like, that is a piece, what does it actually cost to live is a piece that I feel like is missing from what we have, and how does that vary by different population? But one of the more specific questions I have about the presentation is, as you're talking about the difference between somebody who makes below 150% of federal poverty and someone who makes above, I mean, certainly, and maybe I'm misunderstanding what it means to have the marginal rate and so maybe just to make sure that I'm understanding this correctly, right. Like a person who makes 150% over over the Federal Poverty Level is not paying 10% of their entire income, they are paying 10% of the amount that is over 150%. Right. So it doesn't like I like the cliff, I don't think see that as big of a cliff, right? So like you can make $1,000 over, you know, that you're not paying, you're now not paying like 1000s more dollars a month, you're paying 10% of just that amount that is over 150%. So that I'm not sure if I understood the graph correctly. But I wanted to clarify that point.

MR. DAROLIA: Your your interpretation is correct, right, it is a marginal, it is a marginal rate, there's a kind of a graph, at the end of your presentation in the supplementary additional figures that might get to it a little bit more in the way that you're thinking about it, which shows that yes it's not, it's gonna be an assessment above the income right above that amount. And so it's still a marginal rate, as I mentioned in that presentation, absolutely, and that graph kind of shows that it's not as if like, a bunch of people are just getting that applied to them and others are not, it's kind of everybody's first 150% of the poverty line income is kind of assessed at zero, and then there's a (inaudible).

MR. ROBERTS: Bethany, go ahead.

MS. LILLY: So related to both Michaela's and Persis's questions, it seems to me that if we're going to be making these decisions, we should be thinking about borrowers who may be likely to go into default or borrowers that you know, we I would like more information about the borrower population. But that being said, I want to just acknowledge we are on day four, we are almost out of time today and this is we're just starting on IDR which seems like we're giving it a good deal of short shrift. So just if we are going like for week three, I really think we should think about starting with IDR given we've given it short shrift , both of these weeks. But just registering that I think, you know, it's a lot easier to make these decisions about real people if we have information about those real people, and that would be helpful.

MR. ROBERTS: Jennifer, do you want to, sorry, I saw your actual hand do you want to respond?

MS. HONG: Yeah (inaudible) I was (inaudible) my hand for something else, thanks.

MR. ROBERTS: Alright. Any other questions for Raj at this time? Oh, sorry.

DR. DORIME-WILLIAMS: It's okay. So I just also want to, I guess, add to what Bethany shared. So I think it was easy. So first, thank you Raj, for your research. So it's really clear to sort of see from what you shared, right, sort of these really low earners, and maybe low mid earners and I think one of my questions or concerns are like, what does this look like for folks who are in the middle? And I know, middle looks different, depending on like region and all the things that we've talked about before. But when I think about how many of the folks gave comments, who aren't necessarily right in this, like, completely, right, they're about to default but in fact have been making payments for years. So there's some income, but there's still an issue. And so I think I don't want to ignore sort of this, we often ignore the middle. And so I don't know if there's maybe additional information that would be helpful and I do sort of understand what you shared, right, if we sort of increase this and what we see. And I guess maybe when we're thinking about maybe additional examples, that would be helpful as well, to kind of see how these payments end up either increasing over time, or borrowers sort of paying more, and I think Daniel made a comment in the chat about capping income. So it helps to have these examples and if we, you know, when we do come back to this, I think that would be helpful for me to see.

MR. ROBERTS: Thanks, Marjorie, and I'm seeing the requests coming in in the chat. Daniel, why don't we go to you, and then prior to this anything else for Raj, we can turn it over to the Department for the first part of IDR.

MR. BARKOWITZ: Thank you. And maybe this comment is better served in the next portion but I think it's important because it speaks to the data Raj presented. I have a I have a paradigm question around the purpose of IDR, which is, is it to protect borrowers who are already in low income situations, or to protect a borrower who may find themselves at some point in an income situation, that's understandable, so, to make payments? So the reason I asked that is, you know, the period this all it feels like this all coexists in a world where we're talking about PSLF, or we're talking about loan forgiveness, for the period of time, you know, I'd love to see a world and maybe this is just not the paradigm, I'd love to see a world where a borrower could opt into IDR or IBR, even if their current income isn't qualifying them to make a lower payment with a protection in place that would allow them if they lose their job, if they don't get raises, if etc, etc, there is a protection for them in that timeframe and have those years of standard repayment qualified. So I think this is the problem is that we're we're somehow, you know, deconstructing the current situation of the borrower from the payment option they have. And whereas, in fact, really, it's the premises that IBR and ICRs protect the borrower, we should let borrowers opt into that from day one. So that if in the future, they have become risk or income volatility, they're protected, because they're in that payment plan. I guess, Raj this goes back to the question you raised about sort of where they come above and beyond and the one I was talking about in terms of the standard repayment cap, you know, I hate to see a borrower asked to pay more than the standard amount, but I'd still want them in there for protection purposes and for PSLF qualification, and for for cancellation qualification. So I don't know if that's just a paradigm difference, or, you know, that isn't in terms of what the Department is even envisioned for, for income based repayment plans. But it seems that, you know, that would be sort of a generalized one where we want everyone to choose that to help protect them for future exposure.

MR. DAROLIA: So let me give a quick response, and I'll continue to collaborate on some of these issues. So I think these are all great questions. You know, I'm certainly happy to provide what I can on this. It sounds like a lot of the questions are not necessarily so what I try to be tried to think about a kind of a policy levers that were put in the issue document and what happens if you change some of them. It sounds like there's still some thirst for some information just even on kind of distribution and demographics of borrowers more broadly, I can try to certainly put that together What is not going to be possible, at least with the data that I have, is something that kind of specifically links that to sort of different IDR plans or where they are in the, you know, I see Bethany put a comment in there about sort of where they are relative to certain income thresholds and things like that, that's going to be very difficult to do, you know, again, with public data. And so some of these things, I think, are great questions but I'm not sure if there they can be done even produced by the Department.

MR. ROBERTS: Thanks Raj, Dixie.

MS. SAMANIEGO: Yeah, Bethany just commented in the chat and it was something that I was gonna ask. Is there something that the Department could do to help Raj with that? I know that I've asked, I asked yesterday, and Raj got back to me and just said that, like their concerns with data sharing and stuff like that, while I understand, I think that this data request would be incredibly helpful for the negotiators, especially myself, trying to understand it, because we're just dealing with like, possible examples right. It would be helpful if that the that these data requests in the chat could be fulfilled in just like halfway fulfilled, at least. And so can the Department help with that? Is there a way for Raj and our advisors to get data that the Department has? Yeah.

MR. ROBERTS: Thank you, (inaudible) Bethany. Persis and then if you don't mind, I do want to turn it over to Jennifer so we do have some time to discuss this today.

MS. YU: So I want to reiterate this point and I actually did make a data request after week one to this effect, asking for race data asking for breakdowns of borrowers in different repayment plans, to break it down by race, where possible, and and I think that I'd like to, I'd like us to expand our idea about what is possible. I understand that the Department of Education does not capture race data, when it when it gets its federal student loan data but there are other ways of approximating race. And candidly, I have (inaudible) this this particular question numerous years in a row. So the fact that Department doesn't currently have the data in time for this rulemaking doesn't really seem like a great explanation for why this data does not exist. I think that there are proxies that we can use in order to estimate what what the impact of the different different payment amounts are, you know, how many borrowers have your dollar payments? How long are they in $0 payments? Does that impact different race groups differently? We can do that by zip code, you can do that by, you know, approximations of last names, these are proxies that different agencies do use. And certainly I think the Department should be doing that analysis on a regular basis. And I think that we need that data in order to really be able to create reasonable rules based upon real life examples of how our student loan system is impacting borrowers, but especially borrowers of color.

MR. ROBERTS: Thank you Persis. So at this time again, thank you, Raj, so much for that for that presentation. At this time, Jennifer, are you able am I able to turn it over to you to present the first section of IDR proposed reg text?

MS. HONG: Yes, I'm happy to do that. Thank you, again to Raj, we did ask him specifically to talk about the income and income share and how it plays out. I think that really helps to inform this discussion as we go into it. As far as the data requests, we have received several. Given that this is a compressed timeframe that we're dealing with, we're trying to prioritize those requests. If we don't have those data, we, there's not we can't pull it at this time, if we simply don't have the data that's being requested. So we are reviewing those we are pulling them, and, you know, to the extent that they're available, we will provide them, the same for these discussions at the table. I see some hands raised so I can

MR. ROBERTS: I was going to say Dixie and Persis, Dixie, go ahead.

MS. SAMANIEGO: Yeah, so I I just wanted an answer to what I asked yesterday and what I asked today, literally a while ago, 10 seconds ago, basically what data can the Department actually share with Raj so that he can better fulfill those requests because that's what I'm really confused on. And yesterday when Raj and I were chatting in the in our chat I understand that there are data sharing concerns--very valid. But we also have to figure out a way that we can fulfill those data requests. Because some of the stuff that we're asking for that data does exist. And so I, for me, it would be incredibly helpful to helpful to figure out how is the Department is actually helping Raj fulfill those requests fulfill his entire duty as like an advisor to us so that's what I'm confused about. Because if the Department is not helping Raj with any data, then he's left with just public information. And we've seen that they were requesting data and it's not being fulfilled because there is not any public data, but also like, we're asking in specific data about the Department. Right, and some of the data the Department does to collect and so I want an answer to what the Department is doing to help Raj actually fulfill those data requests and Heather and other advisors as well. I'd really appreciate an answer before we move on. Thank you.

MS. HONG: Thank you, Dixie. Well, first, we really value Raj's role here and he I think he's provided us with invaluable information throughout this session, and the session before so we would never want to feel like Raj was left in the lurch and we're asking him to fulfill these tasks without the proper support. So and he's delivered every time. So we will talk to Raj, we have been talking to Raj so to the extent that Raj needs information and data to kind of fill out some of this information. We are here to provide it, where we can't provide it, we will express that as well.

MS. SAMANIEGO: I also want to make clear that I want my comments to be framed in a way that I don't appreciate Raj's input, I do appreciate his input, I appreciate his expertise, and Raj and I talked about it yesterday, so that's not what I'm trying to get at. What I'm trying to get at is that I think it's very clear that I think Raj may need more of more support from the Department. And he's been doing an amazing job thus far. But I think that, and I don't want to speak for Raj, but for me as a negotiator, I would like the Department to support our advisors to the fullest of its capability and its capacity. I don't think that's just happening right now. And I don't want the conversation or the Department to frame what I've said and what other negotiators have said as we're not appreciative of Raj and Heather's time, because that is further from the truth. Raj's time, his expertise, and Heather's expertise has been incredibly helpful for someone like me, where I'm literally learning as I'm doing this and it's been incredibly helpful. So I don't want that to be the case. And I'm really thankful for both of them. But I also want the Department to help them as well, so that they can help us.

MS. HONG: 100%. I think we're on the same page. I wasn't suggesting you were saying that at all. I think we're all very appreciative of the work that our advisors do and we've been, we're here to support them and giving them the information so that they can present it in a way that's informative for this committee. Thank you for your comment, Dixie.

MR. ROBERTS: Right, thank you, everyone. So we have under half an hour left for wanting to invite members of the public in for the comment period. Now you have a lot of documents as a relates to IDR. So you should have, let me pull up my list, you should have not only the Department paper number 10 but I know the Persis and Josh sent out four documents and you shouldn't have one just now in your inbox as well as the two requests from Raj. And I think for this first section, we're just going to look at Sections A through D and on issue paper 10. So that's section A General through D which is loans eligible to be repaid under an IDR plan.

MS. HONG: Yes, this is if we could queue that document. This is the proposed regulatory text or issue paper number 10 income driven repayment plans. There it is, thank you very much. I see Michaela's hand up perhaps we should get to her if she had something before I--

MR. ROBERTS: Michaela, do you want to say something before we before we dive into this?

MS. MARTIN: Just super quick especially like since we're only a few minutes and like gearing up for tomorrow, if the Department had the opportunity or plans to look at Persis's a proposal and have a maybe a reaction to that? Because I think that that is a different construct than what we currently are looking at. And so that is up for consideration, I think that maybe we should address that a little bit.

MS. HONG: Sure. I mean, we could, we can start with that. I could, I mean I can share back what we have, which is not a whole lot other than in terms of putting a borrower in default in one of these plans, we agree that yes, that is possible. But I think we need more information. in terms of you know, once they're in one of these plans, we know, at least for ICR, that they couldn't receive forgiveness. A defaulted borrower would not be able to receive forgiveness on an ICR plan. And I'm just wondering that the statute is pretty clear on that, and you know, our General Counsel's Office is prepared to speak on that. But I didn't know if there was something more there regarding your proposal from legal aid versus that. You can kind of flush out a little bit more and I'll stop there.

MR. ROBERTS: Persis, yeah, go ahead. Sorry.

MS. YU: Yeah, so I'm happy to speak to that. So certainly, I think, right, we have two different statutes that provide cancellation or provide income repayment. And so I think it's actually quite clear that the Income Based Repayment statute does allow for cancellation when for defaulted borrowers who are in there. I also think that there there is a reading of the

ICR statute that could possibly allow for defaulted borrowers. I recognize that there the provision in ICR 7 (a) of that section says that it there's an including there's a list of payment plans that do qualify. And it says that, you know, will include time when a borrower is not in default, and pays under these various different places. But I, I read the word include, and I think Merriam Webster also restored include to say that when you include something, it's not an exhaustive list. So I think that there is actually space that one could provide cancellation to borrowers who are in default. But I think I mean, I think the the most important thing is to ensure that when borrowers are in default, that they are not paying hundreds or 1000s of dollars more than they would on an interest rate payment plan. I'd like those payments account for cancellation as well and I think that there's a legal avenue for them to account for in that way. But I think the most important thing is to ensure that we're not taking 1000s of dollars from borrowers who are expecting the Earned Income Tax Credit and the Child Tax Credit, you know, counting on it to pay back back rent and fix their car and get to work. So I mean, I think that there is both a question about the payment that is made and making sure that those are affordable for borrowers. But I do think that there is a legal path forward as well, on how we could get those borrowers time towards cancellation and ensure that they're not in a lifetime of debt.

MR. ROBERTS: Unless the Department wants to respond to that point, specifically? Daniel, go ahead.

MR. BARKOWITZ: This is just a blue pie, blue, blue sky, apple pie something like that question. Is it possible, I know there's been conversation about auto enrollment, is auto enrollment in IBR off the table? Is there anything in statute that would prohibit that? Brian's raised his hand. I think that's his.

MR. ROBERTS: Yes, I see Brian, go ahead. You're muted right now Brian, sorry.

MR. SIEGEL: I'll respond to both. First, in regard to Persis's comment, our reading of the statute is that payments made while borrowers are in default do not count towards the 25 years for forgiveness under the ICR plans. That's been the Department's consistent interpretation, since the ICR. statute was enacted back in 1993. We don't see a basis for changing that interpretation at this point. We understand that there could be a different reading, but we don't think it has enough support. We appreciate and certainly agree to your second point about, you know, the amount of of the payment that's being required from borrowers in default. Think there are other ways to address that and that's part of what's at the table now. In regard to Daniel's comment about automatic enrollment in an IDR plan. First of all, the statute gives the borrower the choice of repayment plans, at least a borrower who is not in default. Now, the statute does give the Department the authority to require a borrower who's in default, to repay under an ICR plan. The problem until recently is that and to some extent, it's still a problem. We can't put anybody into ICR without effectively their consent, because we need their income information. Now, we do have a process moving forward with the IRS as authorized by Congress to get that information. But we will still need borrower consent. It's not that we get that the IRS will give us the information just on our say so.

MR. BARKOWITZ: Can I respond to that, Brian? Sorry, so so I mean, one option would be to redefine what is standard. So in a sense, the Department makes a choice by putting people on a standard repayment plan, borrowers don't have to choose the standard. That is, that is something that they're defaulted into lack of a better word, or pushed into. So one option would be to make the standard repayment an ICR and IBR process, once the Department ironed out the the access issue in terms of tax information. You know that that could be a way to address that concern. And again, I go back to the question of protecting borrowers, I think, you know, that that would generate the best protection for borrowers, on the front end. Borrowers could choose a different payment plan if they wanted to but I'm not interested in restricting borrower choice, but I am interested in nudging people into the payment plan that's going to be most beneficial for them long term.

MR. SIEGEL: Well, and that's that's a legitimate point. I don't dispute that. I mean, I think there's some debate as to what is in the best interests of borrowers overall, whether to go into an income driven plan, or if they can repay in 10 years to get rid of the debt. I mean, that may depend on amounts, and it may depend on the borrower's individual situations, and the data shows, you know, there's a lot of differences differences among borrowers.

MR. BARKOWITZ: And that's why I raised the question of an IBR that would allow a cap at the standard 10 year payment amount. So in a sense, if a borrower reached income threshold, that would be too high, they would make that standard payment anyway. So just something for consideration.

MR. ROBERTS: Persis, go ahead.

MS. YU: Yeah, so I had a well, two things to say in response to both of those things. So first of all, to Daniel's point about automatically enrolling folks in IDR, I want it I'm going to put this in the chat right now. But new America actually published a blog post yesterday with with a proposal on how under the future act, we can get at least delinquent borrowers automatically enrolled into income during payment. And I know that as we're going through our proposed regulatory tax I think we'll come up towards the end as we're looking at the procedures. But I think that it's worth, I think it's worth consideration for folks to take a look at this new America proposal. And for (inaudible), getting there as a way to provide that consent necessary under the future act. So that we can actually get, we can do it through the master promissory note, we can do it at other points on when borrowers are interacting so that we can get that consent so we can enroll borrowers who have a demonstrated, you know, demonstrated financial hardship by not making payments, right and get them into income during payments. So I, I recommend that folks take a look at that. I suppose that's maybe my guess my fifth document or proposal that

I'm sending you all on income during payments. But the the other thing is to go back to Brian's point, he said that he thought that there were other ways that we could get to a payment amount of defaulted borrowers and that that's what's on the table now. And I was hoping that we could get a little bit more detail about what you meant by what we're talking about now and how that would cap the amount of payments that defaulted borrowers are required to make.

MR. SIEGEL: I don't want to get into the details until Jennifer has a chance to go into more of the details of the plans that we put forward there. I think there's a lot of discussion still to be had on on the details of those programs and how they'll be available to defaulted borrowers and the Department's continuing to look at that and the options we provide to defaulted borrowers. Some of that might be on the table now, some of the you'll see before the third session.

MR. ROBERTS: So I see Michaela, but then after that, it might be appropriate to transition to looking at the red text but go ahead, Michaela.

MS. MARTIN: Sorry, I just have kind of another follow up just to be able to conceptualize and we go through a piece by piece, but, I think this time forgiveness piece is really, really vital. Right now in here, it's, like 20 25 years, right? That's a lifetime of debt. And when you have folks that are going to have a zero payment for years and years and years, it also increases the odds that they're just going to stop refilling out that paper every year and end up in default, because what's the point, right? I'm going to owe this forever. For like, like in the criminal justice world, that's a literal life sentence. 20 to 25 years, like, people have kids to go to college and like, how are they going to pay for their kids to go to college while they're still paying her own student debt? Like, it's like, I'm hearing this constantly, y'all should stay off Reddit for student loans while you're doing this, because it's really, really triggering, like the stories that folks share. It's just like, you can't buy a house, how do you get an apartment? This is on like, even when you're low income, like you can't get housing. A lot of folks that are in the lowest, you know, these really low, low income earners didn't complete their degree, right. So they don't have a way out of this ever. So, and I'm honing in on this time to forgiveness, because I don't understand why we can't drastically lower it for the lowest of wage earners. Right? Like, have it be like, if you have a zero payment for seven years, then it's forgiven? Like why do you have to wait 25 years when you're ever going to get money out of them? Or like, what why is it 20 years? Why? Why can't it be 10 for folks on my IVR or under certain income? And if that is on the table, we have to prioritize monthly payments versus time to forgiveness, if we don't know where those pressure points are and what what you all have as far as like, what you all are willing to extend, then how can we have a real conversation about how we're weighing these value decisions? Like, because cool, you give somebody $20 off your bill for 25 years like I I'm really struggling with how we can look at this piece by piece without knowing what these pressure points are and what we can actually do here. 20 years is insane.

MR. ROBERTS: Thank you, Michaela. I appreciate that comment. I do, I do want to give Jen the time to run through the document, though first, because I understand there are big questions. But I just want to give this the proper timing. I know we're only we're under 15 minutes out from public comments. So you can't really fully dive into this today. But if we just gave the Department the opportunity to tee that up for us. While that's getting pulled up, I do I do just want to remember we've had the first folks log in for public comment. But again, if you did receive a confirmation email to speak, please, if you wouldn't mind logging in early just for the folks on the livestream end of things.

MS. HONG: Thank you, Brady and thank you Michaela for your comment. I think we're gonna get to that conversation as I introduce the proposed text we flagged by TK meaning to come. Those are areas that we want to discuss with you. So to the extent that you guys can frame your comments, in terms of priorities for your constituencies within the idea framework. So I understand Michaela that the years to forgiveness is something that you flagged and for Persis the defaulted borrowers, we've prefaced our response to Persis saying that we just simply haven't -- we can't do it where we feel like our legal analysis resulted in our reading. We can't do something. We're limited. We believe by our legal read, as Brian mentioned, there are still some policy issues that we're taking into consideration but certainly, the conversation regarding defaulted borrowers at the Department is ongoing. So to the extent that we can integrate this as we go through the proposed language, I do encourage you to do so. So this is in a new section 685.209 proposed text. There was a question earlier on, I think, after we provided this for amendatory text, redline text, and just to clarify, in introducing the new income contingent repayment plan, we have taken the opportunity given from the understandable confusion regarding all the regulations and existing plans to redo the whole section, redo the whole section, rewrite everything, in terms of the existing plans, restructure that there's nothing substantively changing with regard to the existing plans. But in integrating our new proposed plan and language, we decided to revamp this whole section. So this is the amendatory tax to replace existing tax under 209. And just to recap for income driven repayment plans when we talk about income driven repayment plans it's the umbrella nomenclature for, for existing plans. And then the fifth, fifth one that we're proposing that you see there under five, and just reading them out loud, we have the Income Contingent Repayment Plan, Income Based Repayment Plan, Pay As You Earn, or Pay and Repay. We are proposing the Expanded Income Contingent Repayment plan or EICR that's how we're referencing it in this proposed document, we are amenable to that name as well and we're happy to take suggestions on what to call it, so please chime in on that. So again, TK right off the bat, other definitions that we feel are relevant to subpart B, currently, we have essential definitions regarding partial financial hardship. And again, this is pulling in definitions. All of this is pertinent. It may not be pertinent to the proposed plan. The EICR is temporary-- calling it but it's in there because remember, we've collapsed all these plans into one section to simplify. Okay, so there's partial financial hardships, I think, to Daniel's question, this applies to IBR in terms of income requirements, eligible new borrower, what that means, and we've where we've embedded in the definition, is to what repayment plan it is applicable to. New borrower means for the purposes of IBR plan, for example, eligible loans for the purposes of preparation, discretionary income, we've talked about this a lot, again means for the ICR plan difference between the applicable total income determined in accordance with subsection E and L, and 100% of the applicable poverty guideline that's applicable for IBR, PAYE, REPAYE, and EICR which we're calling this proposed plan. Family size is there on page two, support poverty guideline, this is, these are all we've been talking about this so I won't get into it-- borrower eligibility and loans eligible to be repaid under an IDR plan. And I'll stop there to take any suggestions regarding definitions we may have left out. And also another thing we flagged is TK or to come is feedback on the types of loans here and consideration of how loan type eligibility interacts with cost and potentially other design parameters. So we haven't defined what loans are eligible to be repaid under an EICR plan. So we'd like to hear from you on that. Again, just to be clear, FFEL loans are not eligible under the statute for ICR plans.

MR. ROBERTS: I'm already seeing some hands and knowing that we're coming up on the half hour, Jeri, go ahead.

MS. O'BRYAN-LOSEE: Okay, just a suggestion for a definition and that would be consolidation. That confuses a lot of people, they consolidate many into one and it screws up interest rates. So the fact that consolidation could be moving one loan at a time, I think is important for people to understand. That's what I run into quite a bit is that consolidation term.

MR. ROBERTS: Throughout this with all the solicitation, feel free to put any language that you're suggesting into chat, but Daniel, go ahead.

MR. BARKOWITZ: So I'll be quick, but I would strongly urge that we move to one plan for FFEL, one plan for DL. And that in as much as we can, at this point, take the opportunity to try to eliminate confusion. And the way it sits right now, adding other plan is just going to I think multiply confusion rather than trying to simplify. So to the extent that we can, I would love to see us move to one plan, knowing that we can have a plan and I see our plan for FFEL loans and IBR plan for FFEL loans and an ICR plan for DL. That would be my suggestion.

MR. ROBERTS: Persis, go ahead.

MS. YU: Thank you and I unfortunately have a lot to say so we I may not cover it all in this part, I might have to get back to it in the morning. The first thing that I do want to say is I want as we're having these discussions to make sure that we're centering the voices of borrowers of color, it was a stated interest. When we when this was this rulemaking was noticed that borrowers of color were supposed to be front and center and I think we need to continue to do that. I, so Amanda Martinez from UnidosUS was speaking in the public comment period earlier and ran out of time and she ran out of time on income driven payment so I would like to read into her state the remainder of her statement. She said, lastly, the income driven payment plan intended to expand borrowers your payment options and support lower income borrowers in good standing on their loans is not reaching Latinos are providing substantial support support relief. Many Latino borrowers do not enroll because they may not be aware of their options to enroll in income driven payment. Only 18% of Latinos who entered and entered college in 2011 to 2012 academic year began repayment within five years when enrolled in an income driven payment plan. While being enrolled in an IDR plan can provide an affordable payment option. It can lead to even higher debt over time for low income borrowers who do not get approved for forgiveness. And making improvements to IDR, UnidosUS recommends the committee and the Department prioritize higher income exemptions and shortening forgiveness timelines. As the Department considers issuing new regulations governing student loan cancellation programs and strengthens student borrower protections to ensure equitable outcomes for all students and student loan borrowers, the Latino experience in these programs should be considered in the redesign and discussion. I'd also like, I also hope that everyone has had the opportunity to read the recent report by Ed Trust and Professor Jalil Mustaffa titled Jim Crow Debt, how Black borrowers experience student loan debt, in particular finding on income driven payment that income driven payment feels like a lifetime debt sentence. And about the according to that report, how many of the borrowers that they surveyed many of the

Black borrowers that they surveyed and they surveyed over 1000 borrowers had said that they had a hard time being able to who were enrolled in income driven payment had a hard time affording to make a savings account, affording health care expenses, they had a hard time affording the rent, childcare and food. For Black borrowers, this is what they told me for Black borrowers IDR plans are not easing the student debt crisis indicator including sovereigns, and decreasing repayments, suggests that they may be exacerbating or prolonging it. Even default rates remain high despite the availability of these plans. This is part of the basis for the two proposals on both shortening the repayment period, as Michaela suggested, but also changing the definition of discretionary income threshold to 400% of poverty. And I will resume my comments after others have spoken. Thank you.

MR. ROBERTS: I think actually we're gonna try to transition pretty quickly into public comment if it's okay with everyone but we'll pick up with this exact same section A through D tomorrow. I'm gonna begin our our Friday there. So with that, if you're ready to go, Kayla why don't you let in our first public commenter.

MS. MACK: I've already admitted Mr.

Joshua Queen representing himself.

MR. ROBERTS: Good afternoon, Joshua. Can you hear me?

MR. QUEEN: I can hear you. Can you hear me?

MR. ROBERTS: I can hear-- you're coming in loud and clear. If you want to turn on your video, you're more than welcome to otherwise your three minutes starts when you begin.

MR. QUEEN: Alright, I'll turn it on. I don't know how good this camera is right now and it's in a bad spot. Yeah, it's like under my screen a little bit, I'll try to focus on the camera. Alright, so I will begin let me just find my paperwork here. Alright, so I'm just gonna read my statement, and I'll begin now. So my name is Joshua Queen, I'm an Air Force veteran, and I grew up in a poor environment, trying to buy drugs and crime and a lot of shoddy people. Anyhow, never believe that I would be someone who would go to college. And I joined the military around the time I was 19 nor to provide for myself and my girlfriend at the time, shortly after we got married. It wasn't until I was around 25 that I realized higher education could be a part of my future. I did not have anyone around me to give me a guidance or advice about how that process works. So I basically just decided to go to college and I was on my own on you know, how to do it and what the process is. I attended Westwood College Online between 2005 and 2007. I was in their computer science program, it was actually a game software gaming, like it was a gaming degree basically where you would get into the gaming industry and be able to make video games that was the dream when I was younger. So I joined them for that. Oh, yeah, I chose Westwood College because I couldn't get the degree I wanted on base. On the base, they only have so many classes, they have a certain amount of colleges that that supply classes on base, and none of them work for computer science back then. So the Online Education looked very attractive to me and that's basically what what, how I ended up online going to online schools. Westwood convinced me that I needed to take out student loans in order to pursue my education. Recruiters claimed that my loans would be very easy to pay off and would be low interest. They did not explain the terms of my loans or introduce other methods to finance my education such as Pell grants and scholarships. Recruiters also created a false sense of urgency to get me to enroll, I was told that if I didn't enroll immediately, I would have to wait up to three months before I could try to enroll again. I believe they still do that these for-profit online schools. Westwood featured advertisements claiming that they offer game developer degrees that help graduates find work in the gaming industry. After I enrolled, I discovered that Westwood did not actually offer game development degrees. When I applied for game development positions at companies my applications were rejected. Furthermore, Westwood claimed that teachers were industry experts who would help me get my foot in the door in the gaming industry. I discovered that the teachers were inexperienced and Westward, teachers provided teachers with templates to to use for each class teachers rarely deviated from this template and were unable to answer basic questions to the point that I did not usually reach out to them. Instead, I researched by schoolbooks and Google to get my answers because they were not very helpful. In addition, Westwood recruiters lied to me about transferability of my credits when I tried transferring my credits to Grantham University, only 10 out of 50 credits transferred. The school will be attending this year, we'll be accepting less than 10 of the 102 credits I have previously earned at Westwood. Thank you. Have a good day.

MR. ROBERTS: You as well. Thank you.

MS. MACK: Brady, I have just admitted representative Greg Murphy out of North Carolina's Third Congressional District.

MR. ROBERTS: Good afternoon representative can you hear me? Looks like they might still be here. Oh, wait, we can hear someone.

MR. MURPHY: Hey, there.

MR. ROBERTS: Hi, your three minutes begins whenever you start speaking.

MR. MURPHY: Fantastic. Thank you. This Congress Murphy, thank you for the opportunity to be with you. I'm Congressman Greg Murphy and I represent the Third District of North Carolina. I also serve as the ranking member of the Subcommittee on Higher Education on the Education and Labor Committee. There is a lot to be excited about within this Negotiated Rulemaking. The proposal to eliminate interest capitalization on student loans will help reduce the finance cost of borrowing for nearly every student. And as a parent with students, I think that this is a welcomed initiative. Yet at the same time, the Department has several contentious items on this agenda that I have serious concerns about and would like to address. I urge the Department to take a step back and consider the long term ramifications of some of these proposed actions. The next president will most likely given the state of affairs in the country right now be a Republican president. And unless you want your regulatory work to be reversed, and you should please carefully consider making a more moderate approach that can actually last. The Department's proposal to change the evidentiary and reliance standards on the borrower defense claims is really misguided. Under the new proposal, students will not need to show that they relied on misrepresentations in order to have their loans forgiven. This creates a moral hazard for students who are who are not impacted at all will be able to put their hands up to have their loans forgiven when they truly should not be forgiven. The Department also plans to use uncorroborated borrower statements as evidence and its borrower defense applications. Approving claims without corroboration opens the door to fraud. I'm a physician and have had to deal with Medicare for 30 years. Corroboration is needed there and it is it should be needed here. There is no mention that the Department's issue paper on how it plans to protect taxpayers and institution from fraudulent application. We must strike an appropriate balance between providing borrowers that have been defrauded with relief, while ensuring that institution and taxpayers are protected from frivolous claims. Unfortunately, the Department's the department's proposal is anti-taxpayer, anti-institution and honestly, anti-student. The Department should also look broadly at its entire higher education landscape, ensure that any new rules protect all students in all sectors. Singling singling out proprietary sector for harsher treatment is unnecessarily divisive, and most importantly, does not protect all students. fraud happens in all sectors. The Department does a disservice to students in the public and nonprofit sectors when it creates uneven rules and deprioritize deprioritize enforcement enforcement's in those sectors. Thank you for the opportunity to speak. I hope you take these comments into your consideration. Thank you.

MR. ROBERTS: Thank you, Representative Murphy. Kayla, who do we have coming in next?

MS. MACK: I have admitted Mr. (ph) Devan Renea representing himself (ph).

MR. ROBERTS: Good afternoon. Mr. Renea. Can you hear me?

MS. RENEA: Yes.

MR. ROBERTS: Your three minutes begins begins when you start speaking. So go ahead.

MS. RENEA: Good afternoon. My name is Devon Renea. And I'm a three time graduate of Full Sail University. Having obtained my bachelor's in film in 2012, my grad (inaudible) in education, Media Design and Technology in 2013, and an MFA in creative writing into 2015. I also had the privilege to receive a traditional educational instruction from the four-year tutelage environment through my studies and experience that both Morgan State and Howard University having earned my AA in theater arts in 2010. Prior to my election to seek more of an expanded, customized, creative based coursework curriculum, which Full Sail not only offers to individuals interested in entertainment, but also has been a pioneer for over four decades. My journey after my graduation from Full Sail University, led me to the prestigious Television Academy in the internship program, wherever selected as a Production Management intern in the summer of 2013. From there I went on to land a job at Warner horizon television, within the corporate production office, and after years of navigating the entertainment industry, I earned a position as the assistant to the showrunner of the long running unscripted series, Queen Sugar, a show produced in conjunction within WHTV an OWN network by Academy Award nominated Ava DuVernay and co-executive producer, Oprah Winfrey. I then landed a writer's assistant position on Freeform Network show entitled Famous in Love, and then went on to work later as the showrunner's assistant for the current series Stargirl created by former DC Comics CEO and Aquaman creator Geoff Johns. After years of hard work, loyalty and dedication, I was eventually promoted to create a development coordinator, working alongside my longtime boss and mentor, veteran executive producer Melissa Carter, where I assisted Carter in her overall deal by developing series content for both network and cable programming for WB TV. While in this role I successfully aided in selling two drama series, one of which resulted in a network bidding war and addition to my professional history my now eight years with the Warner Brothers family. I also resided as the board chair co-president of the Black employees of WB which allowed me to oversee employee engagement initiatives geared at strengthening diversity and inclusion all across Warner media. I've also devoted my time through mentorship at the WB youth mentoring program, HBCU, NLA internship program, and nonprofit Foster Youth Initiative kids and the spotlight. I most recently was the script coordinator and co-writer of two episodes of OWN's new law legal drama series Delilah, and I am currently on Iron Mike's Hulu limited series starring Moonlight's Trevante Rhodes. The dictionary and definition in the dictionary the dictionary definition Full Sail is with reference to a vessel sailing with a strong favorable wind at full speed with sails all set. For a fight with the metaphor for vessel. We also should be analogous to the wind and live breathing proof` that with hard work. Okay, well, thank you so much for your time.

MS. MACK: I have now admitted Sarah Chelkowski (ph).

MR. ROBERTS: Good afternoon. Can you hear me?

MS. CHELKOWSKI: I can. Can you hear me?

MR. ROBERTS: Yep, loud and clear. Your three minutes for public comment begins whenever you start speaking.

MS. CHELKOWSKI: Good afternoon. My name is Sarah Chelkowski (ph). In October 2007, as PSLF became law, roughly 8000 Peace Corps volunteers were serving abroad in various health, community development, agricultural and education based capacities. I was one of those Peace Corps volunteers. From 2006 through 2008, I taught English to grades five through 11 In Ukraine. Despite having worked towards PSLF forgiveness since

2010, I was not aware until October 2021, that a portion of my Peace Corps service could have been creditable for PSLF. For years prior to PSLF volunteers were advised by Federal loan servicers and Peace Corps to defer their loans and this is exactly what I did. Given what we already know about the troubled and mismanaged PSLF program, it should surprise no one here that I was not notified by the DOE nor my Federal loan servicer of my potentially qualifying services I was actively serving overseas. And what became of those other 8000 volunteers, not to mention the 1000s that followed us in service. I can quite confidently say that they were not counseled on their loan forgiveness options either. When my Peace Corps service ended in November 2008, I applied for the partial Perkins Loan Forgiveness available to volunteers. At no point did my loan servicer tell me about PSLF or the transition payment, nor did I come across any online materials as I was doing my application for Perkins forgiveness. Peace Corps service can be incredibly challenging. Volunteers struggle with internet access. Most volunteers rely on phones that require them to pay for each minute of talk time, some of us have lived without a critical utility like electricity or running water. Transportation is spotty illness and isolation are commonplace. We hands down do not have the ability to deal with loan servicing companies will overseas. The recent limited waiver period announced by the DOE will be life changing for so many people, yet at the same time return Peace Corps volunteers have been very much overlooked. The waiver period fails to recognize the specific way in which volunteers have been disadvantaged. I have spoken with over 100 volunteers about their experiences. Our biggest concern is that over the years volunteers have been advised by loan servicers to simply defer their loans. Most volunteers were not counseled on PSLF options, and some were actually given misinformation by loan servicers that influenced them to inappropriately defer their loans despite being aware of and seeking PSLF forgiveness. These concerns began from 2007 to present the third goal of the Peace Corps to strengthen our understanding back home of the world and its people's. Return volunteers oftentimes spend their lives on this third goal, all while working in critical areas. I asked the DOE to provide us with relief retroactively, similarly to that of the active duty military members with deferred loans and make common sense changes to regulations for future volunteers. I thank you for your time.

MR. ROBERTS: Thank you so much for

your public comment.

MS. MACK: I have now admitted Jill Anderson.

MR. ROBERTS: Good afternoon. Can you hear me?

MS. ANDERSON: Yes.

MR. ROBERTS: Great. Your three minutes for public comment begins whenever you start speaking.

MS. ANDERSON: Thank you. My name is Jill Anderson, and I've worked in public service since 2007. I currently am a director of emergency and crisis services at a community service board. I have three college degrees, one undergraduate and two master's degrees. I started my repayment of loans back in 2003 after graduation with my undergraduate degree. In 2007, I began repayment with Sallie Mae on my graduate degree loans which were FFEL loans. I was aware of PSLF through my work, but Sallie Mae did not advise me that I needed to transfer consolidate my loans to FedLoan direct loans. I continue to pay Sallie Mae under the wrong payment plan with the wrong type until obtaining an additional master's degree in which those loans were direct loans. Upon graduation in 2013, when I went to consolidate all loans, I learned that none of my prior payments from 2007 to 2013 counted for my public service, and essentially the clock restarted. I also had an administrative forbearance placed in my account that lost proximately six more months of payments. Additionally, with my new consolidation in the income driven plan, my interest rate became 6.8%. I can only obtain my payment information from FedLoan from 2014 to 2021. So I did not have data from what I paid prior to that under my public service from Sallie Mae. But from 2014 until today, I've paid $35,102 towards my student loan balance of $113,545. Not $1 has paid towards the principal in over seven years. I continue to pay during the COVID forbearance, which so far equals $9,403 which applied completely towards my interest. I still have $4,133 in interest outstanding before my principal would be impacted by my payments. I pay $470 a month, I cannot afford these payments. As I mentioned in the beginning, I'm a director at a large public mental health organization. I also am a single female solely responsible for my finances. I continue to pay my lines to bring the COVID forbearance as I was unsure if my job would be furloughed or position eliminated and I would lose my sense of forgiveness. I currently am at 88 payments towards forgiveness. I'm unclear if the waiver will assist me in achieving forgiveness. I'm consistently fearful that this program will fail me do the due to the misinformation and changes. I would advocate that this committee review interest rates applied to student loans for form. I would advocate for form to review the cost of living to apply to income driven plans as our payments are often well above the ability to live within our income. I would also advocate that after the waiver ends requirement to continue to work in public service after making 120 payments be permanently waived as a financial hardship for individuals to wait for the actual forgiveness occur as significant. Thank you for your time.

MR. ROBERTS: Thank you for your comments, Ms. Anderson.

MS. MACK: We are now admitting Noel Vest.

MR. ROBERTS: Good afternoon. Can you hear me?

DR. VEST: Yes, I can.

MR. ROBERTS: Alright, Mr. Vest to have three minutes.

DR. VEST: Hello, my name is Dr. Noel Vest and I'm a researcher at the Stanford University School of Medicine where I work to find solutions to the opioid epidemic and relatedly mass incarceration. I would first like to thank the negotiated rulemaking committee for allowing me to provide this testimony. Now I'd like to speak directly to the efforts to restore Pell grants to incarcerated students. I am the proud product of a college in prison program since my release in from prison in 2009, I've utilized the Pell Grant to attain an associate's, bachelor's, master's degrees, and most recently a doctorate in Experimental Psychology. Today, I'm a postdoc at arguably one of the most foremost research institutions of higher education in the world. This journey has involved extreme sacrifice, hard work, and oftentimes high levels of discrimination related to housing, education, health care, and employment. I would like to take a moment to highlight something that Dr. Stanley Andrisse said on Monday during the prison education subcommittees presentation. Specifically, Dr. Andrisse spoke of the breakthrough students with incarceration histories that overcame structural and systemic barriers, to beat the odds to become lawyers, doctors and professors. I feel that this should be the norm and not the exception to the rule. I tell people often that I am not a unicorn or some type of statistical anomaly. I am what happens when resources are in place to accommodate and foster incarcerated student develop. Dr. Andrisse, Dr. McTier, and all the many incredible incarcerated scholars that have gone on to careers in academia have done so because at one point we didn't take the advice of someone telling us we couldn't do it. We persevered when someone said graduate school, law school or medical school would be impossible for someone with a criminal background. We said no, it wouldn't. I urge the committee to revise the statute so that does not limit opportunity based on post release employability in a given occupation. It would be impossible for Prison Education counselor to provide accurate information based on the myriad of different state laws on occupational licensing, which I would point out change daily. I would argue that I'm a better addiction researcher because of my experiences in prison. Please don't exclude people from Pell funded programs based on stigmatized stigmatized expectations. Please allow students to utilize Pell to achieve their own dreams. Thank you.

MR. ROBERTS: Thank you, Dr. Vest for your comment.

MS. MACK: We've now admitted Douglas Roberts.

MR. ROBERTS: Good afternoon, Mr. Roberts. Can you hear me? Hi Mr. Roberts, can you hear me?

DOUGLAS: Yes, I can.

MR. ROBERTS: Great. You have three minutes for public comment beginning whenever you begin.

DOUGLAS: Thank you. My name is Douglas Roberts. I'm a clinical psychologist working in a state psychiatric hospital where I provide mental health services to clients with little or no income. This coming January, I will have worked in public service for 10 years, still two years away for qualifying for forgiveness under the Public Service Loan Forgiveness Program. That's because five years ago my partner lost his job and our house income was cut by more than half. I was on an income based repayment plan at the time but because we were not married, his loss of income did not result in a lower payment for me. I called FedLoan Servicing to ask for help and I was told that I did not qualify for an economic hardship deferment. The only thing they offered me was a general forbearance, which they took because we were facing foreclosure and I needed to catch up. I did what I thought was the responsible thing to avoid default on my student loans. And because of that decision, I now have two additional years before I can qualify forgiveness, even though I continue to work in public service throughout my entire forbearance. And I want to be clear that I think that this committee is doing excellent work, listening to borrowers and proposing reforms that are going to result in real tangible help to people. The proposal to include periods of economic deferment to qualify for PSLF is wonderful, but I don't believe it goes far enough because most people who are experiencing temporary or unexpected financial hardship do not actually qualify for these deferments. Like me, so many borrowers are only offered a general forbearance. So I urge you to consider allowing some periods of general forbearance forbearance to qualify towards public service loan forgiveness, even if it is just for a limited number of months. At the very least, I wish I could ask FedLoan to remove that forbearance, and allow me to make some sort of retroactive lump sum payment for some of those months, based on what my income was at the time, so that I could get additional months to qualify towards PSLF, since I was still working in public service at the time of my forbearance. However, as of right now, they are not allowed to remove any forbearances that were requested by a borrower and they are not allowed to accept retroactive payments. I'm so grateful for public service loan forgiveness, because without it, I would never be able to get get out from under my debt. In preparation for my comments today, I checked my payment history with FedLoan. And I found that since January of 2012, I have paid $35,465 in payments. And out of that amount $520 Is all that was applied to my principal, everything else was interest. I urge you to consider allowing periods of general forbearance to qualify for PSLF. So the borrowers like me who faced temporary hardships, but continued working in public service do not have to add months or even years to their forgiveness date, since it was the only option made available to us, aside from defaulting on our loans. Thank you very much.

MR. ROBERTS: Thank you for your comment, Mr. Roberts.

MS. MACK: I have now admitted Jalisa Powell.

MR. ROBERTS: Good afternoon, Ms. Powell. Can you hear us?

MS. POWELL: I can.

MR. ROBERTS: We can hear you. You have three minutes for public comment.

MS. POWELL: Thank you so much. Good afternoon. My name is Jalisa Powell, and I'm a student borrower who has worked in public service qualifying employment throughout my entire career. I appreciate the Department's efforts to improve the PSLF program moving forward and hope that additional changes will be considered for those of us been navigating this program for many years. These are the things that I'm strongly asking to be considered for PSLF. Number one, cap all payments of 5% of discretionary income and allow for a cost of living factor in determining this figure. I live in the DC area where my mortgage and daycare expenses alone a lot for 50% of my monthly take home pay. The formula used to assess discretionary income has significant blind spots when determining what a borrower can actually afford. 15% of my income to student loans is significant when balanced with other expense considerations. Number two, consider allowing all years of qualifying employment for credit towards forgiveness, the amount of red tape misleading and often contradictory information, constant investigation, documentation and advocacy to ensure account accuracy is frankly unreasonable for the average borrower. For many of us, we were given awful advice by the same people who were supposed to help us navigate through the process, often setting us back many months if not years towards forgiveness, having the burden of proof beyond ours to prove that we were misled, all while working in public service feels like an unnecessary blow. What does proof even look like for the average person who's making a call to get help? It's really hard to figure that out and navigate it. The original spirit of forgiveness was intended to support those of us who were dedicating our professional careers to public service, why have we created a system that requires borrowers to thread such a fine needle to get to the finish line. And finally, implement borrower protection for the upcoming loan servicer transfers. Allow any months it takes to complete the upcoming servicer transfers from FedLoan Servicing to the new designated PSLF servicer to count as qualifying months towards PSLF, similar to the forbearance during COVID. Having been with FedLoan Servicing for the entire duration of my time as a borrower, even this organization who has been primarily responsible for executing up until this point, does not understand the intricacies of this program. Ultimately, the fate of most borrowers ends up in the hands of the call representatives on any given day, at any given time and their interpretations. As a borrower, I'm sincerely worried about what the next few months hold in store for those of us who fight tooth and nail to make sure our accounts are being fairly inaccurately managed and credited with PSLF funds. I really appreciate the efforts being made here and thank you for your time today.

MR. ROBERTS: Thank you Ms. Powell for your public comment. Who do we have next, Kayla?

MS. MACK: I've now added Jenna Jones.

MS. SABOUNEH: Good afternoon Ms. Jones. Can you hear us? Doesn't look like she's connected to audio yet. Do we want to let in our next speaker? And I can message her.

MS. MACK: Yeah, this is our last logged in speaker today, Bomber Ferraro.

MR. ROBERTS: Good afternoon, Mr. Ferraro. Can you hear me? Hi, Mr. Ferraro, can you hear me?

MR. FERRARO: Yes, this is he, sorry about that. I just noticed that there was a, me calling for Wi Fi.

MR. ROBERTS: No problem. You have three minutes for public comment.

MR. FERRARO: Awesome. Can I go now you can hear me okay, everybody can hear me alright?

MR. ROBERTS: Yeah. If you're comfortable, feel free to come on to video.

MR. FERRARO: Okay, sorry about let me take my hat off here. I'm sitting in my kitchen here. Let me take off. You guys see me okay. Sorry. I'm in my kitchen.

MR. ROBERTS: Not a problem. Yeah, go ahead, you have three minutes.

MR. FERRARO: Okay, perfect. Okay, so, hi, guys, my name is Bomber Ferraro II and I work for the Federal government. I'd like to thank the committee for allowing me to speak today. Without delay, I'd like to advocate for myself and others who fall into a category who may be left out of consideration for the public loan forgiveness program. I also apologize if this was prior to that brought up previously, I don't get to attend all these sessions, unfortunately. So this could be redundant, but I'm gonna read it anyways. So upon review available documentation from the Department of Education website, there was a recent proposal created by Heather Jarvis. It was submitted for this November session. This specific proposal identifies certain conditions as it relates to qualifying payments to include both deferments and forbearance is being considered for satisfactory repayment statuses. This proposal would also include both mandatory and administrative forbearances. So as it relates to my situation, in 2012, I graduated with a master's degree with roughly $88,000 in student loan debt. So I proceeded to consolidate my loans I located employer who participate in the the Public Service Loan Forgiveness

Program. And I also entered into an IDR because salary was roughly 30 to $35,000 annually at the time. So initially, I was on the impression that my employer was a 501 C 3, who also participate in the program. However, they soon revealed that they would not complete my paperwork if as requested. Needless to say it was a pretty stressful situation. So a few options that I had I elected to move into a financial hardship forbearance, which was my huge was a huge mistake as it relates to the point I'm going to be getting to. So I I did this, so I can start planning for the future, without the loan forgiveness and to begin saving money for housing, vehicle etc., wherever I needed. For roughly three years, I was in the that specific forbearance status files attempting to secure my professional licensure so maybe one day I would be in a better position and be able to pay back my student loans and other bills, which I accumulated while I was in school. So 2015, after receiving my professional licensure, luckily, I was offered a career through the Federal government with a higher salary now I'm able to make qualifying payments towards public service, public service, loan forgiveness, and I was also able to get out of that hardship forbearance. Also, I was able to contact my prior employer to find out that they actually did participate. So I was able to get roughly 18 payments towards credit. So unfortunately, as it appears now, I will not qualify or fall into a waiver category for this upcoming forgiveness waiver period. Where after the this program is updated, 30 seconds? Okay. Coming from the future from this committee. Frustratingly, I wish I had a crystal ball to go back into to rework my request for forbearance if I would have known that these changes could be coming, I would have went into a mandatory forbearance, which could've ultimately given me three years qualifying payments. So ultimately, I would like to consideration for maybe a grandfather clause to this proposal, or being added or adding financial hardship forbearances in general to any future language for qualifying payments were to work out a process where we may be considered for this upcoming waiver for forbearance.

MR. ROBERTS: That is three minutes.

MR. FERRARO: Okay, that's all I got.

MR. ROBERTS: Thank you so much for your time Mr. Ferraro.

MR. FERRARO: Yeah, appreciate it. Thank you.

MR. ROBERTS: I believe that is that is our final commenter for the day. So I do want to thank everyone who logs on to the public comment. We really appreciate you speaking to the committee and we will pick up with IDR sections A through D tomorrow.

Appendix
Department of Education
Office of Postsecondary Education
Zoom Chat Transcript
Affordability and Student Loans Committee
Session 2, Day 4, Afternoon, November 4, 2021

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

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

Donate to a college

From Will (A) FFEL Agencies to Everyone:

good point

From Jessica (P), Proprietary Schools to Everyone:

My alternate, Carol, is subbing in for me.

From Bethany (P) Disability (she/hers) to Everyone:

Hi, John is subbing in for me!

From Todd Davis - ED OGC to Everyone:

Brian will be taking back over for ED OGC now. Thanks all.

From Kayla - FMCS to Everyone:

Thank you, Todd.

From Joe; P, State AGs to Everyone:

+1 on need for an enforcement mechanism

From John S. Whitelaw (he/his) (A-Disability) to Everyone:

+1 on enforcement. Critical to prevent abuse.

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

Modify what's currently in (g) and (h) to say, "For purposes of these requirements, a borrower defense claim includes any instance in which any party in the litigation asserts that the underlying facts could be raised as a borrower defense claim."

Adopt a new sub-section (g): "While generally intended to serve the interests of the Department of Education and the public at large, the class action and pre-dispute arbitration agreement provisions of this section are specifically intended to benefit affected student borrowers. A school's failure to adopt the required agreement provision or to send the required notice provision should not prevent a borrower from relying on that provision in a court of law to pursue remedies under applicable state and federal laws."

From Bethany (P) Disability (she/hers) to Everyone:

I'm back in for the Disability seat

From Bethany (P) Disability (she/hers) to Everyone:

+1 David

From Joe; P, State AGs to Everyone:

+1 David

From Jeri (P) Student Borrower (she/her) to Everyone:

+ 1 David, esp. in situations that have occurred because of the pandemic.

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

Josh - would you please put that citation in the chat?

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

20 USC 1094(27). It details the requirements for the listing of a school's agreement with preferred lenders, and then cross-references sub-section (h) which requires the school to "comply with such other requirements as the Secretary may prescribe by regulation." Critically, like the current regs now, the regs would have to be drafted in a way as to not invalidate any provision, but provide schools with the choice on whether to enforce or not.

From Heather (P) Accrediting Agencies to Everyone:

Michael is coming to the table for accrediting agencies.

From Heather (P) Accrediting Agencies to Everyone:

^ Please ignore. I'm at the table.

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

Thank you, Josh.

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

+1 Joe

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

+1 Joe

From Suzanne Martindale (A) state regulators to Everyone:

+1 joe

From Bethany (P) Disability (she/hers) to Everyone:

+1 Joe

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

The situation with Corvias and the University of Georgia system and Howard university's housing issues is a good example of the need to understand who is responsible.

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

https://www.insidehighered.com/news/2021/03/10/new-documents-reveal-strained-relationship-between-u-system-ga-and-dorm-operator

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

Our current contract is silent on arbitration. Just reviewed it.

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

I am back in for the legal aid seat

From Joe; P, State AGs to Everyone:

Thanks to Marjorie for the link to the Inside Higher Ed article

From Michale (A) Accreditation to Everyone:

Daniel has a Walt Disney signature

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

NP

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

There is also a fascinating write up by a Howard graduate student about the company overall.

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

Marjorie, can you send it?

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

https://drive.google.com/file/d/1wKQ9iXcJGk8sIjEUM_qNX7CLD-rK3jA2/view | She has given permission to publicly share.

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

I am back for Dependent Students

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

Just so it’s in the record, if a student files a lawsuit and a school violates its contract by trying to compel arbitration, that information would be public already even before it got to ED

From Jessica Barry to Everyone:

Thanks for the info, Josh.

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

Can I ask a quick question?

From Suzanne Martindale (A) state regulators to Everyone:

Only REPAYE lets you pay more than standard if your income goes up (it has a different approach to treating partial financial hardship)

From Suzanne Martindale (A) state regulators to Everyone:

if I remember right

From Joe; P, State AGs to Everyone:

I believe that is correct, Suzanne

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

I would be in favor of allowing individuals to choose an IBR and have their payment amount capped at the standard amount to protect the borrower in case of income loss or adjustment. Why force people into an IBR or ICR only when their payment amount is lower? This would allow them to have qualifying payments for PSLF as well.

From Heather - PSLF Advisor to Everyone:

Partial Financial Hardship (which is what Daniel is getting at regarding IDR payments less than standard 10-year payments) is not required for a borrower to choose REPAYE or ICR currently. A PFH is required for both IBR plans and PAYE.

From Suzanne Martindale (A) state regulators to Everyone:

+1 michaela

From Bethany (P) Disability (she/hers) to Everyone:

+1 to Michaela

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

+1 Michaela

From Misty (P) Priv. Non-Profit to Everyone:

+1 Michaela

From Rachelle(A) 4 year public to Everyone:

For REPAYE we wanted to remove the requirement for financial hardship to enter the plan as that was cited often as a barrier. Allowing the payment to float higher than standard was to remove the incentive for high income earners to enroll or to let higher earners pay off more quickly if they choose to stay in the plan

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

+1 Persis, regional poverty/understanding of poverty lines are different across the country

From Bethany (P) Disability (she/hers) to Everyone:

+1 Persis

From Jen (she/her): (A) Student Borrower to Everyone:

+ 1 Persis

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

+1 Bethany

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

+1 Bethany

From Suzanne Martindale (A) state regulators to Everyone:

+1 bethany

From Bethany (P) Disability (she/hers) to Everyone:

Sorry, should have said that, thank you!

From Bethany (P) Disability (she/hers) to Everyone:

We do appreciate the presentation

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

Agreed!

From Bethany (P) Disability (she/hers) to Everyone:

So, to provide a concrete data request that incorporates Marjorie’s request, which I agree with

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

Thanks Bethany.

From Heather - PSLF Advisor to Everyone:

Note also that borrowers may have to pay income tax on forgiven amounts (although COVID legislation exempts student loan forgiveness from taxation through 2025).

From Bethany (P) Disability (she/hers) to Everyone:

1) do we have a breakdown of borrower demographics

From Bethany (P) Disability (she/hers) to Everyone:

2) that details any particular risk moments (i.e. below a certain income are more likely to default)

From Bethany (P) Disability (she/hers) to Everyone:

3) and relatedly, do we a breakdowns of borrowers in default demographics

From Bethany (P) Disability (she/hers) to Everyone:

Is this something the Department could do?

From Bethany (P) Disability (she/hers) to Everyone:

Thank you!

From Bethany (P) Disability (she/hers) to Everyone:

I do really appreciate it, Raj!

From Bethany (P) Disability (she/hers) to Everyone:

adding could we just get IDR data?

From Bethany (P) Disability (she/hers) to Everyone:

4) like who is in IDR right now, demographics

From Jen (she/her): (A) Student Borrower to Everyone:

+ 1 Dixie!!

From Bethany (P) Disability (she/hers) to Everyone:

+1 Dixie

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

It might help to frame up what is exactly up for negotiation as we review the proposed text. Specifically discretionary income percentage as well as percentage above poverty line.

From Jen (she/her): (A) Student Borrower to Everyone:

We also asked data on gender

From Michaela (P) Ind. Students to Everyone:

Family size or dependents

From Bethany (P) Disability (she/hers) to Everyone:

+1 Michaela on family size + dependent data

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

+1 Michaela

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

Just to follow up -- I encourage you to look at the Pew Letter I sent along with the presentation. That has scenarios with dependents and other moments from historical distributions

From Jen (she/her): (A) Student Borrower to Everyone:

+ 1 Dixie

From Bethany (P) Disability (she/hers) to Everyone:

+1 Dixie

From Jen (she/her): (A) Student Borrower to Everyone:

+ 1 Persis

From Carol (A) Proprietary Institutions to Everyone:

+1 Daniel

From Bethany (P) Disability (she/hers) to Everyone:

+1 Daniel

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

+1 Daniel

From Bethany (P) Disability (she/hers) to Everyone:

The Department sets the default

From Bethany (P) Disability (she/hers) to Everyone:

and IDR should be the default

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

Dr. Turner's summary speaks to this.

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

+1 Daniel

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

""Evidence from a lab experiment that presented students with different versions of the existing Student Loan Exit Counseling website suggests that many borrowers who would likely benefit from IDR are “defaulted” into the standard 10-year repayment plan because they do not make an active choice when entering repayment"

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

+1 Daniel

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

https://www.newamerica.org/education-policy/edcentral/the-department-of-education-can-protect-borrowers-at-risk-of-defaulting-on-their-student-loans/

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

+1 Michaela... What are we willing to expand (reduce)

From Greg, A - Dependent to Everyone:

Thank you for that, Michaela!!

From Michaela (P) Ind. Students to Everyone:

Thank you. I'm sorry. I am in serious debt for the dream of getting an education, getting off gov assistance and out of poverty.. This can be really overwhelming

From Jen (she/her): (A) Student Borrower to Everyone:

@ Jennifer, can we know what policy issues so that we can better understand

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

I propose we call it Affordable Budget Conscious Repayment Plan or the ABC plan

From Suzanne Martindale (A) state regulators to Everyone:

Could we get data from ED on the # of borrowers in each current IDR plan, plus avg repayment/delinquency/default rates for each?

From Michaela (P) Ind. Students to Everyone:

+1

From Bethany (P) Disability (she/hers) to Everyone:

+1 Persis

From Marjorie (P), Four Yr Publics (she/her) to Everyone:

+1

From Jeri (P) Student Borrower (she/her) to Everyone:

Making consolidation a separate definition because it doesn't mean moving many into on (a) can move one loan at a time because of interest rate differences (b) if people only have one loan they think that consolidation is something they cannot do.

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

+1 Persis

From Jeri (P) Student Borrower (she/her) to Everyone:

+1 Persis

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

Here is the link to the ED Trust report titled Jim Crow Debt: https://edtrust.org/resource/jim-crow-debt/

From Joe; P, State AGs to Everyone:

We have allegations in our WW complaint that corroborate Joshua's story RE time pressure.

From Joe; P, State AGs to Everyone:

We also have allegations that back up Joshua's claims on transferability of credits.

From Stanley Andrisse to Everyone:

+1000 Dr. Vest

From Bethany (P) Disability (she/hers) to Everyone:

+1 Mr. Roberts

From Bethany (P) Disability (she/hers) to Everyone:

+1 Ms. Powell

From Jeri (P) Student Borrower (she/her) to Everyone:

+111111

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

+1 Ms. Powell (as a fellow FedLoanServicer customer)

From John S. Whitelaw (he/his) (A-Disability) to Everyone:

Compelling heart rending testimony today