

DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION
NEGOTIATED RULEMAKING
STUDENT DEBT RELIEF COMMITTEE
SESSION 3, DAY 1, AFTERNOON
December 11, 2023

On the 11th day of December, 2023, the following meeting was held virtually, from 1:00 p.m. to 4:00 p.m.

P R O C E E D I N G S

MS. JEFFRIES: Welcome back. I'm Cindy Jeffries from FMCS. I'll be the facilitator in the set for this afternoon's session. So I hope you all had a good lunch. We- I'm going to turn it- be turning it over to Tamy, the lead negotiator for the Department of Education to give us some direction and a brief outline of where we're going this afternoon. Tamy?

MS. ABERNATHY: Thank you, Cindy. I'd like to take a few minutes to reset our focus for this afternoon. We heard a lot about what we said- what was said this morning, and it seems to us that you want to talk about this as an overall solution to student debt that combines all these items together. But these are distinct and separate stand alone provisions that propose to provide relief to different groups of borrowers within each section. In some section, that means full cancellation. In others, it means addressing negative amortization. When we seek consensus on these sections, we're looking for whether or not the Department should provide relief to the borrowers captured in that section in the manner that we are proposing. Expressing dissent from a given section is saying you do not want the Department to pursue the relief we are proposing in that section. Expressing neutrality or approval of a section

is not telling us that you do not want other forms of relief for other groups of borrowers not represented in that section. We will be having a hardship discussion tomorrow, and we will be hearing the ideas that you are presenting tomorrow. Forgive me. My screen is frozen. We wanted to put the hardship discussion at the end to ensure that we had time to hear your feedback on the regulatory text that we've provided you. We are committed to providing student loan borrowers with meaningful relief where we can. We have provided regulatory text that would provide relief to many borrowers in many different categories, and we believe we are negotiating in good faith by incorporating many of your suggestions. Just because we are not accepting every edit does not mean we are not committed to providing much needed relief to our borrowers. And a few other things to remember, we are talking about the regulatory text. When we write the preamble, we are able to add additional clarity. So for example, on section 30.85, our first goal is to get borrowers access to the statutory loan forgiveness opportunities available to them. That's why we have already taken steps to encourage automation within those regulations. But we see this provision as providing an additional way to catch them if those efforts still fall through the cracks. And if we reach consensus on a given

section, then we share a copy of that portion of the preamble with you, the committee, prior to that publication. At this point, Cindy, I'll turn it back over to you. You're on mute.

MS. JEFFRIES: Sorry. I didn't even look for my button. John, do you have a clarifying question?

MR. WHITELAW: Well, not so much a question as a comment, and you can tell me, can I do it now, or should I wait? It's about a response to what Tamy just said.

MS. JEFFRIES: Okay.

MR. WHITELAW: Again, I, you know, now- what, or-

MS. JEFFRIES: Yep. No. We don't want to- we're not trying to stifle anything.

MR. WHITELAW: No, that's why I'm asking.

MS. JEFFRIES: Go right ahead. Go right ahead, John.

MR. WHITELAW: I just want to take issue with how the Department frame this. I- you know, I understand why they want us to vote individually on each narrow provision without taking into account the big picture. But I think that that is not necessarily how

those of us who are sitting here voting, either, a, need to behave, b, should behave, or, c, have to behave. I mean, I think it's one of these things where I think it is legitimate to say, I am- my comfort level with a particular provision turns on information that we don't have and other provisions that have not yet been fully fleshed out. So I certainly understand the Department's position that you need- that we're supposed to look at these narrowly, but I think it's not that simple. And I do think it is appropriate, for those of us who are advocating for our constituencies to take a different framing of that. And I just wanted to sort of again, certainly, the Department is entitled to have its view on how we should look at these, but I would like to set an alternative view that it is not as simple as we have to look at these in narrow isolation when it's- in the real world, it's- you can't do that. We can't do that. We can't do that. Our constituencies can't afford us to do that.

MS. JEFFRIES: Thank you, John.

Alright. Hello? You have your hand up.

DR. BISHOP: Yep. I have a clarifying question for Tamy. So, I- if I understood correctly, I heard you encourage the negotiators to consider the regulatory text both for who's being offered relief and

then the manner in which the Department is going about offering that relief. But then I thought I heard you say that if we vote down, where the vote down would mean that we don't believe, particular groups should get relief. And I'm wondering- I guess I'm wondering, is there a way for us- our vote down to say, not only to not exclusively say that we don't want that group to, to, be excluded from relief, and instead say, we may be completely okay with the groups that are being targeted under the regulatory text, but take issue by the manner in which they're being targeted or the manner in which that targeting is excluding other groups, other distressed borrowers who are in need of relief. So I just wanted to clarify what a- what a thumbs down means, because I think there's some nuance there that I may have misheard or, wasn't clear to me.

MS. ABERNATHY: We will be happy to respond to that in just a little bit. We will need to make sure that our framing further clarifies your questions. So, can we circle back to that in just a bit? Thank you.

MS. JEFFRIES: Alright. Kyra?

MS. TAYLOR: I just want to join on to what Jalil said in that thumbs down is commenting on the regulatory text itself, not the motivation, or the group

of borrowers. I think a legitimate reason to disagree with the text may be that the text just doesn't go far enough. So we could agree with what is motivating the Department, or agree with providing relief to that population of borrowers, but want it to meet significantly broader. I think if it means something else, then we should- we should have restructured how we were voting on this in the first place, or perhaps done temperature checks earlier on.

MS. ABERNATHY: So we think of a downvote is because you don't like the text in that respective section, not that you want a different text in a different section. So, that's our view of what a downvote is from you. These regulatory provisions are not meant to catch all. They are- you know, they are narrower in some regards, and we understand that you guys want a lot broader, forgiveness provisions and waiver for certain things. But our intent was to keep these respective sections narrow and make sure that that impact for that particular group of individuals receives that benefit.

MS. JEFFRIES: Thank you, Tamy. Thank you, Kyra. Okay. seeing no further hands, we do have an agenda change for this afternoon. We're going to be covering sections 30.86, 87, and 88 this afternoon. In

respect to sections 30.83, the Department will be sending some text out this evening that FMCS will promptly distribute to you for review. So 30.83 will be moved to discussion for tomorrow, as well as the hardship discussion. Jessica?

MS. RANUCCI: Yeah. I was wondering if Tamy or someone else at the Department could just give us anything about what's coming in 30.83 because I think that, you know, I have some concerns about that provision, and I have regulatory text drafted to send to you, but I wanted to hear you out. But if I'm not going to get a chance to hear you out today, then I don't really know- like, I just feel like we're running out of time and I'm not sure that we could do that in the last, you know, what, you know, two hours? But if you could maybe just even without reg text, describe what's coming, that might help guide my limited hours tonight.

MS. JEFFRIES: I'm not- I'm not sure they're going to have an immediate response to- oh, go ahead, Tamy.

MS. ABERNATHY: We are looking at clarifying how consolidation gets treated, Jessica. So I would recommend that despite us not going through 30.83 today, if you did have recommended text to please send it to us as we look at that later this afternoon and

circulate that to you guys this evening, we'll be better positioned to take a look at it holistically, and you may provide some additional clarification that we're seeking as well. So if you would be so kind as to get that to us anyway separate from the discussion, we are happy to take a look at that, and then we will circle back sometime this evening with 30.83, for you guys to look at in preparation for our discussion tomorrow. Would that be okay, Jessica?

MS. RANUCCI: Yeah. That's fine. As, as you know, I'm all about clarifying the consolidation thing. I think it's really important. If I'm understanding you correctly and that the, the point of the revisions is really just about consolidation. I do think that it might be productive to have a discussion today to allow some of us to raise some other issues to the Department even just at a conceptual level without regulatory text, so that you wouldn't be getting those proposals in a, in a vacuum, if we have time.

MS. ABERNATHY: We will, if we have time, Jessica, entertain that idea. So thanks for that suggestion. I just don't know where we're going to be today. So, stay tuned. If we can get to it, we certainly will do that today. Thanks so much.

MS. JEFFRIES: Okay. Seeing no further

hands, let's move on to 30.86. I do want to remind you that, you know, I've been reading the text and I see the chats and, you know, I'm hearing the statements that things just don't go far enough or it's too broad. The more details that you can give the Department and what it is that you feel is lacking, the better they can look at things and review. Okay. So, forgive me if I press you this afternoon a little bit more for details on your comments, but, trying to get as much information to the Department as we possibly can, okay, for their consideration before tomorrow. So with that, Tamy, I'm going to turn it over to you for 30.86.

MS. ABERNATHY: Thank you, Cindy. I want to make sure that the screen sharers have got the text up on the screen. This is an area where we have made a number of changes. In 30.- in section 30.86, where appropriate, we incorporated your suggestions. The big picture is that the proposed reg text does two things. One, captures situations where the Secretary terminates Federal Aid access going forward for a program or institution that fails measures of student outcomes as required under the Higher Education Act or its implementing regulations. And two, capture situation where the- situations where the Secretary terminates Federal Aid access going forward for schools or programs

because they did not provide sufficient financial value to students. In section 30.86, you will see we captured the broader set of circumstances that we think are appropriate here. There are situations where the Secretary has taken formal action to cut off aid going forward, and in paragraph A, we lay out those kinds of circumstances. This is conceptually similar to what negotiators suggested in their language, but we did not take all the ideas in that text. The suggested language basically included any circumstances of loss of Title IV eligibility, but we do not think that is appropriate. For instance, an institution that loses Title IV eligibility solely due to institutional financial concerns would not be appropriate to capture here. I want to highlight two things here. One, by saying the Secretary issued a final decision that terminated, denied participation, etcetera, captures the idea that these actions occurred after the exhaustion of any appeal options by the school. So if the Secretary announces an action and the school challenges, this proposed paragraph would not apply until the appeal is exhausted, and if the appeal is ultimately determined in favor of the school, this text does not apply. And two, this language does not create liabilities to be assessed against the school as we noted last session. As such, institutions would not be subject to any attempt to

repay these funds under this provision. You will see in paragraph one, we capture failures of student outcomes measures. This includes things like cohort default rate and gainful employment measures. It does not include things like financial responsibility scores or 90/10. I note here that this requires the program or institution to fail enough times to lose access to aid as described in paragraph A. Paragraph two is other actions. Again, we see these as needing to relate back to the financial value of what students received. In advance of the meeting, we received amendatory text changes for 30.86 from Jessica. We respectfully ask FMCS to turn this over to Jessica to briefly discuss her changes with the committee.

MS. RANUCCI: Hi. So I submitted, like, in some ways what was a pretty technical amendment to 86 and it's the theme for, I think, 87 or 88, so I'll just say it once. But, basically, those of you who are familiar with PSLF may know that there was- there's been, like a- historically, like, a lot of, stakes as to if a borrower consolidates their loans. And for PSLF, some borrowers who, you know, potentially could have been eligible had they not consolidated, consolidated, and then lost some or part of their eligibility. And, basically, I wanted to submit a proposal that made sure

that whether or not a borrower consolidated their loans basically, like, didn't matter for the purposes of these relief provision- provisions so that, you know, just like in the most simple way, like, if a borrower has one loan where they would get the waiver and one loan where they wouldn't get the waiver, if they didn't consolidate, they'd get the waiver for the one and not the other. If they did consolidate, they would get the waiver for the portion attributable to the one and not the other. Basically, that is to say, consolidate or don't consolidate, it shouldn't change your availability or entitlement to relief.

MS. JEFFRIES: Okay. Thank you, Jessica. Anything further, Tamy or Jessica, before we, turn to the committee for a temperature check and discussion on this?

MS. ABERNATHY: Yes. We wanted to mention that we agree with these edits, and I'd like the screen sharers to share the text that includes these edits in section 30.86 so that this is the complete regulatory text we would like FMCS to ask for a temperature check on.

MS. JEFFRIES: Okay. Did you want to walk through that, or is there- can we take the screen share down? Okay. Alright. Thank you. So is everyone

clear on what the temperature check will be? It will be the regulatory text, including the amendments that the Department, took from Jessica's submission. Okay. So if I could please see a show of thumbs. Jessica, you had a question before we go on?

MS. RANUCCI: I'm sorry, are we at the point where we can do clarify and questions now?

MS. JEFFRIES: Sure. Absolutely. Go right ahead.

MS. RANUCCI: Thank you. So Tamy, could you just talk through how this would apply to a school that loses accreditation and then the loss of IV stemming from accredit- sorry, so then loses Title IV stemming from their loss of accreditation. Would that be covered by this or not? Or would it depend on what the loss of accreditation was for?

MS. ABERNATHY: Yeah, I'm going to ask one of my colleagues to jump in. Ben, do you have a response to this question? If not, we can circle back, Jessica.

MR. MILLER: The- the sheer year loss of accreditation wouldn't just trigger that. Right? So, obviously, there's a lot of accreditors that revoke accreditation for reasons just solely due to finances. I think that we would want to look at the reason behind the

loss of accreditation then build it into the Department action. So, you know, if you think there's a way to capture that, we're happy to look at that. But basically, we didn't want to capture was, you know, we know there are some, you know, small colleges that are just in financially dire straits. They close. There's no record of sort of problems where they provide to students. And so that is the concept we are trying to, narrow and then focusing on here.

MS. ABERNATHY: And also, there needs to be a demonstration that students didn't receive sufficient financial value.

MS. RANUCCI: Right. I guess what I'm trying to figure out is- I'm like, this is, like, way outside of my expertise. I'm sorry. But, like, you know, formally, my understanding is if the institute, let's just say institutional accreditation grant, if the institution loses its institutional accreditation, the loss of Title IV, the like, formal basis for that action would be the loss of accreditation itself. And so I guess my question is, like, does this reg give the Department the flexibility to, like, sort of look under the curtain of the loss of accreditation and say, okay, that loss of accreditation really was for one of the things here. So, like, we're going to sort of count the- the sort of loss

of Title IV due to loss of accreditation as being under this language, or would it, like, automatically be excluded from this if the technical reason for the loss of Title IV was the loss of accreditation.

MS. ABERNATHY: We're going to take that back. We may have to get back with you tomorrow. So don't- please put that in the chat so that we can capture that and get back to you, Jessica. Thanks so much.

MS. JEFFRIES: Okay. Angelika, you have a question?

MR. WILLIAMS: Yes. My comment was to somewhat piggyback off of Jessica. In some cases, are there a loss of accreditation where the institution goes on heightened cash monitoring? Also known as- also known as HCM1 or 2. And I would say that would be in correlation to what a projected revision would stand in this particular case because there are- there are some accreditation factors where the Department will automatically place the institution on heightened cash monitoring.

MS. ABERNATHY: Angelika, please forgive me. I was multitasking. I need you to repeat your question. I'm sorry. I got half of it, and I didn't get the first half of it, so I'm sorry.

MR. WILLIAMS: No problem. Are there

some accreditation issues where the Department will automatically place the institution on heightened cash monitoring?

MS. ABERNATHY: So, heightened cash monitoring alone is not enough to trigger this particular section, so I hope that answers your question. If it doesn't, stick it in the chat, and we'll try to circle back and get you a better answer on that.

MS. JEFFRIES: Jessica?

MS. RANUCCI: Thanks. I was wondering whether someone could talk through the reasons behind requiring the decision to be final is including the resolution of any appeals. In my view, I would- I would understand the basis where there are recruitment, but since there's no recruitment here that I can see, you know, it seemed to me that the Secretary certainly doesn't take steps to terminate Title IV lightly, and I'm- I'm not sure what the- I think there's a lot of loss to students of waiting for the resolution of the appeal because it would delay it, but maybe I'm missing something.

MS. JEFFRIES: Jessica, it doesn't appear as though they can answer that right offhand here. If you could also put that in the chat. I also want- I also want to bring to your attention just for-

MS. ABERNATHY: Cindy?

MS. JEFFRIES: Yeah.

MS. ABERNATHY: Ben is going to take that one.

MS. JEFFRIES: Oh, okay, Ben. Thanks.

MS. ABERNATHY: If he didn't freeze up.

MR. MILLER: Sorry. I'm back. So the idea here is we see situations where we cut off borrowing for student- for students going forward at a given school or program because we have significant concerns about that school or program. And in the meantime, the various students whose outcome measures or experiences may have formed the basis or evidence for that termination under current structure are basically kind of left to possibly get a Borrower Defense claim, but beyond that are not really otherwise automatically picked up. And so we see this as coming behind after that borrower has been terminated going forward to provide that relief. And so our concern is if it's not a sustained termination action, we are not in fact cutting off the borrowing going forward, and so we're- we don't think that that would be a place where we would pick this up. But that's kind of the concept is to say, if we cut off the loans going forward, we want to provide a way to help the borrowers that were basically captured during that period

of work that justified that cutting off action.

MS. RANUCCI: Right. Again, this is outside of my wheelhouse, but, like, my- someone may know more than me, but my understanding is that, you know, often those appeals drag on for a really long time and that the aid wouldn't often be dispersed in the interim, and so- but maybe I'm wrong about that. But the- anyway, that, like, borrowers could be waiting years and years to sort of know whether or not they apply and sort of whether or not- you know, appeals can get denied for all sorts of reasons that, like, really have nothing to do with the merits here. And so I think, like, I hear what you're saying. If the appeals process was in one day, I think I would, like, totally conceptually agree with you, but I think I would want to know- you know, have like- a little more about how this, like, plays out in reality because I just imagine borrowers might get- it gets stuck for years, and sort of whether or not the appeal turns out a certain way doesn't necessarily always implicate the, like, evidence and reason to judgment that the Department used in the first place to make a decision that I think is, like, you know, a really significant and serious decision that the Department takes seriously.

MR. MILLER: So, I mean, the appeals vary in time and depending upon the reason for what

you're talking about. I mean, there are some schools that will fight it and some that will not. As well as keep in mind that the appeals around, say, like, CDR are more clearly prescribed and sort of more, [inaudible] or, like, straightforward as compared to, like, sort of the essentially legal proceedings that entail a termination action. So I think that there is a variation there in terms of how long they take and what they look like there. But the other thing I would just note is, you know, our goal with this one is not to have it be an application-based waiver, but rather to look at, you know, we know what- where borrowers borrowed and we know at the time of the period they were borrowing. So we're not viewing this as a apply-type approach.

MS. RANUCCI: Right. I understand. I think- I think we might have a slight point of disagreement, but I think I understand your position, and I guess I would just maybe say that in my view, that would maybe be better to the Secretary's discretion in the future rather than to, like, put that limitation on the Secretary's discretion in the rule.

MS. JEFFRIES: Alright. Thank you, Jessica. Ashley, clarifying question?

MS. PIZZUTI: Yes. What about those accreditations that have acted in bad faith in the past

like ACICS and those schools that kind of fall under their accreditation that have either closed or changed accreditation. Again, with the appeals process and the length of it, I know from experience from Borrower Defense. I know you said that there's not an application process, but we can see just from the backlog and the years and years and years that folks have been waiting for Borrower Defense. Are these loans- you know, if this is an automatic system, are they going to be put into forbearance while the appeals process goes on? Are the borrowers going to be notified that this might affect their credit? It just feels like there's a lot of missing language that kind of defines these other things.

MR. MILLER: We're happy to take language if you think there's things that are missing with regard to those pieces, and we're happy to take a look at them.

MS. JEFFRIES: Thank you. Jessica.

MS. RANUCCI: Thanks. I know I'm technically not supposed to do this right now, but, I just want to say thank you for including this. I know that we're really only supposed to have clarifying questions, but this is a brand new provision. And I just wanted to say that, I know I'm asking a bunch of questions, but I really appreciate you hearing from the

committee that this was important and that you putting out language there, and I think it really has the potential to help a lot of people. And so, thanks.

MS. JEFFRIES: Thanks, Jessica.

Kathleen?

MS. DWYER: Yes. I agree with a lot of the text that's here. Just wanted to ask a clarifying question again around sufficient financial value in part two. So is there a regulatory definition of providing sufficient financial value? I noticed this doesn't link over to gainful employment like some of the other text does. So I just wanted to know, does the Department have a specific definition of that that they're referring to, that schools could understand and follow here?

MR. MILLER: Sure. So on the- on the school side, you know, I think part of what we are saying here is that we view the process and proceedings with respect to the school as being separate from the process and proceedings here. That's partially why we've got that piece about the exhaustion of any appeals and the part about liability because we see this as sort of running separate from that. But, basically, the- you know, the first paragraph or I guess not the first one, but the paragraph that talks about student outcomes measures would pick up CDR or gainful employment, where again,

those have hit the point where the Secretary has taken the termination action. So, it wouldn't just be like a single failure if the program stays in. And then with regard to sort of the other category, we think that is something that would come up in the actual termination action. So, you know, when we deny recertification or things of that nature, we explain to the school why we took that action, and so we will be looking at that type of question as we- in terms of what the underlying rationale for why we did the thing we did. But again, that's partially why we have this language about saying this follows after sort of the administrative proceedings with respect to this quarter done and there's not liability for the school.

MS. JEFFRIES: Okay. Thank you.

Jessica?

MS. RANUCCI: Yeah, can I just clarify? Because I think that this was part of the proposal that I put in. I think the idea is, in my mind in, like, very simple terms. Like, what happens once the school can no longer give Title IV Aid, what happens to the students who were at that school? I think that's the question, and I think, this sort of- there are lots of complicated questions about what happens before a no longer has access to Title IV Aid, and I think that this is really

not to meant to answer those, but just to the what happens after.

MS. JEFFRIES: Thanks for that clarification, Jessica. Alright. Seeing no further hands, let's go ahead and take a temperature check on 30.86. Could I see your thumbs, please? Okay. I'm not seeing any thumbs down. Am I missing something? Okay. Alright. So, we can open this up for further discussion if you'd like, at this point, as we did this morning. Is there anything anyone would like to let the Department know, share with the Department, ideas, suggestions, concerns on 30.86? Okay. Alright. Sounds good. Let's move to 30.87, Tamy.

MS. ABERNATHY: Yes. If my screen sharers would get the text up. This is waiver following a closure. In section 30.87, we're capturing a similar idea, but it is a more limited situation. Here, we are trying to get at circumstances where a program or institution has failed an outcome measure in a way similar to how it's captured in the section 30.86, paragraph (a)(1). The difference is that we have seen in the has that some institutions or programs will fail a measure once and then choose to close. In those situations, there will not be additional years of data to make a judgment about student outcomes. Therefore, since that program or institution has closed following that

failure, we think- we think it is fair that the Secretary- to reasonably infer the program or institution did not provide sufficient financial value to students and therefore warrants providing relief to the borrower. Again, it is important to note that this only includes programs or institutions that close. And, again, we incorporated reg text from Jessica, the same reg text that she spoke to before. So I just ask that the team share the appropriate reg text that references Jessica's edits, and I'll turn it back to you, Cindy.

MS. JEFFRIES: Alright. Thank you. Is- there we go. So this has the appropriate edits from the things that the Department did adapt from Jessica's proposal that she sent in. That would be inclusive in the temperature check when we do it for 30.87. Okay. Thank you. See, you read my mind. I don't even have say. Thanks. Alright. So, I will open it up for clarifying questions prior to the temperature check. Jessica?

MS. RANUCCI: Sorry. I don't mean to sound repetitive. I actually think this is a different question here. Could you explain what final determination means here? Because I don't actually think these are the kind of determinations that could be appealed. Right?

MR. MILLER: We wanted to capture here where the outcomes measures are final. So a couple of

them have the ability to be appealed, But, it's a little different than, yes, you're correct about the, like, you know, we issue a perm review saying we intended to deny recertification, and then it needs to go through, but we're just trying to indicate that the- you know, a good example would be like say you failed the court default rate one year, but not high enough to hit that 40% threshold, you decide to close, we want to use this sort of absence of future data to catch you there, but the idea would be that it would have to be our sort of final read of this is what your court default rate is.

MS. JEFFRIES: Okay. Thank you, Ben. Any other clarifying questions before the temperature check? Alright. Seeing no hands, let's go ahead and take a temperature check on 30.87. Can I see your thumbs, please? Okay. I'm not seeing any thumbs down. Alright. Let's open it up for discussion. Jessica?

MS. RANUCCI: Thanks, just on that same issue, I think- you know, I think you understood those phrases. I did have questions, but I think, you know, through our back and forth, I think you understood on 86 that I would- substantively, I do not think that there's a reason to necessarily wait for the resolution of any appeals and certainly not to take away the discretion of the Secretary to decide in the future that the Secretary

doesn't need to wait for the resolution of appeal, so I think I would- I would, in 86, want to take that- the term final out of the [inaudible] or out of the proposed reg for substantive reasons. Here, I just- I'm not sure that it- I think it's just confusing as to what is a final termination, and so I think I would maybe suggest striking the word final just for clarity's sake. I think it would just be a determination by the Secretary, and again, the Secretary would obviously maintain the discretion to make that determination at any point. It says that the Secretary may waive the balance. So, I think it would come out of both, but for different reasons.

MS. JEFFRIES: Thank you. Irma, did you capture that, or did you want that dropped in the chat as an idea? Got it? Okay. Okay. Alright. Great. Scott Buchanan.

MR. BUCHANAN: Yeah, I would just offer- I know this is sort of- we have some slightly changed language in front of us, but- and I think we're going to have to look at that in terms of implementation and how that would actually work. With a lot of these things, I do want to emphasize that sort of the complexity that's being overlaid here is something the Department's going to have to strongly consider about how

they fund and implement, because some of these new additions, particularly, will be very challenging operationally. And will require a lot of time, absent significant resources. So anyway, we're going to have to- we'll take a look at that and provide any other feedback we can, since we're seeing the language just right now, so I can't give any sort of detailed analysis about that, but that's something that needs to be considered.

MS. JEFFRIES: Thank you, Scott.

Appreciate that. Jessica?

MS. RANUCCI: Yeah, Scott, I'm not sure if that was directed at the consolidation language in particular or this provision in general, but I think as to the consolidation language, it's just- it's- it's just copied and pasted from what was already in, I think, proposed 30.85 (b), and I think it wouldn't really involve the treatment of consolidation loans any differently than, for example, you do right now with closed school discharge or false certification discharge where you just sort of look under- you know, under the hood of the consolidation loan to see the underlying loan and then apply. I mean, I'm not a servicer. I'm sure it's complicated. You know, it's not like you just press a button on a computer, but I think it's not something that's categorically different than what the Department

already does in a lot of other respects.

MS. JEFFRIES: Thanks, Jessica. Tamy?

MS. ABERNATHY: Jessica, we would be interested if you so choose to go into a caucus to discuss, 30.86. We do have some time, so if that's something that you think would be beneficial, we'd be happy to go ahead and go into a caucus with you.

MS. RANUCCI: Sure. Thank you.

MS. ABERNATHY: At some point, it doesn't even have to be right now, but that would be something that we'd be interested in doing if you would so like.

MS. RANUCCI: Yeah. Yeah. I'd be happy to. Thanks.

MS. JEFFRIES: Okay. So, you tell me when you want to do that caucus. We've- I don't see any more hands on 30.87. We can do it now before we move, or we could cover the next section.

MS. ABERNATHY: Let's cover the next session.

MS. JEFFRIES: Okay.

MS. ABERNATHY: Section, Cindy, and then we can go-

MS. JEFFRIES: Okay.

MS. ABERNATHY: We'll couple it with

the break.

MS. JEFFRIES: That's what I was going to- that's what I was going to say. We only got one more.

MS. ABERNATHY: Great minds think alike, right?

MS. JEFFRIES: Right. Right. Alright. So let's move on to section 30.88 and let me turn it over to Tamy for the walk-through on that.

MS. ABERNATHY: Alright. Screen sharers, get that screen up for us. 30.88. Great. This is an area where we indicated at the last session that we would be providing updated text. The goal of this section is to capture programs or institutions that have had poor debt to earnings rates or provide graduates with insufficient earnings as they closed. The difference with this section is that these are going to be programs that did not have official rates and then closed. That would be captured under section 30.87. Rather, we know that many institutions over time have shifted their programmatic offerings as they have seen data come out of- come out about their performance. So we want to give relief to borrowers when we have data showing the financial returns to students who were insufficient and then the program- program or school closed. I want to reiterate that point. The program or school has to have

closed. This is not about open schools. Because this is not a situation where there would be official rates indicating a program's results on these measures, we've crafted regulatory text that explains how we would measure debt to earnings rates and an earnings premium test. This text reflects the data we have available and also so various limitations that were in place when these data were run. For instance, we are proposing to not include certain medical or dental programs in this calculation because those would have had their earnings evaluated after a longer time in repayment, and we do not have those data. We have adjusted the proposed language in paragraph (a)(2) to better clarify this exception. I also want to draw your attention to paragraph (c) of this section, which introduces an additional concept. The goal of this paragraph is to provide relief to borrowers who attended closed colleges where the majority of Federal Aid volume was associated with programs that failed to meet the standards laid out here. We would apply this to borrowers who attended programs where we didn't have the data to evaluate whether their program passed or failed. The idea is that if the college overall had a majority of its aid in failing programs enclosed, that the Secretary can reasonably infer the program did not provide sufficient financial value to students, and borrowers

should not have to bear the consequences of that fact that we do not have the data on their program. Again, Jessica provided the same text that she provided, for all the other sections. And so we're not going to ask her to go ahead and go over that again, but that speaks to the additional reg text that you see regarding the consolidation piece. I'll turn it over to you, Cindy.

MS. JEFFRIES: Okay. Thank you, Tamy. Kyra.

MS. TAYLOR: I just have one clarifying question, and I think these are all great additions. I'm really excited to see them. In (c)(3), the Department notes that it will provide relief if the conditions described in paragraph- paragraph (a)(3) are met, but the Department doesn't have reliable data. What data would the Department rely upon then? Because it might be better to clarify that language.

MR. MILLER: So, yeah. So the issue here is, you know, the size of programs at colleges vary substantially. So there are many that are too small to have enough data to evaluate their debt to earnings rates or their earnings premium. And so what we're trying to say is, if you've got a school where the majority of the programs where we did have data failed, and the school closed that we would draw the inference that were- had we

been able to get data on that program, like, had it been big enough, it's likely that it would have failed. And so that's what we're trying to pick up there. It's basically to sort of address what do we do in a situation where we know a majority of the students failed, but we have these smaller programs where we don't have data. So, it's like how- it's say how we want to fill in the data gaps, basically.

MS. JEFFRIES: Okay. Thank you, Ben. Just before I call on you, Jessica, I do want to announce that Sarah Butts is now at the table in place of Sherri Gammage for four-year student loan borrowers. Welcome, Sarah. Jessica?

MS. RANUCCI: Yeah, I think I had the same question and I think maybe, Ben, based on your answer, the Department might consider saying something like does not have detailed data or sufficiently detailed data or the requisite data or some- I- it's just there's a- there's a negative inference that somehow the data is unreliable that I don't think was reflected in your answer. And I have a similar, like, very minor question here. On (a)(3), it says for the period in which the borrower receives loans for enrollment and the program, the Secretary has reliable data, blah blah blah blah. I think that that could be read as like requiring

some, like, borrower by borrower analysis of, like, their whole attendance period, and I assume that's not what you meant. I assume you meant if- you know, if the borrower was attending during a period in which you have data. So if I'm correct, I think possibly it could just be fixed really easily by saying for any period in which the borrower received loans or like that, but it- you're welcome to clarify if I misunderstand.

MS. JEFFRIES: I'm not seeing where Tamy went.

MS. ABERNATHY: Oh, I'm here.

MS. JEFFRIES: Oh, there you are. You moved over there. Okay. Alright. Good.

MS. ABERNATHY: If I'm lost, don't find me.

MS. JEFFRIES: No. I think, you know, that there are some- well, I know that there are some people having difficulties today with Internet service, and it's been freezing up, and then they blank off the screen for just a second. So, I lost you there just for a minute, Tamy. Alright. So, I don't know if the Department had a response to that if Jessica was understanding that correctly or not.

MS. ABERNATHY: Yeah. One of the things we'll do, Jessica, is we will- we will look at this. And

what we do not adjust in the regs, because we do not regulate the Secretary's actions, we can address in the preamble to provide additional and further clarification. So, go ahead and make sure that that is in the chat so that we can capture that concern, and then we can kind of address this a little bit more in detail in the preamble.

MS. JEFFRIES: Thank you, Tamy.

MS. ABERNATHY: Yes, ma'am.

MS. JEFFRIES: Any further questions before we take the temperature check? You want to say- I see Benjamin Lee. You came in, in place of Scott Buchanan. Correct? Alright, great. Welcome. Alright. Let's go ahead and see the temperature, the thumbs for your temperature check on 30.88. John, you're wiggling yours. Okay. Alright. Great. Thank you. I'm not seeing any thumbs down. So, we can open it up for further discussion, if anyone has anything they'd like to ask- add at this point for 30.88? Okay. So, why don't we go ahead and set up the caucus that was asked for by the Department with Jessica?

MS. ABERNATHY: Yes. Cindy, would you please put in me, Ben, Soren, Brian Siegel, Genevieve, Toby, and Jessica in the caucus? And then we'll have a slight break after that caucus.

MS. JEFFRIES: Okay. Do you have any

idea on the length of the caucus so that the rest of the people can plan accordingly?

MS. ABERNATHY: Let's do the caucus for 10 minutes.

MS. JEFFRIES: Oh, okay.

MS. ABERNATHY: I think we can cover it then.

MS. JEFFRIES: Alright. And I can always check-in and let people know. So, alright. So I have Ben, Soren, Brian Siegel, Genevieve, Toby, and Jessica, and yourself. Right?

MS. ABERNATHY: Yes, ma'am. Thank you.

MS. JEFFRIES: Okay. Alright. We can go ahead and go off the live stream, and we will get people moved to that room. Okay, we are back live and appreciate it. Everyone is back. There were a couple requests made of the Department that have been discussed. I'm going to turn it over to Tamy to address, a couple of those questions.

MS. ABERNATHY: Great. Thank you guys so much for hanging in there. We have heard your request for complete reg text. That includes the changes that we made prior- since the time that we sent the reg-amendatory reg text to you and also the changes that we included, as Jessica mentioned earlier today. So what we

plan to do, we are still changing some things in 30.83, so what we will do later this evening is send to you a reg text version that in parts before subpart G, you already see that that's in red line. There have been no changes to that. But in 30.80 and beyond, what you will see is the reg text and clean reg text and any of the changes that we've made since the time we've posted the reg text live will be indicated in red lines, so what you'll see is actual red text that includes the information that Jessica provided to us and any additional changes that we had to make since we've posted the reg text. Okay? So please stay tuned. We'll try to get it to you as quick as we can after the negotiations are over, but we plan to give that to you sometime this evening. The other item that you- apparently, there's just been popular demand on giving you some time to discuss 30.83. So we understand that you want to talk about this and how it would work for people who have loans just after the date specified. We are still working on other parts of this section, but we want to- we want to give you some time to talk about it. So we're going to open it up for you to share your comments and your opinions about borrowers who have loans after these specified dates so that we may consider your discussion later today. So, Cindy, I'll turn it over to you and we

can open it up for discussion.

MS. JEFFRIES: Okay. Alright. Great. Thank you. So with that, let's open the floor for discussion on 30.83 as outlined. Jessica.

MS. RANUCCI: Thanks. I first- I want to say, you know, I think that this is a really important avenue for debt relief for many people who really, really need it. I think it's- these old loans really follow people for the rest of their lives. There's, you know- I have clients, you know, one who hopefully will comment today, you know, their loans are from before I was born. Right? The loans don't go away. They're just trying to help a client. The Government has destroyed all of the relevant records and the bankruptcy he filed because the bankruptcy was so old, because the loans are even older. Right? So these old loans stay around forever. It's tremendously important because it accrues so much interest and they really burden people's [inaudible] throughout their lives. So I want to start by saying I really appreciate the Department's attitude towards tackling this issue. It's tremendously important. I really appreciate what you're trying to do here. I think that the thing that I would like to- and sorry, and one more thing I want to appreciate the Department for is that you have, between the second and third sessions,

eliminated the idea that we need to count certain months. I think the counting of months really, like, [inaudible]the detriment of the borrower to the extent that there are records that are missing. And so I really appreciate that this proposal does not require- you know, it requires that you understand the start date and that- that's it, and we don't need to know what happened every month since then, which really, is important when records don't exist. I think that, one concern that I have that I think is shared by some other people is that, borrowers who are just so close to this will just lose their shot, and that, you know, a borrower who's- you know, a graduate borrower, for example, who is 24 years and 10 months, will just- will just have that opportunity- that will not have that opportunity, and I understand that there are, you know, sometimes line-drawing exercises the Government has to do, but this seems like an incredibly stringent one and I hope that the Department might consider some other alternatives.

MS. JEFFRIES: Okay. Thank you, Jessica. Jalil?

DR. BISHOP: I think- well, first, it's a clarifying question. Can the Department explain why it has to have this cliff or why it's proposing the cliff around the 25 years and the borrowers will be cut off. Is

there a reason why it has to happen in this moment? Why it can't be rolling relief?

MS. JEFFRIES: Tamy?

MS. ABERNATHY: I actually had something to say about-

MS. JEFFRIES: Okay.

MS. ABERNATHY: -Jessica's- Jessica, you had mentioned alternate text. Would you be as so kind as to provide that alternate text to us or some proposed text on that? That'd be super helpful. Thanks so much.

MS. RANUCCI: Yeah. Sure.

MS. ABERNATHY: Jalil, we're going to get back to you. I'm waiting for an official response on that one. So we're going to go ahead and move on to the next person, and then I'll circle back.

DR. BISHOP: Okay. Well, that was- yeah.

MS. ABERNATHY: Thank you, sir.

DR. BISHOP: I'll re-raise my hand.

MS. JEFFRIES: Okay. Thank you. Kyra?

MS. TAYLOR: Like with Jalil and Jessica, I'm also deeply concerned about the cliff here. I'm especially concerned about this cliff as it applies to folks who have had long periods of time where their loans have been in default. That time will not be counted

under the IDR account adjustment but will be counted under the Department's proposal. And so like others have suggested, I recommend removing the cliff, and can also provide possible regulatory language as well. In addition, like Jessica already said, this proposal is so important. It's also- I mean, I talk to clients all the time who feel like their student loans are a death sentence that will follow them until they hit the grave. And it is just incredibly frustrating for them. It keeps them in a cycle of poverty. And this is even more true for borrowers who have had periods in default and, again, have experienced the extreme power of the Department's involuntary collection efforts. I would also ask the Department to consider including a provision that's analogous to its SAVE shorter repayment period for folks who have smaller loan balances. So to discharge the debt after 10 years, for folks that borrowed \$12,000 or less. The Department has already provided the justification for doing so in the SAVE Plan, and I think it makes sense to extend it more broadly here as well.

MS. JEFFRIES: Okay. Thank you. Kyra, if you could- I think I heard you say that you might be able to provide some proposed text on removing the cliff, and then you also suggested that the- for smaller loan balances \$12,000 or less, that the- be similar to the

SAVE program. I don't know if you want to put that concept in the- okay, thanks. Richard put that in there for you, so don't worry about it. Tamy, did you have something you want to say?

MS. ABERNATHY: Yes. On the 2025 year, we need to acknowledge the presence of Income Driven Repayment and Forgiveness timelines. So we see this as a one-time action, but keep in mind, we're still doing the one-time account adjustment for borrowers in repayment. So for those borrowers, they would not see the cliff. And on SAVE, we looked at it, but we did not think we could incorporate it here.

MS. TAYLOR: Can I just respond to that quickly? I think because the IDR account adjustment will not capture borrowers in default, so that will not be sufficient. Those borrowers will still have a longer period of time in repayment, and that is one of the things that I am especially distressed by, considering that those borrowers have already demonstrated that they are distressed, and are more likely to default again. So I would hope that the Department would use this opportunity to clear those bad debts, and to discharge them, especially when they've been in repayment for 20 or 25 years, but also if there are smaller loan balances as well. But I hear that the Department is not considering

the other piece, although I would urge it to reconsider that position.

MS. JEFFRIES: Okay. Thank you, Kyra. I want to point out that, India Heckstall has come to the table for civil rights organizations in place of Wisdom Cole. Welcome, India. Yael.

MS. SHAVIT: Thank you. So first of all, I want to mirror what everyone has already said here, and I won't- I won't burden you with saying it again. No. I want to flag something. One, the cliff is unnecessary. Right? And so we argued for making this particular provision a provision that doesn't-, that's not a one-time provision. To the extent that the effort here is to really address sort of retroactively old loans and not, prospectively, you can still achieve that without a cliff by creating a scenario where loans sort of come eligible on an annual basis for some period of years going forward. I look forward to seeing proposals that others sort of have to address this cliff because I think that it's unnecessary and will harm people. But also to Kyra's point about the insufficiency of the one-time adjustment for folks in default. I do just want to flag that, you know, a lot of- the time period that is covered- that will not be covered by the reg text as drafted is a time period in which we know that there was

an extreme amount of servicer misconduct that resulted in people being pushed into default, who would not default if they were getting the advice that they should have been getting if they understood the programs that the Department had available at the time. And so one of the priorities, I think, of the Department- or that the Department should have in this regulatory process is addressing those groups of borrowers, the borrowers who ended up in these difficult situations, who've been in these situations for a very long time and really need relief and, to, sort of not provide that relief for this period of years where we have evidence and data of extreme servicer misconduct seems like a real missed opportunity to the detriment of borrowers. So I do suggest that the Department consider the regulatory proposals that it will receive to soften this cliff and to ensure that those borrowers in such critical need of relief receive it. Thank you.

MS. JEFFRIES: Thank you. Jalil.

DR. BISHOP: Thank you. I think that a part of what, at least, I would like to be on record is that 20 to 25 years is not necessary. That it is within the Department's discretion to have a wave authority applied to student debt balances, without a borrower having to wait to 20 to 25 years. I understand that the

Department continues to respond, that it has to acknowledge the repayment timelines already under IDR plans. We understand that, but we also understand, as Kyra pointed out, that under SAVE, you carve out a different timeline for borrowers who have \$12,000 or less. That's not simply because the student loan balance is small. It's because that's a group of borrowers who have been identified as distressed borrowers. So we know we also have distressed borrowers who are at a certain age where we see from recent studies from the Federal Reserve that found that a borrower who is still in repayment when they are near retirement age, it's the- is not experiencing the same or typical wage boost that we think a college graduate should have. We know that borrowers who have balances that are way above their principal are distressed. We know the borrowers who are Pell Grant recipients or parents of Pell Grant recipients show signs of the distress. We have all these other markers of distress. So we're not saying ignore the timeline under IDR, but we're saying that you have already shown that you can carve out a timeline for distressed borrowers that doesn't sentence them to a lifetime debt sentence of distress of 20 to 25 years, you can offer relief in a shorter amount of time. I also want to point out that many borrower- many negotiators here

have already sent in proposals with detailed regulatory text or at least evidence and research of how some regulatory text could be curated to capture again the carve-out that has a shorter timeline to cancellation, but also targeting already distressed borrowers. So I just want the Department to understand that it's not about just saying, let's throw out the 20 to 25 years, but it's about acknowledging that you already have provided a pathway to relief for borrowers who are distressed and saying that it doesn't make sense to continue to try to extract and burden borrowers who likely cannot repay, have shown evidence they cannot repay, but- and it doesn't make sense to make them have to sit under student debt for 20 to 25 years. So, again, I encourage the Department to return back to the proposals that have been submitted. I encourage the Department to think about, again, that you are not required to hold borrower from 20 to 25 years on a lifetime debt sentence.

MR. WEATHERS: 30 seconds remaining.

DR. BISHOP: You have an opportunity, and I encourage you to use that power to offer relief here more broadly.

MS. JEFFRIES: Thank you, Jalil. John Whitelaw.

MR. WHITELOW: Just briefly, I want to suddenly lift up everything that Jalil just said, but specifically want to talk about cliffs, especially when they're unnecessary. Cliffs undermine credibility, they undermine confidence because on either side of the cliff, it's completely arbitrary. Yes, in matters where lines are drawn, but to the extent that you could avoid the cliffs, you really want to work exceptionally hard to avoid cliffs because it sets up two classes of people, which are indistinguishable in all but completely arbitrary ways. So you have the last person in and the first person out, and they look exactly the same. And particularly, you know, you only want to do cliffs if you absolutely have to. There has to be a way to avoid cliffs because they just undermine credibility in the program because they set up arbitrary distinctions. And I have seen cliffs in operation for 30 years in the benefit context, and they're always a disaster, so let's see if we cannot have a cliff on these things.

MS. JEFFRIES: Thank you, John.

Jessica?

MS. RANUCCI: Thanks. I just- I think that, you know, one of the reasons this proposal is so good is not- you know, it's absolutely about the borrowers that it helps, but I think it also has the

potential to have a really beneficial spillover effect on the student loan system as a whole based on, you know, my experience working with clients, I think that, you know, the clients with loans from, like, 1986 or 1991 or- are often the ones who have the most complicated Repayment histories, they're the ones who are least likely to be able to, you know, find documentation of what they have and haven't paid to have to go to the guarantee agency or the servicer or the prior guarantee agency or prior servicer, to try and figure out who the holder is. Like, I think that, like, these clients occupy, like, a disproportionate amount of the student loan resources, and I think that by sort of getting them off the books, it will allow servicers and other people who work with student loan borrowers, the Ombudsman's office, to be able to sort of focus, you know, a limited amount of resources on borrowers and give them, I think, ideally better service. And to me, that's like a really- an important reason to get rid of the cliff. I think, you know, if we're- if we really did that, I think, you know, that we're looking at a world wherein, I think, what is it, 2035, so we're only, you know, 12 years away from, like, essentially the phase out of the FFEL program. I think that that would, have some really good benefits for the sort of administrability as a student loan program as

a whole, and I would strongly encourage the Department to think about those effects not just on individual borrowers, but in the aggregate when considering whether to do this in the future.

MS. JEFFRIES: Thank you, Jessica.

Kyra.

MS. TAYLOR: I just want to add one additional point about potentially providing an additional provision that discharges the debts of- that have been in repayment for 10 years. If they- if the borrower originally borrowed a principal of \$12,000, [inaudible] mirror the gradual relief provisions of the SAVE Plan where the borrower has one more year of repayment time for, I believe it's one more- \$1,000 of additional principal debt, original debt. In the Department's analysis, it lifted up the fact that this disproportionately targets folks who have had one year of postsecondary schooling or less. That includes folks who have been in short-term programs, but it also includes folks who didn't complete their program. And the Department's default data indicates that this is a population of folks who disproportionately default on their loans and are in distress on their loans. And that's particularly distressing because people who did not complete do not have higher wages. They do not have a

better ability to repay their debt, because of their schooling. In addition to broadly, we know that borrowers with smaller balances are more likely to default on their debt as well. So considering a shorter repayment period for borrowers who took on smaller principles in the first place would disproportionately benefit borrowers in default and really target the distressed borrower population that the Department is trying to target more broadly as well.

MS. JEFFRIES: Okay. Thank you. Any further comment? Okay. Seeing no further hands, it is 2:30. Jalil.

DR. BISHOP: Yeah, I do- or I'm wondering if the Department can speak to some of the- I think a lot of points have been raised here. I would like to hear the Department just speak to some of these questions around, you know, the 20 to 25 years, you know, how in other regulations, distress has been a justification to offer quicker relief, why that isn't being offered here when we're dealing with the age of loans. So just wanted to hear the Department speak back to some of the concerns that negotiators are raising or at least provide some more context so that we can understand if you need more research, more evidence, more regulatory texts as we prepare for tomorrow.

MS. JEFFRIES: Tamy?

MS. ABERNATHY: We plan to discuss this tomorrow, Jalil. We only wanted to give an opportunity for you guys to give us some additional information to think about. It was your- you know, the negotiator's suggestion that we open this up today to talk about it, and we will have more to say on this topic tomorrow. But we still, you know, we still want to go back and change the few little pieces that we want to change and present that reg text to you later this afternoon or this evening. Excuse me.

DR. BISHOP: Tamy, is it not possible- I'm assuming there's some part of this regulatory text that is not going to change overnight. So is it possible to provide more context of clarification around those pieces that are relevant to some of the issues being raised now?

MS. ABERNATHY: I think, holistically, we're looking at 2:32 right now with our public comment starting at 3:00. And there- we know that we've received some proposals to eliminate the cliff, and we know we are evaluating that regulatory text. And I don't believe that we have enough time with a break to really start the conversation on 30.83, so we are going to wait and have that conversation tomorrow. So you've given us a lot to

think about. We know that we've had proposals on this, so we're going to go back and we're going to review this this evening, and we'll circulate amendatory text later this evening.

MR. WHITELOW: Well, I'll let you get-
so

MS. JEFFRIES: Alright. Thank you,
Tamy.

MR. WHITELOW: Let me get back on it.

MS. JEFFRIES: Alright. So it is 2:33.
Let's go ahead and take a 15-minute break and be back in time so that we can start public comment, directly at 3 o'clock. We do have a full list for that as well as a waiting list. Jessica, one last comment before break.

MS. RANUCCI: Yeah, it sounds like we're not going to do the FFEL today, which is fine. I just wanted to make sure that you saw my comment in the chat that I would strongly encourage the Department just to change the title of that to indicate that it is- did not apply to Department-held FFEL. It- just as you're considering things tonight. Thank you.

MS. ABERNATHY: Thank you, Jessica.
Cindy, would it be possible for us to go ahead and just take the break until about 10 till?

MS. JEFFRIES: Yes. Yes.

MS. ABERNATHY: Let's do that. That way it will give us time.

MS. JEFFRIES: Alright. So we'll be back- yeah, we'll be back at 10 minutes to 3 so we can get organized and start. So with that, see you in about 22 minutes or so. Okay. Thank you. Welcome back, everyone. So a couple things in the seven minutes we have left. One, I'd like to remind those who have signed up and have time slots for the public speaking to sign in about 15 minutes prior to your time slot so that we can keep on schedule. So, go ahead and start doing that and pay attention to your time slot for those on the waiting list. You can sign in as well, but we will, take those in the time slots allotted, prior to moving on. So with that, I'd like to open it up one last time for comments from the negotiators to the Department. Richard?

MR. HAASE: Yeah. I had a quick question. I just didn't know when this would come up. One of the proposal items that I had submitted was about the joint spousal consolidation. And when we received our return phone calls from the Department, I was told that that was something that the Department hoped to address during these neg regs. So I'm not sure if I missed them in the amended text that we received or if that is something that the Department intends to bring up during

discussions of hardship at the end of the day tomorrow. But I did just want to follow-up because I was- received that phone call and was hopeful that that was a good sign.

MS. ABERNATHY: We do plan to discuss the proposals, all the rest of the proposals that we haven't mentioned throughout today. As we navigate through tomorrow, we'll mention the rest of those. And as a part of hardship, we will discuss the spousal consolidation issue that you brought up.

MR. HAASE: Thank you.

MS. JEFFRIES: Okay. Thank you. Any other comments? Again, a reminder to the people signed up for public comment, please sign in about 15 minutes before your time slot. Those of you who have immediate ones coming up, please get signed in, logged in. Please make sure that your name when you log in matches what you signed up for and is not just your first name as we have several people with the same first name, so we want to make sure- that we're calling on the correct person at the right time, so, Alright. One last call for any comments at all. Ashley?

MS. PIZZUTI: This is a little off topic, but I'm going to bring it up just because I keep getting a whole bunch of emails and DMs over it

throughout the day. It looks like there are several Sweet vs Cardona class members who are having their credit reports report inaccurate information. So I just wanted to bring this up since I have the attention of the Department. This seems to be an ongoing problem.

MS. ABERNATHY: Ashley, if you would let those individuals know that they can reach out to our Ombudsman office-

MS. PIZZUTI: Okay.

MS. ABERNATHY: That would be helpful. Yeah.

MS. PIZZUTI: Okay. I will let them know to look them up.

MS. JEFFRIES: Okay. Thank you. Alright. Final call for last thoughts to the Department prior to going into public comment that you would like them to consider, or- and think about as a draft, the text to send to you for tomorrow's discussions. Okay. Going to make one last plea to people who have signed up for public comment to please log in if your time is near within 15 minutes or so. At least sign in. Those of you later on down the timeframe, please sign in at least 15 minutes ahead of time so that we can get you situated and get you in. We've got about two minutes prior to the start. So in about a minute, we're going to let the first

guest in, and we're going to move the list of those who have logged in to the meeting and let you address the committee. Alright. Brady, you want to bring in our first guest and get situated, and we'll get moving here?

MR. ROBERTS: Yep. Absolutely. I just admitted Virgilio Lasaga, who is here representing themselves.

MS. JEFFRIES: Okay. Welcome. Can you hear me?

MR. LASAGA: Hi. Can you hear me?

MS. JEFFRIES: Yes. Yes. We can hear you. Thanks for joining the committee for comment today. You will have three minutes to present your comments to the committee and you will be given a 30-second reminder of when your time is almost up. Okay?

MR. LASAGA: Awesome. Thank you so much.

MS. JEFFRIES: So with that, go ahead and start.

MR. LASAGA: Yeah. So my name is Virgilio Lasaga. I would like to address two areas of consideration for hardship discussions tomorrow with the first being in relation to Pell Grant recipients and the second in relation to borrowers with disabilities. To give you a bit of my backstory, I received Federal loans

as a poverty level low-income borrower. I was nearly a first-generation college student, with my parent graduating one year prior to me receiving my four-year degree. I graduated with an Associate's degree from my community college, transferred to a four-year public university and then completed a one-year master's degree from the same university. Throughout my college tenure, I, along with other members of my family, received full Pell Grant benefits due to our exceptionally low income. I also qualified for and participated in work study during my time in college. Because I received Pell Grant, I was disqualified from receiving food stamps, and this is an a testament to loans being necessary for low-income borrowers beyond the scope of tuition as loans help provide food, housing, utilities, and other expenses. Despite making a decent wage now about four years after graduation, I still lack financial stability due to the insufficient income on my family. My family lacks generational wealth, and I often have to help my family with necessities such as medication, insurance payments, utility bills, and food. Additionally, very few members of my family will be able to retire as most of them are unable to save for retirement because they're living paycheck to paycheck. I'm currently not able to save to purchase a home, could not afford to start a family, and

could not afford the expense of purchasing a used vehicle. I would like to urge the committee to take into consideration the likelihood of continued hardship for current and once low-income borrowers, especially those who've received a Pell Grant. Automatic qualifiers for hardship could be based on multiple years of Pell Grant eligibility combined with the amount they were eligible for based on their income. Another automatic qualifier could be based on Pell Grant recipients who were in households with multiple family members who received Pell Grant. Again, gauging this based on the amount of the grant they were qualified for. For hardship qualifiers that would require manual review, please consider developing a mechanism that considers the age of borrowers and their annual income against the retirement savings. So for an example, having saved a one-year annual salary by age 30. I'd also like to suggest the consideration of hardship for individuals with disabilities. While Social Security most certainly should be used for determining hardship, there are a lot of people with disabilities who want to work and wouldn't qualify for Social Security otherwise. I would encourage the development of a mechanism that utilizes federally funded state vocational rehabilitation programs to determine eligibility for hardship. Vocational

rehabilitation is equipped to categorize the significance of individuals' disabilities as it relates to their functional capabilities for employment. An application that can be submitted by a vocational rehabilitation counselor might suffice as it provides an opportunity to receive [30 seconds]. Thank you. Receive vetted information about the income or potential income of an individual with a disability and to determine if their student loan creates a hardship based on that individual's potential gainful employment. I would like to thank everyone on the committee for your time and input throughout this process and for the Federal workers who made this possible. I really truly greatly appreciate the opportunity to provide my perspective. Thank you, and have a wonderful day.

MS. JEFFRIES: Thank you. Appreciate your time. Brady, who is next?

MR. ROBERTS: Alright. I just admitted Stephen Patterson, who serves as the Executive Director of the Veterans Education Project.

MS. JEFFRIES: Okay, good afternoon, Mr. Patterson. Can you hear me?

MR. PATTERSON: Yes, I can.

MS. JEFFRIES: Okay. Great. You will have three minutes to address the committee with your

comments. You will be given a 30-second reminder that your time is almost up. And with that, your time starts now.

MR. PATTERSON: Thanks. My name is Steve Patterson. I served in the United States Air Force. I'm the executive director for the Veterans Education Project or VEP. VEP is committed to supporting service members and veterans in their academic pursuits, and I appreciate the time to represent their needs and to the negotiating committee. I recognize that this rulemaking is focused on the Department Student Loan Debt Relief Plan, and many might question how this involves veterans. In fact, many service members and veterans do access Federal loans on top of their educational benefits. I'm concerned that this negotiation has not given sufficient consideration to those individuals and the circumstances surrounding their borrowing. We are grateful the Department's efforts to make education more accessible and affordable for our veterans. However, it is critical that we also engage in thoughtful examination of student veteran debt and data and the impact of all potential outcomes of large-scale debt forgiveness on veterans. I highlight for you three primary concerns. First, I would ask that the Department and the negotiators pay particular attention to the borrowing needs of service

members of veterans. There's a need to examine current data on student veteran borrowing. While it is common for many veterans to receive full educational benefits covering the totality of their educational costs, there's nothing that prevents them from borrowing even more on top of that, and we must be cautious not to create a system that inadvertently incentivizes veterans to take on unnecessary debt. The focus should be on providing avenues for education that do not perpetuate the cycle of borrowing, but instead empower veterans to build a prosperous future without shouldering undue financial strain. Second, within the context of this negotiation, the effort to identify avenues for loan forgiveness, I would ask that the Department expand section 30.80 to include waivers for veteran-specific conditions and contexts. Third, and importantly, I'm compelled to raise an issue that extends beyond the corners of this negotiation. As the Department expands loan forgiveness and creates the programs that provide for free or near-free education, there's a sense by many that, you might be undermining the value of the GI Bill and other service-related educational benefits. These benefits are not just financial incentives. They are a promise made to those who serve that their commitment will be met with opportunities for personal and professional growth

through education. Undermining the value of these benefits could have far reaching consequences, namely increased negative impact on already declining military recruitment. Educational benefits are consistently among the top reasons a person joins the military. Our commitment to supporting veterans must extend beyond financial relief. It must uphold the integrity of the promises made to those who have served. With all politics aside, we encourage the Department to consider the student veterans and how often-

MR. WEATHERS: Steve, you have 30 seconds.

MR. PATTERSON: How often well-intentioned legislation has unintended impacts on our heroes. We know education has the power to help veterans thrive with their post service lives. It is therefore vital that we scrutinize and minimize potential negative impacts policies will have on our current and future heroes. We encourage the Department to continue to work bring down the cost of education, increasing institutional accountability, and decrease student debt amongst the military and veteran community, all while retaining the impact and integrity of their educational benefits. Thank you so much for your time.

MS. JEFFRIES: Thank you, Steve, and

thank you for your service.

MR. PATTERSON: Thank you.

MS. JEFFRIES: Brady, who is next, please?

MR. ROBERTS: Alright. I just admitted James Aldean, who's representing himself. I think he's all connected.

MS. JEFFRIES: James, can you hear me?

MR. ALDEAN: I can hear you.

MS. JEFFRIES: Wonderful. Alright. You will have three minutes to address the committee with your comments. You will receive a 30-second reminder that your time is almost up.

MR. ALDEAN: Okay.

MS. JEFFRIES: And with that, your time begins now.

MR. ALDEAN: Okay, thank you so much for allowing me to speak here today. To get a degree in college was never a dream of mine growing up. But I thought when I graduated high school, going to Catherine Gibbs School, formerly known as Sanford Brown, I thought that was my only path to getting a college education. Shortly after I graduated from Sanford Brown, I realized that the degree that I got was not valuable at all. So when I had to pay back the loans and stuff, I realized

that when I went to- on job interviews, I didn't really have the skillset that they promised me to do. So I had to enroll in Johnson and Wales University continuing education program. To do that, we had to refinance my house and pay off the debts from Sanford Brown.

Throughout that time, I've received my Associate's degree through Johnson and Wales University. I've been trying to rectify the problem that I had with Sanford Brown. And one of the remedies that I hope the committee will take into consideration is if you paid off your loans with a for-profit school that I wouldn't say- was very deceitful that they would consider approve- approving or relieving student debts for somebody who had, like, go to Johnson Wales or a different university for being deceived by the previous school. So, I've tried numerous tactics to go through the Borrower Defense Program, been denied. I didn't realize that Cardona vs Sweet was an option until later on when I tried to apply, it was denied. So I just hope that the situation can be rectified for myself and many other people who went to school thinking that they were going to receive an education because they didn't really get- have the great high school education or they have learning disabilities, and then they had to go back and to receive another education. So I'm pretty much- even though we refinanced our home, I'm pretty much stuck

for \$60,000 with the debt that we've incurred.

MR. WEATHERS: 30 seconds remains.

MR. ALDEAN: So I'm going to- I just hope that my comments will draw a change and I appreciate everything that you guys do. Thank you.

MS. JEFFRIES: Thank you. Brady? Next up?

MR. ROBERTS: I just admitted Lisa Harle, who's here representing herself.

MS. JEFFRIES: Hi, Lisa. Can you hear me?

MR. ROBERTS: Her audio and video are connected, so she should be able to hear you.

MS. JEFFRIES: Lisa, can you hear me?

MR. ROBERTS: Lisa, you are muted right now in case that's the reason.

MS. HARLE: I'm sorry.

MR. ROBERTS: It's okay.

MS. JEFFRIES: Okay, Lisa. Hi. You- thanks for joining us this afternoon. You have three minutes to address the committee, and you will be given a 30-second notice just before your time is to expire. So with that, your time begins now.

MS. HARLE: Okay. Thank you. Hi. My name is Lisa Harle. Thank you very much for taking the

time to hear me. I am a registered nurse and I attended Kaplan University and I also filed a BDTR on 9/10/2022. I also am an administrator of a Kaplan and Purdue Global Borrower's Defense Facebook group, where we are, you know, just a group that is joined together because we all have the same complaints about Kaplan, different experiences. I went- I attended Kaplan University from 2011, at which time my son had passed away, previously, and for probably about a year, I really went through a really tough time, and I went to work and basically was nonexistent. And then I decided to go back to school. That was my goal because I had to keep my mind occupied. I was going through a lot at that time. So I wanted to go to an online program that offered me because I was a full-time working person and needed that for, you know, for me. So, I spoke to advisor who at the time was very empathetic to my needs, explain to him, you know, my situation and that, you know, I wanted to, you know, further my degree at that time, you needed to have a BSN to work in the hospitals, so I needed to get that anyway. And so the advisor that I spoke to, you know, assured me why I should choose Kaplan, and I remember his words like they were yesterday. Kaplan University has a great academic program. They- we have especially, very good connections with- for job placement. We offer that.

That's part of our career services. He gave me job placement rates of 94% all-

MR. WEATHERS: Lisa, 30 seconds remains.

MS. HARLE: Thank you. So with that, Kaplan was sold to Purdue for \$1 in 2018. I went back into- in October 2017, finished my degree, and then I was hit with 90 thou- like, \$80,000 plus interest in student loans. I- [time] Thank you.

MS. JEFFRIES: Thank you for sharing with us, Lisa. Brady, who's next?

MR. ROBERTS: Well, Cindy, I just admitted Representative Ayanna Pressley, who represents the 7th District of the Commonwealth of Massachusetts.

MS. JEFFRIES: Hey. Representative Pressley, can you hear me?

REP. PRESSLEY: Yes. I can. Can you hear me?

MS. JEFFRIES: Wonderful. Yes. Thank you. Welcome. You will have three minutes to address the committee. We will give you a 30-second reminder just before your time is to expire. So with that, your time begins now.

REP. PRESSLEY: Good afternoon. I'm congresswoman Ayanna Pressley. I represent the

Massachusetts 7th, a vibrant, dynamic, and diverse congressional district that is also one of the most unequal. We're in a 3-mile radius from Cambridge to predominantly Black Roxbury. Median household income drops by \$50,000 and life expectancy by 30 years. Addressing these injustices brought me to Congress in much of the same way, addressing the injustice of student loan debt brought you all to this committee. I applaud the committee for its dedication to confronting the nearly \$2,000,000,000,000 crisis that burdens 43,000,000 people in the United States. Last week, I joined my colleagues in the House of Representatives and Senate in a comment letter urging that the current neg reg process result in providing the full-scale debt relief that low and middle income borrowers urgently need. We detail concrete ways to draft the final rule that delivers for the American people, And I hope the committee gives our recommendations the close consideration they deserve. The 76-year-old grandmother's still paying on student loans. The elementary school educators struggling to repay their student debt on a teacher's income, the ironworker who was losing a slice of their union paycheck to student loan repayment, and the young family balancing the skyrocketing cost of childcare, rent, and student loans. The people in my district and millions of others have

their eyes on this committee, and it is essential that they benefit from Student Loan Debt Relief. Last year, President Biden's plan to cancel up to \$20,000 in student debt for borrowers, offered so much hope to people that believed they would never be able to start a family, open a business, or to achieve financial stability. The reach and impact of that historic plan should be the bare minimum of what the Department produces. Despite Supreme Court's cruel and callous obstruction, statutory authority of the Higher Education Act should embolden this committee to do all that it can to ensure everyone experiencing financial hardship receives relief, we must recognize the very need to take out student debt in order to attain a degree is in and of itself a financial hardship. In the United States, we refer to education as the great equalizer, but we place barriers in the ways of families accessing education. Black and Latinx students have to borrow at higher rates that take longer for them to pay, leaving communities of color holding a disproportionate share of the nation's student debt burden. Students with an unexpected family contribution of \$0-

MR. WEATHERS: Representative, 30
seconds remain.

REP. PRESSLEY: Should not be punished

for doing the very thing our society encouraged them to do and pursue higher education. The \$2,000,000,000,000 burden of student debt is a national crisis that demands a bold transformative response. Like millions of others, I took out student loans to attend a college. It took me over 20 years to pay them off. I was a caregiver to my mother. I worked multiple jobs. And at one point, my own loans were in default. My story is not an anomaly, and far too many have experienced a similar struggle. Borrowers demand and deserve student debt cancellation. President Biden promised student debt cancellation [time] The Committee must deliver.

MS. JEFFRIES: Thank you. Brady, next.

MR. ROBERTS: Alright. I just admitted Kaylah Lightfoot, who is here on behalf of the University of Mary Washington Chapter of the NAACP.

MS. JEFFRIES: Okay. Welcome, Kaylah. Can you hear me?

MS. LIGHTFOOT: Yes. I can.

MS. JEFFRIES: Wonderful. You will have three minutes to address the committee with a 30-second reminder that your time is almost up. So with that, your time begins now.

MS. LIGHTFOOT: Good evening, everyone. My name is Kaylah Lightfoot. I am the Secretary of the

NAACP College Chapter of University of Mary Washington. And on the behalf of this case, I wanted to remind that this is, like, my personal story. I understand that this impacts quite a few people in my family, if not the entire generation to come. But for starters, I am currently a Pell Grant recipient while also being an out-of-state student. Due to those matters, it's important to address that, like, the FAFSA was not enough in my, ability to, like, fully afford school. So it's important to address that when it comes to Student Debt Relief, it would be great to have that alleviated in the process. In doing so, I think it's great to address that through this alleviation that the student debt has a huge impact on my life as it pertains. I do have future aspirations for law school. And as it continues on, that a burden of student debt has impacted not only myself, but also my family who also has a plethora of other children, who also have this prospect to go to college as well. That's, like, my personal story. I think it's also important to have- understand that the impact of my life is about the ability to afford a car, owning a house, but even just having the fundamental necessities after college, and deciding how to make important decisions and possibly living with my own family instead of having the luxury of being able to independently live on my own and

understanding that the rate of me being an out-of-state student is completely different than being an in-state student and currently going through that process, I think it's important to address that out of state students are significantly disenfranchised in this process of student loans, everything else, in the process. And understanding that the significant background of, like, Pell Grants, being a Pell Grant recipient has made it very difficult in doing so. So I just want to say thank you.

MS. JEFFRIES: Thank you, Kaylah.

Brady, who is next?

MR. ROBERTS: Alright. I just admitted Barbara Davis, who is here representing herself. It looks like we're waiting for her to turn her audio on. There we go.

MS. DAVIS: Hi.

MS. JEFFRIES: Hi, Barbara. Can you hear me?

MS. DAVIS: Yes. I can.

MS. JEFFRIES: Wonderful. Well, thank you for joining the committee this afternoon. You will have three minutes to address them with your comments. You will receive a 30-second notice of your time almost expiring. So with that, you can go ahead and start now.

MS. DAVIS: Okay. My name is Barbara

Davis. I'm a licensed clinical social worker. I first consolidated my student loans in 1989. It was a little over \$10,000 at that time. I had Sallie Mae for several years who had a fixed rate, which was kind of high. I did have some forbearances. So by 2013, I was trying to get away from Sallie Mae, and I managed to reconsolidate. I've been Income Driven the entire time. So now it's 2023, so it's been 34 years later, and I now owe over \$19,000 when I initially only borrowed \$10,000. And for whatever reason, the system is only showing that it was dispersed in 2013 because that's when I reconsolidated to get away from Sallie Mae, who, by the way, I was given right back to Sallie Mae at a lower interest rate, but then, of course, it's been sold several times since then. So it's been way over 25 years of Income Driven, but I'm kind of stuck. People keep telling me, well, you reconsolidated in 2013. So, you know, you started from scratch, and I owe almost twice as much as I initially borrowed. Just kind of a little frustrated. Can't seem to jump to the loopholes of whatever I need to do, But that's where I'm at right now.

MS. JEFFRIES: Okay. Thank you, Barbara. We appreciate you addressing the committee with your concerns.

MS. DAVIS: Okay. Alright, thank you.

MS. JEFFRIES: You're welcome. Have a nice day. Brady?

MR. ROBERTS: Alright. I just admitted, Steven Manicastro, who's here representing himself.

MS. JEFFRIES: Okay. Steven, can you hear me?

MR. MANICASTRI: Yes.

MS. JEFFRIES: Oh, wonderful. Okay. You will have three minutes to address the committee this afternoon, and they appreciate you being here. You will receive a 30-second notice prior to your time expiring. So with that, your time will begin now. Thank you.

MR. MANICASTRI: Thank you. My name is Dr. Steven Manicastro, and I'm sharing my family's story. When Federal Student Loan payments were paused in 2020, my wife and I could finally plan for a future. We saved up money to purchase our first starter home in February of 2022 and gave birth to our daughter that September. When President Biden announced his plan for Student Debt Relief, my wife and I applied, were approved, and would have saved a total of \$30,000 on our Federal Student Loans. The plan wouldn't have wiped out our Federal Student Loan debt, but it would have happened. My wife and I relied on President Biden's cancellation plan and the life changing impact it would have made. We planned

around it with my wife leaving her job to bond with our daughter until she turned one. Unfortunately, because of the Supreme Court's partisan decision to find this debt relief program unconstitutional, my wife had to return to work sooner than anticipated, and we now both work full-time, relying on our families to help plug in the holes and coverage with our daughter. With the resumption of payments and no student debt forgiveness insight, we now spend about \$1500 a month on both private and Federal Student Loans. When you factor in a mortgage, medical bills, food, and unpredictable expenses with a new baby, it doesn't leave much room for error. And I say this knowing how lucky we've gotten to have even been able to afford to own a small condo and to have a baby. So many of our friends have not been as lucky, but that's the problem. Student loan debt is a systemic issue that strangleholds millions of us. Having the outside insight perspective of a naturalized citizen, we are one of the few countries on earth that don't offer services like universal healthcare and free higher education. It's beyond deplorable to witness our taxes fund imperialist projects such as Israel's genocidal campaign on Palestinians instead of providing basic services to our people. I made all the right moves to keep my debt low while getting an education. I went to a community college

and a public university on a scholarship to obtain my bachelor's. I worked full-time and committed to keep costs down. I went to grad school at a public university to get my doctorate and made starvation wages as a teaching assistant until we formed our graduate employee union, UAW Local 6950. I accumulated my Federal Student Loan debt in grad school prior to our first union contract because it was impossible to live in Connecticut on \$15,000 a year before taxes. Both my wife and I have been penalized for pursuing a higher education. We both chose careers of service. She's a registered nurse, and I work for a labor union representing public sector employees who are all eligible to apply for the Public Service Loan Forgiveness Program. The irony is not lost on me that while the members that I dedicate my time fighting for on the job can apply for this program, I'm carved out of it because I work for a labor union. It would have given us the opportunity- this debt relief program would have given us the opportunity-

MR. WEATHERS: Steven, 30 seconds remains.

MR. MANICASTRI: Thank you. It would have given us the opportunity to raise our daughter without the same level of financial stress and anxiety we both grew up in. Instead, we are now poorer than our

parents. The Biden Administration has the legal authority to effectuate a no means testing- a no means testing debt relief program that is immediate for all those who hold Federal Student Loans. This administration has an obligation to all of us to uphold their promise immediately. Thank you and cease fire in Gaza now. I yield the rest of my time.

MS. JEFFRIES: Thank you. We appreciate your time. Before- you can let the next person in, Brady, but I want to remind people to please log in about 15 minutes before your scheduled time. And those who are on the waiting list, please, go ahead and log in close to the 3:45 time mark, or a little before would be great. Also, please, when you log in, make sure your name matches what you signed up and registered under. If we can't identify people, we can't let them in. So, please, go in and change your name so that we can clearly identify you. Who do we have next?

MR. ROBERTS: Cindy, I believe I just admitted Senator Elizabeth Warren, who serves as the Senior Senator of the Commonwealth of Massachusetts.

MS. JEFFRIES: Okay. Senator Warren, can you hear me? Senator Warren?

MR. ROBERTS: I see her in the list, but she is on mute in case that's the issue.

MS. JEFFRIES: Okay, Senator Warren. I believe you are on mute. If you could unmute yourself.

MR. ROBERTS: Oh, they just messaged that they're having a technical hiccup, and they'll be ready to in a few minutes. Would you like me to admit the next speaker?

MS. JEFFRIES: Yes, please.

MR. ROBERTS: Okay. I'm admitting, LeeAndra Bridgewaters, who's here speaking on behalf of the NAACP.

MS. JEFFRIES: Okay. LeeAndra, can you hear me? She's connecting to audio. LeeAndra, can you hear me?

MS. BRIDGEWATERS: Yes, ma'am. I can hear you.

MS. JEFFRIES: Wonderful. Thanks for joining the committee this afternoon. You will have three minutes to address the committee with your comments. You will receive a 30-second notice that your time is about to expire. So with that, your time begins now. Thank you.

MS. BRIDGEWATERS: Good afternoon. I am LeeAndra Bridgewaters, a student loan borrower. Thank you all for your time and for listening to my comments as you all work diligently to establish a rule for modifying Federal Student Loans. As a first-generation college

student, my unwavering aspiration was to return to school. Motivated to gain knowledge, establish financial stability, and serve as a role model for my two children, I opted to return to college and acquire a bachelor's degree in psychology where I was a Pell Grant recipient. Having completed my bachelor's degree merely served as a foundational step. As a result, I felt obligated to further my education, so I pursued my master's degree in social work and became a mental health therapist. Due to the financial aid structure and limitations on grants and loan amounts, my two children did not receive enough student aid to cover the cost of their college education. As a concerned mother, I could not risk depriving them of a chance to obtain an education, so I took out a Parent PLUS Loan to assist my children. My daughter is now in her third year of medical school. She has generated over \$180,000 in student loan thus far continuing the generational cycle of student loan debt for Black- for the Black community. I'm currently enrolled in my final semester of doctoral studies while continuing to pursue a sustainable career and obtain financial stability. I owe around \$130,000 in student loan and a graduate loan that I had to take out this past summer. This debt will prevent me from purchasing a home and other real estate, preventing my family from amassing wealth. In addition, I

anticipate an enormous monthly payment that I may not be able to afford when I complete my courses in 2024. The ramifications of student debt extend beyond the borrowers themselves, impeding one's capacity to participate in the labor market and prosper in today's market. Acquiring education is a paramount concern for African Americans, but the burden of student loan debt has emerged as a significant obstacle to their economic advancement. Counseling student loan debt for up to \$50,000 would benefit the Black community by an overwhelming margin, especially Black women. In addition, I want to emphasize that while we welcome the saving on value [inaudible]-

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

MS. BRIDGEWATERS: -repayment plan, it is critical that the Biden Administration must not leave out borrowers who pursue graduate education or supported their children in assessing higher education like me. Ensuing adjustments to fix the student loan must include graduate and Parent PLUS borrows and benefit everyone equally from such adjustments. Again, thank you for your time and diligent work you are doing on the social justice concern.

MS. JEFFRIES: Thank you very much, LeeAndra, for addressing the committee this afternoon.

MS. BRIDGEWATERS: Thank you.

MS. JEFFRIES: Okay, Brady, where are we now?

MR. ROBERTS: I just submitted, Arnold Sowell, who serves as the executive director of NextGen Policy.

MS. JEFFRIES: Good afternoon, Arnold. Can you hear me?

MR. SOWELL: I can hear you. Can you hear me, please?

MS. JEFFRIES: Yes. Yes. You will have three minutes to address the committee with a 30-second notice when your time is about to expire. So with that, your time begins now. And welcome, Senator Warren, you will be up next.

MR. SOWELL: Thank you so much, and good afternoon. My name is Arnie Sowell, and as was mentioned, I'm the executive director of NextGen California. And NextGen is a nonprofit organization that's based in California, and we advocate for progressive policy change across a range of areas, environmental, social, racial, and economic. And that includes advocating and fighting for college afford-making college more affordable and ending the student debt crisis. And I just want to thank- thank you again

for taking the time to take public comment, particularly as you're about to finalize this rule as it relates to the modification or, waiver of, as it relates to Federal Student Loans. I just also note on a personal side that I'm the father of three children, and all my kids have graduated from college at this at this point, but we, as a family, had to take out student loan debt. And my kids are in various stages of repayment, either through the Public Service Loan Forgiveness Program or other Income Based Repayment programs. I would also just note that in my job, many of my colleagues have student loan debt, both here at the nonprofit I work for and also at- in the state legislature. And one of the things that we pride ourselves in here is that we've conducted a number of student loan workshops that try to assist thousands of Californians in terms of answering their questions about the student loan sort of landscape, and presenting the latest information on how they can receive technical assistance. Specifically, I would just note that President Biden's original plan to cancel student debt in the amounts of \$10,000 and \$20,000 for Pell Grant recipients should just be the start, not the ceiling for broad-based student debt cancellation. Canceling up to \$50,000 in student debt would significantly reduce the racial wealth gap, secure economic mobility for

communities historically marginalized, and lift the burden of the student debt crisis for millions across America. In California, we know that the President's original plan would have eliminated almost \$26,000,000,000 in debt for over 2,000,000 Californians. In a state like ours, where the cost of living is commonly high in many regions, this debt forgiveness would have been- [inaudible]

MR. WEATHERS: Arnold, 30 seconds remains.

MR. SOWELL: -moment for many borrowers and families, especially as our lowest income communities are struggling with the- still to- in the aftermath of the COVID epidemic. And I just want to applaud you for all your work, and just would continue to urge you to fix the student loan system so that it includes graduate borrowers and Parent PLUS borrowers, And I thank you.

MS. JEFFRIES: Thank you, Arnold. We appreciate your time today. Senator Warren, thank you for being patient. You have the three minutes as well with a 30-second reminder. Thank you.

SEN. WARREN: Thank you very much. You know, I'm so glad to be here today because this committee has an extraordinary opportunity to reduce crushing student debt for tens of millions of Americans. Based on

the current draft rule as I read it, I believe we can and that we should do more. So I've got six recommendations to give the committee that I hope will help more borrowers who need it. First, I understand that you're trying to deal with problem with people who are upside down on their debt, that is they owe more now than they originally borrowed. But you're talking about capping how much help those people get. So here's my first recommendation. The rule should eliminate all debt that exceeds borrower's original principle. Capping relief from runaway interest at \$10,000 or \$20,000 ties the Secretary's hands unnecessarily. The Department should be able to give meaningful relief to the nurse or the teacher with an expensive degree, someone who's made steady loan payments, but who can't even afford to cover the interest and now owes more than she originally borrowed. Related to that, if you're taking on this question of excess interest, consider providing full cancellation of all of the excess interest for anyone who was paid back enough to cover their entire original loan amount and who is still in debt simply because of the interest. Third, let's go to a different area, and that is please eliminate the cliff that gives relief to borrowers who entered repayment by 2000 or 2005, but literally no relief to borrowers who started their

repayment even a day later. If a borrower has 20 years or 25 years of repayment, give them help. And if they don't hit 25 years until next month, give them help next month or the next month on a rolling basis. Fourth, add a provision for financial hardship. Let people apply directly by showing hardship. They could do that based, for example, on a high debt to income ratio or the need to care for a severely disabled family member. The rule could name indicators of hardship that could [30 seconds] qualify for someone in relief. Thank you. And it should also include a catchall provision for other forms of hardship. Fifth, extend relief to borrowers who've been victims of misconduct by loan servicers. Students who are cheated by their schools got relief. The same should be true for borrowers cheated by their loan servicers. And last one, please make relief easy to access. As much as possible, base relief on information that the Department already has, like someone is a Pell Grant recipient or income data they can get. Thank you all for all you're trying to do, and thank you for letting me come and talk with you today.

MR. ROBERTS: Thank you. Alright, Cindy. I just admitted, Katherine Craft, who is here on behalf of the spousal consolidation organization, Do Us Part. Looks like she's taking a seat right now.

SEN. WARREN: Like someone is a Pell grant recipient.

MR. ROBERTS: Katherine, would you mind turning off the other line?

MS. CRAFT: I'm not leaving that. Yeah.

MR. ROBERTS: Alright.

MS. JEFFRIES: And it would help if I was not on mute myself. Catherine, can you hear me?

MS. CRAFT: Yes, I can.

MS. JEFFRIES: Okay. Great. Well, welcome to the public comment. You have three minutes to address the committee this afternoon. You will receive a 30-second notice that your time is about to expire. So with that, your three minutes begins now.

MS. CRAFT: Okay. Thank you for your time today. I represent the Spousal Consolidation Loans Do Us Part organization. We are calling on the Secretary to use his authority granted in HEA 432 (a) to cancel the remaining joint consolidation loans. Public Law 117-200 came to fruition in October 2022. After years of experiencing hardships under a dismantled loan program, we had hope, an emotion many of us are hesitant to believe in. Once again, our hope dwindles. I'm a first gen college student that saw education out of- as a way out of poverty stricken abusive environment and was

completely on my own. I worked 35 to 40 hours per week and qualified for the Pell, but still needed to rely on loans to fully pay for my education and avoid homelessness. When we consolidated our loans at the advisement of the servicer, I brought the largest portion. Since 2009, I have worked in public service at a community college. While this work is rewarding, I sacrifice earning potential in my field. The inability to separate despite the law continues to cause undue hardship on my family. As we raise two children and look toward retirement, these loans continue to keep us living paycheck to paycheck, and we are not alone. Nearly two-thirds of the JCL borrowers have been in IDR payment for more than 10 years. Over half of them continue to see negative amortization. Additionally, two-thirds have paid more than the original balance of their loans. 30% have paid more than a 150% of that original balance, and half of the members still owe more than their original loan balance. We range from ages 40 to 70 with nearly half between 50 to 70 years old. But that's not all. Our members continue to be locked out of options available to others. 91% have dedicated their lives to public service but cannot access PSLF even though 83% have greater than 10 years of qualifying payments. My husband and I still owe nearly our entire balance. This is an atrocity. The

statistics above show a dysfunctional and criminal situation in which hardworking, tax-paying people are shackled relentlessly to a debt loan program consistently forgotten even with a recent law. This group wholly falls under undue hardship. Again, we are calling on the Secretary to use his authority to cancel the remaining joint consolidation loans. Discharging these loans will save the Department the administrative costs and burden tied to disentangling a very nuanced- [30 seconds] a very nuanced set of loans that make separation complex and nearly impossible. We've been misled, forgotten, and pushed to the side long enough. It's time to do the right thing. No other loan granting agency could get away with this type of neglectful administration of loans. And with that, I yield my time.

MS. JEFFRIES: Thank you, Katherine. We appreciate your time this afternoon. We do have three people who have signed in via a phone number. If we can't confirm the phone number, we're unable to let you in. So if you are listening on the live broadcast, please email the- to confirm your phone numbers so that we can identify who you are. Thank you. Brady, who's next?

MR. ROBERTS: Alright. I just admitted Siobhan Murray, who is a Master of Fine Arts candidate at ASU.

MS. JEFFRIES: Okay. Good afternoon and welcome. You have-

MS. MURRAY: Thank you.

MS. JEFFRIES: You're so welcome. You have three minutes to address the committee this afternoon with a 30-second notice that your time is about to expire. So with that, your three minutes begin now.

MS. MURRAY: Hello, everyone. My name is Siobhan Murray, and I'm a student loan borrower. I want to first thank the Department for taking the time to listen to my testimony. I graduated from Salisbury University on the Eastern Shore of Maryland this year with my bachelor's. I'm from Maryland, so I selected Salisbury University because it was an in-state school where I could receive Pell Grants every year, as well as assistance from the MDCAPS Program. For the first two years, my father paid for my college education. During my junior and senior years, I worked during the summers as a server and as a running tutor during the semester. Despite my father's help and many hours spent working to pay my tuition, and receiving over \$15,000 in Pell Grants, I graduated with around \$12,000 in student loans. If I were to attend an out-of-state school, I can't begin to imagine the cost of my loans. My sister attended Howard University, which was out of state and graduated

with around \$45,000 in student loans. Now that I've graduated, I moved to Arizona State University to work as a teaching assistant and earn my Master of Fine Arts. I have received a tuition waiver and a stipend because I'm a teaching assistant. Despite this, my stipend is roughly half of what the cost of living in Arizona is. Although I have a driver's license, I'm unable to afford a car. Arizona has some public transportation, but it is far from walkable. And I have faced many challenges from relying on public transportation from sexual harassment to missing networking opportunities. I have \$100 in my checking account right now. So if I were to have an emergency, I would have nothing. I will have to pay thousands of dollars from my undergraduate years once I earn my master's. When the Pell Grant program was in 1972, it was created to give students without financial resources the same means to pay for college as those with financial resources to pay for college. My story represents many low-income students who are faced with the rising cost of education at universities, both in and out of state that can no longer compensate for these inequities. A long-term Student Loan Forgiveness Plan would allow me to save money for my future and buy a car. An equitable path to education should account for students like me, Black and Brown students from low-

income families to close the racial wealth gap. Thank you.

MS. JEFFRIES: Thank you. We appreciate your time this afternoon. Brady, and who do we have next?

MR. ROBERTS: Alright. I just admitted Danielle Pierce, who is here representing herself, who's joining us by phone.

MS. JEFFRIES: Okay. Danielle? Can you hear me?

MS. PIERCE: Yes, I'm here. Good [inaudible]. Yes. I can hear you.

MS. JEFFRIES: Okay. You will have three minutes to address the committee and with a 30-second reminder that your time is about up. So with that, your time begins now.

MS. PIERCE: Okay. Good afternoon. My name is Danielle Pierce. I graduated in 2018 with a Bachelor's degree in animal science. My graduation celebration was short-lived when I received notice of having to make my first payment immediately after graduation. That sent me into panic mode. I didn't have a job at the time, and my first payment was due. I wasn't sure how I was going to pay the money back then or now. Student loans have hindered me from having what many call the American dream. I have a desire to get my Master's so

I can fulfill my dreams of becoming a veterinarian, but I'm unable to do so. The degree I have, I can't even get a well-paying job unless I get at least a Master's degree. And vet techs are often underpaid while minimum wage is still \$7.25 an hour in South Carolina since 2008, which isn't enough to pay off my loan. Most scholarships are catered toward undergrad students and high school seniors, so getting a scholarship to go to grad school is far and few between. I currently live at home with my parents because I have to make a choice of having a roof over my head and food on the table or have that sense of independence and move out while being on the brink of homelessness, having bad credit, and/or missing a meal while trying to pay off student loans. I don't have rich parents, and I'm not a lawmaker's daughter or granddaughter, where I don't have to worry about student loans hanging over my head. I have a total of \$100,000 in student loans. \$32,000 of that are Federal and the rest are private. There are 43,600,000 people in the US with student loans. In layman's terms, that's 1 in 5 adults. Over 50% are African Americans. My parents help me as much as they can, but they shouldn't have to, especially being that my parents are almost 70. They shouldn't have to carry that burden nor watch their child suffer. I make payments as best as I can taking most of my paycheck, but

it's still not enough to make a dent in my loan. I'm very swamped, overwhelmed, and feel buried by loans much like the rest of the US. The lawmakers who don't care are only worried about themselves and not the 43,600,000 people who suffer daily, while their children and grandchildren won't have to worry about ever seeing a student loan or feeling burdened by it. At least 22 countries have made college free, but yet the US is behind when it comes to that, and instead have adults drowning in student loan debt. When taking this decision into consideration, think about how different your life would be if the shoe was on the other foot. And think about if you had student loans, would you barely be making ends meet? Think of the 43-[30 seconds] you could change by forgiving student loans. I'm finished.

MS. JEFFRIES: Okay. Thank you, Danielle. Brady, who's next?

MS. PIERCE: Thank you.

MS. JEFFRIES: You're welcome.

MR. ROBERTS: I just admitted Brenda Humphrey, who is here speaking on behalf of herself.

MS. JEFFRIES: Okay. Brenda, can you hear me? Oh, connecting. Brenda, can you hear me?

MS. HUMPHREY: Yes.

MS. JEFFRIES: Okay. Wonderful. Thanks

for joining the committee this afternoon. You will have three minutes to address them with your comments with a 30-second reminder that your time is about to expire. So with that, your time begins now.

MS. HUMPHREY: Thank you. Okay. I am the graduate student loan borrower who has been retired from education for 7 years now. I feel like I am- this committee could impact a lot of folks. There's- there have to be other people out there like me, who just barely missed the arbitrary date that was set for the Public Service Loan Forgiveness Program of 2006. I have 24 years of teaching altogether, but the problem is I retired in 2016 and the year only counted from 2007 when the guidelines were relaxed a few years ago. I went ahead and applied for it, got my certification from my last employer, and they gave me 9 years, but that- that's not enough because you had to have the 10. I feel like if a small adjustment could be made in that date, that it would pick up lots of people like me. I entered the teaching profession when I was 35, so I got a Master's and a specialist degree to help my retirement level. And I got those, you know, mid-career and later. So, I- that arbitrary date has hindered my Public Service Loan Forgiveness. My daughter, who is a District Attorney, an ADA, has already got her law school loans, marked off,

which is just awesome. She has the 10 years, but yet, I have 24 but- of years of public service, but I cannot get my loans marked off because of that date. I- you know, I implore the committee to please try to look at that. I know it is a law and the adjustments may not be easy to make, but I feel like that would impact and help without having to come up with a lot of other new guidelines. I appreciate you listening. Thank you.

MS. JEFFRIES: Okay, thank you, Brenda. Brady, who's next?

MR. ROBERTS: Alright. I just admitted Amari Fennoy, who is the training and programs manager at the NAACP.

MS. JEFFRIES: Okay. Amari, can you hear me?

MS. FENNOY: Yes. I can hear you.

MS. JEFFRIES: Okay. Wonderful. You will have three minutes to address the committee with a 30-second notice that your time is about to expire. So with that, your time begins now.

MS. FENNOY: Good afternoon. My name is Amari Fennoy, and I serve as a training and programs manager for the NAACP Youth and College. I'm also a student loan borrower myself. I appreciate the opportunity to share my thoughts with the Department

Negotiation Rulemaking Committee, And I thank you for your dedicating your time to hear my comment and to work to establish new rules. I continue- I come from East Saint Louis, Illinois, a small town where the median household income ranges between \$17,000 and \$26,000 annually. I earned my bachelor's degree from Spelman College and a master's from the University of Missouri. Today, I am burdened with over \$64,000 in student loan debt. Additionally, my mother, has a Parent PLUS Loan of \$140,000, which has accumulated \$30,000 in interest, bringing our combined student loan debt to a staggering \$234,000. During my time in Spelman, historically Black college, I witnessed many of my peers leave school due to financial restraints. HBCUs, like Spelman, often receive less funding compared to predominantly white institutions. My ability to continue my education was only possible due to my mother's sacrifices. Currently, I am facing a monthly student loan payment of \$500 under the SAVE Program in addition to living expenses, car payments, and the concerns of my mother's \$1,200-dollar monthly repayment for my education. It's overwhelming to see a single mother who has dedicated nearly three decades to Federal service and raise me to be a responsible adult, struggle under these immense financial burdens. Unfortunately, the program like SAVE offer

little support to parents who go through great lengths to protect their children from predatory loans. I grew up believing that education was a pathway out of poverty. However, this belief has not materialized for many in the Black community, especially Black women. And we currently hold two-thirds of the 1,000,000,000,000 in student loan debt. It's crucial that we ensure that Black communities are not trapped in a cycle of debt. African Americans often require loans for education, but face challenges repaying them due to the economic disparities post-graduation. Student loan debt forgiveness is not just a relief. It's a necessary step towards enabling homeownership, entrepreneurship, and accumulation of assets and investments for the Black community. I sincerely thank you for your attention and earnestly hope for a resolution that supports over 40,000,000 borrowers overwhelmed with student loan debt. And that's my time.

MS. JEFFRIES: Thank you, Amari. We appreciate your time. Brady, who's next?

MR. ROBERTS: Alright. I just admitted Thera Blasio, who, is here on behalf of the Spousal Consolidation Organization, Do Us Part.

MS. JEFFRIES: Hi, Thera. Can you hear me?

MS. BLASIO: Good afternoon. It's

Thera. Yes, I can.

MS. JEFFRIES: Thera? Okay. Wonderful. So you will have three minutes to address the committee with a 30-second notice that your time is about to expire. So with that, you can go ahead and begin now.

MS. BLASIO: Good afternoon and thank you for the opportunity to speak today. I am representing borrowers in joint spousal consolidation loans and I'm a proud member of Spousal Consolidation Do Us Part. With every day that passes witnessing the stalled implementation of Public Law 117-200, borrowers like me are reminded that our identity and autonomy were wiped away in 2006 when Congress started the precarious joint [inaudible] program yet provided no pathway out for the young married professionals already ensnared in it, many of whom are steered to sign the paperwork by their servicers. Consolidation of loan enforcement is merciless. There's no way out. Not with legal separation, divorce, chronic illness, disability, marital neglect, orders of protection, or domestic violence, not even in the death of one of the spouses. For divorce borrowers like me, the pain from that tether never leaves. My story is that my loan nearly defaulted as my marriage devolved due to emotional abuse and neglect. My signed- my ex signed the agreement, refused to pay, and refuses still.

He will not reply to messages. And yet, post-divorce, I, a single parent, have paid back more than double of what I borrowed. Because I'm a co-payer, the thick- because I'm a co-pamer- co-payer, excuse me, the thank-you-for-your-payment emails get sent to his inbox. The only way to save myself was to save him too. In fact, 37% of JCL borrowers remain shackled to abusive or uncooperative spouses only through these loans. Continuing servicing of these loans sustains economic abuse is defined under the Violence Against Women's Act reauthorization of 2022. Abusers can still exert control. There's no true safety. There's no true freedom. It is psychologically draining and, at times, dangerous. Further, because 82% of these borrowers have FFEL loans, we have faithfully paid for decades, locked out of any relief for Federal benefits including payment pause, 0% interest, Fresh Start for default, PSLF, or IDR Forgiveness. During the pandemic pause, these borrowers on average paid \$15,431. We are still barred from reconsolidating today. A recent survey of a sample of 53 borrowers had collectively made \$861,703 in payments over the course of the pause, But the combined balance for the group dropped \$3,237. Average monthly payments were less than interest accumulation. The runaway effect continues. A startling 30% of our group have paid 150% of the original balances

already. We are hardworking, tax-paying, older borrowers, nearly half 50 to 70 years old. 91% of us are public service. [Inaudible]

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

MS. BLASIO: -as we lose the race against time to save for retirement. I am here to say that we have suffered for far too long. We are calling on the Secretary to use his authority granted in HEA section 432 (a), which relates to the waiver of Federal Student Loans cancel the remaining joint loans. Discharge of these loans will save the Government the administrative and cost burden necessary to disentangle these complex and highly nuanced loans. It's time to give all joint spousal loan holders our peace of mind back, our rights to make our own financial decisions back, and our hope back. Thank you.

MS. JEFFRIES: Thank you, Thera. We appreciate your time and comments. Brady, who's next?

MR. ROBERTS: Cindy, I just admitted Foluke Akinkunmi, who's here on behalf of the University of Connecticut chapter of the NAACP.

MS. JEFFRIES: Okay. Wonderful. Foluke, can you hear me?

MS. AKINKUNMI: Yes, I can.

MS. JEFFRIES: Wonderful. Welcome this afternoon, and you will have three minutes to address the committee with a 30-second reminder that your time is about to expire. So with that, your time begins now.

MS. AKINKUNMI: Thank you. Good afternoon, everyone. My name is Foluke Akinkunmi, and I'm currently a junior at the University of Connecticut majoring in political science. I wanted to first start off by thanking the Department Negotiated Rulemaking Committee for providing me with the space to speak with you all. Today, I wanted to share a personal story about the profound impact that student debt had on my life. Although I was born in the United States, I was raised in Canada, and I've always been drawn to the abundant opportunities available in this country. As the daughter of Nigerian immigrants, my parents had instilled in me the importance of education. Unfortunately, we were aware that they would not be able to support me financially even though they wanted to as they continue to pay off their student loan debts well into their fifties. When I received my acceptance into the university, I was fortunate enough to receive a full tuition scholarship for four years. However, the scholarship did not cover my full cost of attendance as an out-of-state student. The dream of attending college seemed impossible, especially

since my parents, not living in the US, were unable to secure a Parent PLUS Loan on my behalf. Luckily, a family member agreed to cosign a private loan through Sallie Mae, making it possible for me to pursue my education. Throughout each semester, I faced the uncertainty of whether I would be able to afford to come back each next semester. The weight of student loan debt constantly hung over me, limiting my freedom to fully explore my interest. The first four semesters, I worked tirelessly to secure scholarships and grants and to avoid taking extra loans. I am now grateful to find myself in a position where I've received full funding for my next few years at the- for my undergraduate education. And I share my story this way to shed light that despite the sacrifices my family and I have made, despite the Pell grants and full tuition scholarships I received, despite the fact that I've worked to finance the final two years of my undergraduate education, I currently owe \$78,682.79 in private loans alone and \$12,000 in Federal Loans. I also want to share with you that coming to university has allowed me to find my passion in law and that now I have aspirations to advocate for the Black community and Black medical malpractice cases pertaining to maternity and birth injuries. However, as I plan for my future, I'm faced with a paralyzing decision of whether it's worth it

to endure three more years of student loan debt to pursue my career goals in law school. Black people in the United States have endured centuries of oppression, yet we have exhibited remarkable resilience-

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

MS. AKINKUNMI: -and building a community of strength and wisdom. We started the race 400 years behind our white counterparts, yet we continually find ourselves at the finish line. Student loan debt presents a significant barrier by targeting the one thing that no one can take away from us, our minds. We have the right to access education. We have the right to liberate ourselves mentally. Student loan debt is the violation of these rights and disproportionately impacts Black and Brown people in the United States. If the US genuinely aspires for a future free from the current systemic racism, what America has been built on, it starts with our access to education. It starts with freedom from student loan debt. Thank you for your time.

MS. JEFFRIES: Thank you, Foluke. Have a nice afternoon. Bray, we have time for one more.

MR. ROBERTS: Yep. I just admitted our final speaker for this negotiated rulemaking, Jenaya Moore, who's here representing the NAACP and is a

Virginia Youth and College co-adviser.

MS. JEFFRIES: Okay. Jenaya, can you hear me?

MS. MOORE: Yes, I can hear you.

MS. JEFFRIES: Okay. Wonderful. You will have three minutes to address the committee this afternoon with a 30-second reminder that your time is about to expire. So having said that, your time begins now. Thank you.

MS. MOORE: Thank you. Alright. Good afternoon, everyone. Hope everybody's doing well. Before I start, I would like to thank the Department of Education Negotiated Ruling Committee for taking the time to listen to my story. I know that you guys are all working very diligently to establish something related to the compromise of Federal Student Loans. Again, my name is Jenaya Moore, and I'm honored to speak before you today as a representative of the NAACP, serving as a co-adviser of the Virginia State Conference. Additionally, I am a proud member of Sigma Gamma Rho Sorority Incorporated. And currently, I am a proud HBCU law student attending the University of District of Columbia, David A. Clark School of Law. And like many others, I am a student loan borrower. Growing up in a home where education was not just valued but considered a top

priority, I understand the transformative power that it does hold. As a first-generation college student and a second-generation citizen to Jamaican immigrants, my family has made many sacrifices to establish themselves in America still to date. Unfortunately, they never had the financial means to provide for much, if any, of my college education. During my undergrad years, I was a Pell Grant recipient. My mother did take out Parent PLUS Loans to support me. However, due to her own financial barriers, she couldn't take out more loans to cover my schooling, which then left me with the full financial burden of taking out additional loans to complete my education. Upon graduation, I was able to secure a job, but with low pay, and then also repayment plans starting back up with my student loans, coupled with other financial responsibilities and bills, it fortunately did lead me to take on a second job. Despite my aspirations to further my own education, financial constraints did force me to defer on my loans when I ended up returning to school to complete my master's degree. After completing my master's degree, I am actually now happy to say again that I'm finally pursuing my dream of becoming an attorney, for that actually, the first attorney and first doctor in my family. The return on investment for my education has been more than rewarding for me, my

family, and my community. However, now living in DC, the high cost of living that-

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

MS. MOORE: Okay. The cost of living that does come with that, does present some additional challenges that I am concerned about. I do commend the efforts made with helping us figure out ways to make our payments, particularly the SAVE Repayment Plan, but it has provided financially challenging barriers for me still making loan payments now with that starting back up, and I must express my concern about that feasibility for myself and I know many others that may have the same concern. In conclusion, I do urge this esteemed committee to continue to consider the real-world implications that student loan does have on individuals like myself and others. So thank you for your time and your consideration.

MS. JEFFRIES: Thank you, Jenaya. Have a great afternoon.

MS. MOORE: Thank you.

MS. JEFFRIES: So with that, that concludes the public speaking time that we have today. We want to thank everyone who was able participate today and took the time to join the committee. So with that, we

will stand adjourned until tomorrow morning when we will start back in for the final day.

**Zoom Chat Transcript
Student Loan Debt Relief Committee - Session 3, Day 1, Afternoon, December
12, 2023**

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

From (P) Richard Haase - Graduate Borrowers to Everyone:
Jalil starting at table for grad borrowers

From P - Ashley Pizzuti - 2 Year Borrower to Everyone:
I agree with Kyra that sometimes the vote might night go far
enough.

From P-Angelika Williams: Private Nonprofit Institutions to
Everyone:

Reacted to "+1 limiting cancella..." with 👍

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:
Agreed- I think it is important that we discuss 30.83 today

From A-Jalil Mustaffa Bishop-Graduate Student Borrower to Everyone:
+1 on 30.83

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "+1 on 30.83" with 👍

From P - Ashley Pizzuti - 2 Year Borrower to Everyone:
Yes, it feels like there isn't enough time if pushed. Unless
there is the possibility of an extension of this committee.

From (A) Edward Boltz (Consumer Advocates) to Everyone:
Will you similarly press the Department to provide information
about hardship?

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "Will you similarly p..." with 👍

From A - India Heckstall, Civil Rights Orgs to Everyone:
Reacted to "Will you similarly p..." with 👍

From (A) Edward Boltz (Consumer Advocates) to Everyone:
A good faith mediator will often call all parties out for
insufficient forthrightness

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "A good faith mediato..." with 🙌

From P- Jessica Ranucci (Consumer Advocates) to Everyone:
Would 30.86 be broad enough to cover some situations in which the
loss of Title IV is due to loss of accreditation, to the extent that
the loss of accreditation was due to factors that would otherwise fall
within the regulation?

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
In the cases of small colleges, what criteria is the DOE using to
determine that the student has not received sufficient financial value
when a college closes for financial reasons?

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:
+1 re: providing relief even if an appeal occurs

From A - India Heckstall, Civil Rights Orgs to Everyone:
Removed a 👍 reaction from "Will you similarly p..."

From P-Angelika Williams: Private Nonprofit Institutions to Everyone:

Heightened Cash Monitoring (HCM) refers to a level of oversight by the U.S. Department of Education placed on institutions participating in federal student aid programs due to specific financial or compliance issues. When institutions face sanctions or issues that result in their participation being terminated or denied recertification for Title IV, Higher Education Act (HEA) programs, the Secretary of Education or authorized Department officials may issue a waiver that exempts affected students from repaying certain loans associated with attending these institutions or programs.

The waiver outlined in § 30.86 allows for the Secretary to waive the entire outstanding balance of loans related to attendance at an institution or program that no longer qualifies for Title IV, HEA program participation due to various reasons, such as failing to meet accountability standards based on student outcomes or delivering insufficient financial value to students, including misconduct or misrepresentations.

12:28:39 From A-Jalil Mustaffa Bishop-Graduate Student Borrower to Everyone:

Reacted to "Heightened Cash Moni..." with 👍

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:

+1 agreed that this is a great addition and thank you to the Department

From (A) Edward Boltz (Consumer Advocates) to Everyone:

Completely understandable that the Department cannot comment on language which it is just seeing. Hopefully that understanding will be extended to negotiators

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:

Sarah Butts is taking over as primary

From Cynthia Jeffries - FMCS Facilitator to Everyone:

Replying to "Sarah Butts is takin..."

Thank you

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:

That's helpful- thank you

From P - Scott Buchanan - FFEL, Servicers, GAS to Everyone:

Benjamin Lee is stepping to table.

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:

Agreed that it would be better to replace "not have reliable data"

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

To clarify, I think 30.88(a)(3) should be "For ANY period in which the borrower received loans for enrollment in the program" rather than "For the period..."

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

I'm going to +1 on Jalil

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:

+1 on what Jalil suggested

From P-Angelika Williams: Private Nonprofit Institutions to Everyone:

Replying to "Heightened Cash Moni..."

Accreditation sanctions could also result from compliance failures, such as failing to meet educational quality standards or engaging in unethical practices. While accreditation and HCM are separate processes, compliance issues leading to accreditation sanctions might trigger the Department of Education to implement HCM to monitor the institution more closely.

From P-Angelika Williams: Private Nonprofit Institutions to Everyone:

Replying to "Heightened Cash Moni..."

Institutions that are under review for accreditation status changes may also be placed under HCM. This serves as a precautionary measure to ensure proper financial management until the accreditation decision is finalized.

From P-Angelika Williams: Private Nonprofit Institutions to Everyone:

Replying to "Heightened Cash Moni..."

Heightened Cash Monitoring (HCM) intersects with § 30.86 regulation when issues related to an institution's financial management or compliance lead to the termination of participation in Title IV, HEA programs or render the institution ineligible for student aid. For instance: Heightened Cash Monitoring could be an early indicator or step preceding the termination decision based on financial mismanagement. Also, Heightened Cash Monitoring could be a measure taken by the Department of Education to ensure closer oversight when compliance issues arise, which eventually result in Title IV eligibility termination or denial.

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

India Heckstall stepping to the table in lieu of Wisdom

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

+1 to Jessica - really support forgiveness for old loans. Also think it's critical to avoid an arbitrary cliff. +1 to Jalil supporting 'rolling relief'

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

+1 to Jalil supporting rolling relief

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:

Reacted to "+1 to Jessica - real..." with 👍

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:

Reacted to "+1 to Jalil supporti..." with 👍

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

+1 to shortening timeline for smaller loans like in SAVE

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:

Happy to email that language to the Department

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

+1 to rolling relief and shorter timeline.

From A-Susan Teerink - Private, NonProfit Institutions to Everyone:

Reacted to "+1 to Jessica - real..." with 👍

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:

+1 to Jalil for shortening the timeline for distressed borrowers and taking into consideration the proposals and remedies which have been proposed by negotiators

From P - Ashley Pizzuti - 2 Year Borrower to Everyone:
I agree with John, there should not be those worthy and those who are not by a day.

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "I agree with John, t..." with 👍

From A-Jalil Mustaffa Bishop-Graduate Student Borrower to Everyone:
To recap, the Dept already said under SAVE distressed borrowers (with \$12k or less debt) deserve quicker cancellation. Expand that relief to other distressed borrowers.

From (P) Richard Haase - Graduate Borrowers to Everyone:
+1 to John: last person in and first person out look the same; arbitrary winners and losers undermines trust in the system

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "+1 to John: last per..." with 👍

From P- Kyra Taylor, Legal Assistance Orgs to Everyone:
From the Department's SAVE final rule: "the \$12,000 threshold not only is better targeted in terms of incomes, it also aligns with the borrowing level at which we witness higher levels of adverse student loan outcomes. As previously mentioned in the IDR NPRM, 63 percent of borrowers in default borrowed \$12,000 or less originally, while the share of borrowers in default with debts originally between \$12,000 and \$19,000 is just 15 percent."

From Brady Roberts- FMCS Facilitator to Waiting Room Participants:
Good afternoon everyone. Thank you for registering for public comment. Please ensure your name matches the name you registered under. Feel free to email me at broberts@fmcs.gov with any questions.

From A-Sherrie Gammage, 4 Year Borrowers to Everyone:
Sherrie Gammage will return as primary

From Brady Roberts- FMCS Facilitator to Waiting Room Participants:
Good afternoon everyone. Thank you for registering for public comment. Please ensure your name matches the name you registered under. Feel free to email me at broberts@fmcs.gov with any questions.

From Tamy Abernathy - Director, Policy Coordination Group, ED to Everyone:
Here is a link you may provide borrowers who wish to submit a complaint <https://studentaid.gov/feedback-center/>

From Brady Roberts- FMCS Facilitator to Waiting Room Participants:
Good afternoon everyone. Thank you for registering for public comment. Please ensure your name matches the name you registered under. Feel free to email me at broberts@fmcs.gov with any questions.

From A-Jalil Mustaffa Bishop-Graduate Student Borrower to Everyone:
+1 everything Sen. Warren is proposing. We can do more!

From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "+1 everything Sen. W..." with 👍

From A-Susan Teerink - Private, NonProfit Institutions to Everyone:
Reacted to "+1 everything Sen. W..." with 👍

From P-Yael Shavit-State AGs to Everyone:

+1 to Senator Warren's proposals
From (P) Richard Haase - Graduate Borrowers to Everyone:
+1 to everything Se Warren suggests
From A - India Heckstall, Civil Rights Orgs to Everyone:
Reacted to "+1 everything Sen. W..." with 👍
From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
+1 to Senator Warren's proposals
From P-Angelika Williams: Private Nonprofit Institutions to
Everyone:
Reacted to "+1 everything Sen. W..." with 👍
From P- Kyra Taylor, Legal Assistance Orgs to Everyone:
Reacted to "+1 everything Sen. W..." with 👍
From P- Kyra Taylor, Legal Assistance Orgs to Everyone:
+1 in support of Rich's proposal to cancel joint consolidation
loans
From A-Susan Teerink - Private, NonProfit Institutions to Everyone:
Reacted to "+1 in support of Ric..." with 👍
From P-Sherrie Gammage, 4 Year Borrowers to Everyone:
Reacted to "+1 in support of Ric..." with 👍
From P - Ashley Pizzuti - 2 Year Borrower to Everyone:
Absolutely, everything Senator Warren Proposed.
From P - Ashley Pizzuti - 2 Year Borrower to Everyone:
Reacted to "+1 in support of Ric..." with 👍
From (P) Richard Haase - Graduate Borrowers to Everyone:
I look forward to hearing the department's response to the
proposal we submitted to FINALLY provide joint consolidation borrowers
the relief they need