

DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION  
AFFORDABILITY AND STUDENT LOANS COMMITTEE  
SESSION 2, DAY 2, MORNING  
November 2, 2021

On the 2nd day of November, 2021, the following meeting was held virtually, from 10:00 a.m. to 12:00 p.m., before Jamie Young, Shorthand Reporter in the state of New Jersey.

P R O C E E D I N G S

MS. JEFFRIES: Good morning, everyone, I'm Commissioner Cynthia Jeffries, I will be facilitated this morning session. I want to welcome everyone back both the committee, the subcommittees and the public. This morning we're going to start with roll call and then we will do some updates on some outstanding issues and move promptly into the agenda. First, I'd like to remind everyone of your naming convention. Please make sure that your name is conforming so we know your, your constituency and your name and your primary. So with that, let's start with our roll call this morning. We're just going to call the constituency and the primary, just introduce your name and we'll go through this rather quickly. So for Department of Education?

MS. HONG: Morning everyone, Jennifer Hong, federal negotiator,

MS. JEFFRIES: And along with Jennifer assisting her, is Brian Siegel this morning, is that correct?

MR. SIEGEL: That's correct. Good morning, everybody.

MS. JEFFRIES: Okay, accrediting agencies.

MS. PERFETTI: Morning Heather

Perfetti here.

MS. JEFFRIES: Good morning, dependent students.

MS. MACK: Pause on that constituency group, Cindy, we'll come back.

MS. JEFFRIES: We'll come back to them. Federal Family Education Loan lenders and/or guarantee agencies.

MS. O'CONNELL: Morning. Jaye O'Connell.

MS. JEFFRIES: Good Morning Jaye. Financial aid administrators at postsecondary institutions.

MR. BARKOWITZ: Morning, everyone. Daniel Barkowitz here.

MS. JEFFRIES: Hi, Daniel. Four-year public institutions.

DR. DORIME-WILLIAMS: Good morning, everyone, Dr. Marjorie Dorime-Williams.

MS. JEFFRIES: Good morning, doctor. Independent students.

DR. ANDRISSE: Hi, Stan Andrisse, I'm here.

MS. JEFFRIES: Okay.

DR. ANDRISSE: As an alternate.

MS. JEFFRIES: Okay, are you sitting in for Michaela this morning?

DR. ANDRISSE: She did not inform me that she would not be here, but I can be on if she's not yet.

MS. JEFFRIES: Perfect. Thank you, Stanley. Individuals with disabilities or groups representing them.

MS. LILLY: Hi, good morning, everybody.

MS. JEFFRIES: Good morning, Bethany. Legal assistance organizations that represent students and/or borrowers.

MS. YU: Good morning. This is Persis.

MS. JEFFRIES: Hi, Persis. Minority serving institutions.

MS. GONZALEZ: Good morning, Noelia Gonzalez.

MS. JEFFRIES: Good morning, Noelia. Private nonprofit institutions.

MS. SABOUNEH: Hi, everyone, this is Misty.

MS. JEFFRIES: Hi, Misty. Proprietary institutions.

MS. BARRY: Good morning, Jessica

Barry.

MS. JEFFRIES: Good morning. State attorneys general.

MR. APAR: Hi, I believe Joe should be joining, but I'm the alternate I can sit in for the time being.

MS. JEFFRIES: Okay, thank you.

MR. APAR: Thank you.

MS. JEFFRIES: State higher education executive officers, state authorizing agency and/or state regulators.

MR. TANDBERG: Hi, David Tandberg.

MS. JEFFRIES: Good morning, David. Student loan borrowers.

O'BRYAN-LOSEE: Good morning, everybody, it's Jeri O'Bryan-Losee.

MS. JEFFRIES: Hi, Jeri. Two-your public institutions.

MR. AYALA: Good morning, ladies and gentlemen, Bobby Ayala.

MS. JEFFRIES: Morning, Bobby. U.S. military service members, veterans, and groups representing them.

MR. HAUSCHILD: Morning, Justin Hauschild.

MS. JEFFRIES: Good Morning, Justin. And the advisors, are you with us this morning? I see Heather-.

MR. DAROLIA: Hi, this is Raj Darolia, advisor for economics, Higher Education Analysis (inaudible).

MS. JEFFRIES: Okay, wonderful. Alright, I see Joe has now joined from the state attorneys general office as the primary. Do we have anyone from dependent students with us?

MR. NORWOOD: Good morning, Greg Norwood sitting in for Dixie.

MS. JEFFRIES: Okay. Good morning, Greg. Did I miss anyone? Okay. So with that, I'm going to move on to a couple of announcements. First of all, we want to give you an update on Ms. Anne Precythe. According to the consensus, yesterday, the committee placed her on the committee as well as the Prison Education Program Subcommittee. FMCS she has reached out to both her and her assistants and we are currently awaiting a response from them. On the request yesterday to add additional public comment time, we have this response for you. The 30 minutes every session that is afforded during the five days of each session is more than what has ever been offered before. It has been three

days in the past. It is also what has been published in the federal Federal Registry. In addition to the 30 minutes, there were three days of public hearings for people to comment. There will be at least an additional 30 days for people to submit written comments during that NPRM period. We did add a waiting list to the 30 minutes, so in the event if the 30 minute time slots aren't filled or there happens to be a gap or additional time we have the waiting list that is being utilized and has been utilized. So at this point, we don't we think that the system is working fine and we'll continue with the 30 minutes and the waiting list. So with that, we will move into today's agenda. Jessica, you have a question.

MS. BARRY: I do I just have a question and a comment about yesterday. Coming into this second week, I had a lot of questions about how we would structure our conversations because we have so many different topics to cover and they're all super important. But I wanted to bring our attention back to closed school discharge. I I feel that is a really important topic that affects all of our schools. And when I looked at at the end, at the temperature check, you know, 75% of the negotiators voted it down. So I feel like if we are going to come to consensus by the end of this negotiated rulemaking session in week three more

discussion needs to happen. So I urge the Department to think about that and circle back to that yet in this week.

MS. JEFFRIES: Thank you, Jessica, and I was just about to jump into that and address it, given the response to the the outcome of the temperature check yesterday. We do want to kick this off with additional discussion, especially from those who had their thumbs down, which, as you indicated, were numerous. Okay, we would like to spend some time this morning for those who had their thumbs down to briefly hear from you as to why you had your thumb down and what a possible solution is for that. Because as Jessica said, you're you're trying to reach consensus here. And so the Department needs to clearly understand and hear what your concern is and what the possible solutions are that will get you from here [indicates thumbs down] to here [indicates thumbs up] to here [indicates sideways thumb], at least, okay? These temperature checks, they have value and they're extremely important. They give everyone a reading of the sentiment in the room as to what's before them. And so at this point, we'd like to open it up for those of you who had your thumbs down first and briefly tell and articulate what your concern was and what you see as a possible solution. Jessica?



MS. BARRY: Okay, so this might be a good time for us to describe more of the proposal that we put forth, I know we were one of the groups that proposed late and I apologize for that. It took us a while to come to a consensus just among our small group. But let me bring that up for myself real quick as we're discussing it. What we want to bring attention to and and Heather and Daniel, feel free to jump in at any time. But what we want to bring attention to is that there are situations where closed school discharge is applied because these situations, the Department considers it a closed school for other reasons. But we think that those should be excluded when it comes to closed school discharge. So the first one, if you have our proposal under A, this, an example of this, just if I can explain it is so say you have us a school system and they have a main campus, say in New York City, just for an example, and they have a branch campus in Florida, and both schools operate completely independently. They have their own presidents, their own resources, library, all those things. And so say the pandemic hits and this is the pandemic's fresh in our minds for use as an example. And it's almost impossible to operate the New York campus because things have been closed down for so long. Enrollments decline, the rents really high there, so the school system decides

to close the main campus. Now that main campus has a six digit OPEID, and that branch campus that's back in Florida has an eight digit OPEID. And so when that main campus closes now there's there's no home for that eight digit OPEID that was tied to that main campus. So say the group that owns the school system also owns another school system that has a separate OPEID. And they're just transitioning that eight digit OPEID to the other school system, the other six digit OPEID. This doesn't change anything at that school. The students aren't affected. It's really just kind of a corporate structural change. But there have been instances where schools have been assessed liabilities for a closed school discharge for, say, those students that are at the Florida campus. So we wanted to make sure that that's addressed in A. In B, you know, this would be so say I have a school and enrollment is increasing and I need some additional space. So I rent I rent one classroom from another local college and I'm using it and that's considered an additional location. Okay, say a couple of years later, enrollment changes. I don't need that location anymore and I and I stop using it. Right now, that's considered a closed school and that could be a closed school discharge. And then the last one is say, you have two two eligible schools offering predominantly online classes. One closes down. Students

are able with minimal disruption to transfer to the other campus. That's also something that we would like for you to consider, and Heather and Daniel, please jump in if you think I missed anything there if you want to add anything.

MR. BARKOWITZ: I think you did a great job summarizing.

MS. JEFFRIES: Okay.

DR. PERFETTI: Cindy, is it okay if I add to the comment?

MS. JEFFRIES: Sure.

DR. PERFETTI: So, I would just add, in addition to the example that Jessica provided for area under A, I know in in for us as accreditor, we have also had public institutions that are going through consolidation efforts. And in those circumstances, one of those institutions technically may be considered closed even though they are consolidating with another public institution. So this is not just about corporate restructuring, it is also about what is happening among public higher education systems. And so this is why we were looking for what I call a carve out exception so that in that circumstance, if the system continues to deliver on its promise to students, continues to retain the academic programs for students. And the shift is more

of an administrative shift granted that can have impacts on students I'm not saying that it cannot. It certainly can. And accreditors do look at how those decisions impact students. But what we were looking for was in some circumstances of mergers, acquisitions, or some kind of transaction by any other name that those institutions that are being subsumed, consolidated, conglomerated, whatever the language may be that a system or two separate institutions may be using that there is some recognition in the definition of closed school. What I discovered in talking with the presidents of other accrediting agencies is there's not consistency on this point, and there's not a definition that helps with this particular set of circumstances. And so the group that came together was trying to be cognizant of the impacts in those kinds of circumstances. Thank you.

MS. JEFFRIES: Thank you, Heather. We're going to move to Jaye, but before we do that, I want to note that Josh will be sitting in for legal aid instead of Persis for the purposes of the discussion on this, okay?

MS. O'CONNELL: Thank you, so I appreciate all the issues being negotiated and understand we're doing that in the context of the Direct Loan regulations. But I will be unable to agree if I can't see

the FFEL impacts until session three. And ideally, we could see them as soon as possible so that our constituency can understand how that impacts our students and schools.

MS. JEFFRIES: Thank you, Jaye.

Jennifer.

MS. HONG: So just real quickly to to summarize, Jaye, Jaye voted no, she doesn't have the FFEL language and for the other for the group that put forward the proposal, the sticking point is the definition. But generally we're okay with everything else, just narrowing the definition. Is that, am I understanding that right?

MS. JEFFRIES: Jessica, you want to respond to that or?

MS. BARRY: I do have other issues with it that I discussed yesterday, but this was the one issue that we didn't get a chance to discuss.

DR. PERFETTI: I think, Jennifer, yesterday I had mentioned the real the question that I had about the stackable credentials and the issuing of a credential, and in the current definition, it seems broader than may be necessary, and I know we never really circled back to that conversation.

MR. BARKOWITZ: I'm sorry, since you asked the question, I would also, I'm sorry to jump

ahead, but I would also suggest I'm looking at the PEPS database, which is the Postsecondary Educational Participants database. And looking at that database, I think it's important for us to understand the number of closed schools. I understand that we typically think about and I have no objection to closed school discharge for the cases that have been brought forward, like the ITT Techs or the New England School of Art, those situations. But I think there's an assumption that closed school when it happens are these big ticket items. It would be helpful to have, I mean, I could give you a number, but I think it's an unreasonable number and probably not right based on the database, it might be helpful to understand how many schools have closed because this is a much larger issue, I think, than perhaps we all understand. This occurs with with with fair regularity in terms of school closure. So, so and I think that might be helpful as a context. So I'm not sure if it's possible for the Department or our analysts, our data analysts, to pull those numbers, but that might provide some very helpful context. Raj, I'm looking at you, kid, that might provide some very helpful context for us as we continue this conversation. Thanks.

MS. JEFFRIES: Thank you. Daniel, do you want to put that request in the chat? So we don't

lose track of it. Jennifer, do you have did that answer your question? Do you have what you need on those first two?

MS. HONG: Yeah, let's continue.

MS. JEFFRIES: Okay. Marjorie, you're next.

DR. DORIME-WILLIAMS: Thank you. So I would absolutely second what Jessica, Heather, and Daniel have shared, both for private and public institutions. This happens unfortunately, very frequently, and so I would be, I think, cautious about penalizing schools that have no control over, you know, unfortunate circumstances, you know, for example, MSIs are continuously underfunded by other states, which impacts enrollment and their ability to attract students, and that can lead to a school closure. My other point, and I feel like I haven't really gotten a clear answer about this. My understanding is this is about the schools that close. Sometimes they're big tickets, sometimes they're not and providing relief to borrowers because this institution is closed and for whatever reason, they're not able to continue there. For students who re-enroll, I feel again and I shared this yesterday that we're almost penalizing them for continuing their education, and I'd like to see a more consistent process that has to deal

with the school closing and not whether or not students enroll or don't enroll. Again, I think if we're thinking about solutions, you know, perhaps we can create a formula that's based on the amount of credits that they can transfer because we're now adding debt, time, additional burdens to students who are simply seeking to continue their education. So I really would either like to see a response or to see that addressed more directly in the language beyond just sort of the process of yes, they have to apply and fill out an application.

MS. JEFFRIES: Thank you, Marjorie, and thank you for putting forth, I heard a couple of different solution ideas. Jennifer, do you want those ideas captured in the chat or are you capturing them on your own?

MS. HONG: Again, I'm going to I'm going to defer my plea for any proposed reg language if there's specific areas in the regulations that you can point to to make your suggestions, that's that's most helpful because we're on such a compressed timeframe, look and analyze it that way. I know Raj had a response to Daniel's inquiry, so if we could get him on the record to respond, that would be great.

MS. JEFFRIES: Yes. Raj, do you want to go on the record with that response that you put in



the chat?

MR. DAROLIA: Sure. Yes. So this is actually something I thought might be useful, the committee's been working on it. Don't have it ready just this minute but should be able to get it today. Effectively, what we were going to do is take the closed school record from Department of Education website, merge its IPEDS data so not just have a record or kind of a demonstration of schools that have closed over time, but as much as we can some student demographics and some student counts (inaudible) as well. So happy to share that probably tomorrow is the earliest I could get it done.

MS. JEFFRIES: Okay, thank you, Raj. Next, we have Josh.

MR. ROVENGER: Thanks. I don't think I'll come as any surprise that the big sticking point for me relates to automatic discharges for those who attended pre-2019 and in particular those who attended pre-2014. And I think the easiest solution there is just to scrap that comparable program requirement as it relates to those borrowers. The other thing I would add, which I think might be helpful from a data perspective for this conversation, is data related to the Department's recovery from institutions after a closed school

discharge. And because I've heard a lot about the threat to schools and I'm not actually aware of this being a thing that the Department routinely does. Like I know, like with the ITT context, for instance, the Department filed the claim of bankruptcy, but you know, the school is gone, and so its ability to recover is actually pretty minimal, and I think that's true across the board. And so I think that type of data would also be really helpful for this conversation.

MS. JEFFRIES: Okay. If you want to put that request in the chat so we can follow up on it. That would be appreciated, Josh, and thank you for clearly articulating your concern and a potential solution to that. Again, I'm going to reiterate what Jennifer requested from the Department that the reg text is the most helpful. So if there's some way you can transfer that your solutions into that and get it to the Department, the sooner the better. Okay, so they have time to look at it and formulate a response. David, you are next.

MR. TANDBERG: I echo, Josh, on the discharge. I mean, the automatic discharge. I think his proposal makes sense, just scrap the comparable program requirement in the regulatory text. I really appreciate what Jessica and Daniel discussed because we are seeing

more complex mergers, consolidations, and the like. And that crosses all sectors nonprofit, private and and now most recently in the publics. Also, you know, talking with SHEEO in in the various states when they're dealing with the closures of institutions, many of which are quite small, mom-pop type institutions. Their efforts around recovery and their assistance with the Department of Education is that they're not recovering much money and is is the sense we got. But I would love any data on that. But my sense is when it's closed, it's closed for a reason, and that's because they don't have any money. And so just leave it there. But thank you for this opportunity to discuss my concerns.

MS. JEFFRIES: Thank you, David, appreciate it. Jeri, you were next.

O'BRYAN-LOSEE: Hi. First, just going back to Marjorie's statement, I'd like to make a plea for appropriate funding for our institutions, especially our state and public institutions. But I just want to remind people when it comes to the students, when we add layers of hoops, they have to jump through. That regulatory language could just be like, it's not the it's not up to the students to create the next steps. So whether or not they move on to another institution, this particular institution failed them in some way that there is like,

just forgive that so they can start fresh. And I just want to remember that at the end of the day, it's the students who are harmed, no matter what severity people think that might be. And so I just want to put that out there.

MS. JEFFRIES: Is there a solution that you had in mind, Jeri?

O'BRYAN-LOSEE: Yeah. Streamline the process for the students to be able to be forgiven. I mean, I get we can play if/then all day, you know, we can play if this if a if a butterfly flaps its wings in New York, there's a rainstorm in China, we can do that all day long. But at the end of the day, it needs to be a streamlined, less words is better, process, because it is the students who need to understand this at the end of the day.

MS. JEFFRIES: Okay. Thank you. I want to I need to mention that Michaela is back in as primary. Welcome Michaela, and I see that, Brian, you put something in the chat about the GAO report that you want to speak to that or?

MR. SIEGEL: No, they're just been some discussion about statistics there is the GAO report does have some statistics on closed school discharges. We think Raj will be able to provide more, fully updated

more information and complete information tomorrow.

MS. JEFFRIES: Okay, thank you. Oh, let's see. Joe, you are next.

MR. SANDERS: Hi, thanks. You know, I think we would do well to to go back to first principles, and I think Josh said it well yesterday, if you know, if you go to the statutory authority here, it says if the school basically says if the school closes, the loan shall be discharged and I think that the more we can simplify and bring it back to that principle, what Congress wanted here, the better we're going to do. My objection is based on the fact that although I think that the regulation has come a long way, there's some really good things in here and the main thing that I think is a positive is the return of automatic and automatic being within a year. Those are really good things. But right now, this doesn't change what happens immediately after a closure, from my perspective, right? If I'm in the office and a school in Illinois closes, I know that I'm going to get deluged with complaints, and I know that I'm not going to be able to give students a good answer about whether or not they're eligible for closed school discharge. And that's because of the window. Right, because of the 180-day window, the students are going to be panicked and they're going to want an answer. And I'm

going to have to tell him, well, you might need to stay at the school for some amount of time, and I know that it's, you know, sounds ridiculous to have to keep taking out loans. But if you really want the loans discharged, we need to wait and see when this is going to happen. And so, yes, automatic is good, but it does not, what we have on the table does not solve the immediate problem when the school closes, and that's when students are making decisions. And, you know. We have a student loan helpline. We have people that are trained, unfortunately, we've had to deal with a lot of these in the last five years, six years. But, you know, people are emotional. Students are harmed. They're, you know, Michaela said it well yesterday, their, just discharging the loans or just being able to transfer some credits is not going to eliminate the harm. They they feel like they've spent a lot of time and effort. They feel like they were, you know. They felt like they were going to be able to complete a degree at an institution, in a program, in a specific space, and that's been taken away. And so unless and until we can create certainty at the moment of closure as to what the options are. I have a problem with with what's on the table.

MS. JEFFRIES: Okay, so I think what I heard, though, was that one of your main concerns is what

happens in the immediate aftermath of the closure. Do you have a specific solution or idea of how to address that?

MR. SANDERS: I do, and I presented it in the first session. It's up on the website. It's a simple fix.

MS. JEFFRIES: Okay. It's in the form of the reg text?

MR. SANDERS: It's in the form of reg text. I did not conform it to the new text. I don't think it will be that hard to do that. I think the text is roughly the same on the, you know, the question of the window. But as long as there is a set timeframe, it's going to allow schools to play with that. Right, it's going to allow schools to and I'm not saying all schools will do this, but it's going to allow some schools to say, you know what, I've got to close and I'm going to announce it before the window and I'm going to try to get people to transfer to my other campus. And I'm going to, you know? Try to keep people from taking advantage of the discharge.

MS. JEFFRIES: Okay. Thank you, Joe, I appreciate it. Michaela.

MS. MARTIN: Good morning, everyone. I first for the folks sitting at home want to let you know that the number that was put in the chat was 246,000

students that were borrowers and rural had 1,100 colleges. So we have over almost 250,000 students and just over 1,000 institutions. Mind you, while these institutions could be held liable or given a bill for this, those are not people. Right. These are institutions and like, I mean, having sat through business orgs., there's also, you know, the corporate veil, so it's not very likely that an individual will be held responsible for those dollars. It's incredibly unlikely. And I would encourage somebody to find me a case in which a school like an individual could be held liable for the debts of the institution. And I just I think that when we're talking about harm caused to the institution, we need to remember that we're not talking about harm caused to humans. You know, 250,000 students, that thought that they could get a degree from an institution that cannot. You know, and so my my question is really to the folks that are saying that these institutions shouldn't, you know, they're worried about the impact of them being held responsible is that if we were to take out that one line that says institutions can, you know, can be held liable. I can quote it. I'm sorry, I get a little worked up. But Jessica, if we strike that line, does that resolve all of your issues because then there's no responsibility to the institution?



MS. JEFFRIES: And so can you articulate clearly what your concern is with the current language that has you thumbs down to get you to at least halfway and what your solution is?

MS. MARTIN: I was halfway. I thought that it had gone through the list of folks who are thumbs down. I was in the middle yesterday, but I'm trying to understand if we want this to pass, if the folks who are thumbs down on the side of not having a clear definition of closed school, if those concerns would be resolved by striking what Josh had suggested that one line?

MS. JEFFRIES: Okay. Thank you, Michaela. Appreciate that. Justin.

MR. HAUSCHILD: Yeah, thanks so much, so hopefully I can do this in an orderly fashion and not forget the specific solutions that the Department is looking for, but we would echo the concerns raised by Josh and Joe. I don't want to belabor the point, but we do think it's appropriate to take a more expansive look at auto discharge here. We think the points that Joe and Josh made yesterday, Joe today, Josh yesterday made about Congress's intent with regard to the statute are particularly compelling and think the the Department should take a closer look at that. Also, just want to take a few minutes here, a second to highlight the impact

this is having on students. And I think we're talking a lot about students transferring from another one institution, one that's closing to another institution trying to complete their degrees. But the GAO report was really clear here that transferring schools is a difficult process. Getting credits to transfer is not a particularly successful endeavor and in many cases. And as one of the public commenters yesterday, Kolin Wilkins pointed out, it really has a whole host of other impacts on students that are not just academic in nature. We're talking about this upending their lives, leaving students stranded. They do face difficulties in the academic sphere, again trying to get things like transcripts and just generally being left without a lot of clear options and choices when their initial intent was to finish at a particular school. So we think in terms again of specific solutions, the Department should take time to consider a more expansive view of automatic discharge in the proposals that Joe and Josh have both put forward. Thank you.

MS. JEFFRIES: Sorry about that, have myself muted. Thanks, Justin. Jen.

MS. CARDENAS: I think Jessica had her hand up before me.

MS. JEFFRIES: Okay. Jessica.

MS. BARRY: Thanks, Jen. I put it down and then put it back up, so I ended up in the wrong spot. I just wanted to say to Michaela, I totally respect your comments and yes, recovery from institutions is important to us. And the reason why it's important is because those carve outs that we talked about, so it isn't always a closed school that is getting is being assessed these liabilities, sometimes it's a functioning school that just closed look like a classroom location. And so it can really affect the financial health of a fully functioning institution that's doing really well. And I think too, one thing that we want to think about is as schools struggle and we know the pandemic has been really hard on a lot of schools and a lot of different sectors, there are going to be schools that are going to be reaching out to other institutions asking for help to see if they will help them and if they if this is in place they might be less likely to to help them in those situations because they'll be afraid that they'll be assessed a liability. So my suggestion, I don't know if this is possible, if it sounds like just among all of us, there's a lot of confusion on how these liabilities are determined and issued and carried out. Is there any way the FSA could make a short presentation to us just to explain that process? Because, like I said yesterday, I've heard from

schools, but I don't have a lot of data on this actual process. If FSA was able to give us some information, maybe that would help us feel more comfortable.

MS. JEFFRIES: Thank you. Thank you, Jessica. Jen.

MS. CARDENAS: Yeah, thank you. Okay, so I don't have any solutions, my solution is center students like this committee should, I think the language that is being used, for example, Heather says, certainly it can have an impact on students. It does have an impact on students like there's no it can. Jessica, you mentioned that liability is an issue. We understand that it's not something that we don't understand. We understand there's administrative things that we can't control that students, but we're students like we go to schools because we're from low-income communities, we're students of color. We pick schools because they're near us and we want socioeconomic economic mobility. We need to go to institutions that we're able to get into different positions to help our families to help ourselves. So even the location is important. It's important for us to. So if schools are going to be doing that, then they should tell us that, hey, we might not be here all the time. So then we wouldn't like sign up for them and then get screwed over by all these institutions.

This language keeps centering institutions like the whole morning instead of censoring students, and I think it's very hard for students, like Dixie mentioned yesterday, to feel that y'all are actually advocating for them or we're advocating for them. I'm sitting here listening to all of y'all. And it's more institution based and you want to make it sound like we don't understand the administrative part about it as though we don't go through the ropes of having to sign up for financial aid, having to talk to institutions about how our credits can be transferred, if they're even transferable. Having to understand if we're able to get to a new location because they moved, they decided they're closed but not officially closed. So now I have to fly hypothetically from New York to Florida or Florida to New York. Like, if you talk to all these institutions, then why don't you give us institutions? Why don't you give us information that they give you so that they're not hypothetical so that we could actually understand? Because otherwise a student, you're telling us, well, maybe these places can help during the pandemic when institutions need help? We're already in that pandemic. We've been almost two years in the pandemic. I graduated my whole senior year in the pandemic, and it's like, we know things are happening now. So then why not give us concrete

information? Because it's really hard. It's really hard to sit here and listening and listening to y'all talk like these students are just numbers, and Michaela is right. They are students, there are thousands of students, hundreds of thousands of students in comparison to buildings, locations administratively. And then like, we have all these teachers that also are professors that have to also deal with finding new jobs. So please center students and I don't have any way of telling you all like any solution, my solution is center students because it's really tiring and it's only day two in week two. Anyways, thank you.

MS. JEFFRIES: Thank you, Jen. And and I hear you. I think what I heard is that communication is is a concern. In terms of the text itself and the regulatory rule, is there something that you or someone you know from the student tab that would help you, you know, at least be like this [indicates sideways thumb] and the language for closed school discharge recognizing it's something that needs to be included into that text. Did you want to respond to that question, Jen, or?

MS. CARDENAS: No, I mean. So my, communication's not the problem, I mean, technology communication has always been the problem with the Department and students, some of us are first gen, some

of us don't have the technology available to us or the access to internet, and we have to do a lot of footwork. My thing is we're not really centering this need of the students. We're centering the need of these institutions. And all we hear is, well, the institution could do this. They can do that instead of how can we help the students through these institutions? So that's my point. So it's not communication. And maybe it is communication because it seems like we don't understand that centering the students is valuable.

MS. JEFFRIES: Ok, thank you, Joe.

MR. SANDERS: I don't want to speak for Jen, but I think that one thing that would help students is if there was certainty about their options once the closure is announced, you can transfer your credits, you can discharge the loans. Right, and have those options solidly in front of the students when the closure is announced, that's what my proposal does.

MS. JEFFRIES: Thank you, Joe.  
Appreciate that. Heather.

DR. PERFETTI: Thank you, and thank you, Jen, for your comments, so I just want to add that accreditors do collect student-centered and faculty and staff-centered information once we become aware of a closure. And we do try to communicate that through the

mechanisms that we have available. But we also require the schools to communicate with students and for them to produce those communications for accreditors, including the option about closed school discharge and that that's available to students. So I did just want to note that in addition to asking that, we look at the definition of closed school discharge, we as an agency have a number of procedures that institutions, when they are aware of closure and when they announce it and bring it forward for us, we do have information that we collect that is very much student-centered. So I just want to reiterate that. My other question that we've not yet circled back to is the provision about the school granted a credential in a program while the student was enrolled in a different program. And so that's sort of a separate issue that I brought up initially just because I was trying to better understand that provision and the nature of where that is coming from. So I don't know if that is the Department or if that was a proposal that came forward from Josh and Persis. But I did just want to try to better understand in light of the movement towards stackable credentials what this is trying to address here.

MS. HONG: So, yeah, we can we can talk about that further if you have more comment on it,



Heather. This was meant to address the issuance of retroactive credentials to students that had the effect of denying them a closed school discharge. So we wanted to prevent that from from happening in the regulations through our definition program, and I think we've addressed it, I do believe that I think Josh and Persis raised it as well. But what I'm, so that's the answer to that question. Generally, what I'm hearing is this proposal we've gone back and we've actually expanded, made the definition of school closure less restrictive and capturing the concept of comparability on the back end when a student enrolls in a comparable program, but still keeping it open in terms of their eligibility for closed school discharge, that that's the intent behind this proposed rule. I understand that the sticking point is this proposal put forward in terms of narrowing the definition of closure by the institutions while legal aid and AGs feel that we should do away with the concept of comparable program altogether. So that's what I'm hearing. Correct me if I'm wrong, but we can, we can talk briefly about this credential stacking. I see Josh's hand raised.

MR. ROVENGER: Yeah, I just wanted to respond to the credential stacking issue. In addition to retroactive awarding of of Degrees, as Jennifer just

mentioned, we've also encountered the problem of schools forcing borrowers into an associate's program before a bachelor's program, even when they only want to do the bachelor's program and even when they believe that they're working towards the bachelor's program the entire time. And then the closed school discharge only wipes out the bachelor's, the loans associated with the bachelor's, but not the associates. So the one thing I would note is, well, with respect to this idea that there are innovative stacking programs. This definition only is implicated if a school closes. And so I don't think it's restricting schools' innovation. I think it's just restricting schools' manipulation and again, is only implicated if you know the innovation didn't work and the school closes.

MS. JEFFRIES: Thank you, Josh. We have one left hand, which is Greg. And unless someone has a solution that has not been shared after Greg, we will move on to the next issue. Greg.

MR. NORWOOD: Thank you, and this may may sound like a non-issue, but but they said I was just wondering we were listening to accreditation, talk about how there are different methods by which to communicate to students when schools may be closing. But just wondering how effective those methods have been in

ensuring that students are aware of not only the fact that their institution is closing, but what to do as a result of that moving forward. And so then it's in a question and not necessarily solution based, but I would challenge that because again, we're centering students. And so to say, have this almost vibe that we're doing what we can to to, you know, alert students of this of these different changes and challenges. I think I would just question its its effectiveness in ensuring that students know what to do, not just that is happening, but what to do and how to handle it moving forward.

MS. JEFFRIES: Thank you, Greg.

Alright, Jessica, and then we're going to move on.

MS. BARRY: Sorry, I just had one last thing. There seems to be a lot of confusion around under the definition of program of A, B, and C. Is there any way Jen could just walk us through it briefly? So we're all on the same page and understand where the Department is coming from?

MS. HONG: Yeah, I'm happy to do that, so. Okay, so under romanette 3I, "Program" means the credential defined by the level and CIP code in which a student is enrolled, except that the Secretary may define a borrower's program as multiple levels for Classification of Instructional program codes if, and

again, we think we've expanded it. So the Secretary has a definite discretion to determine whether an institution has placed a student in a different program in or, as Josh stated, forced their hand in terms of enrolling or awarding them an associate's degree so that they would be ineligible for discharge. So A, B, and C is an attempt to capture that. A is if the enrollment occurred at the same institution in close approximate periods. B is a school granted a credential and a program while the student was enrolled in a different program. So it's kind of obvious that this kind of dual enrollment was foisted upon the student. The program stack or were presented as necessary for borrowers to complete in order to succeed in the relevant field of employment. Again, that goes again to the forced hand of the student. So those three scenarios are ones that we've we're aware of that we've identified. I think they cover the ones that Josh and Persis have encountered as well, and they're presented here so that the Secretary can consider these scenarios and still issue a discharge. Is that helpful?

MS. BARRY: Yeah, I think so. I was looking for more examples, but I don't know if you have examples of any of those.

MS. HONG: So. Again, to go back to that, I think Josh was alluding to this if a student is

in the A program and then the the institution awarded an AA, this provision would prevent the student from being ineligible for the discharge, in other words, if they had if the institution awarded the AA under the current regulations, they would not be able to avail themselves of the discharge. However, now that we've put this language in, they will be able to avail themselves of the discharge. For B, the school granted a credential program while the student was enrolled in a different program. So that's an example of a student, you know, getting it to an AA degree, therefore making them eligible for discharge, so we wanted to ensure that that does, we wanted to prevent that from happening. For C if we see things like we would enroll someone in a certificate and then the borrower would finish and then they say, oh, but you really don't need the AA. So we want to make sure we pick that scenario up here. I don't know. I see Justin and Joe's hand raised, I don't know if they can fill this out a little bit more as well.

MS. BARRY: I think that was helpful though, Jennifer. Thank you.

MS. JEFFRIES: Okay. Joe, do you have something briefly to add to that? You're muted, Joe.

MR. SANDERS: I have seen stacking in my investigations, multiple investigations, I've seen it.

One of the biggest areas that we see is nurses. People want to be nurses, the school says great, get a medical assistant certificate. You don't need a medical assistance certificate to become a nurse. That happens all the time that happened at Corinthian, that happened at ITT. Less so at ITT because they had nursing programs, but we see it with. At Corinthian, we saw it with graduate degrees where I'm sorry, this is a Kaplan example, there was a student who had been at Corinthian. She went to Kaplan, Kaplan was stacking her with a masters and then a PhD, so stacking happens all the time, we see it across schools. And so I think this is a positive effort by the Department to try to account for that.

MS. JEFFRIES: Thank you, Joe.

Alright. Seeing no more hands. Jennifer, do you have what you need?

MS. HONG: I do, I just I. I know we'll come back to this discussion, but I will say that the Department will take the re-enrollment piece under consideration as far as the proposal put forward by the institution's institutional representatives and Heather, the accrediting agency, we we, you know, this kind of narrows the definition of school closure where we're trying to expand it. So I know for certain for B and C,

we wouldn't be able to take the proposed language that you put forward. And we do have some concerns about A as well. So I just want to put that out there as we continue to think about this.

MS. JEFFRIES: Okay. Thank you for being candid with that, and Jessica, Heather, those of you on their proposal hearing what they had to say, perhaps some additional thought or solutions might pop into mind. Okay? With that, we are going to move on to, I believe it's issue paper three interest capitalization. That correct. Okay. Jen, do you want to walk us through that?

MS. HONG: Sure, this might this might be one of our shorter discussions, I'm hoping and it was initially as well. One of the things I wanted to say on the outset is we had proposed, first of all, nothing has changed. The deletions that we proposed in the regulatory text to remove capitalizing events where we have a discretion to do so still stands. We had expressed that we would be able to provide conforming FFEL language in the first session. However, upon further analysis, and we've already reached out to Jaye to communicate this to her. We we found that we simply don't have the legal authority to do it on the FFEL side. And I know Brian is available to talk more about that if necessary. So what

we have is before you, I touched upon the retroactivity piece early on. Basically, it's just simply not feasible to unwind years of payment to address capitalization. It's also prone to error, so we wouldn't be able to make changes attendant to that proposal. We did look into whether we could cap the amount of interest when it is required by statute. We also don't think that would be feasible. The Department would have to have a basis for justifying any sort of cap. And a cap would still have to apply each time it happens, meaning that borrowers would still see repeated acts of capitalization. And we just believe that the cost of these items is better spent on improving our other discharge programs. So it was my sense that we were in a very good place with this, there was very little discussion last time. I think we can all get behind removing these capitalization events. I think this is a boon for borrowers. I see Persis's hand up, so I will be quiet now.

MS. JEFFRIES: Thank you, Jen, Jennifer. Persis.

MS. YU: Yeah, so I had a couple of thoughts, I mean, first to the retroactivity piece. You know, it's certainly disappointing to hear the Department's not willing to consider applying this benefit retroactively. I hear over and over again from



borrowers who are drowning in debt who have paid back well over the amount that they ever initially took out. I remember working with one legal aid organization who had a borrower who took out \$5,000 in 1989 and somehow managed to stay in a forbearance up until now. And so she now owes \$125,000 and all because of capitalized interest. And this borrower will never get out from under this debt. And I think that's really, really tragic. So, you know, I so that's disappointing. The other pieces that I'd like to talk about is some of the other programs in which the Department says it does not have authority. I mean, certainly one of my questions is with deferment. You know, the the reasoning why we want to get rid of capitalization for forbearances certainly applies to deferment. So I recognize that there is a statutory barrier. I'm wondering if there is a creative solution that we can apply through income through the ICR statute to mimic these deferments so that borrowers can have an opportunity to make these pauses in their repayment without having to suffer from interest capitalization. And the other piece that we had discussed at the at week one was about consolidation and whether or not it was possible through a consolidation to not have interest capitalized. And I'm curious to hear more about the analysis that the Department engaged in to determine

whether or not consolidation could we could keep the interest in the principal separated through that process. Thank you.

MS. JEFFRIES: Thank you, Persis.

MS. HONG: I'm sorry.

MS. JEFFRIES: No, go ahead, Jennifer.

MS. HONG: Great, thank you for that, Persis. As far as well, first, I want to clarify, we did take the issue of retroactivity under consideration. We did take it back. And our conclusion was that there was no there was no neat way to do it, and we just we just feel like our, you know, our money spent best elsewhere in improving our other discharge programs. So it's not that we didn't take into consideration the deferment. We haven't as you mentioned, it's statutory. We haven't found a solution to that. We're certainly open to hearing about that. And if we want to discuss more of the consolidation issue, we are open to hearing more from you all about what the, you know, I guess what this would mean for the borrower in terms of keeping the principal and the interest separate. I think we just need to hear more from this committee in terms of creative solutions on that and in terms of consolidation. First, I guess I guess just trying to get an understanding of how this committee feels about that, if we could just kind of

revisit the consolidation issue. We're certainly open to hearing ideas on that front.

MS. JEFFRIES: Jeri.

O'BRYAN-LOSEE: I like what Persis just said, separating the the principal from the interest, I think, would go a long way to, especially considering the communication issue with students because students don't understand the difference between forbearance and deferment and Income Driven Repayment plans and that I think that is one way that we can look toward making it not so burdensome, burdensome, I was thinking about the example Josh gave yesterday, which was given when the at one of the other and one of the other hearings about the woman who had \$6,600 and ended up owing \$27,000 like, it's just a moneymaker for people taking advantage of students. And if we can, if we can separate that interest from the the balance when people are moving their money around, trying their best to understand all these extra words that I think that that looking deeper into that would be would be key to help people right away.

MS. JEFFRIES: Okay. Thank you, Jeri. Suzanne has stepped in for David. She has a question to ask. So Suzanne?

MS. MARTINDALE: Yeah, thank you this

question for the Department regarding statutory authority. I mean, I served on the REPAYE committee and we were able to make that plan more generous by limiting interest accrual and capitalization. I guess my question is, I mean, the ICR statute, as I recall, has a fair amount of flexibility. Is there something we could do to limit the amount of interest accrual to begin with and put a cap on that, so there's less interest to capitalize? Is there is there a workaround in that regard? Because, yeah, I mean, the the promise of the Income Driven Repayment plans are quite undercut by these capital capitalization events. I understand there are areas where there may be statutory barriers, but but I want to know if there's a possible way to. I have to refresh my memory on everything about the statute, but we dealt with this in REPAYE and we were able to limit interest accrual and therefore capitalization in that context.

MS. HONG: So we did so we did remove it, we removed the capitalization in ICR.

MS. MARTINDALE: Right. Can we put a cap on how much can accrue to begin with?

MS. HONG: Right, I mean, that's the issue that we looked into. And we didn't see a solution there.

MS. JEFFRIES: Ok. Thank you, Suzanne and Jennifer. Persis.

MS. YU: Yeah, and I just wanted to underscore the importance of consolidation. You know, as we're talking about, well, we're going to be talking about Public Service Loan Forgiveness, I assume later today and in the context of thinking about the PSLF waiver, one thing that I hear a lot from folks is that if they're FFEL borrowers who want to be able to take advantage of the PSLF waiver, they're nervous about consolidating their loans because there is this consequence that if they have unpaid interest, that it is going to be capitalized into their principal. And if for some reason their employment doesn't wind up qualifying, you know, because they have to do consolidation first before they can ever enter the process, that this is a real barrier to folks accessing the programs that are that are that are great, that are, you know, intended to do a really good benefit for borrowers. But they have to take this first step and it's a leap of faith that they're going to consolidate their loans, their balances may grow, and if it doesn't work out, that's going to have pretty devastating consequences for folks. So I think that addressing the capitalization event in consolidation is very important for making basically for

making our other programs functional.

MS. JEFFRIES: Thank you, Persis.

Anyone else? Jaye.

MS. O'CONNELL: So just in terms of consolidation, I mean, I'm thinking of borrowers who are paying on their underlying loans, making regular payments, and then they consolidate into PSLF, so they've been making their qualifying payments. I mean, our requirements are that you apply payments to outstanding interest first and then principal. So I'm I'm just. Thinking of the math that there may not be that much interest outstanding if if you are moving from the the three underlying loans to a consolidation and you're paying as agreed, you're only going to cap the month or few months of interest from that process, which interest will continue to accrue in consolidation time. Time is as much a factor. I mean, I know capping increases costs, but time and interest accrual is really a factor I think in some of these examples and I had requested, you know, if we could have some data that helps us really understand the implications of capping. I don't know if Raj was able to produce that or not, but again, I just in terms of the PSLF example where someone's making qualifying payments, I just don't know that there's going to be words about standing interest from those underlying

loans because they should be paid.

MS. YU: So the people who are going to be have have you know, who will be in an income based repayment plan. Many of those folks have negatively amortizing balances and those are the folks for whom, you know, many of those folks thought that they were in a qualifying payment, which is why this PSLF waiver is so important to begin with, right? So they have negatively amortizing loans in IBR, and they are very understandably nervous. I mean, another thing which we can put a pin in until we get to the IDR conversation is making sure that those those IBR payments still continue to count as qualifying payments under Income Driven Repayment in addition to PSLF. But yeah, I think that there is still a good number of people who do have negatively amortizing loans and income based repayment.

MS. O'CONNELL: Thanks.

MS. JEFFRIES: Thank you. I'm seeing no, Jeri.

O'BRYAN-LOSEE: Sorry, Cindy, because that's my FFEL situation. Just just to clarify, I am in that situation where I was put in something besides Income Driven Repayment Plan to gain extra interest when I should have just been in an IDR. So I am the poster child for that particular example. And, you know, praying

that the lookback will help me in some way. But it's a very it is a very real issue and people do have to decide what they're going to, what choice they're going to have in that process. So I just want to clarify that out there.

MS. JEFFRIES: Thank you, Jeri. I think what we're going to do now is take a quick temperature check on where everyone is at with what's before you on the interest capitalization. And so if I could see thumbs. Okay. Not seeing any thumbs down. Just double checking. Okay, that that was a good outcome. Let's for the time being, let's move on to the next. The next issue, and I'm just I'm going to and we'll come back to the interest capitalization. On this next one, Jennifer is going to walk you through it and explain all of the changes and nuances in issue papers four and five. Jennifer?

MS. HONG: Thank you. And just to close, well, we're leaving the loop open on interest capitalization. Please, if you have any proposals in terms of ICR, we're open to seeing those as well. Okay. And one second here. Okay. Just to just to recap here, this is proposed regulatory text. Regulatory text for PSLF. You might recall that we separated out two issue papers on PSLF one having to do with improving the



application process and the other is on is on employer eligibility full-time employment. We did provide some draft regulatory text in the first session, mostly having to do with the application process, but I will review the changes to the reg text as a whole and we can discuss it all together. But when we take the temperature check, we'll take it on each issue that the application issue and the employment issue eligibility issue. We did receive a proposal from Heather on PSLF, our PSLF advisor, on Friday. We weren't able to consider those changes for this draft. So please do jump in when your respective suggestions are relevant to this review that we're going through right now. Just a couple of things. I'm going to point out areas where we made changes in session one because for some reason the highlighted portions did not carry forward on the PDF. You may recall I think most of our discussions for, on the employer eligibility side last time, and there seemed to be more tentative agreement on the application piece. Either way, we took a lot of your suggestions and added them here, so let us just jump in at the text queue. So on page one, just a minor technical edit to employer, employee by breaking the text up into sub paragraphs one and two. At the bottom of the page, we changed adjunct faculty to non-tenure track employment. We've also flagged the

credit, our conversion to get a better idea from you all regarding how other states calculated their conversions and an understanding of how they justify those numbers. Because remember, we had last time talked about 3.35 as a conversion. We made a minor change to the military service definition, this is going on to page two. And that's to include service by veterans and further streamline this definition. We've also added several other definitions here, including non-tenure track, which encompasses all those categories you see there adjunct, contingent, part-time, full-time faculty, teachers, or lecturers at institutions of higher education who are not on tenure track lines. So please flag anything if you see something missing from that. Minor technical edit to public interest law to remove the qualifier regarding the provision of legal services to be provided by a public service organization. We've added a definition of public safety services. And then moving on to page three, we've added several definitions for public service, and we'll see those new definitions for public service for individuals with disabilities. Public service for the elderly. Public education service. Public library service and school library services. Next, staying on page three, I'd like to draw your attention to the definition of qualifying employer. Under (1), we find an edit for you

with the addition of United States-based and basically what we're interested in here are your thoughts on this definition. We're trying to do a few things first. Listening to types of government service that can qualify. Second, we're trying to make clear that organizations like the U.N., the W.H.O., etcetera, are not qualifying employers, even if employs a state that make up American delegations or federal employers to call employees to qualify. But also to make the point that foreign governments are not qualifying employers. Finally, we're mindful of the fact that tribal governments have the right to self-determination and generally operate outside the scope of federal or state law. So we flag that for discussion. Under paragraph three, we've added an attestation piece. So let me just read this part aloud, and let's take a pause here for some discussion about this section and also how it relates to approving contracted employees who work for eligible employers. So what we added under a private this is paragraph three, a private organization that provides a public service as defined in this section attested to by the employer on a form approved by the Secretary and is not a business organized for-profit, Labor Union, or Partisan Political Organization. The Secretary may substantiate the employer's attestation based on a review

of information in the Secretary's possession about the employer. I think there's more there are more changes here, rather than go through all of them, we see a lot of hands raised. Let's pause there and take any questions or comments up to that point. And then I have some questions about the contract, contracted employees, but let's hear from others first.

MS. JEFFRIES: Okay, thank you, Jennifer. Jeri.

O'BRYAN-LOSEE: Hello. Just going back to the 30 hours or equivalent by each credit hour taught for non-tenured faculty, I will be providing some information from Oregon statute, including personal testimony from the the during that decision and will provide that as soon as I have it. And the other thing I want to, I just want to give a plus one on the public service, the sec, the last section you were just talking about capturing the health care workers, especially the California and Texas health care workers, if that's what the intent of that is.

MS. JEFFRIES: Thank you, Jeri. Justin?

MR. HAUSCHILD: Yeah, thanks so much. I wonder if I can maybe just start with a quick question here. I think we're trying to better understand the

Department's specific intent in the redrafting of the military service definition. We know that there's some new language in there that includes veterans. We know prior language referred to organizations serving service members. So I'm just trying to get a sense of what exactly the Department is trying to do there and then offer hopefully some additional thoughts on that.

MS. HONG: So we felt what was there was a bit clunky, so we're just I mean, the intent was just to streamline it and to encompass the service of veterans of those organizations as well, make sure that that's explicit.

MR. HAUSCHILD: Is it okay for me to follow up there?

MS. HONG: Please.

MR. HAUSCHILD: So when we're talking about those organizations, is it a reference to U.S. Armed Forces and National Guard or or organizations like veteran and military serving organizations that serve veterans or members of the Armed Forces?

MS. HONG: So the way that it reads is that it's those organizations refers to Armed Forces or the National Guard. Are you suggesting that it should be expansive to include those organizations that serve? I realize that is a bit-.

MR. HAUSCHILD: Yeah, I mean, so I think there's two issues. Yeah, I think there's two issues for us here. So when we're talking about military service, you know, I think we're thinking U.S. Armed Forces and National Guard. Obviously, we're open to a more expansive definition, but it's we're a little unclear on how the veterans fit in here. If it's just moving in any veteran than that is performing service that is defined as public service. Later in the reg or exactly kind of what's going on there? And then we do have this separate consideration of making sure that currently excluded veterans serving organizations that may hold a 501(c)(19) status, for instance, are included within Public Service Loan Forgiveness. So we would be happy to offer some alternative language that that maybe gets at both of those things. But we just want to get a sense of what the Department was attempting to do in this provision relative to to other areas here, including the definition of public service.

MS. HONG: So those organizations should be encompassed elsewhere and are under the definition of public service. This this just pertains to military service. This definition right here, those services provided by Armed Forces and National Guard. And any, you know, prior service. I think that's that's

what's meant to encompass the veterans' service, so, so-.

MR. HAUSCHILD: Okay, so is it-.

MS. HONG: As we go through this, let me know if you feel like we're missing those individuals that you're referring to as we get further into the public service definition, I feel like that they ought to be encompassed in later in the definition.

MR. HAUSCHILD: Understood.

Understood. Thank you.

MS. HONG: But but yes, please provide it if you feel like it's missing.

MS. JEFFRIES: Thank you, Justin and Jen, for that dialog. Bobby, you are up next.

MR. AYALA: Thank you. Thank you for this. If we could circle back to 1 (C), the calculation of the equivalent full time. I Was wondering if we might want to consider, in addition to credit, hour contact hour, contact hour calculation. I'm thinking about those instructors at technical schools or two-year schools that teach technical programs in which they may only count for, let's say, a science lab counts for one credit hour, but they are in fact in lab for three to four hours for that one contact hour. And they may we may want to consider perhaps a separate calculation for that or or what have you. So just wanted to see what your what

everyone's thoughts were on that.

MS. JEFFRIES: Right, thank you. Thank you, Bobbie. Certainly, I want to remind people this as well as any of these as we move forward and inch our way into that third and final week of this to feel free to present in reg text your proposals to the Department. Misty.

MS. HONG: If I could just respond to Bobby, so, so, Bobby, this just goes to my question to you all, if anybody can, I know Jeri is going to provide something from Oregon, but we're interested in understanding how those calculations take place. Like does it include those contact hours already, does this calculate? So if anybody has the answer to that, that would be useful for this committee.

MR. AYALA: And I'll see if I can perhaps draft, I'm sorry. I'll see if I can perhaps draft up some kind of a formula to present.

MS. JEFFRIES: Great. Wonderful, Bobby. Thank you. Misty.

MS. SABOUNEH: I have a question for Jennifer and then a comment, so it sounds like we're trying to broaden, on page three, the qualifying employer. The definition to not just include 501 (c) (3) to capture things incurring public comments, like



nursing, health care, folks completing their residency. With this definition, will that capture those, but just require an additional step of getting like an attestation letter that's submitted to the Secretary? Am I understanding that correctly?

MS. HONG: Yes.

MS. SABOUNEH: Okay. It was brought up in session one, the idea of using the CIP SOC codes for this and maybe an easy way to potentially automate someone who qualifies for PSLF and the CIP codes are a way to easily designate which programs we would consider working in public service and then obviously that ties FAFSA to the SOC code. So just wanted to bring that up again for discussion and see, it wasn't we brought up on session one and it wasn't in here. So I didn't know there was a reason that we were not wanting to do that.

MS. HONG: So we appreciate we we we appreciate that suggestion, and we definitely heard it. We've we've explored it in the past. I don't think that it kind of gets to where we need to be the the SOC codes. So I think this is why we've turned toward this concept of attestation. Explore that further, because we feel like that might be more encompassing.

MS. JEFFRIES: Okay, thank you. Just before we move to Bethany, I want to point out that Soren

Lagaard has joined the table as general counsel and that Suzanne is in for David. So Bethany?

MS. LILLY: Hi. So I think I have a follow-up question to Misty's because I'm thinking of the young gentleman who testified during one of our earlier public comment periods who was a provider of disability services but was a contract worker for a private company. And I think what the Department is trying to do is get at those cases with the definition on an employee or employed on page one. But the way I read the definition of qualifying employer in sub 3 2 little i it says, not a business organized for profit. So my assessment would be that if somebody was working for a business organized for profit as a contractor with a disability service provider, they would not be eligible. But I might be misreading this. So I just like statutorily or regulatorily, I would like to understand if I'm reading the language right or if I'm misunderstanding something.

MS. JEFFRIES: Thanks, Bethany. Jen?

MS. HONG: Yeah, so, Bethany, so no, you're not. So there's two different things here. We so, yes, the language as proposed restrictive and in. But we're willing to have the conversation regarding for-profit companies. Some of the concerns that we heard in the first session is that lack of transparency around

for-profits more than nonprofits and the lack of charitable mission for some of those organizations. So it may be more difficult to assess an employer's eligibility in the context of a public service definition in statute. So the idea here is to try and have more clarity to ensure borrowers have, you know what they what they need to ensure that they are eligible. The second piece of that, though, is a contractual employer and employees, and we we did have some questions about that. So if we could take if we could take the for-profit piece off the table for just a second and look at the contractual employee piece we wanted to see we just wanted to pose some questions for the committee in terms of, would you know, would an eligible employer know that a contracted employee worked for them for the time needed? And would they be willing to sign an attestation on behalf of the contractor? And then how do we I mean, that's kind of like operational. And then a broader question is like how do we address broader labor concerns about ongoing misclassification of employees into contractor roles? And does does this risk rewarding that behavior where it allows the employer to offer benefit but not shoulder the expenses they should of employing someone? So if we could just if we could answer those questions on the kind of contractual employee piece, if anybody has any ideas on

that, then we can loop back and talk about-

MS. LILLY: So I think that that gets to what I raised previously, which is I completely share the concerns about misclassifying employees. And I think that that's a broader conversation that the labor market is having right now. But we're talking about student borrowers here. We're talking about individuals who have taken out money and are trying are doing work that we really value and that the society has identified via the statutory basis for this. That's valuable work to be done. And so that's part of my instincts here when I'm trying to capture these folks. I I liked the attestation piece because I think that gets at some of it. And I think certainly, you know, disability service providers who contract with, say, staffing agencies, I think would be happy to provide that verification for their employees. I understand the concerns about the classification, etcetera. I I don't know that this is the right place to try and answer them, since we're talking about borrowers, we're about like, that's what we're trying to focus on is making sure that folks who borrowed and now are doing public service worker getting access to it. So for what it's worth, my perspective on that would be, I think organizations would be willing to do that and I think that we could rely on their attestation there. So

for for what it's worth. I had a related question, but maybe I'll let someone else talk and come back to that because it's about something, something unrelated to that. So I'll turn it over to Suzanne.

MS. JEFFRIES: Thank you, Bethany.  
Suzanne?

MS. MARTINDALE: Yes, thank you. Yeah. I mean, we need to focus on the public service job. That's what that's the term in the statute, right? What kind of work is the borrower doing? And I think that that needs to be the focus here and to eliminate barriers and use maximum authority. We believe that the Department has a lot of authority and discretion under HEA to make this program actually work the way it was intended. I primarily I don't want to repeat what other people have said, plus one to others, but wanted to submit for the record and for the committee's consideration in advance of next session some language put together in a memo by some former regulators who have experience at New York Department of Financial Services, as well as the Consumer Financial Protection Bureau. I'll put it in the chat. There are some proposed markup language to the regulations and again submitting it for the record now as some potential solution language in the hopes that the Department will consider it in advance of next session.

Thank you.

MS. JEFFRIES: Thank you, Suzanne.

Justin.

MR. HAUSCHILD: Thanks, I'm actually going to defer to Heather, if that's okay.

MS. JEFFRIES: Okay. Heather?

MS. JARVIS: Hi, I'm interested in this discussion about employer eligibility in the context of the statute, and so I think we're all aware the statute governs these regulations and the statute dictates that government and 501 (c)(3) employment, full-time employment are qualifying. And it additionally lists a lot of public service activities and in the interest of streamlining, automating, and simplifying this program so that it can work more effectively. I think it's important that we recognize that these definitions are duplicating the language that we're already married to which is government and 501 (c)(3) employment will qualify, and so the question really is what else will qualify? And as the statute lists all of these public services, this committee needs to find a way to expand on government and 501 (c)(3) employment in order to give meaning to all of the statutory language. And so this takes us back to the question of whether any full-time employment will qualify or not. Rather, any

for-profit employment will qualify or not. And that's an important question that this committee can consider. But if the if the decision is made that only nonprofit employment will qualify, then it seems that extensive definitions are confusing and unnecessary because they simply reiterate all of the government and nonprofit work that already qualifies. So in that regard, I think it's important to consider a a question of, you know, what really is public service, what is a public service job and that that could be done much more much more simply by talking about work in the common good. I would also like to reiterate the conversation we had last time about why why wouldn't we allow borrowers to attest to the full time nature of their employment? They can do so under penalty of perjury, and the Department can evaluate whether that is suspect of fraud. But really, we're not in a situation where we're trying to limit people's ability to qualify for this program. We're trying to do just the opposite. So I will mention that although the, you know, qualifying employment is a very important conversation. Really, the reason this program has failed so far is because of the excessive focus on monthly payments and whether a given month counts towards the hundred and twenty. And that ought to be really the meat of the conversation.

MS. JEFFRIES: Thank you, Heather.  
Okay. Persis.

MS. YU: Thank you. I want to go back to what Bethany was saying about how important it is to have contractors, but not just contractors, I think. I think looking at the the for-profit versus nonprofit model is just not really relevant, especially for a lot of low-income workers, where certainly the tax structure of their organization has little bearing on the type of work that they're doing or whether or not they chose it. I'm thinking in particular of home home childcare providers who are certainly not making a lot of money, but they are not nonprofits. And in fact, I think that, you know, in that particular instance, and in many instances, I have clients who are home health care aides, you know, they're not choosing those jobs because of the tax status of the organization. They're choosing it because that's what they can do. And they are certainly providing a valuable service. And so I would certainly urge the Department to strike the "is not a business organized for-profit" language in subsection romanette 2, I think that's the simplest way to solve this problem and also to recognize that, two things to recognize one that especially when we're talking about low income student loan borrowers and we're talking about borrowers of



color, they are more likely to be actually working for a public service organization that is technically by tax status organized for-profit. So I think that that would be a really important fix to have. But I think, you know, as we're thinking about this in the context of bigger things, part of what I want us to also think about is this in context of all of the student loan policies and why are we trying to ensure that all these different employment opportunities get into Public Service Loan Forgiveness? And that's because Income Driven Repayment itself is so broken and that the alternative to getting, to qualifying for Public Service Loan Forgiveness is that you're stuck in this Income Driven Repayment plan that has not been working, that is too expensive, and is not actually providing relief at the end of the day. So I think as part of this conversation, I think it's worth bringing back to the conversation about Income Driven Repayment and why the alternative of not qualifying for Public Service Loan Forgiveness is so horrible for a lot of borrowers and so untenable. So I just want to put that pin in that conversation to happen later. Thank you.

MS. JEFFRIES: Thank you, Persis.

Jeri, you are up next.

O'BRYAN-LOSEE: Okay, so I just, you know, an idea that we focus Public Service Loan

Forgiveness on the person, on the student going back to the student and what the student does, because if they're providing a public service or if they're working with people with autism, boom, you qualify. If you're a social worker boom you qualify, that it may be easier to look from a student perspective that has turned into an employer in a certain situation, as opposed to relying so much on the on the employment itself in a particular organization. So it's actually the work being done is a public service for the greater good. I just want to be careful about the full-time. Again, going back to about 18,000 part-time academics that I work I work with is that full-time means something very different to to that that instance and to get people to sign off on those forms, just take away that, just take away the requirement. You don't have to work a certain amount of hours. You just have to be in the public service and do it that way instead of, you know, adding more restrictions and language is to take that away and make it if you're working in public service, you just have to verify it. There's no restriction on the number of hours.

MS. JEFFRIES: Thank you, Jeri.

Justin.

MR. HAUSCHILD: Yeah, thank you. So I think part of what I'm struggling with, frankly, is that

I think there's a few different ways to accomplish a lot of what everyone here wants to accomplish through the regulatory language. You know, are we going to try to squeeze it all into the definition of public service? Are we going to try to relook at qualifying qualifying employer? You know, I saw some of the recommendations made by my made by Heather, and she attempted to do this one way. She alluded to it in her comment just a few minutes ago. And so I think that's part of what I'm struggling with personally, where we're going to make these changes in the language and that that really impacts what the language is going to be and how we're getting at these issues, obviously. And so the concern I'm about to raise here is kind of contingent on us sorting that out. But one thing that we'd like to see considered is care provided for veterans through the VA's Comprehensive Assistance Family Caregivers Program. You know this is this is a service provided for ill, wounded veterans and frankly, service that we think should qualify for Public Service Loan Forgiveness. But it's a matter of figuring out how we want to address it in the language, and I think that's going to go a long way to helping us be able to provide you with potential regulatory text. We do have something we can offer up, but just want to flag that as a concern. And then just

generally about this idea of how we're going to go about accomplishing what I think we all really want to accomplish here.

MS. JEFFRIES: Thank you, Justin. We have one more hand, Bethany, and then I think Jennifer we'll move back to you for further-

MS. HONG: Can I just respond to Justin real quick? I want to make sure that so so Justin, are you suggesting that the current language or proposed language doesn't capture that the group that you had just mentioned?

MR. HAUSCHILD: Yeah, that's our understanding, and it has to do with some nuances about how the program is executed in terms of payment versus stipends and things of that nature. I'd be happy to have my alternate speak about it in more detail, but it's our understanding that it's not currently included in the proposed regulatory text.

MS. HONG: Okay. Thank you for that. And I just to circle back on Persis. Persis, your comment on low-income individuals taking on for-profit positions, I understand that that's. I guess that's more anecdotal in terms of their situations in which that would occur. Do you have more evidence across the board that we know that this is like a common occurrence? And the reason I

ask is because we, you know, one of the things that we're trying to balance here in terms of opening it up for for-profits, we're trying to ensure that borrowers have clarity on whether their employer is eligible. And we're also trying to eliminate administrative hurdles. And so the reason why we're focusing on the employer. You might recall this discussion from session one is because and when these rules were first negotiated, we had to find a way to operationalize. And there's no we haven't found a solution to do that by looking at every job description from from a borrower, which is simply not tenable. So that is why we we're focusing on the organization and that will help streamline and ensure that borrowers have a clarity and faster determination, so if we open it up to for-profits, we're having to make an assessment of whether they are providing a public service. So that is an additional hurdle that we have to consider and also take into account the lack of transparency that many for-profit companies have, rather than knowing off the bat it's 501 (c)(3) mission, so just to keep that in mind. Also, one last question for, not last question but another question regarding the contractual representatives for our institutional reps. Do they have any feedback that they can provide in terms of whether signing an attestation for those contractual employees on

a university campus, for example, if that if that's doable, if there's any barriers to that? I'd love, would be interested in hearing.

MS. JEFFRIES: Thank you, Jen.

Bethany.

MS. LILLY: Does Persis want to respond to that because I dropped something on low wage workers who rely on SNAP in the chat, which disproportionately shows that they are employed by the private sector and I would imagine other public benefit that we look at would reflect similar numbers. I also think there are particular industries that there are particular contractual employers that focus very much on low-income workers and placement in low-income jobs that we should be taking into account, but Persis.

MS. YU: Thanks, just real quickly, I think actually the memo that Suzanne cited too earlier does a really great job of describing the growth of outsourcing by governments and health care and how that impacts low income and borrowers of color. So I would just point to that resource. Thank you Bethany.

MS. JEFFRIES: Thank you for that, Persis. Bethany, did you have additional or did you?

MS. LILLY: Yes. And I had I wanted to echo Persis's comments earlier on the overlap between our

concerns about the definitions in Public Service Loan Forgiveness and the Income Contingent and Income Driven Repayment plans. Because I think it's a clear sign that those programs are not working as they are currently structured, that everybody wants to be in Public Service Loan Forgiveness because it's one, faster and two, slightly less complicated, or at least the rules are more clear. And so I really think that point needs to be emphasized. I do not think we would see the amount of attention or focus on Public Service Loan Forgiveness if we did not have broken other structures and systems here. I wanted to register. I don't know if this is statutory and if it is, I understand that. But especially given we just exited a global pandemic, it is confusing to me that we would be excluding workers at the W.H.O. and the U.N. and other folks that have been doing pandemic response work lately. That just strikes me as something that is a little. I'm sure the Department has other uses for that money, but this is something that to me, just given everything that folks have gone through over the past two almost two years, we would want to be encouraging employment at the W.H.O. We would want to be encouraging employment in other places that are doing that type of response work. So just registering that I personally, as long as it's not a statutory requirement, would suggest

the Department not go that far. Yeah. Okay, thank you. Heather, then yes. If it's not a statutory exclusion, I don't understand why we would want to draw that line, especially given the past two years.

MS. JEFFRIES: Thank you, Bethany, for that. Michaela, you are next.

MS. MARTIN: Yeah, I wanted to just clarify the concern from the Department about what you're saying is that you are worried that you'd have to check every individual every time if you opened up a larger definition? And I guess I guess I can just like if if that is what I'm understanding, like there are other programs that have systems that allow for both, right, where you could have your list of like, we know that these companies are doing this. So those ones would just kind of automatically qualify. And then if they're not on that, then checking. whether or not that employment counted or the work that they were doing, like you could do both, right, which would alleviate the administrative burden, I say this because I know like on Medi-Cal and they do that, you know, you have your pre-authorized folks and then you just have to get approved for that. And also certain social services have some programs for work that you're doing that are already in communication with that program. So I was just wondering if a system



similar to what those programs are doing could exist here and help alleviate that administrative burden.

MS. HONG: If we still have to make a determination on whether A, the employer qualifies, whether the employer is a public service, providing a public service, and then B, whether the work itself is public service, and I think we're for the the nonprofits, we're getting to it through the attestation. So, but for if we were to open it, open it up to for-profits, it would it would be an additional an additional hurdle. It would it would create more time on the processing and no doubt.

MS. MARTIN: But you could do both, have it an either/or?

MS. HONG: Do both in terms of I mean, yeah, I mean, we're having the conversation, we're open to this in terms of we want to balance streamline. And part of the problem is that borrowers have been in the queue and they want they want to know whether they're eligible. So what can we do on the regulatory side to ensure that the borrower knows, hey, that I qualify, I'm certain I qualify for this program. My employer qualifies and we can process the application as efficiently and effectively as possible so that those are the those are the issues that we're trying to balance here.

MS. JEFFRIES: Okay. Thank you, Jen. Jennifer. Jaye, you are up next.

MS. O'CONNELL: So nothing to do with my FFEL role, but I also do some work with the United Way and I was trying to look at this through the lens of some of the, you know, the housing and houselessness and looking at those types of that type of work and where does it really fit? So people who are working with the disadvantaged and working on transportation issues and working to make sure, you know, people can raise their economic standing. So I'm not clear, is that is it both the employer and the employment as drafted now that you're looking at or, is it an or? Not sure if that question is clear, but can you qualify by employer? Or by employment?

MS. JEFFRIES: Thank you, Jaye. If you want to put that question in the chat and then so we don't lose track of it and see if we can get an answer. Alright, Daniel, you are next.

MR. BARKOWITZ: So I want to respond to Jennifer's question about contractors in the institution of higher ed space. So I think it depends on the kind of contracting arrangement, Jennifer. So for example, I'll use two examples. One might be food service, where an institution would contract with an

outside provider to provide food services. In that situation, the the roster of who the employees are that are coming on a campus on a given day might not be available to the Central Administrative Office. So asking the institution to certify individual employment for full time employees provided through the food service contractor might be very difficult to manage for an institution or if so, even if it's a set set of employees, it wouldn't necessarily be H.R. that would be the central focus for that management. So that's one example. I use a second example of the space I know very well, which is financial aid services. So there are a number of institutions that contract with outside agencies to provide financial aid services for in lieu of hiring an office or having you know, those supports, and they may contract out part or all of those services. Those companies tend to be for-profit. A thought would be again, while I may be able to tell you the roster of who's working at my institution, if I were one of those institutions, I'm not. But if I were, I might not be able to certify they're full time. So we go back to the question of multiple employers with individual portions of certification that in total could match the 40 hours. I would go back and I forget if it was Jen or Bethany who said this or Jeri, but I would go back and just strongly

advocate for removing the for-profit distinction and letting students certify or borrowers state and certify that they are working and provide whatever evidence might be helpful, whether that's a W-2 or whatever. But let let the let the individual borrower be the arbiter of of I qualify under this particular type of public service. I could envision having on the form a list of the individual types of public service that we're spelling out and saying, I qualify because I provide services to individuals with disabilities, whatever it might be. Let them check it and then submit it that way. I think that would again get to the question of the role, more so necessarily than whether my employer is a for-profit provider or a not for-profit provider. Oh, and sorry, my last my very last point is and I put this in the chat I would love, not now, given that we're two minutes before a break, at some point, I'd love an update on where we are with processing on the PSLF temporary waiver that was announced last month. I'd love to know what progress the Department has made in that effort, could be an update at some later point in the week, but I'd love an update on that as well.

MS. JEFFRIES: Thank you, Daniel.

Alright, one last brief comment. Carol is in for proprietary institutions in place of Jessica. So we'll

take Carol's comments, then a couple of announcements and we will break for lunch, Carol.

DR. COLVIN: Thank you. I'd like to propose opening up eligibility for for profit service institutions to apply to be considered an eligible institution for the purpose of PSLF and to qualify the positions that would be eligible to remove the administrative burden from the Department. And to put that on the organizations that would like to be approved for that. Going back to Persis's point earlier, a lot of low-income student borrowers are not taking into consideration the for-profit or nonprofit status of an employer before they accept a position. And a lot of them have no idea which their employer would be. I think that by removing that administrative burden, I still know that there would be some follow-up that would have to be done by the Department. But placing that on the institution to justify the eligibility of not only the institution, but also the the employment positions that they have in place would be significant. And also, most of these institutions are heavily regulated by state, federal or industry organizations. So I think that them being in good standing and able to submit documentation to support that or allow for it to be directly updated on an annual basis or more often as needed, would assist in the

continuation of that approval and hopefully make it a little less cumbersome on the Department.

MS. JEFFRIES: So thank you, Carol. Alright, with that, we are at the 12 o'clock noon lunch break time. I will after lunch, you will pick back up on the same issue papers, four and five, and I need to let you know that Raj has informed us that he will have some limited information to share when you return from lunch. So we will kick off with Raj and then move back into this this topic. Okay? Have a great lunch.

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**Appendix**  
**Department of Education**  
**Office of Postsecondary Education**  
**Zoom Chat Transcript**  
**Affordability and Student Loans Committee**  
**Session 2, Day 2, Morning, November 2, 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 Emil Totonchi to Everyone:

Please reach out to me regarding any tech issues (private message, or etotonchi@fmcs.gov, or 312-502-1717)

From Emil - FMCS to Everyone:

Hi all, today please reach out to me regarding any tech issues (private message, or etotonchi@fmcs.gov, or 312-502-1717)

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

Josh will be swapping back in legal aid for the closed school discussion

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

OPEID?

From Will (A) FFEL Agencies to Everyone:

Office of Post Secondary Education (Department of ED)  
ID Number



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

Thanks.

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

Thanks Will

From Joe (P) - State Attorneys General to Everyone:

I have to drop and get back on on my laptop.

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

Ditto on Jessica's et. al. off site issue and Heather's consolidation etc... carve out

From Stan (A) Ind. Students to Everyone:

I will be stepping back and Michaela will jump in for Ind. Students.

From Michaela Martin to Everyone:

I am back at the table

From Jessica (P), Proprietary Schools to Everyone:

+1 to Daniel!

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

+1 thanks Daniel

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

Can we get a response on the number of closed institutions?

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

I have been working on a summary of school closures, merged to data from IPEDS (so some holes in the data) and can likely present it tomorrow

From Suzanne Martindale (A) state regulators to Everyone:

+1 josh

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

+1 to Josh RE ED recovery

From Michaela [P] Ind. Students to Everyone:

+1

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

+1 re: Josh

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

+1

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

Data showing the frequency with which ED is able to recover from closed schools and the amount it has recovered

From Brian - ED OGC to Everyone:

The GAO report on CSD has some stats: About 246,000 borrowers<sup>16</sup> were enrolled at 1,106 colleges that closed from 2010 through the end of 2020.<sup>17</sup>  
<https://www.gao.gov/assets/gao-21-105373.pdf>

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

+1 Jeri

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

+1 Jeri

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

Based on PEPs data alone, I see 18,323 individual

campus locations closed representing 5879 individual OPEIDs.

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

But I defer to Raj's analysis...

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

The GAO report is what I covered in my presentation in the first session (I think on October 5). I can discuss some of the differences in that report and what is available from public data tomorrow, but the GAO report will have better data on borrowers than what I will be able to bring in from public data.

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

Jen will be coming in for me.

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

+ Joe

From Heather (P) - Accrediting Agencies to Everyone:

Was there a definition in the GAO Report or elsewhere that may be helpful? Were the institutions that merged into another or were consolidated in some way considered "closed" for purposes of the data?

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

From Greg, A - Dependent to Everyone:

THANK YOU!

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

++++ 1

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

+1 Michaela

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

+1

From Joe; P, State AGs to Everyone:

+1 Jen - the solutions need to center on students

From Dixie (P) Dependent Students (Ella/She) to Everyone:

+1

From Greg, A - Dependent to Everyone:

+11111111

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

Centering students is the solution not just communication

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

Jeri is going back in

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

++++1

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

+1 Joe

From Joe; P, State AGs to Everyone:

Greg's question is a good one. Almost all information students get in a closure flow from the school.

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

+1 Greg

From Dixie (P) Dependent Students (Ella/She) to Everyone:

Is anyone going to answer Greg's question? LOL

From Joe; P, State AGs to Everyone:

I can give real-world examples of stacking if helpful

From Christina, she/her (A) 2-year public to Everyone:

one of the challenges is the regulation regarding being in an "eligible program" to receive federal aid which forces students who are preparing for nursing school to be in program they otherwise don't need

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

I will be stepping back to the table

From Joe; P, State AGs to Everyone:

Simplifying closed school discharge will also reduce administrative burden on borrower defense claims as fewer students will be forced to seek relief through borrower defense when a school closes.

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

+1 to Persis

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

+1 Persis

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

My alternate, Suzanne Martindale, will join to ask a question.

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

+1 Jeri

From Jessica (P), Proprietary Schools to Everyone:

My alternate, Carol, will sub in for the next topic.

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

At the last session, Jaye asked for some educational material related to interest capitalization. I can talk today about the basics of interest of capitalization and give some examples, if that is helpful. I can also provide some modelling of various scenarios, if there are any that are points of contention or discussion. However, there is not data available (at least to me) that allows me to look at the underlying distribution of borrowers and the various interest capitalization events they face.

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

Is there a possibility of getting an update as to the status of processing the PSLF Temporary waivers?

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

When the timing is right, I'd like to hear from Raj.

From Dixie (P) Dependent Students (Ella/She) to Everyone:

Data request for Raj: Could you find data on how effective the methods and practices of communications are (by accrediting agencies + institutions) during a school closure. Or if there's data on how students feel during a school closing I'd like to hear about that data too :)

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

My alternate, Suzanne Martindale, will step in for this section.

From Suzanne Martindale (A) state regulators to Everyone:

I will sub in for this section for state regulators

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

+1

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

+1 Bobby

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

<https://provost.uga.edu/policies/academic-affairs-policy-manual/1-09-appointment-procedures/#p-1-09-9>

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

I can provide some language

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

+1 to Suzanne

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

+ 1 Suzanne

From Suzanne Martindale (A) state regulators to Everyone:

<https://protectborrowers.org/wp-content/uploads/2021/10/2021.10.29-Neg-Reg-Memo-re-Fixing-PSLF.pdf>

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

+1 to Heahter

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

\*Heather

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

Great suggestion Heather +1!

From Suzanne Martindale (A) state regulators to Everyone:

+1 Persis

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

+1 Persis

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

+1 Persis

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

+1 Persis

From Heather - PSLF Advisor to Everyone:

+1

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

+1 Persis

From Heather - PSLF Advisor to Everyone:

+1 Jeri

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

+1 Jeri

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

+1 Jeri!

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

+1 Jeri

From Heather - PSLF Advisor to Everyone:

The statute says "full-time" but does not further  
define what that means.

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



+1 Justin

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

In the context of Medicaid, yes:

<https://www.gao.gov/products/gao-21-410t>

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

+ SNAP

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

"In addition, 90 percent of wage-earning adults participating in each program worked in the private sector (compared to 81 percent of nonparticipants)."

From Joe; P, State AGs to Everyone:

examples of healthcare workers working for for-profit entities: <https://s27147.pcdn.co/wp-content/uploads/Policy-Brief-Temping-Out-Federal-Government-6-19.pdf>

From Heather - PSLF Advisor to Everyone:

WHO is not excluded by statute

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

+1 Bethany!

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

Great point Michaela!

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

But isn't part of the issue now that there are borrowers who KNOW they qualify and are still getting denied? I'm not sure how this resolves this issue.

From Michaela [P] Ind. Students to Everyone:

Yes

From Heather - PSLF Advisor to Everyone:

+1 Marjorie

From Joe; P, State AGs to Everyone:

Does the Bureau of Labor Statistics have data that would be helpful in defining "public service job"?

From Heather - PSLF Advisor to Everyone:

Historically, ED has only required attestation of the job duties of borrowers NOT employed by c3s or governments.

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

@Joe, this is why I suggested the CIP-SOC codes. SOC is from BLS

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

Is there a reason why Misty's suggestion could not be used?

From Jaye (P) - FFEL agencies to Everyone:

Can the borrower qualify for PSLF discharge based on employer or employment - or is this "both/and"? For borrowers working in housing, food insecurity and improving economic standards for low income covered within this list of employers, or do they qualify as long as the employer is a 501(c)(3), for example.