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P R O C E E D I N G S

MS. ABERNATHY: Good morning. Welcome to the US Department of Education's virtual public hearing to discuss its proposed rulemaking agenda. My name is Tammy Abernathy and I'm the director of the Policy Coordination Group in the Office of Postsecondary Education. Greg Martin, also from the Office of Postsecondary Education, will facilitate during the first part of the afternoon session. I am joined this morning by Ben Miller from the Office of the Under Secretary and by Brian Segal from the Office of the General Counsel. Other Department representatives will be present this afternoon and we will introduce them at that time. We are pleased you have joined us and look forward to an informative day. At this time, I would like to introduce Under Secretary of Education James Kvaal, who has some opening remarks he wishes to share. Under Secretary Kvaal.

MR. KVAAL: Thanks so much, Tammy, and thanks, everyone, for joining us. Welcome to the Department of Education's public hearings on student debt relief. I appreciate everyone who is providing comments today, everyone who has already provided written comments or intends to provide written comments and to everyone watching. I want you all to know that President Biden, Vice President Harris, Secretary Cardona and I are not going to stop fighting for student loan borrowers. We're committed to using every tool we have to provide borrowers with the necessary relief. And today, which is less than three weeks since President Biden announced actions opening up a new path to provide debt relief to as many borrowers as possible, we are already taking this important step forward, and we're committed to improving our regulations on the Secretary's authority under the Higher Education Act to compromise, waive or release Federal student loans. Our goal is to provide debt relief to borrowers, particularly those working and middle class borrowers who need it the most. And to recognize that far too many student loan borrowers have been left with debts that are unaffordable, unreasonable and unacceptable. We want to help borrowers who were let down by the fundamental bargain of Federal loans that investments in yourself and your education will help you get a better life. We want to help those who have seen their debts get out of hand, even as they make the payments that we ask. So our goal is to help as many borrowers as possible, and we will work as quickly as possible under the law. Congress has set procedural requirements to ensure that, among other things, we carefully consider public input. And that requires a

number of months. We know this process can take time, and we know how important it is to borrowers and how urgently they need help. We'll move as fast as we can. We began this process on the very same day as the Supreme Court's decision, and we won't let any time waste going forward. This hearing and the regulatory process is just one part of President Biden's and our Department's larger plan to improve the student loan system and do everything we can to support student loan borrowers. Last month, we also finalized the SAVE Plan, which is the most affordable repayment plan ever. And when benefits start the summer, borrowers who make under about \$33,000 a year, will not have to make loan payments, everyone else will save at least \$1,000 a year, and we will be putting an end to runaway interest. We fixed broken programs like public service loan forgiveness, where the number of borrowers helped has gone from 7,000 to more than 650,000 in just two years. Just last week, we started notifying 800,000 more borrowers that they will receive \$39 billion in forgiveness. As we fix long standing problems with the Income Driven Repayment Plan. Across all loan forgiveness programs, our Department, under President Biden's leadership, has identified more than 3.4 million borrowers who are eligible for relief and we're not

going to stop. We will keep working to make sure that borrowers get the help they're entitled to. We're also providing borrowers with a 12-month on-ramp as repayments resume in September, and we're encouraging borrowers to make their payments as interest will continue to accrue and these payments will not count toward forgiveness. But for those who struggle and cannot pay, they will not have their loans negatively reported to credit bureaus or entered default. Finally, we're looking at the sources of these unaffordable debts and we'll be holding for-profit colleges and others accountable when they leave students with debts they can't afford to repay. Today's hearing is the first step toward further help for borrowers who badly need it. Thanks again to today's speakers. And in addition to oral comments that we'll hear today, you can also submit written comments through July 20th at regulations.gov. After the hearing and our review of comments we'll publish a notice seeking nominations for negotiators and a schedule of negotiations. We hope many of you will consider serving in this capacity. We remain committed to the idea that a college credential is one of the best tools for building a stronger America but we can't bury the dreams unlocked by college under mountains of unaffordable debt. Through this process, we will work

swiftly and tirelessly to make that relief a reality for borrowers. Thanks again for being a part of this process and I'll turn it back over to Tammy.

MS. ABERNATHY: Thank you, Under Secretary, Kvaal. On July 6th, we published a notice in the Federal Register announcing our intention to establish a negotiated rulemaking committee to prepare proposed regulations for the Federal Student Aid programs authorized under the Title IV of the Higher Education Act of 1965, as amended, also known as the HEA. Specifically, we requested input on the authorities granted to the Secretary in HEA section 432 A, which relates to the modification waiver or compromise of Federal student loans. As you've heard, in addition to hearing testimony today, we announced that the Department will accept written comments on this topic, as well as any suggestions for additional topics we should consider for action by a negotiating committee. You may submit a written comment using the www.regulations.gov website on or before July 20th, 2023. For more background on the topic of today's hearing, please refer to that July 6th, 2023, Federal Register Notice, which also provides instructions on how to submit comments electronically. Today's hearing is divided into morning and afternoon sessions, which are

scheduled from 10 a.m. to noon Eastern Time and from 1 to 4 Eastern Time this afternoon. Let's go over the logistics for today's hearing. Speakers, I will call your name when it is your time to speak and do my very best to pronounce your name correctly. Please begin by providing your name and your affiliation. You will have four minutes. I will provide a 15 second warning and then inform you when the four minutes has ended. If you exceed your time, we may mute you. You may turn on your camera when presenting if you wish. We do ask, however, that you turn off the sound for the public meeting site because there is a few second delay on the public meeting and that the public may have difficulty hearing you. When you are speaking, you may not initially hear yourself, but after a few seconds you'll hear yourself on a delay. This hearing is being transcribed and we will post the transcription on our website within the next few weeks. We will also provide a recording of the hearing that will include audio and video. Closed captioning is also available in real time during the hearing. This is a public hearing, and it is possible that a member of the public may record your remarks and post edited clips of them before or after the Department posts the full unedited hearing. That concludes our introduction. Our first speaker is Mark Chenoweth. Mr.

Chenoweth?

MR. CHENOWETH: Can you hear me?

MS. ABERNATHY: Yes, sir. You have four minutes.

MR. CHENOWETH: Thank you. Good morning. My name is Mark Chenoweth and I'm the president of the New Civil Liberties Alliance, a nonpartisan, nonprofit civil rights group founded by prominent legal scholar Philip Hamburger to protect people's constitutional freedoms from the administrative state's depredations. I was also counsel of record on the amicus brief NCLA filed on the prevailing side in the Biden v Nebraska Supreme Court case. NCLA represents nonprofit employer clients in multiple lawsuits against the Department over its unlawful student loan debt cancellation proposals. These proposals injure our clients because they undermine the Public Service Loan Forgiveness program that Congress created. My comments today may be attributed to NCLA, but not to our clients. That said, PSLF employers that are negatively impacted by the regulations the Department intends to propose should be included in the negotiated rulemaking process as they are distinctly harmed and will have standing to sue over the regulations being propounded. The Department must stop legislating new programs in the executive branch, which is not the proper branch for lawmaking. The vesting

clause of article one, section one of the Constitution states that all legislative powers herein granted shall be vested in a Congress of the United States. Article one, section nine of the Constitution, the Appropriations Clause ensures that Congress, not the Department of Education, will have control over Federal expenditures. It provides that no money shall be drawn from the Treasury, but in consequence of appropriations made by law. Just as the Department's attempt to use the Heroes Act to rewrite statutory provisions and cancel hundreds of billions owed to the Treasury, violated both the vesting and appropriations clauses, so too, any proposed negotiated rulemaking will do so if it cancels massive amount of debt owed to the Treasury without obtaining Congress approval. An HEA-based proposal could be even worse than the Heroes Act because it would not be limited to national emergencies, nor to making impacted individuals whole. The Supreme Court just told this Department that the major questions doctrine instructs it not to presume implicit statutory authority exists to sanction the creation of vast new programs based on vague or merely colorable language in old statutes. Yet here you go again. The Supreme Court will not permit agencies to discover elephants in mouse holes. Instead, there must be statutory clarity

proportional to the scope of the power asserted. Finding blanket cancellation authority for student loan debt in the HEA as this negotiated rulemaking aims to do, will amount to pulling a wooly mammoth out of a statutory mouse hole never meant for such massive undertakings. A vote of Congress is required before such a program may be instituted, even if the Higher Education Act permits the Department to suspend the law on a case by case basis that does not authorize the Department to invent wholesale exemptions. Moreover, as Professor Hamburger has shown, the Constitution forbids any executive dispensing or suspending power, including any delegation of such power to the executive. Canceling debt that borrowers are legally obligated to repay amounts to executive forbidden executive dispensation. That is the power to act outside the law to relieve persons from a law that applies to them. English King's exercise of dispensing power ended with James II, who was removed from power for abusing it. And American colonists never tolerated such power in the executive, and the US Constitution forbids it. Indeed, the Constitution does not countenance such behavior for the exact reason why this Administration is abusing the power it would enable for giving application of the law of the law to the Administration's favored constituents. Such gratuitous

conduct is simply not the prerogative of the executive. Allowing such behavior would also enable a complete end run of the bicameralism and presentment requirements under the Constitution for passing laws. The Department should consult the Clinton v City of New York Line Item Veto Supreme Court case from 1998, which helps explain the constitutional limits. In sum, the Department may only cancel debt under specific provisions of HEA where Congress pre specifies the reason for cancellation and who qualifies. Congress has enacted numerous loan forgiveness programs using specific language since 1965. Those specific provisions would be rendered surplusage if general HEA language of section 432 A is read to permit the Secretary to cancel loans on a blanket basis. Thank you.

MS. ABERNATHY: Thank you for your comments. John Smith.

MR. SMITH: Good morning. My name is John Smith and represent the student loan borrowers with ballooning balances. I borrowed \$65,000 for my studies around 15 to 20 years ago. That debt is now around \$99,000. There are many borrowers in a similar situation. In fact, one of my friends had over a quarter of a million dollars fortunately, it was forgiven as a teacher just this year. Over the past 20 years, I've been subject to job

loss for various reasons, including the great recession and COVID. Additionally, when I get back into the workforce, I've had to start sometimes over. Dealing with long periods of unemployment and longer periods of low pay has made paying my student loans over this period difficult, if not impossible. The Department is well aware of the issues that the servicers, which have exacerbated these situations by pushing borrowers towards forbearance, deferment and graduated repayment plans instead of Income Driven Repayment. Servicers acted in their own self-interest to the detriment of the borrower. There have been many times where this debt has felt like an albatross around my neck combined with the sense of indentured servitude. This debt has placed an exacerbating toll on my mental health. First, I'd like to thank the staff and leadership at the White House and Department of Education for all of the changes and improvements already in place. Through the SAVE plan, I will be able to afford my payments and not have to worry about future capitalized interest. I wouldn't say that I'm excited to begin repayment, but I am not dreading it. More action is necessary to ensure my fellow borrowers are able to be in a position where they can survive, but where they can prosper. Home ownership, starting a small business, starting a family, much of

which has been out of reach for many who have been overburdened by student loans. Providing a path to prosperity for this large group of middle class working adults not only greatly benefits them directly, but also trickles down to others as well benefiting the economy as a whole. Second, I'd like to overcome some of the common objections. Some might say that forgiving student loans is not fair to others that never attended. Well, not every program is designed to benefit everybody, and that's okay. Reduce tax rates on capital gains greatly benefit the wealthy. Conversely, the earned income tax greatly benefits the working poor. Both are great programs that have virtually no direct benefit to the middle class. Others mentioned that if you signed up for a debt, you should pay your obligation. There are many times when you don't get what you pay for that you're no longer obligated to pay for goods or services. Even one of our recent Republican presidents agrees with this. Lastly, I'm asking the Department and the rule makers for the following. Cancel past capitalized interest. Cancel debt incurred for from for-profit institutions involved in the sweet settlement regardless of a borrower defense application. I'm asking for automatic IDR recertification. Broad based forgiveness, if possible, within the current budget. These actions will

help redress those borrowers that have been most harmed. Additionally, I call on Congress to implement the following through budget reconciliation. Permanent exemption to taxes on forgiven student loans or any other Federal obligation. Lower interest rates on student loans. I call on them to implement broad student loan forgiveness and to implement a plan to ensure this doesn't happen again, which could include free community college, automatic transfer of forces from community colleges to four year state schools and accountability for schools. Lastly, increase the minimum wage. I believe that if we work together, we can find resolutions which will bring prosperity to our whole nation.

MS. ABERNATHY: Thank you for your comments. The next speaker is Lujain Al-Khawi.

MS. KHAWI: Hello everyone. My name is Lujain Al-Khawi and I'm an engineer in the medical devices industry. Today I would like to speak about the formerly proposed \$20,000 student loan forgiveness plan for Pell Grant awardees that was recently rejected by the Supreme Court. I'm going to discuss the repercussions of this decision personally and within my community. When my mother immigrated to this country to pursue her doctorate degree in 2005, she came as a single mother on

a student visa. Fast forward almost 18 years. She is now a professor at a community college. But it was not easy sailing for my mother, who had already achieved two master's degrees but needed her doctorate to become a professor. Unfortunately, the small merit based scholarships she received as a doctorate student was not enough to support a family of two. Therefore, she obtained a work visa so that she can work full time and pursue her doctorate degree now part time. Few people can claim that they are self-made. But my mother was truly self-made in that she never received money from any man, Government or charity. She worked and studied and continues to do both today. When it was my turn to go to college in 2015, I wanted to go to the best biomedical engineering program in this country, and I did. I received a presidential scholarship because I graduated top of my class and tested it in the 99th percentile at my ACTs. But I still had to take over \$20,000 in student loans despite getting a 75% merit based scholarship. But history repeated itself. I had to work 30 hours a week during college while taking 16 to 18 credits each semester, studying very difficult courses such as electrical engineering, math and chemistry. The only time I had to study was during my 2.5 hour metro rides from my university to my workplace

and home each day. Having graduated from college in 2019, I still have approximately \$6,000 in student loans, even though I was one of the lucky ones who received the Pell Grant because my mom's doctorate salary was not enough back in 2015. Reflecting back on this experience, my mom and I developed a strong work ethic, but no one should have to work full time just to attend higher education. No one has to work this hard, even when there are others who do not even have to work or even pay for their own schools because they benefited from multigenerational trust funds. We need to have equity in the higher education playing field. Because you are talented, a smart worker but are lacking in funds, you should not have to sacrifice going to the best schools in the country to become an engineer or a doctor. We need student loan forgiveness, especially for students of immigrant populations who have no choice but to be self-made. This is a small help for them, especially if they're not fortunate to get financial support from their families. We need reasonable student loan plans in this country. Thank you.

MS. ABERNATHY: Thank you for your comments. Mike Pierce.

MR. PIERCE: Thank you for the opportunity to be here today. My name is Mike Pierce, and I am the

executive director of the Student Borrower Protection Center. We look forward to participating in the negotiated rulemaking process and appreciate the Biden Administration's willingness to deliver debt relief in the face of last month's unjust ruling by the Supreme Court. Simply put, we're here today to urge the Department to keep its promises to student loan borrowers. The Biden Administration has made great strides in its effort to fix the badly broken student loan system, overhauling public service, loan forgiveness and Income Driven Repayment, automating total and permanent disability discharges, ramping up debt relief when schools closed and reviving the path to discharge debt when borrowers have a defense to repayment. At least 3 million people have been promised student debt relief by this Administration, and millions more can access this debt relief if they take action. As you know, these new rights to student debt cancellation sit outside of the scope of the Supreme Court's decision last month. This is good. The end of the COVID era payment pause will result in bills being sent to millions of borrowers who have these new rights to cancel their debts completely. Demanding payment from borrowers who have a right to be debt free is bad. The rush to resume repayment has the potential to be a

catastrophic unforced error, overshadowing the legacy this Administration has built as champions for working people with student debt. Millions of public service workers, borrowers with older debts and former forprofit college students should be debt free. But for the administrative burdens and processing delays by the private sector, student loan companies hired by the Department to administer these programs. The Department, in advance of any new rulemaking and in advance of the planned return to repayment, must hold these millions of borrowers harmless as their debt relief is processed. President Biden must keep his promises. Over and above the millions of borrowers covered by these existing programs. Tens of millions of working people were promised student debt relief in August of 2022, only to have this promised relief stripped away by the right wing Supreme Court. We applaud this Administration for swiftly committing to use the Higher Education Act to deliver debt relief and keep promises made to these borrowers. Today, we urge the Department to include in the upcoming rulemaking all of the authorities granted to it under the AGA to discharge and cancel Federal student loan debt. To convene a group of negotiators that reflect the diversity of student loan borrowers and to proceed with a timeline that meets the urgency of

this moment. First, the state of the student loan system is critical context for this rulemaking. The student loan system has become a debt trap. For every two borrowers who pay off a loan in 12 years, three more are even deeper in debt than when they first started. The student loan system continues to fuel racial and economic disparities, where the typical white family has more than four times the assets of Black and brown families. Same income. Black and brown students are forced to take on more debt to get the same education. For every Black borrower who repays a student loan in 12 years, 6 are even deeper in debt. The typical Black borrower is caught in this debt trap today. Any debt relief plan must at minimum, keep President Biden's promise to borrowers canceling up to \$10,000 per eligible borrower and up to \$20,000 for those who have received a Pell Grant. The Department should route debt relief in the full range of tools available to the Secretary. Although the Federal Register notice announcing this rulemaking cited authorities under HEA Section 432 A, generally, it only specifically referenced modification, waiver and compromise authority. the Department should make clear that in this rulemaking it plans to leverage all of the Secretary's enumerated authorities, including the authority to

release any right title, claim, lien or demand. Congress also conferred on the Secretary another set of powers under the Federal Claims Collections Act, which provides the authority to heads of all executive agencies to compromise debts owed to them. Similarly, Federal claims collection standards provide an independent basis from the AGA for President Biden to deliver debt relief to borrowers. Finally, the Department must ensure that a diverse set of constituencies are represented by negotiators during the rulemaking. Older borrowers, parent borrowers, defaulted borrowers, current students or recent graduates, low balance borrowers, high balance borrowers each have unique perspectives which need to be included in this process. Again, thank you for the opportunity to present today. SBPC is looking forward to engaging with this rulemaking and we will provide more detailed comments in the record.

MS. ABERNATHY: Thank you so much. Our next speaker is Karen Harned.

MS. HARNED: Hello. My name is Karen Harned, and I'm here on behalf of the Job Creators Network. We are a nonpartisan organization founded by entrepreneurs who believe that many Government policies are getting in the way of the economic freedoms that all Americans have helped make all Americans prosperous. JCN, Job Creators Network, has been on the forefront of the student loan forgiveness issue. We were the ones that helped support the private plaintiffs who filed the lawsuit that was recently concluded with the Biden versus Nebraska decision in which the Supreme Court said that the Department does not have the authority under the major questions doctrine to give broad student loan forgiveness. Job Creators Network has been clear all along. We agree there is a student loan crisis in this country. We agree with the Department and the remarks that were made at the top of this meeting by the Deputy Secretary that the colleges and universities are accountable for these issues and the debt crisis we have today. The bottom line is we've got colleges and universities across this country sitting on \$700 billion of endowments. Tuition rates have been rising at record levels above any other products or goods or services that Americans have been experiencing over the last 10, 15, even 20 years. The inflation for college tuition is unmatched and unsustainable and we believe unfair. So, we are very again, I am very encouraged to hear that the Department does want to hold these universities accountable. We believe that is a positive first step in solving this crisis. We do not believe that providing blanket forgiveness or really any forgiveness except in

some extreme outliers situations is warranted. Why do we believe this? We believe this because then we're going to be back here in 5, 10, 15 years doing this once again. This is not going to solve the problem. This is nothing more. Student forgiveness is nothing more than a Band-Aid. Moreover, in light of Biden versus United Nebraska, it's illegal. And even what the Department is proposing today, we think, falls outside of the Department's statutory authority under the Higher Education Act. We believe that only Congress can authorize through its, you know, taxing and spending power, the ability to forgive student loans. But that is not something that the Department, as Mr. Chenoweth noted earlier, can, you know, look through its books, in this case Higher Education Act, and shoehorn in a forgiveness policy. This needs to be directly authorized by Congress and Congress has yet to do this, right? They have had many opportunities to and they have not taken the bait. They have not decided to do this. That is why, as I close my remarks, I would just like to say and encourage the Department rather than go through this rulemaking, which is going to result- likely will result in more forgiveness that we think is illegal and once again will be challenged in the courts. We encourage the Department, the Administration, to work with Congress on

real solutions that deal with transparency of loans, deal with degrees that are offered, that are never going to repay students at the level that they think. Thank you.

MS. ABERNATHY: Thank you for your comments. Katie Krumpter. Four minutes. Katie Krumpter.

MS. KRUMPTER: Yes, Hi. My name is Katie Krumpter. I'm a senior financial counselor from New York Legal Assistance Group. I speak from New York Legal Assistance Group, NYLAG, a nonprofit provider of free legal services in New York City. NYLAG's attorneys, paralegals, and financial counselors assist hundreds of low income Federal student loan borrowers each year. We strongly support the Department's proposal to convene a negotiated rulemaking regarding its settlement and compromise authority in order to promulgate regulations on loan cancellation. Millions of borrowers face crushing student debt burden that affects their everyday lives. This includes 1 in 6 New York City residents, more than half of whom owe over \$20,000 in student loans. But this debt burden is not equally distributed. It falls disproportionately on low income communities and communities of color. Black New Yorkers owe student loan debt at a rate more than twice that of white New Yorkers, likely because nationally, 86% of Black

students take out student loan debt versus 68% of white students. And the average amount is higher too, approximately \$40,000 versus 30. After college, white graduates are more likely to receive wealth transfers from their family, whereas Black households are more likely to transfer their post-college income to support their family. As a result, nearly three quarters of Black borrowers student loans have a higher balance today than they started with. Further, relative to income, student debt is highest for individuals with the lowest incomes, who have debt increasing at the fastest rates. Half of New York City borrowers who received Pell Grants are either in default or unable to repay even \$1 towards the principal of their loan, seven years after entering repayment. Even \$10,000 of debt cancellation would completely wipe out the debt of almost one-third of New York City borrowers and over 40% of delinquent and defaulted borrowers in neighborhoods with the lowest average incomes. Sorry. At NYLAG, we see the patterns play out again and again with the hundreds of student loan borrowers seeking our help, including many who are people of color, many who attended predatory schools that offered little value and many who lack income to make their loan payments. The Department must center the experience of these affected borrowers.

First, borrowers seek our help with decades-old loans with no end of repayment in sight. Many of these borrowers who are struggling the most are those that have experienced periods of default and thus will not benefit from programs like the IDR account adjustment. In our experience, the Department and guaranty agencies rarely have adequate recordkeeping to document the payment history of these old loans, including the coercive collection mechanisms. We urge the Department to prioritize using its settlement and compromise authority in circumstances where there is anything less than full documentation of payment history. For example, one NYLAG client borrowed Federal loans in the mid 80s. As her family grew, she did her best but fell behind several times and eventually defaulted. In the decades that followed, she had tax refunds offset several times, equaling an amount that would have satisfied the original balance. Due to fees, penalties and interest, the debt lingers. Currently, her student loan debt stands at more than \$68,000. Even though she has made payments over the course of nearly 40 years, because of the period of periods of default, she will not benefit from the IDR account adjustment and will continue to carry this debt for years. Second, any settlement and compromise rule should include low income borrowers who

obtain Parent PLUS Loans on their children's behalf. It should also include loans obtained to attend grad school. Many women and borrowers of color need to obtain graduate degrees simply to reach the same earnings as their peers. Third, we urge the Department to use its [inaudible] authority to eliminate the entire loan balance for many borrowers, especially those with low balances that have the oldest loans. Finally, we urge the Department to include this rulemaking as a permanent method of invoking settlement and compromise authority that allows- thank you very much.

MS. ABERNATHY: Thank you for your comments. Jennifer Cardenas.

MS. CARDENAS: Yes. Hello.

MS. KRUMPTER: Thank you.

MS. ABERNATHY: You have four minutes.

MS. CARDENAS: Thank you. So, hello, everyone. Good morning. My name is Jennifer Cardenas. I am a student loan borrower. My pronouns are she. Every time we talk about students, I realize that we're seen as a number, we say millions of students. We say people that have loans. But we also have like our individual story how we impact our communities and why it's important for us to have our loans forgiven. A lot of us come from low income communities. A lot of us come from places that we know are impacted. When we go to school, we already know the trajectory. I live in a place called Fontana, California. It is in the Inland Empire, which is just warehouses, rails. It's a place for distribution. For me, growing up, all I thought I could achieve was working at a warehouse. Education wasn't something that for us, we saw as a future, as a way of economic mobility. But the thing is that we're so impacted by bad air quality, that a lot of us seek higher education. We seek higher education because we see our neighbors. Our friends, our nieces and nephews with asthma. And you're probably wondering, why are you going into environment, right? That's because education gave me the platform to understand how we are impacted. It's not just, you know, it's difficult to breathe, it's these are the reasons that it's difficult to breathe. Now, with education, I have- I'm able to go back to my community. I'm able to be someone in my community that can advocate for them. It's not just all of us having to deal with not knowing the reasons were being impacted, not knowing how our Government runs. Not knowing why we're being bombarded with all these warehouses. My education has provided me the steppingstones to be able to advocate for my community, to be able to tell them, hey, this is what we can do, this is how we can push back. And the thing is,

I'm not the only one. I'm not like the only person of color in my community that has seeked higher education in order for economic mobility, but also in a way that we can advocate for our communities. So, this forgiveness on our loans would help us actually have economic mobility in those cities that we serve, in the cities that we went back to work at. In a way to just advocate not just for ourselves, but continue to advocate for the communities that impact us, our neighbors. The thing is like, a lot of people in my position, we were stuck. I didn't go to school until later. I am a nontraditional first generation student. Like many of my Black indigenous people of color, low income, we saw these loans as a way to not just serve ourselves and have an academic status, but in a way to really be able to just be competitive in the fields that tell us you don't know enough about your community, you don't know why you need to do this. Our representatives treat us as we're not educated, and once we get that education, we finally have that platform to push back. And the thing is, again, I'm not the only student. There's millions of us that do this work. But we also have to live paycheck to paycheck. Thank you.

MS. ABERNATHY: Thank you for your comments. Sabrina. Sabrina Calazans.

MS. CALAZANS: Thank you for having me today. My name is Sabrina Calazans and I'm a student loan borrower. I support student debt cancellation because it will help millions of families like mine by providing life changing relief. We need student debt cancellation, and we need it quickly. And we need to make sure that borrower voices like mine are being heard and uplifted in the discussions around student debt cancellation and how important it is for families nationwide. I'm a first generation college graduate and first generation American. After graduating from college, I struggled to find a job. I worked a few temp jobs to make ends meet, and when I got my first student loan bill, I still could not afford it and went into forbearance shortly after the pandemic began and Federal student loan payments were paused. Not having to make those monthly payments has been a lifeline for me and my family. Not only for my student loan payments paused, but so were my dad's, who had Parent PLUS Loans to put me through school. The payment pause has allowed my family to stay afloat for the past few years while living paycheck to paycheck and while it may seem like the pandemic is over, the reality is that there are still millions of families like mine that are feeling extreme financial pressures and that continue to live paycheck to paycheck while payments are

still on pause. And so, student loan payments could be the tipping point for many American families. Resuming monthly payments without cancellation will certainly harm millions of families, but especially communities of color and working class families. I urge the Biden Administration and the Department of Education to use the Higher Education Act to provide student debt relief to as many people as possible and as soon as possible. We cannot afford to wait any longer. When student loan payments resume, financial strains will become even tougher for me and for so many others. Canceling at least up to \$20,000 of student debt per borrower is essential for so many of our futures. It means my dad and my sister's student debt would be fully canceled and a majority of my debt would be canceled, while significantly lowering my monthly payments on what is left. Student debt cancellation is necessary and legal, and it will be life changing and it is something that needs to be done. Thank you.

MS. ABERNATHY: Thank you for your comments. Peter Granville.

MR. GRANVILLE: Good morning. My name is Peter Granville. I'm a fellow at the Century Foundation. My colleagues and I support the Department's decision to initiate negotiated rulemaking on student debt

cancellation and urge the Department to include all forms of direct loans, including Parent and Graduate PLUS Loans in cancellation. The Parent PLUS program was introduced in the 1980s to assist middle class families lacking the capital to cover their children's upfront college costs. The Parent PLUS program has been increasingly utilized by large numbers of low income parents without the means to repay their loans. Many repay Parent PLUS long into retirement and may see their Social Security income garnished if they default on their loan. Debt cancellation would offer considerable relief to Black Parent PLUS borrowers who often borrow in excess of the average Black family's wealth and languish in repayment for decades. Parent borrowers have more at stake in debt cancellation than many other groups of borrowers. Parent plus borrowers are categorically excluded from the recently announced Income Driven Repayment Plan or save, continuing a longstanding trend. Parent PLUS borrowers cannot access the most generous repayment options, putting low resourced parent borrowers in a financial bind. Cancellation presents the most viable pathway to relief for Parent PLUS borrowers, making their inclusion a worthy priority for the Department and negotiators. Under the Department's plan for cancellation announced August

2022, Parent PLUS borrowers could only qualify for maximum relief if the parent borrower themselves was a Pell Grant recipient. We urge the Department to extend maximum relief to Parent PLUS loan borrowers who are borrowing to finance the education of a Pell Grant recipient. This would ensure that the most economically vulnerable borrowers are eligible for the most relief. We also urge the Department to include Grad PLUS debt in the Department's debt cancellation plan. Black graduate students in research doctorates are the least likely to receive teaching assistantships and fellowships. That means that their outstanding tuition fee balances are not financed by institutions of higher education but off their own backs. Black women in particular are more likely to finance their education through a number of sources, including part time or full time employment, credit cards, and student loans. Given the positive correlation between undergraduate borrowing and borrowing for graduate education, it's not surprising Black students would face a disparate debt burden as they pursue advanced education. While Graduate PLUS borrowers are eligible for some savings under the new repayment plan, their savings pale in comparison to those with only undergraduate debt. Borrowers who have more debt from graduate school than undergraduate will

pay close to 10% of their discretionary income, in contrast to borrowers with only undergraduate debt who will pay only 5%. We urge the Administration to act swiftly in establishing the rulemaking and appointment of committee members. Negotiators should be representatives of the populations most impacted by our student debt crisis. Not only should student borrowers be seated at the table, but the committee should include borrowers of varied experiences, including those with Parent and Grad PLUS loan debt. Likewise, given the disparate impact of student loans on communities of color, several seats should be reserved for civil rights, student advocacy, and racial justice organizations. Thank you very much.

MS. ABERNATHY: Thank you for your comments. Panayotis Giannakouros. You have four minutes.

MR. GIANNAKOUROS: Thank you so much. I am Panayotis Giannakouros with the research with the Global Institute for Sustainable Prosperity. And I'm also here representing Virginia Progressives. The Global Institute for Sustainable Prosperity is an independent public policy think tank dedicated to the promotion of interdisciplinary research and service of improved quality of life for all members of society. We believe that providing decent employment opportunities for

everyone ready, willing, and able to work at a socially established living wage is an institutional prerequisite for social justice and sustainable prosperity. Sustainable prosperity is conceived holistically to encompass the physical, mental, environmental, financial, educational and civic well being of all individuals, families, neighborhoods and regions throughout the world. I'm also representing Virginia progressives. Virginia Progressives is a group that emerged out of the 2020 Virginia Democratic Convention, where Virginia progressives trained scores of delegates in modern monetary theory to organize parallel events to the convention among 2000 delegates from across Virginia to pass the most progressive resolution package of any state, including a resolution to cancel all student debt and make college tuition free. A common core in Virginia Progressives' understanding of how our monetary economy works is modern monetary theory, a key insight of which can be summed up in an analogy. Money is an IOU, like a pizza coupon. Pizza coupon in the hands of a customer is an IOU of the pizza shop. But an asset to the customer. When the IOU is redeemed, it is burned. IOUs in the shelf of the counter of the pizza shop are just scraps of paper. The national currency is similar to an IOU, this time good for cancellation of tax liabilities or

student debt liabilities. Our student debt payments go on to the shelf of the Federal agencies behind the pizza counter, and for all practical purposes, they may internally be arranged as pieces of paper on the shelf. But for all practical purposes, they are, may as well be burned. The Federal Government neither needs our money, nor does it have our money. It spends our money into existence. This is contrary to the core Republican argument put forward, for example, by delegate Good of my Virginia District 5. With that in mind, regarding the specific rulemaking today, I would like to advocate for one group that is in a gap. This group is academic couples. Academic couples face some of the harshest consequences of student debt, which is effectively a punishment for having sought a higher education. Academic couples who have no children, as President Biden pointed out, who will generally find that have extreme difficulty finding two full time positions, socalled two body problem are largely missed by the plans that have been put forward so far. As such a couple ages into their 50s the prospects for the non full time spouse become increasingly dim. As an adjunct for that many years, a person looks at a horizon of never working again after a lifetime of minimum effective minimum wage work. We can address this group by doing two things.

One, raise the poverty limit, the exclusion, to 400% instead of 2.25%, and count- in school deferment after the disbursement of the loans, count in school deferment. Thank you so much for your time.

MS. ABERNATHY: Thank you for your comments. Christopher Laureano.

MR. LAUREANO: Thank you all for the opportunity to speak to all of you today. My name is Christopher Laureano and I'm coming to you all, also as a student loan borrower. I would like to bring up a few points regarding my support of the usage of section 432 A of the Higher Education Act for canceling Federal Student Loan debt. I would like to start by talking about my former perceptions of going to college, how those perceptions led me to making uneducated decisions that led me to place my future plans on hold due to student loan debt, and the growing resentment that I have towards the student loan system at large. Growing up, I have always dreamed of going to college to become a music teacher at a public school system. Because I wasn't skilled in any of the trade skills, trading school was not an option for me, and I also wasn't aware of alternative certificate programs being an option that would be less costly. I was also a first generation undergraduate student coming from a family of Portuguese

immigrants. Although my parents tried to help me have a savings net for college during my upbringing, when I turned 18 in 2008 during the Great Recession, I was told by my father, I'm sorry but you're on your own. In high school, like any other millennial, the messaging that was told to me by high school teachers, guidance counselors, and guite frankly, the Federal Government at large through media was if you go to college and get an education, you will make it. However, we must remind ourselves that a lot of the trades during the 2000s moved overseas so that we had to get to the point that college was the only option and other alternative options were treated as obsolete. During my time in college, I initially majored in music education and after trying really hard to pass practicum classes by a professor who did not have my best interest at heart, I was eventually kicked out of the music education program through no fault of my own and I was forced to switch to a BA in music and I nearly quit college afterwards. However, what kept me from quitting partially was the fact that I was on my sixth year of college with student loan debt that kept accruing interest and was compounding to a level that I did not expect. I had no understanding about student loans at all or how they work. I just knew that I needed to borrow money to go to

college and that I would do everything I could to get my degree. Although I eventually got my bachelor's degree in 2015, it wasn't in the field that I hoped and that due to lack of financial education and not having adequate support from certain college professors, I was on my own with my dreams completely crushed. I'm now working in the human services sector, thanks to additional networks that I built, taking part in a leadership society unrelated to my college major, despite not being able to make enough money to live on my own to this day. However, had I not sought this escape, I would have continued to feel sorry for myself and who knows if I'd be speaking to all of you today. Because of my personal experiences with college and student loan debt and because so many people can relate to having financial struggles after college, what I'm proposing are two things. First, the usage of section 432 A should be used to cancel all Federal student Loan debt immediately on the date of the enactment of the Higher Education Act. Then, simultaneously with this effort, an addendum to this section should include a regulation to mandate a financial literacy curriculum for all public, middle, and high schools across the country that teaches everything about student loans and how they work. This addendum should also include all

information about alternative options such as trade schools and certificate programs and the pros and cons of these options. This way, those students who are thinking about getting further education can feel they are walking to all options fully informed and can then make an informed decision about which route they would like to take next. And I would be more than happy to be part of the negotiated rulemaking committee to work with you [inaudible] all to make this happen. Thank you again for your time.

MS. ABERNATHY: Thank you for your comments. I just would like to remind everybody that we will accept written comments on this topic, as well as any suggestions for additional topics that we should consider for action by our negotiating committee. Please submit a written comment using the www.regulations.gov website on or before July 20th, 2023. Thank you so much. We're going to take a quick break. Hello, everyone. India Heckstall, you're our next speaker, and you have four minutes.

MS. HECKSTALL: Hi. Thank you to the Department for the opportunity to comment on student debt relief. My name is India Heckstall and I'm a senior policy analyst at the Center for Law and Social Policy. CLASP is a national, nonpartisan, anti-poverty nonprofit that

advances policy solutions that disrupt systemic racism and sexism and remove barriers blocking people from economic security and opportunity. CLASP recognizes the significance of ensuring equitable access, affordability and completion of post-secondary education. However, disparities within our post-secondary education system still exist. High college costs and limited financial resources disproportionately affect Black families, leading them to rely more on Federal Financial Aid, particularly Federal student loans. We would like to express our appreciation to the Administration for taking prompt action to provide student loan debt relief to borrowers and respond to the recent US Supreme Court decision. However, we believe the Department can take additional measures to better serve Black, Latinx, indigenous students, immigrants, youth and individuals impacted by the criminal legal system. First, the Department should proceed with student debt cancellation using the Secretary's authority under the Higher Education Act, which would advance the Administration's racial equity goals and provide critical relief to student borrowers and their families. The Administration should consider increasing the debt cancellation amount to \$50,000 for the most significant impact. Canceling \$50,000 in student loan debt will result in full

cancellation for 76% of student loan borrowers. Additionally, it would substantially reduce the share of all Black adults with student loan debt from 24% to 6%, significantly narrow the gap in student loan debt between Black and white individuals and increase the wealth of Black Americans by 40%. Particularly for Black borrowers, student loan debt is an intergenerational crisis. Black parents are more likely to take on student loan debt to support their child's college education and often face challenges in repayment. Therefore, Parent PLUS Loans must also be included in student debt relief to bolster Black families economic security. Second, the Department must stop allowing predatory schools to continue to receive Title IV Aid. For decades, predatory for-profit schools have targeted Black and Latinx students, immigrants, first generation students, women, adult learners, and students with low incomes. Unfortunately, students investment in for-profit colleges often fails to pay off. Students who have attended for-profit institutions often experience lower graduation rates, worse labor market outcomes, and are more likely to default. The Higher Education Act contains protections to prevent poorly performing and predatory schools but continue to receive Federal Aid and to discharge student debt resulting from

institutional misconduct. The Department must build a robust enforcement union and reinstate the employmentgainful employment rule. And finally, the Department must stop the seizure of tax credits and public benefits for borrowers in student loan default. The majority of those who default on student loans are individuals who face persistent economic and social challenges. Defaulting on Federal Student Loans has severe consequences as borrowers' loan balances become immediately due, and they are also at risk of wage garnishment, seizure of Social Security payments and tax refunds, additional fees, and damage to their credit scores. Through the garnishment of wages and seizure of public benefits, millions of families face the risk of losing vital financial lifelines that help reduce poverty. Borrowers also face other penalties that can impede their education employment journey, such as restricted access to further financial aid, withholding student's academic transcripts, and suspension of professional and driver's license. By undermining an individual's ability to cover basic expenses, return to school, maintain employment or even drive a car, the student loan default system creates additional obstacles for those who are already struggling to achieve economic security. Addressing the college affordability crisis is

crucial in advancing equity and promoting economic mobility. Mere access to post-tenure education is insufficient, and we must alleviate the financial burden faced by students pursuing post-secondary education and invest in resources that support their-

MS. ABERNATHY: 15 seconds.

MS. HECKSTALL: We thank the Department for the opportunity to share comments on the Federal Financial Aid system.

MS. ABERNATHY: Thank you for your comments. Representative Frost from the 10th District of Florida is our next speaker. Representative Frost, you have four minutes.

MR. FROST: Yes. Well, well thank you so much. I'm Congressman Maxwell Frost, proudly representing Florida's 10th Congressional District in the United States Congress. And first off, just want to thank you for using the authority under the Higher Education Act to enact new student debt relief. This is a very important program that so many of my constituents are number one excited about, but also are excited for the relief that they are going to get. And my hope is that we will continue to fight to ensure that this is possible for all Americans that are eligible. The Scotus ruling only related that the- only relayed that the Administration's ability to enact debt relief under the Heroes Act was not correct under the certain amount but do believe that we should continue to pursue this very important policy and initiative to ensure that folks have the relief that they deserve. And I think acting quickly is an important part of this. More than 40 million borrowers and their families were promised this relief only for this to, you know, be taken away from them by Scotus. And I think it's great and also incumbent upon this Administration to continue pushing forward with this promise and I know that we will. We can't respond to this injustice with administrative hurdles and Government bureaucracies. We have to act as swiftly as possible to make sure that this relief is enacted. And what I know to be true is through this process that we're going through right now, we'll be able to strengthen the legal argument, because we do realize that this might be challenged again by the opposition. But definitely want to encourage you all in the Administration to continue with this program as advertised, because I do believe that this is about racial justice. It is about economic justice. And at the end of the day, this is an issue that oftentimes is promoted as something that only impacts young people. And as you all know, that couldn't be further from the

truth. This is something that is about young folks, older folks, and people across the country. And actually over the last month, we have a year-round organizing program at our office where we knock doors every single week. We haven't stopped knocking on doors since Election Day. And it's not just, you know, we're not just telling people to go vote for me. We're trying to solicit feedback and understand what, you know, information is at the top of people's minds. And what we've been hearing since the Scotus decision, one of the top three issues that we hear at the doors actually has to do with student debt. And believe it or not, we've heard a lot of this from parents and different people. And oftentimes people think that young folks and this generation's in debt because we live beyond our means. But it's not because we live beyond our means. It's because we've been denied the means to live. And I'm very happy that the Biden Administration is pursuing alternative methods to ensure that this relief can be given to the Americans that deserve it, that are eligible and that need it. And so just here to vocally voice, you know, voice my support for this important, amazing program. Want to ensure that this is done swiftly. And my office is here to answer any questions and be as supportive as we can as we work to achieve

student debt relief for Americans. Thank you so much for having me today.

MS. ABERNATHY: Thank you for your comments. Shanna Hayes. Shanna Hayes. You have four minutes.

MS. HAYES: Awesome. Thank you so much. Again, I want to just reiterate, thank you all for letting us come here today and share some comments with all of you. Again, my name is Shanna Hayes, and I am a student loan borrower myself. My college journey began like many first generation millennials, with the uncertain ending to the endless questions of what do you want to do when you grow up and a family that saw higher education as the door to opportunities that they had only once dreamed of. My career journey as an educator has carried over \$130,000 of student loan debt that is now over \$150,000 owed due to continuously compounding interest over the last 11 years. The recent COVID 19 payment pauses have presented a life raft for my wife and I. As like many others, we face the uncertainty of careers and found ourselves having to live as a one-income household. Today, we are unfortunately in a similar scenario as the role that brought us to the DMV area was eliminated just six weeks after we sold our home and moved here. We have been here before, only this time the reality of our student loan payments restarting is

beginning to loom large. As we look ahead, resuming payments without cancellation will harm not only student borrowers like me, but prevent grandparents from retiring, force families to decide which bills they are going to pay, and harm student loan borrowers across our nation. I remain hopeful and continue to urge the Biden Administration to continue exhausting all options, including the use of the Higher Education Act to provide debt relief to as many borrowers as possible. Students like me cannot wait much longer for something to give. The \$40,000 in possible debt relief that my family is awaiting would truly be life changing, as it would be the first time our collective loan balances would be less than we borrowed, regardless of us continually paying. Providing hope is critical, but without relief to follow, the hope that we have cannot last forever. Student debt cancellation is legal, essential for millions of students and families like mine, and will truly transform the lives of countless borrowers in America. Thanks again for your time today. I really appreciate it.

MS. ABERNATHY: Thank you. Richard Nye.

MR. NYE: Hello.

MS. ABERNATHY: You have four minutes. Okay. MR. NYE: I'm Rick Nye. I'm a paramedic located in

the Southeast. A lot of talk today about the 20,000, 50,000. That would all be phenomenal. I'm hoping to give you guys some low hanging fruit regarding public safety employees on the PSLF. So, I've been in EMS about ten years. There's about 1 million of us here in the United States. About 240,000 of them are paid providers, and 78% of those are working full time. Now, about a third of them, 28%, work for multiple agencies. And I'm going to give you guys some statistics now that I'm going to tie together here in just a just a minute. Among the agencies that they work for, the two biggest subgroups are fire departments and private services. You know, the ones you see in the news are the ones owned by GMR, like AMR, Falck Ambulance, Rural Metro, Priority Ambulance, things of that nature. Now, 72% of all of us working provide 911 response. This is as of 2020, which is the last year I could find comprehensive statistics. About a third of all paramedics and a little bit less for advanced EMTs and a little bit less for EMT basics hold college degrees, but that number is rising. The standards are rising, the educational requirements are rising, and roughly a third of all of us have some manner of college experience. All of that said, only 14 states classify EMS as an essential public service. So, we are not treated like police and fire. And even in the

states where we are codified as an essential service, one that the, you know, Government at some level must furnish to its citizens, those areas often have the option to contract the service out to a private ambulance provider, and that decision is not made at the state level. That's often at the local level. Example, the county that I live in has no structured EMS system. The main city that we have has a fire department that runs its own ambulance service. So those paramedics and EMTs are going to be covered under PSLF forgiveness. There's a lot of wealthy suburbs that have formed their own governments that surround the main city, and they operate fire-based EMS. So those EMTs and paramedics are covered. Where I work is a small, very economically depressed city still within the same county. They do not fund their own ambulance service. Their fire Department has contracted a private entity to furnish ambulance services. Our ambulances park in the fire station next to the fire trucks. We get dispatched on the same calls with the fire department. We transport all of those patients that the fire department responds to. But because it is a for-profit company, we are not eligible for public service loan forgiveness. And in light of the cancellation of the \$20,000 cancellation, there's a huge raft of us, you know, that we're kind of banking on that

forgiveness and we're now no longer eligible and going forward, we would not be eligible under the program anyways. The rule change that came out recently says that contracted agencies, you know, serving a covered entity are included if the state has regulations that prohibit the direct hiring of that service, like for physician groups.

MS. ABERNATHY: 15 seconds.

MR. NYE: So, but we are not covered under that because it's a local regulation that dictates, you know, who contracts us and who can and cannot hold that job. So, I urge you to consider including contracted EMS providers in your future considerations.

MS. ABERNATHY: Thank you. Melissa Byrne.

MS. BYRNE: Hi, my name is Melissa Byrne. I am with We, the 45 Million and I am a student loan borrower. I wish you didn't have to be here today. In all fairness, our debt should have been canceled last fall, but unfortunately a bunch of entities funded by really bitter billionaires decided that student loan borrowers didn't have a right to dignity, that student loan borrowers didn't have the right to our path to a little bit of relief. And so, we have to be here today because once again, it's the people who struggle in America who have to bare our souls, tell our stories and fight to have basic dignity. So, I'm a student loan borrower. I grew up in a single parent family. And I was told from basically the time I was born that you're going to go to college no matter what, because college is the path to be able to have, you know, a middle class lifestyle. And obviously, in the time from when I was born until I went to school, there was mass defunding of higher education and higher education switched to being loan financed. And I feel like I'm very lucky in that I was able to take the struggle of student loan debt and see that it was a problem for me and that it's a problem for others and that by coming together we can work to fix it. And now that we are in this process for using the HEA, it is really important that throughout this process that no one who was promised relief last August is left behind through this through this process. So, I urge the committee that will be formed to really see that everyone who was promised relief before, that that is the floor. It'd be great if you could do more relief. There's no limit, no limit to the amount of relief that you can give to people because we all deserve dignity, and we need to be able to ensure that the promises are kept for everybody. You have 20 million people who are expecting to have zero payment. They should never have to make a payment again. The rest of the people are

supposed to have a lot more of their debt relieved, and this should just be a start. The system is broken. It's broken because we have a higher education system where if you have rich parents, you get free college. And if you don't have rich parents, you either have to win a scholarship, which isn't usually enough to pay for college, or you have to be willing to put up with a lot of debt. And that's not fair. And that's not just and we can do so much better in this country. I hear from borrowers all over the country who are struggling. I've heard from a borrower in Appalachia who struggled with addiction, ended up in prison, got out of prison, got his life together, and now he's an addiction counselor and he is drowning in student loan debt. And he doesn't know a way out, but he doesn't want to change fields because his experience being an addict helps him be able to help other people get over their addiction and have better lives and we shouldn't have this system where people have to choose between drowning in debt or leaving a field that's important to them. So, I really urge everyone who will be on this committee, everyone at the Department of Education, everyone in the Administration to ensure that everyone that was promised the relief in last August, they get the relief they were promised, and we can build upon that to ensure that as

much possible relief for as many people as possible. And the folks that are calling in from organizations that are against this program, they're funded by billionaires who just they're just mean and they're just bitter. And they enjoy watching people suffer and I think Americaand America should be better than that and really urge this committee to ensure that the promises made or the promises that are kept and that sometime in the next several months we're able to start seeing the relief being delivered.

MS. ABERNATHY: That's time. Thank you for your comments. Thomas Gokey.

MR. GOKEY: Hi. Thank you. My name is Thomas Gokey. I am a student debtor. I'm also an organizer with the Debt Collective but this morning I'm speaking on my own behalf. I guess a couple of practical issues. I think that the negotiated rulemaking committee should be a remote committee and not an in-person committee for several reasons. We've seen what happens with both approaches and the remote committees allow for greater public engagement, greater engagement by student debtors who are not able to hop on an airplane and get a hotel room if they wanted to participate. It also helps avoidit's a healthier group dynamic. We've seen in some of the in-person negotiated rulemakings what can happen is

that some of the committee can gang up and bully other members of the committee, and that tends not to happen when it's remote. I think it's also important to include enough student debtors on the committee, including student debtors that have unique experiences that we have seen. Violent policies written by policy wonks that largely stay in the shadows and never have to reckon with the lives that they have destroyed and getting those people in the room and giving them a say in addition to the people who are required to be there by statute. This would include people with Parent PLUS Loans, older debtors who are over 60, student debtors who are in default, debtors who don't have a degree. Single parents, students, student debtors with disabilities and people who have already paid off their student debt but understand the need for cancellation, HBCU students. And it should reflect the reality of these violent policies that two-thirds of all student debt are held by women and that borrowers of color are forced to take on the most debt and stay in debt the longest. And that should be reflected in the committee. I also think it's worth just reckoning with reality. We have nearly \$1.7 trillion worth of Federal Student Loans that is never going to be repaid. It's going to be canceled one way or another. And the only question is

whether or not we're going to cancel it after we have destroyed millions of people's lives. And when they die, finally cancel it. Or we could cancel it now. We are also reckoning with a reality that we have a Supreme Court that ignores the law, ignores the laws that Congress passes, ignores the Constitution. I still remember when John Roberts was confirmed and he swore that when the Constitution protects the little guy, he was going to follow the Constitution. We saw that that was a lie. He's ideologically driven. And when the Constitution supports student debtors, he is willing to use it like toilet paper. I wish that we were in a situation where I could honestly say that the Biden Administration was using every tool, they could to cancel student debt. There are some tools that he has not used, and it's not too late. I hope he does use them because I think that the tools that are unused have a more realistic chance of delivering on the promise. Thank you.

MS. ABERNATHY: Thank you. Lisa Jones. You're the next speaker. Lisa Jones.

MS. JONES: Hello.

MS. ABERNATHY: Four minutes, Ms. Jones.

MS. JONES: Yes, ma'am. Thank you. Thank you all for the opportunity today to speak on this issue that

is, in my opinion, way bigger than loan forgiveness itself. As a Generation X woman, I was raised to think that education is part of the ideals we hold precious and truly one of the key to freedom to unlock our potentials on both a micro and macro level. It's very clear to me that as my Federal School loans debt weighs heavily on me. I'm equally disgusted by the bigger problem at large. The broken system in place that favors bailing out banks with great ease, yet I feel like the average taxpayer citizen like myself just faces this epic battle of overwhelming debt and it hangs over our head. Why is it so easy to bail out banks and corporations but students can't catch a break? I realize that the typical Republicans with their assertion that the student loan recipients, you know, they chose to take on the debt. To those factions, I say, I'm both shocked at their shortsightedness and their refusal to stop their judgmental rhetoric. Let me be clear. I speak for myself. But I know I believe I speak for many graduates who concur with my opinion that we got a raw deal. I grew up in the Reagan Bush era, and I see now that I feel like it was a culture of faux success. It was oversimplified to the point where the prevailing notion was that to be successful and make our parents proud, we had to get a degree. We must as a country do

better. We must stop punishing those who chose a path of higher education by crippling us with these horrible loans. The fees and the interest are the worst, and it leaves us in debt [inaudible] responsibility for the Federal loans that took out, but that was over 20 years ago. I believe that the systemic disaster is that the current student aid programs simply keep us locked in this debt. We must fix this profit of the servicing providers like MOHELA. There are only one of them, but they're part of the problem, and I feel like they're just basically leeching from us. The educated but broke masses yearning to breathe without debt suffocation. I'll accept that I took out the loans, but after 20 years in my situation of making payments as able, I should not have the balance of a 400% increase. When I graduated with my bachelor's degree, my principal was a decent figure. It wasn't fun, but it was doable to pay off. But that ship has sailed. The Federal loans I took out are now only around 20% of my original debt. So yes, at this point I am just paying off really interest. Any payments I make goes so much towards interest. It doesn't even touch the principal. There is no rational explanation other than the- basically I just feel like they're leeching the blood from us. And these are astronomical interest charges. I'm kind of angry that I

chose a path of furthering my education and now I feel like I'm being punished with this debt that cannot be erased with any common, easy debt forgiveness, you know, as like you would get with credit card debt. If I run up a credit card debt from spending, no problem. Just file bankruptcy. Easy, move on. Clean slate. But for those who actually got a degree, you know, I feel like we're not getting the breaks. Shouldn't higher education be rewarded over bad consumer credit card mismanagement? Yes, I'm thinking of these things. And education- I'm sorry.

MS. ABERNATHY: 15 seconds.

MS. JONES: So basically, my view is the system needs to be fixed. And I hope President Biden steps up and does what he promised in his campaign. And I just hope for a resolution. Thank you.

MS. ABERNATHY: Thank you. Thank you for your comments. Lorenzo Harris.

MR. HARRIS: Oh, good morning. Thank you for having me speak here today. And thank you to the advisors and administrative staff for organizing this rulemaking session related to the Biden-Harris Administration's plan to cancel some portion of educational loans for millions of Americans. I myself am a Colorado Government policy adviser, so I appreciate the amount of effort and work that goes into organizing these work groups. Although I am not here officially testifying on behalf of any organization, I bring with me the voices of a great deal of affected people to this workgroup. My family's story is one of service to this country. My father has been shaping the minds of this country's next military leaders since 2001 through JROTC training at public colleges and in public school teaching. My mother has worked in a medical industry my entire life, but we were always a working class family. My father's service helped keep my family in stable housing. When I graduated high school in 2009, my options before me were to enlist in the military like my father, or to attend college and figure out how I could be- how I could best be of service to my country as well. However, my family never made enough money to save for my education with the rapidly increasing unaffordability of a college education. My father deservedly used the GI benefits available to pursue his education as well. I became responsible for the full cost of tuition at the state school where I completed my degree in political science in 2015 and I had to rely on Federal student loans to cover those costs. I worked my way through college, but the lowest wage service labor I performed often only left enough money to cover my rent and bills. I returned

to college in 2018 to pursue a master's degree in public administration, opting instead to work full time for the university that I studied at to keep myself from going further into debt. However, between myself and my partner, who is an amazing medical professional, our household is nearly still \$100,000 in student loan debt. The payment pause since 2020 has allowed us to begin building a family as we both progress through careers of service to others. With our daughter being born in October, we want to buy a home to provide her a safe and stable setting to grow up in. Broad student loan cancellation would allow us to secure that housing by allowing us to focus on-focus on modest incomes we earn on home security rather than paying \$1,000 a month in student loan payments. There are no prospects for security while being subject to both astronomical rent prices and housing, and simultaneously paying down predatory loans for an education, education that, had it not been for, we would not be qualified for the jobs that we have today. As a state employee. I'm a member of our public employee union. Colorado Workers for Innovative New Solutions. Colorado Wins 1876. I asked some of my fellow dedicated public servants and political committee members just last night what it would mean to them to have their student loan debt

forgiven. For some, it meant the repair of their credit and the ability to save for home ownership. For others, it meant that their entire family would come from under what is becoming generational debt for them and could unleash their economic potential. One of our members mentioned that the payment pause was the only way that he and his wife were able to buy a modest home and leave the rental market for good. All of these people are public servants who need the continued relief now and cannot afford to wait on a budget- sorry, on a broken public service loan forgiveness program to have their lives made secure. Our stories are similar to the stories of 45 million taxpaying Americans. Generations here and still to come, if we don't do something about the unaffordability of college and the student loan debt crisis now. This should be a no brainer. While I understand the rulemaking process is a long one [15 seconds], I request urgency in this process to reflect the direness of the situation. With payments scheduled to resume this fall, millions of Americans will again be at risk of falling either behind on housing or family expenses or going through financial default and ruin. Don't let this [inaudible] promise die. Thank you.

MS. ABERNATHY: Thank you for your comments. Aiden. Aiden Pratt.

MR. PRATT: Here. Good morning. Today. MS. ABERNATHY: You have four minutes.

MR. PRATT: Good morning. Today, I stand before you shed light on a crucial topic that has been a subject of much discussion and debate, Biden's student loan forgiveness plan B. In a time where higher education has become increasingly unaffordable, burdening millions of Americans with insurmountable debt, this plan offers a glimmer of hope and relief. President Joe Biden recognizes the urgent need to address the crippling student loan debt crisis in our country. He understands that student loan debt not only impacts individuals but also hampers economic growth and stifles innovation. In response to this pressing issue, the Administration has proposed a comprehensive plan to alleviate the burden on borrowers and create a more equitable education system. Biden Student Loan Forgiveness Plan B builds upon the previous proposals and takes into account the realities of our current economic landscape and seeks to tackle the student loan crisis by implementing several key measures that will positively impact millions of borrowers across the nation. Firstly, the plan proposes a significant increase in the income driven repayment options available to borrowers. This means that individuals with Federal student loans will have more

flexible and manageable repayment terms, ensuring that their loan payments are based on their own income and ability to pay. This change will reduce the burden on struggling borrowers and allow them to meet their financial obligations without sacrificing their quality of life. Secondly, the Biden's plan includes an expansion of the Public Service Loan Forgiveness program. This program provides loan forgiveness for individuals who work in public service jobs such as teachers, nurses and Government employees. After making 120 qualifying play payments, the plan aims to simplify the PSLF program, making it more accessible and ensuring that deserving individuals receive the forgiveness they earn through their commitment to public service. Additionally, the plan proposes a change in taxation for forgiven student loan debt. Currently, when borrowers receive loan forgiveness, the amount forgiven is considered taxable income. This can create an enormous financial burden. For individuals who are already struggling to repay their loans, Biden's plan seeks to eliminate this tax burden, allowing borrowers to experience true relief when their student loans are forgiven. Furthermore, the proposal suggests expanding loan forgiveness for undergraduate borrowers. Currently, the income driven repayment options and loan forgiveness

programs primarily benefit graduate students. Under this plan, undergraduate borrowers will also have the opportunity to benefit from Income Driven Repayment Plans and loan forgiveness, ensuring that the assistance is distributed more fairly across all levels of education. Lastly, the plan addresses the issue for profit colleges and institutions that have left many students with worthless, worthless degrees and amounts of debt. It aims to strengthen oversight and regulate and regulation of these institutions, holding them accountable for their actions and protecting students from predatory practices. In conclusion, Biden Student Loan Forgiveness Plan B offers a comprehensive approach to address the student loan crisis by increasing income driven repayment options, expanding the public service loan forgiveness, public service loan forgiveness program, eliminating tax burdens, extending loan forgiveness to undergraduate borrowers, and regulating for-profit colleges. The plan seeks to alleviate the burden on student- of student loan debt and create a more equitable education system. It is essential for us to support this plan and advocate for its implementation as it holds the potential to transform the lives of millions of Americans burdened by student loan debt. By providing relief and promoting access to education, we

can pave the way for a brighter future where individuals can pursue their dreams without fear. Thank you.

MS. ABERNATHY: Thank you for your comments. Mr. Lucas. Rick Lucas.

MR. LUCAS: Good morning, Department of Education. My name is Rick Lucas and I'm president of the Ohio State University Nurses Organization, representing the staff nurses at the Ohio State University Wexner Medical Center. I've been a nurse for 20 years and primarily work as a rapid response nurse. I'm offering comments on behalf of the 1.7 million members of the American Federation of Teachers, which represents workers in every corner of society, including nurses and health professionals, teachers, higher education, faculty and staff, and public employees in countless positions. The AFT has fought for decades against the rising cost of degrees our members need to obtain their jobs. We have cheered the Biden Administration's efforts to lift this burden by any available avenue, including the creation of more affordable payment plans and common sense improvements to the Public Service Loan Forgiveness program that allowed more of our members freedom from student debt. However, not all AFT members qualify for Public Student Loan Forgiveness, which is why we vocally supported and remain supportive of President Biden's

effort to offer broad-based student loan debt cancellation. We urge you to continue your work to make this cancellation a reality as swiftly as possible. Susan Vincent, a retired New York teacher and UFT member, is currently 78. Prior to the Supreme Court ruling, she stated what's really scary is if I were to have a health challenge and need medicine and have to make a choice between buying medicine and paying my student loan. If I didn't pay my student loans, they'd garnish my Social Security. As a Pell Grant recipient, I could receive a reduction of \$20,000 from President Biden's cancellation program. But if not, I would be 96 years old when I have- when I make my last student loan debt payment. Borrowers like Susan are not eligible for Public Student Loan Forgiveness because they are no longer working, but they are deserving of relief. Take Nicole Brune Cotton, a physical therapist who works in the ICU and including with COVID 19 patients at the height of the pandemic in 2020 and 2021. Nicole is in her mid 40s, educated at the doctoral level required for entry into her field, working an average of 40 hours per week or more and living in her mother's basement, all because of her overwhelming student loan debt that holds her back from having her own home or saving for her future. Susan and Nicole are just two of the tens of

millions of student loan borrowers across the country who are drowning in student loan debt and what has been a broken system for financing higher education. We're a country that tells people to go to college but has notbut has made the only way viable- the only viable way to do that for too many people. And when the- and then made the system for repaying that student debt burdensome. This negotiated rulemaking is an opportunity to help correct that legacy. When student debt cancellation was announced last summer, over 26 million people applied via the short easy to use online form. The Department of Education moved quickly to data match and improve over 16 million of those applicants. The enthusiasm for this program is still out there, and we want to help the Department regain that momentum. By providing this debt cancellation as quickly as possible to as many people as possible, you'll be making an enormous difference in the lives of my members, their families and the communities we serve. Thank you.

MS. ABERNATHY: Thank you for your comments. Teela Davis. Hello, Teela Davis. You have four minutes.

MS. DAVIS: Hi, I'm Teela Davis and I work as a licensed marriage and family therapist, and I'm speaking in a personal capacity. I want to thank you for having the forum and giving me and many others an opportunity

to voice our concerns. I also want to thank you for your recent efforts to right so many historic wrongs when it comes to the student loan debt concern. I want to say that I don't hold this current Administration of the Department of Education responsible for the neglectful actions of previous Administrations. This Administration offers hope where there hadn't been any for decades. However, I do hold you accountable for making meaningful changes to uphold your own mission statement and I won't recount it here for brevity's sake. I don't think the Department's mission counted on the detrimental effects that student loans have had. A recent UGA study showed that student debt has had a negative impact on the mental health and well-being of so many people. Additionally, a 2021 article described how student loan debt can have an adverse impact on the economic wellbeing of communities. Whether intended or not, we're seeing those deleterious effects now. And so, I ask, is the Department of Education up to the task, and ask the genuine earnestness. I questioned the historic motivations of the Department because it seemed to move away from its mission in the past. What guarantee do borrowers have that you have our interests in mind going forward, given what has already transpired? And so, I'd like to mention and propose the following

considerations. One, cost of living considerations for student Loan repayments. \$85,000 in LA does not go as far as \$85,000 in New Orleans. To set repayment based on income without regard for cost of living expenses to set many people up in expensive cities for failure. Two, not all professions are compensated in the same way. Why are there no controls on tuition to reflect the restraints of the future earning within a given field? Three, consider unpaid internships, which shouldn't even be happening in the first place, or at least include them under the PSLF classification. Additionally, consideration should be extended to contractors. I'm looking at my EMS friend from earlier, especially where other people who are part of the agency or a part of the Governmental agency do obtain PSLF considerations. Please continue to honor the 2025 year payment student loan cancellation that you have just enacted. I think it's provided a breath of relief for so many people. Also, who audits the Department of Education? As I understand, the OIG is run by your department. How can we continue to have faith in the Department if there are no outside agencies or Administrations helping to create guidance and objectivity? Where was the OIG when all of this was occurring when lenders were negligent in administering our files? Why weren't things flagged

earlier? Also, have a member of the student loan community at the table consistently helping to make and reassess decisions. Please consider adding a- excuse me. Please consider adding a borrower stakeholder in rulemaking if you haven't already. Eight, are you working with the Senate and Congress to identify additional measures to ease the financial burden of borrowers? I'll share about myself very briefly. I spent 20 years of my working life in mostly public service and in some private settings. For ten of those years, I cared for a single parent veteran with dementia until she died in 2020. The impact of my earning potentialthis impacted my earning potential and my ability to pay in a consistent manner, but I managed to [inaudible] without going into default. My situation is by no means the direst case that exists. There are others who have had it worse. There are no current mechanisms to account for these types of life circumstances and don't know if it's a concern for the Department of Education, but maybe it should be. Thank you.

MS. ABERNATHY: Thank you for your comments. Lisa Rapaszky.

MS. RAPASZKY: Good morning. My name is Lisa Rapaszky. I appreciate the Department of Education for holding this hearing and allowing me to testify. I'm a volunteer with Our Revolution and I'm speaking on my own behalf as an individual with student loan debt. I have \$30,939 in direct, unsubsidized student loans. Had the Biden-Harris plan been allowed to move forward, that debt would have been reduced significantly by \$10,000. On May 13th of this year, I graduated from Cleveland State University with a master's in urban studies with a focus on urban policy. My goal in attending this program was to switch sectors from nonprofit fundraising work and public school education into government. I took out my loans to attend CSU full time in order to expedite my degree completion. You see, I'm 50 years old and I need to pay off my loans as soon as possible. I have a mortgage to pay and need to save for retirement. My three requests for consideration are as follows. First, the Department of Education needs to reduce the interest rate they charge for students to borrow money to obtain an education. The APR on my loan is 5.28%. That is too high. For any type of loan, that is not a good interest rate. And in this case, it's coming from my Government. My Government is making money off of me while I'm obtaining the skills and education necessary to improve my Government. And isn't that arrangement the very definition of usury? Lending money at unreasonably high rates of interest. I've benefited from the pause and

interest being charged and compounded because of the COVID emergency. I began my studies in the fall of 2021, and for that I'm truly grateful. But in the 118 days from when my grace period ends and my repayments begin, I will accumulate \$570.64 in estimated accrued interest. According to your website's calculator, that is \$4.84 per day. It's just too much. Second, the Department of Education should not charge interest on the Administration fees charged to receive one's loan. The \$939 of my loan balance are administrative fees. These fees should not be subject to the 5.28% interest. Lastly, the Department of Education should forgive 10% of one's principal at the end of a year worked in public service. Under the current system of Public Service Loan Forgiveness, one student loan balance would be forgiven after ten years of public service. Instead of my Government holding the balance of my student loan over my head for a decade, I would see that principal decrease yearly. In a decade, I will be 60. My ability to be a student- to be student loan debt free in ten years may be precarious. Currently, I'm a gig worker. A lot of situations could happen over ten years that could impact my health and my ability to work. Please remember that we are emerging from a global pandemic and that has caused severe global economic distress. By the

Department of Ed annually reducing my principal, it would act as an instant reward for my service, plus it could encourage me to remain in the public service sector and continue to decrease my financial burden in ten years, not 20 or 25 proposed by the Income Driven Repayment Plans. To reiterate my three points for consideration, the Department needs to reduce the interest rate they charge for students to borrow money to obtain an education. The Department should not charge interest on the administrative fees charged to receive one's loan. And lastly, the Department should forgive 10% of one's principal at the end of a year worked in public service. Again, I thank you for allowing me to speak. Please let me know if I can be of additional service to the Department of Education in improving upon how students, especially older students, obtain an affordable, higher education and do not remain in debt until [inaudible] 75 years old.

MS. ABERNATHY: Thank you for your comments. Lisa Ansell.

MS. ANSELL: Good morning.

MS. ABERNATHY: You have four minutes.

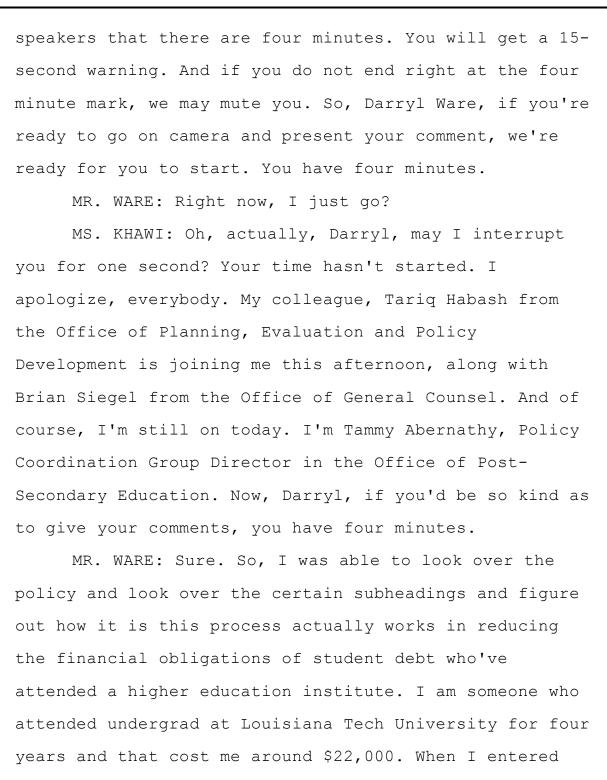
MS. ANSELL: Thank you for the opportunity to speak today. My name is Lisa Ansell and I'm the associate director of the University of Southern California Casden

Institute, and I'm also the California State Chapter President of Student Loan Justice. I would like to first acknowledge the positive incremental changes that the Biden Administration and by extension, the Department of Education have taken to begin to rectify the decades of abuse and deliberate deception that has plaqued the student loan lending system for decades. However, the changes that have been made thus far are exactly that incremental, designed to chip away at the edges rather than fundamentally reform a system so broken that it is truly beyond repair. These are my recommendations for moving forward. Number one, the Department of Education must stop opposing student loan borrowers in bankruptcy court. The new bankruptcy discharge process that was announced in November of 2022 does nothing to mitigate the damage of the highly predatory, undue hardship clause that has prevented millions of borrowers from having a fresh start due to the burden of their decades old student loan debt that only grows with time due to predatory interest and fees. To the contrary, this plan simply removes the decision from a bankruptcy judge to the Department of Education that has little interest in ever canceling any student loans. Undue hardship is sufficiently ill defined and ambiguous such that you could easily justify approving all claims and letting

the loans revert to being considered the same as all other loans in bankruptcy proceedings. While it will take an act of Congress to remove the undue hardship clause that is the root of all the negligent and unethical practices of the lending industry, the Department of Education can immediately cease to oppose student loan borrowers in bankruptcy court. Number two. according to Government data, there are 20 million public servants in the United States. However, to date, only 615,000 have received public service loan forgiveness. As of the June data from the Department of Education, this is a 3% success rate. Public servants are at the center of the overlapping crises of low wages, lack of affordable housing, and predatory student loan debt. The PSLF program must have the years of mandatory service down from ten years to five years, and all student loan payments should be paused without interest while the borrower is engaged in public service. There are too many public servants living on the edge of housing and food insecurity due to these overlapping crises, and student loan debt must not continue to destroy their lives and livelihoods while they provide the essential services to our communities that keep our society functioning. Lastly, I would like to ask why the Biden Administration is turning these

payments back on when they know full well the emotional and financial devastation it will cause middle and working class families. The Joint Consolidation Separation Act has yet to be acted upon, despite having passed last year, and the predatory interest has prevented millions from even touching the principals on their loans for decades. Veterans are being denied PSLF and are living on the streets, and educators cannot afford to live anywhere near the communities that they serve. Student loan payments in any form should not resume until all of the corruption and profiteering that has saturated this broken system has been rectified and the borrowers made whole. The borrowers need a seat at this table, not just the lenders, for any of these proceedings to be meaningful. Thank you for your time today.

MS. ABERNATHY: Thank you for your comments. At this moment, we've heard from all registered speakers in the morning session. I'd like to remind you once again about submitting written comments through www.regulations- excuse me, period gov website by July 20th, 2023. At this time, we'll break for lunch. We'll see you back at 1 p.m. Welcome back to the afternoon session of our public hearing. At this time, we would like Darryl Ware to speak. I will just remind our



institution, I went into over \$150,000 in student loan

graduate school at Cornell University, an Ivy League

debt combined. Looking at what Joe Biden has done with his executive order and his attempt to eliminate student loan debt for people like me, with the \$20,000, \$20,000 debt recovery proposal, that would have been quite helpful for someone like me, right? I grew up in poverty. I did receive the Pell Grant. I did receive the Federal Perkins Loan. I did receive every type of subsidized loan you could possibly imagine. Then when things got really tough, I would apply for the unsubsidized loan. I was looking for a good return on investment with that. As of right now, based on my career decision, that has not happened because I've decided to pursue my purpose as opposed to my salary, which is something that we should want all students to do as a result of pursuing higher education. We promised our children that if they pursue the right education, that they will be fulfilled financially as a result of pursuing their passions. Unfortunately, that is not the case today. The Supreme Court that we have right now has struck down any opportunity for us to recruit the financial value that an education should give someone here within the United States of America. And so right now, I'm someone who is suffering from that. Many students across the country are suffering from that. And now we're at a place where it doesn't even make sense

financially to get a four-year education, let alone a graduate degree if you're not going to be able to even get a job or be able to receive a return on your investment that allow you to pay off your student loan debt. I right now would not invest in buying a home. I right now would not have children because I simply cannot afford to have a middle class living the way that our predecessors and the way that former generations, such as baby boomers would have because the millennials and generation Z, we're all in a financial situation unlike anything we've seen since the Great Depression, because we have a hard time trying to even get jobs along, good paying jobs and for the people with education. Don't get me started about the people on the high school diploma.

MS. ABERNATHY: Mr. Ware, does that conclude your comment?

MR. WARE: I thank Joe Biden for doing all he can within the executive Department and within his scope of executive action, but I think more can be done in the future. The Supreme Court is not going to be on our side with this. And so, we must do everything we can and say, you know, the Supreme Court be damned. That's it.

MS. ABERNATHY: Thank you for your comments. Joanne Mercedes.

MS. MERCEDES: Can you hear me?

MS. ABERNATHY: Yes, ma'am.

MS. MERCEDES: Okay. Thank you. Thank you. I applaud the Department of Education and the future negotiators for the devotion to improve the PSLF program. I have noted and appreciated all the proposed rules to improve the Income Driven Plan. As well, holding this hearing to find ways to help millions of us. My hope is that this improvement will help us that have struggled for years with this forgiveness programs as well as the future generations. However, I urge the Department to please take into account the following requests that will help many of us. I am a nurse for the past 13 years and have dedicated my life to the service of my community in New York City. Due to all the misinformation and confusion, I have not yet been forgiven via PSLF. First, hold harmless. The PSLF and IDR waivers have been a blessing. Now we are informed if we consolidated, we are not allowed- we are not allowed to pay for all forbearances and deferments that are not being counted by IDR waiver. A lot of us consolidated multiple times, especially during the waiver time for the- in our deferments are in what the service call closed loans. Some of these loans were FFEL loans or direct already. Those of us that have struggled for

years will like this opportunity to be closer to forgiveness. Please make sure this arbitrary rule is changed and include those of us on PSLF that have consolidated. Please revise it and help us. We're not asking this time to be given to us. Charge us. Don't limit it. And don't limit this time to include and don't limit this time. Please include those that were in chapter 13 and default forbearances, which have been left out from all the new changes. Also, some of those deferments were placed as errors and we can't do anything to fix it. It has been proven that multiple loan services steer borrowers into long and short term deferments and forbearances when they were eligible to low or zero payments. These forbearances in deferments were often quoted at random and a benefit of the servicer, not the borrower. Default payments. The Department proposed in their final rule borrowersdefault borrowers will receive credit towards forgiveness if they make equal to the IDR payments. Even wage garnishments and tax offsets will count. This include payments that are equal or exceed the ten year standard amount. We learned Chapter 13 payments and default payments are now going to be counted retroactively because of budget issues and feasibility issues for the Department of Education for both IDR and

PSLF forgiveness. MOHELA has a millionaire contract. How come they can't count this fraud? In my case, after a life event, it was suggested by my servicer for both private and Federal loans to default. I defaulted in 2017 and my taxes were garnished. Over 1000- over \$8,000, which was comparable to my income based repayment plan. I hope those default payments were counted, including those with rehabilitation, forbearance which were over \$500 a month for ten months. During this time our interest just grew. And now, after all the waiver and changes where people can consolidate new loans with no payments to get them forgiven, it's a punch in the stomach. I have this scarlet letter of default in 2017 and those months are not counting at all. Due to not having the staff, this is unacceptable. If we have the required documentation and provide proof of payment, why this can be taken into consideration? Programs like HRSA loan repayment for nurses for time served doesn't even consider my application because having this default history like it invalidates me as a person and a work ethic. Lastly, loans that were left over after a portion of the loan was forgiven during the PSLF and IDR waivers aka the hanging loans should be forgiven immediately. There are a large number of people who receive only partial forgiveness because the service

is delayed when processing consolidation [inaudible] and- thank you and employment verification forms. Thank you so much for your time. Have a nice day.

MS. ABERNATHY: Thank you for your comments. Salvatore Cottone.

MR. COTTONE: Good afternoon. I hope you're all doing well. I first want to thank the Department of Education for hosting this public hearing and giving me and so many others the opportunity to speak today. My name is Salvatore Cottone and I'm a rising junior at American University. I am here today as a living testament to the transformative power of education and the crucial role that Federal assistance has played in my pursuit of higher learning. As a low income student with one parent and a recipient of the Pell Grant, I've been given the opportunity to pursue my dream of going to university and starting my journey to advocate for my community. The Pell Grant has given me breathing room for covering some of the costs of higher education and opened doors that would have otherwise remained closed due to financial barriers. Federal assistance has allowed me to dream big, to aspire to a brighter future, and to break the cycle of poverty that has affected countless other students, such as myself in the United States. However, it is essential to address the stark

reality that the current Pell Grant amount of \$7,395 this academic year falls far short of meeting the true financial needs of low income students like myself. Covering around only 10% of my college expenses going to an accredited four-year private university, I'm burdened with tens of thousands in Federal student loans already and will have to take out countless more in the coming years as I continue my academic journey at my dream school. And I can attest that the rising costs of higher education, coupled with living expenses, have made it increasingly difficult to not worry about the mounting debt. I've spent the last couple of weeks alone worried about not affording the rest of my college journey and losing my final academic goal of going to grad school due to the crippling thought of taking out upwards up to \$100,000 in Federal debt. Not only am I dealing with the worry about student debt, I'm worried about not even being able to get my grad degree due to the inhumane choice of either not pursuing my academic dream or choosing to go into crushing debt if I choose to. This is the case for so many low income borrowers across the United States, and cancellation is vital to the health of our country and our economy. If the Pell Grant doubled in amount, that could be a down payment on free college for students of low income in the United States

and set a precedent for a Federal Government that is guaranteeing higher education to low income communities. And as we discussed the potential for debt cancellation, it is not just a financial decision. It is an investment in the mental health of an entire generation. It would send a powerful message of empathy and support from our Government, fostering an environment and setting a precedent where students can thrive and contribute fully to society. When Federal debt was first declared to be canceled, even students who didn't qualify for that round due to just taking out their first loans in the past year, felt relief that our nation was listening to our burden and that future rounds of cancellation for low income students could occur and there would be larger investments in higher education from the Federal Government in the near future. I have a family member who got their debt forgiven and even received a refund from the Federal Government after attending a predatory for-profit college. And they can finally take care of themselves and their family without the burden of student debt. I saw student debt cancellation firsthand from the perspective of someone who didn't receive it due to not qualifying in the past round and saw its potential. And I'm scared of not seeing the reality be fulfilled for my generation and previous generations who will be graduating or graduated already with this mounting debt. I implore the Federal Government to cancel student debt through the authorization of the Higher Education Act and to substantially increase the Federal Pell Grant to guarantee higher education to low income students and to not burden them with tens, if not hundreds of thousands of dollars in Federal student debt just to get an education. The cancellation program should include everyone who was promised debt relief last August and expand those of us like me who were excluded last time. Thank you.

MS. ABERNATHY: Thank you for your comments. Manuel Galindo.

MR. GALINDO: Hello. Do I just start?

MS. ABERNATHY: Yes. Yes. So, you have four minutes.

MR. GALINDO: Okay. Well, first, thank you for your time. My name is Manuel Galindo, and I'm actually calling from South Central Los Angeles, a community known as Watts. My community has been, for generations now, known as one of the lowest income communities of Los Angeles. My parents migrated here back in '89 to escape war-torn El Salvador. And since their time here in this country, their number one focus for me was education. My father, who has my same name, cannot read or write. I repeat that my father, who has my same name, cannot read or write. My family instilled in me the need for education as a way to escape oppression both in their country and this one. So, I went to school and I strived to get a higher education degree. And the more I went, the more I learned, the more I realized that my parents' dream of seeing me achieve a higher level of education was going to be tampered by thousands and thousands of dollars of debt. By the time I finally graduated with my undergraduate degree, I ended up with over \$29,000- \$29,000 in student loans, which is still far lower than many of my peers in my community. Most people in my community do not question whether or not they're going to go to school because they know they can't afford it. It is not a joke or a mistruth or misinformation to say that the cost of education has gotten so high that students in my community, children from my background, are actively deciding not to go to college because they do not see the financial benefit in their lives or in their in their family's lives. I keep having to ask myself the question of whether or not I will continue my educational aspiration because I have to genuinely consider whether the fact that- whether the fact that I will go into \$100,000 of debt to be able to have another degree that would make my family's dream

come true, but at the same time add hundreds of thousands of dollars of debt that would deny my family the ability to have our American dream, which was to own a home. I've never been able to say that a home is mine. Neither have my parents. Neither have my siblings. And part of the reason for that is specifically student loans. All of my siblings are actively trying to finish their degrees, including my youngest sister, who now has the first of my nephews. And the reason I'm here to demand that Biden and this Administration cancel student debt is because I do not see this situation ever getting better until we start to recognize the impacts we are having on our future. I'm here today to demand that we cancel all student debt for all people and stop trying to stratify who deserves cancellation or not. The reality of it is the majority of people that have student loan debt are poor, low income communities that do not have access to wealth. Thank you for your time.

MS. ABERNATHY: Thank you for your comments. Braxton Brewington.

MR. BREWINGTON: Hi, I'm here.

MS. ABERNATHY: You have four minutes.

MR. BREWINGTON: Thanks. Good afternoon. My name is Braxton Brewington. I am an HBCU graduate. I went to North Carolina A&T State University. It's the largest HBCU in the country. I have tens of thousands of dollars' worth of student loan debt. So does my siblings; my brother, my sister. So do both of my parents. We are an entire family of student loans, and that is more of a common experience rather than a unique experience. Over 90% of Black students have to borrow Federal dollars in order to go to college. So, I'm here to talk about why student debt as a concept is a trap and why full student debt cancellation is both urgently necessary and necessary for moral and practical, let alone political reasons. First of all, I think it's really unfortunate and even ridiculous that we have to be here to negotiate. It's kind of a funny word that borrowers should have to negotiate for debt relief with anyone, certainly not the Job Creators Network, which is an ironic name, certainly not the Department of Education, which functions as the nation's largest consumer bank, to be honest, and certainly not student loan servicers who have taken advantage of borrowers for financial gain and been willing plaintiffs excuse me, not plaintiffs, but pawns for bad faith plaintiffs like the Job Creators Network and Republicans. All student debt should be canceled. None of it should exist. Education should be a right, not a privilege, like the previous speaker said. You know, I want to talk at least

make sure I mentioned that there's a few distinct types of borrowers that should be present since this negotiation is going to go through. So, one, first generation college students should be at the table. People over the age of 62, which is the fastest demographic of borrowers, fastest growing demographic of borrowers in the US, which is also different than people- parents with Parent PLUS Loans. Those are distinct individuals. Debtors who have defaulted should be at the table. People who do not have a degree should be at the negotiating table. People who are single parents, people with associate's degrees, people with certificate degrees and people who went to HBCUs or other minority serving institutions. Those types of debtors, all of those debtors, more debtors and borrowers should be at the negotiating table. Once you stack this panel with debtors and once you all come up with a rule, you should implement an interim final rule. So, Secretary Cardona should implement an interim final rule in particular because payments are resuming, you all are returning payments one for the first time in nearly four years voluntarily, which will be extremely costly, which will drive people out of their homes. People will not be able to put food on the table, afford medications, save for retirement, purchase a home, start

a family, have a child. All of these types of crushing economic hampers will commence on our economy and people because you are resuming student debt payments. So, there's even more reason for you all to be urgent in terms of implementing student debt relief. Student loans are inherently a trap for women, Black Americans, Hispanic Americans, disabled folks, LGBTQ folks. They prevent people from being able to [inaudible]. They prevent you from being able to do anything that's thriving in the economy. So, you all need to cancel all student debt and you can use an interim final rule to do so.

MS. ABERNATHY: Thank you for your comments. Tricia Keffer. Hi, Tricia. You have four minutes.

MS. KEFFER: Thank you for your time and allow me to paint a picture today for everyone. Educated people who are registered voters sitting in campers and campgrounds while working full time jobs. And you know, we are the people who are drowning in debt for basic housing, food, professional clothes while putting on fake smiles at work. And now we're adding student debt payments again. Is everything fine? Well, when I'm sitting at my kitchen table and I'm looking at my bills and now topping off with student loans that are never, ever going to die. No. And to make the absurd comparison

that this debt is akin to start a lawn service or babysitting money for vacation is just really condescending. A degree is a dedication of four years of hard work, sacrifice and dedication to pass tests. It's about being an informed citizen to participate in modern civil democracy and skills for jobs to make that happen. My story. Back in the 90s, I got a degree in psychology and a minor in business. It was at least affordable and doable with the assistance of my parents, a job, scholarships and a small student loan that I did pay off. Afterwards, I had the American dream of a photography studio, and I did that for about 20 years until the bank or housing crisis, a BP oil spill, and technology changed my profession and I started looking for a new creative career change. I decided to pursue a new career as a master's degree in landscape architecture because it promised jobs everywhere. However, the cold reality was, no, younger people were hired over me every time for the few jobs that were available and without the LA experience for a year, I'm even denied my title and state licensure. And right now, I'm looking at that compound interest and it looks like a bad horror movie, like a nightmare on Main Street. You know, when the pandemic complicated everybody's world, my parents needed help and I needed help to start

another business, which is not exactly where I wanted to be. And an overnight success really does take about ten years. That's true. And that was true with my first business. And this debt for graduate school was grossly misrepresented and there were no jobs everywhere. And honestly, it just kind of leaves me in a quicksand pond of debt with no help or no chance for escape. And it's going to severely hurt my next business. And if we ask homeowners about the application process for assistance in 2008 and 9, it didn't work for anyone. So, I'm asking, please cancel the debt. The price of college has skyrocketed since I went in the 90s and I'm left holding an empty bag. If Congress won't act, I'm calling on President Biden to demonstrate that leadership is about compassion and justice. It can't be one without the other. And know you have a big heart, Mr. President, and we are demanding for your bold and immediate action in compassion and a debt jubilee at this important moment in American history. And I thank you for your time.

MS. ABERNATHY: Thank you for your comments. Liz King.

MS. KING: My name is Liz King, and I am the senior director of the Education Equity Program at the Leadership Conference on Civil and Human Rights in Washington DC. We are a coalition charged by our diverse membership of more than 250 national organizations to promote and protect the civil and human rights of all persons in the United States. I want to first thank the Biden Administration for the attention to our broken system of higher education finance. The \$1.7 trillion student loan crisis is crushing individuals, families, and our economy, and the weight of this burden is disproportionately borne by Black and Latino borrowers. This did not happen by accident. Policymakers intentionally shifted away from publicly funding our higher education system to primarily a debt finance system, just as students of color and women gained access. Disregarding the rising cost of college for students and families, persistent racial wealth and income disparities, ongoing discrimination in the labor and credit markets and many other societal and policy failures. These decisions have left a generation of borrowers on the brink of financial devastation simply because they sought economic security through higher education. A debt financed higher education system in a society defined by dramatic racial, gender, disability and wealth disparities will always be inherently flawed and inequitable. In our current system, these borrowers have no choice but to shoulder the burden themselves because the system benefits the wealthy and privileged

at the expense of low income students. Though there are established programs intended to make student loan repayment manageable, the impediments to accessing relief through these programs are well documented. In fact, very few borrowers have been successful in obtaining relief through repayment programs and default, and delinguency rates remain high despite their availability. The only solution that addresses the harms of the past and clears the landscape to create a better system going forward is to broadly cancel student debt. The primary measure of any regulation or policy to implement and enforce the Higher Education Act is whether the actions advance equity in higher education and protect students from discrimination. At its core, the purpose of the HEA is to expand access and opportunity in higher education. This law was created during the height of the civil rights movement and at the demand of these communities, Black, Latino, Native American, Asian, American and LGBTQ people, women, religious minorities and people with disabilities who were shut out of higher education and the pathway it created to full participation in the social, political and economic life of the country. The law was created precisely to remedy problems such as the current student loan debt crisis and to fail to use its powers in that

way would be a betrayal of the law's purpose. We need urgent action to heal those borrowers who have been harmed by the policies of the last several decades that shifted the cost of higher education from the Government onto individuals. And we need broader reforms to protect current and future students. As was broadly understood at the law's creation, the pursuit of higher education is not about the advancement of an individual or their family alone. We all benefit when the doors of opportunity are open, and talent is nurtured regardless of ability to pay. As the Department considers who will sit around the negotiating table and what perspectives, voices and interests will be heard, we encourage the Department to ensure that students and their advocates have a meaningful chance to be heard and to hold their rightful place as the committee's voting majority. In so many institutions, it is the wealthy and powerful who are given the chance to make the rules and decides who will win and who will lose. A negotiated rulemaking process can only be successful if the history and spirit of the Higher Education Act is honored and marginalized people are thank you.

MS. ABERNATHY: Thank you for your comments. Barbara Koehrer.

MS. KOEHRER: Hello. Thank you for letting me be

here today. I'm speaking about myself and my personal experience and that of my family. I have \$176,000 in student loan debt. \$50,000 or over a third of that is interest alone. I did what I was asked to do. I participated in the system. I went to undergrad; I went to grad school. And unfortunately, during my grad school, I did have to stop early to move home to take care of my father, who could no longer work. My mother was deeply concerned and neither of them were college educated. So, both of them have always worked low income jobs. I was fortunate enough to be able to do that, but I deferred and forbeared and interest accrued and accrued. I was lucky enough to be able to go back to graduate school. I finished my graduate degree and I know my graduate degree has opened doors for me at several of my current- several roles that I've held over the last several years. I also very much enjoyed working at municipalities, but I was still living at home up until the age of nearly 31, two days before I turned 31, working for municipality in the state of Illinois. I could not afford working at a municipality with student loans, with credit card debt that helped me survive my 20s and support my parents to be able to move and live on my own in the state of Illinois. So I actually ended up picking up and moving states where I could live

somewhere where the cost of living was significantly less and I could start paying down my debt. I was able to and have stayed in this state as my parents have aged while my sister is also on the East coast and as interest has continued to accrue. I've worked multiple jobs. I've worked multiple jobs through college, I've worked multiple jobs in my 30s and still this debt weighs over me. I am fortunate to be in the best financial position I have ever been in my entire life due to the pandemic. It took a pandemic and a student loan pause and a zero interest to put me in a great financial position and I'm in my early 40s. My parents have turned 80 this year. I've had to withdraw money from my 401K to prepare for emergencies. And now I don't know what I'm looking at in student loan payments. I have continued to move my career forward and been fortunate enough to move my pay forward. But what does that look like? I don't even know if I qualify for income-based repayments anymore. It's getting scary and I'm deeply concerned. I know my sister carries over \$100,000 in student loan debt and she's not as fortunate enough to be making as much money as I am. We're both concerned as our parents age in their home, and it's deeply upsetting to think about what this means for us personally, for those that are not in as fortunate

position as we are to be able to support each other and the economy as a whole, because this is going to take a deep impact as we all look at this. I believe very firmly that the Higher Education Act allows for the broad cancellation of student loan debt today, and I believe it should be canceled without rules, just broad stroke, just like the PPP loans that were forgiven during COVID. That needs to be the same for us as individuals who did everything that we were told that we should do in order to succeed in this life. It's important that we do that. It's important that we understand that these payments coming back are going to have not just a financial impact individual, but a mental and physical health impact, which then takes a toll on all of us as a part of this society. I hope you'll deeply consider broad cancellation for all of those- all of us that have done everything that we have been asked to do to participate in this society fully and continue to try and move our lives forward and now are looking at a deeply concerning way of what our stability looks like. Thank you so much for your time. I deeply appreciate it.

MS. ABERNATHY: Thank you for your comments. Vanessa Torres.

MS. TORRES: Hi, can you hear me?

MS. ABERNATHY: Yes, ma'am. You have four minutes. MS. TORRES: Oh, hi. My name is Vanessa Torres. I'm a volunteer with Our Revolution, but I'm speaking on my own behalf. I'm 36 years old and I have approximately \$186,000 in student debt. Most of this is from law school. The reason I have this debt is that I did not have the benefit of wealthy or even middle class parents to help me financially. I grew up very poor, raised by a single mom and spent a Lot of my childhood homeless with my mom and siblings. I knew that going to college was the only way out of poverty for me, so I worked extremely hard to apply and be admitted to my dream school, which was Harvard, for my undergraduate degree. I also attended law school at Cal Western in San Diego, which is where I'm from. The majority of my debt comes from law school, not Harvard. When I finished school, my job prospects in the legal field were not very good, so I took the first job I could find outside of law. Since then, I have supported myself with different jobs, some of them legal, some non-legal. But I have not made many payments on my debt simply because the payments are too high for me to pay them and also cover all my other bills, such as medical bills and the cost of living, including rent, which is very high in San Diego. Given the Supreme Court's decision on Biden's student loan

plan, I'm not really sure what my new payments will be or how much I can afford since there's still a lot of uncertainty about his plans. I'm not sure I'll be able to make payments now, particularly because rent has skyrocketed, not just in San Diego, but across the country. The president should cancel all student debt. And my position on this is not just about myself. I worry about my family members that didn't go to college. I'm not sure how they're going to continue surviving the increasing cost of living. I'm worried about my own retirement as well as their retirement and where they will live as they age. I wish I could buy a home for us so we would always have a place to live. But that's not an option because of the burden of student debt. President Biden should cancel all student debt and zero out all the accounts without waiting for the court. You should have a plan to provide relief to people like me who have done the right thing in lifting ourselves out of poverty. I would just like to improve my financial situation to help the rest of my family, to save for retirement and to contribute fully to the economy to the maximum of my potential. It's not just rich people who should be allowed to attend college. Thank you.

MS. ABERNATHY: Thank you for your comments. Faiza Mokhtar.

MS. MOKHTAR: Can you hear me?

MS. ABERNATHY: Yes, ma'am. You have four minutes.

MS. MOKHTAR: Okay. Thank you. Good afternoon. Thank you for giving me the opportunity to speak. I'm a first generation American in my late 30s and shoulder a lot of debt. Between my bachelor's, master's, and law degree, I owe nearly half \$1 million in student loans. In some states, that's the price of a nice family home, complete with a two-car garage that I cannot afford. Some will say I did this to myself. I knew what I signed up for when I financed my education through grants, loans, and scholarships. What I did not sign up for was the usury that occurs with the revolving interest that seems to get bigger no matter how many on-time payments I make. The misinformation and the disinformation that loan servicers have done to me personally when it came to making numerous calls when I was trying to rehabilitate some of my student loans. And the archaic system of repayments that still exists in this Department to this day. I'm not here to give you a sob story of my situation, but to tell this Department that they can no longer pretend that the theoretical understanding of how repayment could work just doesn't work in the real world. As the current system holds, the pause has helped me get ahead financially in the last

three years than I was ever on any IDR payment that the Department of Education provided me. For example, when recalculating my repayments to REPAYE, the calculation for the monthly payment never took account to the cost of living. And I cannot avoid that when I live in Los Angeles. It only assumes that everyone has 10% discretionary income and that I would somehow dedicate all of that discretionary income to student loan repayments. In any world imaginable, this is unrealistic and unsustainable. It would result in monthly payments that are out of reach for many borrowers, especially myself. And the more you owe, obviously, the more you're going to make, the more your payments increase. And this is very true for multiple degree holders like myself. At times it's left me quite stressed, wondering how am I going to make this sustainable for myself for years to come? It's quite daunting when everything increases around you except your earning power. As a first generation American, I was told not only by my family but by to a greater extent, the Government, that education will provide me so many opportunities and I'll be in a better place financially. While my degrees are something I'm very proud of, unfortunately, I don't see myself getting ahead with all the cost of stagnant wages, a housing market completely out of reach and

rising costs with no end in sight and never having an opportunity to build generational wealth. There needs to be a streamlined process for all borrowers, not pockets of borrowers here and there, or tiers based on income or the type of Federal loan you borrow. But everyone, but everybody that owes student loans because the current system is inequitable. This system allows the loan servicers to dictate the process and only allow certain incomes to make it through because they got enough cash. I don't see this as equitable ever. The Higher Education Act and Title IV gives this Department the opportunity to explore a process that works for all of us. And that includes and is not limited to cancellation of debt. Every industry imaginable has been bailed out by the Government with never no questions asked. When do myself and 45 million others get the chance at a better life? This is the Department's opportunity to explore something valuable with the power they possess. And nothing should be asked of us until there is a system of place that is equitable for all. Thank you for your time and I yield the rest of my time.

MS. ABERNATHY: Thank you for your comments. Cody Hounanian.

MR. HOUNANIAN: Hi and thank you for giving me the opportunity to speak. My name is Cody Hounanian, and I

am the executive director of the Student Debt Crisis Center, a nonprofit advocacy organization. I am here to echo the voices of our 2 million supporters and even more importantly, 15,000 allies who have used our online action tool to submit public comment related to student debt cancellation and in support of student debt cancellation. I'm here to make it absolutely clear, the Department of Education must provide meaningful student debt relief using the authorities provided by the Higher Education Act, which empowers the Department of Education to go much further than even the President's initial plan. That means providing broad, comprehensive relief to all 40 million Americans with Federal student loan debt and at totals above the 10 or \$20,000 initially proposed by the president. I am not just an advocate, I'm also a borrower myself. I'm the grandson of Armenian refugees who were robbed of their ability to seek education. Like many Americans, I'm a firm believer in higher education as a pathway to the American dream. And yet, through my work and my lived experience, I have seen how student debt can stand in the way. I've spoken to thousands of borrowers over the years. Just like student debt has ruined many lives, it has prevented individuals from purchasing homes, saving for retirement, investing in their futures and so much more.

The crisis has even broken families. I've heard from those who are struggling to keep a roof over their head, put food on the table and keep a safe and self- safe and healthy home for them and their children. This is unjust, and the worst part of all of it is that it disproportionately affects marginalized communities. It exacerbates social and economic disparities, and it makes it harder for this Administration to address many of the initiatives that it has put forward to address equity of all kinds. All of these issues were made worse by the COVID 19 pandemic, as we all know. During the worst days of the pandemic, we saw borrowers so desperate for relief. That is why when the president introduced his initial debt relief plan, over 26 million people applied within just a few weeks and it's why our own research shows that 8 in 10 borrowers still financially depend on the payment pause to keep themselves financially well. So, what this means is with the payment pause on Federal student loan payments ending shortly and the president's initial plan blocked by the Supreme Court, we are facing a disaster situation in which a student loan system restarts for 40 million people without the relief that most of them are depending on and frankly feel that they deserve. So, with that, I just want to reiterate, we are urging you,

the Department of Education, to take immediate action to cancel student loan debt. That relief should be comprehensive, and it should be accessible to all. With that, I just want to thank you again for the time and I hope you'll consider my comments and also the stories of borrowers who are sharing their experiences with you today. Thank you.

MS. ABERNATHY: Thank you for your comment. We are running a little early and we're waiting on two more presenters before our official break. So, we will pause right now and wait for them. Thank you, everyone, for waiting at this moment. We're going to take a break and resume our hearing after we come back at 2:08. Thank you so much. Welcome back, everyone. Our next speaker will be Yael Shavit. Yael Shavit. Hi. You have four minutes.

MS. SHAVIT: Thank you. Can you see me?

MS. ABERNATHY: No, ma'am.

MS. SHAVIT: Apologies for that.

MS. ABERNATHY: We can see you now. How about we start your four minutes now?

MS. SHAVIT: Appreciate it. Thank you for the opportunity to provide comments today. My name is Yael Shavit and I'm Chief of the Consumer Protection Division of the Office of Massachusetts Attorney General, Andrea Joy Campbell. We applaud the Department for convening

this negotiated rulemaking process and encourage the Department to pursue a policy of broad debt relief to ensure that borrowers receive meaningful support. Such a policy is appropriate and necessary to address the undeniable failures of the student loan system that have disproportionately been borne by low-income borrowers and borrowers of color. We also ask the Department to include state attorneys general and student loan ombudspersons as represented constituencies on the negotiating committee in light of our office's unique perspectives and critical roles in advocating for student loan borrowers. The Massachusetts Attorney General's Office has long been on the front lines of the student debt crisis, fighting on behalf of student borrowers. We were the first AGs office to establish a student loan assistance goal to help individuals with their student loans, including identifying errors in their accounts and taking steps to avoid default. And we have led enforcement actions against student loan servicers to protect borrowers rights to obtain loan forgiveness under existing programs like the PSLF program and [inaudible]. Through this work, we have witnessed the suffering of countless individuals and families who are left holding the bag for a broken system that has been mismanaged by the Department and

Student Loan Services. The system has not only kept borrowers mired in insurmountable debt, but also allowed predatory for-profit colleges to enrich themselves at the expense of students, particularly students of color and service members. We have seen the broader impact of the student debt crisis on our communities and our economy, and we have observed the inadequacy of current programs for addressing the cumulative impact of years of systemic failures. Indeed, through our experience advocating on behalf of students, we have reached the unambiguous conclusion that debt cancellation is essential to address the failures of our student loan system and aid struggling borrowers. As you know, most students have no choice but to go into significant debt to afford higher education. And this is especially true for low income students and students of color. Further exacerbating their financial disadvantages, the failures of the student loan system have left borrowers unable to navigate the Department's unduly complicated and opaque loan repayment and forgiveness programs. Borrowers rely on Federal Student Loan servicers to help them access these programs and manage their payments [inaudible] years of service or misconduct have prevented borrowers from doing so and have trapped borrowers in unaffordable debt. Such borrowers are often pushed into preventable

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defaults, exposing them to wage garnishment, seizure of social security income, and loss of earned income tax credit, which leaves them less able to afford necessities more likely to face housing insecurity and job loss, and less able to care for dependent family members. While we are very heartened by the Department's recent efforts to streamline and improve loan repayment programs, such forward-looking changes cannot adequately address the massive student debt crisis that has resulted from the past failures of the student loan system. However, we believe that the Department's existing authority empower the Department to provide much needed relief. We encourage the Department to recognize the Secretary's broad authority to cancel student loan debt under the Higher Education Act, which authorizes the secretary to modify existing student loans and to compromise, waive or release [inaudible] title [inaudible]. Congress did not impose substantive limitations- the exercise of this authority that would prevent its use to address systemic failures. We call on the Department to promulgate regulations that will facilitate a robust use of this authority to grant debt relief to struggling borrowers. Thank you very much.

MS. ABERNATHY: Thank you for your comments. I would like to remind everyone to please make sure that

you've muted the public hearing so that there is not that feedback and that delay. Otherwise, we're not able to hear you clearly. Betsy Mayotte.

MS. MAYOTTE: Thank you. My name is Betsy Mayotte, and I'm the president of the Institute of Student Loan Advisors, or TISLA, which is a nonprofit whose mission is to provide fair, free, and expert student loan advice and dispute resolution to all consumers. I've been working in the student loan industry in a compliance or advocacy role for over 25 years and have worked with thousands of borrowers who struggle with their education debt. My testimony today stems from both my experience in a compliance role in the student loan industry, as well as working directly with these borrowers. First, I want to commend President Biden and Secretary Cardona for continuing to ensure that the Federal Student Loan programs are the step up that they were intended to be, rather than the setup that for many vulnerable borrowers, they have become. The low hanging fruit in the issue of broad Student Loan Forgiveness lies in the long-standing and current guidance issued to FFEL guaranty agencies back in December of 1993. The tendance issued as part of this guidance should be codified and applied in a consistent way across all Federal loan programs and to all borrowers. This includes and is not

an exhaustive list, but writing off up to 30% of principal and interest on defaulted loans in exchange for payment in full, writing off defaulted loans where the total balance, including interest and fees, is less than \$1,000, forgiving defaulted loans where the borrower is repeatedly unemployed with no prospects of employment, consistent and repeated recipients of public assistance, borrowers who are of an age that make substantial gainful employment and full time employment unlikely, borrowers whose potential for future earnings are significantly limited. In addition, we urge the Department to consider forgiving loans where the borrower is in default or was previously in default, and who has repaid the equivalent of the principal balance of their loan and the amount of interest that would have been paid under a ten-year standard term if the borrower is in default, has no income other than Social Security or income less than the poverty level for a family of two and is over the age of 70. Parent PLUS borrowers for whom the child had benefited from the loan has had their own Federal student loans discharged due to total and permanent disability or would otherwise meet that criterion, borrowers who have received a bankruptcy discharge on other debts and whose Income Driven Plan payment amount has been less than monthly interest for a

period of five consecutive years, and borrowers who have not completed their degree or certificate within 200% of the published timeframe and who have a calculated \$0 payment on any Income Driven Plan for five consecutive years. I want to thank you for the time and the privilege of being able to submit comments on this important issue. We at TISLA look forward to seeing the results and beneficial impact of this policy initiative and are very interested in being part of the committee and think that we could be- provide robust insight considering our past history on this issue. Thank you very much.

MS. ABERNATHY: Thank you for your comment. I would also like to remind everyone that we are accepting written comments through www.regulations.gov website until July 20th, 2023. Virginia Spindler. You have four minutes.

MS. SPINDLER: Thank you. I'm Virginia Spindler, and I'm 64 and my husband is 65. At the time when most people are thinking of retirement, that won't be possible for us. We will be paying on loans, it looks like. I'm the mother of four daughters, three of whom are living. My family currently holds 237,000 in student debt and parent loans to Aidvantage and Nelnet. Our combined family income is, at this time, 55,000 per

year. You may ask, how did educated people get here? What parents? Well, parents don't want their parentswhat parents don't want their children to graduate from a prestigious university? Though we were of modest means, we encouraged our youngest daughters to accept the scholarships, the academic scholarships and we sold our house to allow the girls to go to school, and both graduated summa cum laude in three and a half years with both working in New York City and despite one daughter's severe health conditions that limited her attendance in the last year. Unfortunately, my own genetic illness and pandemic took a toll. I had to go on disability, and we lost our savings completely. Repercussions of COVID and severely damaged- that severely damaged our daughter's ability to find work in their fields. And they currently are holding down low paying remote jobs. We took a break from payments during the pandemic out of necessity, survival in fact, it was a big deal for us. And we celebrated every extension because we could breathe again. If payments resume, our family may have issues with housing and food. We're struggling every day with how we're going to overcome the situation because health issues unfortunately don't resolve easily. It hurts to look at our family life pictures from the past because it reminds us of what we've lost. We can't get a loan or

even think of buying a home or even a decent car, much less a second car because of our current debt. And honestly, we couldn't afford it even if we did have access to a loan. Families like ours are counting on help. I hear this from other parents and grandparents as well, and I worry that the wealth of knowledge in this country will move elsewhere because there is no support for higher education here. This is a loss that we, that our country can't afford.

MS. ABERNATHY: Does that conclude your comment?

MS. SPINDLER: Yes, it does.

MS. ABERNATHY: Thank you so much for your comments. Thank you. Alan Collinge. And please forgive anyone that I've mispronounced your name. It's certainly not intentional.

MR. COLLINGE: Hi. Thank you. So, my comment today is quite simple. First of all, I represent student loan justice.org. We're the first oldest and largest grassroots citizen group in the country fighting for 18 years now for student loan justice. We've got 1.4 or 5 million people across the country. Interestingly, this group started the national conversation about canceling student loans through 1032 A. However, that's not what I want to talk about today. Far more important than this token cancellation effort from Joe Biden is bankruptcy.

The founding Fathers called for uniform bankruptcy laws ahead of the power to declare war and the power to raise an army and the power to create a judiciary in the Constitution. And this right has been uniquely, uniquely stripped from student loans. It lies at the core of the entire problem that we now face. So, I want to tell you a quick story. A family in Oklahoma, the Nelson family. They were probably misled by their bankruptcy attorney, and they filed for bankruptcy and student loans was 94% of their entire debt load. Well, flash forward a year, year and a half. They found out the very hard way that no, indeed, student loans are not dischargeable in bankruptcy. So, this family got all the shame of a bankruptcy. Proud Southern family from Oklahoma. All the shame of a bankruptcy and none of the relief. And the result was horrific. You know, they had six children and the entire family perished. And I will just urge you to Google the Nelson family Oklahoma Student loans and suicide. So that is to bring me to the Department of Education. We have a two and a half year long promise from James Kvaal, from Richard Cordray and many others that they would stop, and Joe Biden as well, that they would stop opposing student loan borrowers in bankruptcy court. Well, what we got last fall was not that. What we got was the Federal Government, essentially taking that

whole process out of public court and shoving it into the administrative bowels of the Department of Education. Not to mention their contractors like ECMC, one of the most viciously cruel companies in America on the student loan problem. Undue hardship remains. The only difference between the way it was and the way it is now is that now the bankruptcy attorneys have a golden carrot to dangle in front of tens of thousands, hundreds of thousands of families like the Nelsons and give them a false hope. So, they'll suck them into filing for bankruptcy. That's a thousand bucks. They'll suck them into initiating an adversarial proceeding, which is another 3, 4, \$5,000. And the chances of them getting a discharge are roughly the same as they were before. The Department of Education, which many years of careful study have shown, has no intention or desire of canceling any loans through bankruptcy or any other process. Department of Education is now the final arbiter of undue hardship. That's putting the fox in charge of the henhouse. So, this new bankruptcy process is a cruel, vicious and I would say deadly joke. You're setting people up to fail, just like the Nelsons did. You people better get your- get your act together and do what's right.

MS. ABERNATHY: Thank you for your comments.

Timothy Babulski.

MR. BABULSKI: Hi. I thank the Department of Education for recognizing that the historical failures and the structural inequities of the student loan system necessitate new regulations that will provide desperately needed relief and long neglected oversight. I also say I share Alan's outrage over the way bankruptcy and discharges have been handled. And over 10,000 people at last count agree and have asked the Department to cancel at least \$20,000 of student loan debt and to do so without delay. First, we must acknowledge that while the Department has made improvements, a lot still has to be done. The revisions to PSLF helped, but they don't reflect the realities of contingent labor in nursing, social work, or higher education. The changes to total and permanent disability discharge reduce barriers but still maintain the undue hardship standard and an adversarial process. The SAVE Plan makes repaying student loans more affordable, but it's half as generous to borrowers who borrow enough for a bachelor's degree, and one-fifth as generous to borrowers with graduate debt as it is for those who only borrow enough for an associate's degree. The new Gainful Employment rule would ensure that borrowers are not worse off, but it does little to make sure they're

better off for having pursued an education. So, borrowers and borrower advocates must have a seat at the table. Organizations like JCN that rely on the continued precarity of borrowers must not. Regardless of the composition of any rulemaking body and the content of any proposed rule, the Secretary must act without delay to directly order the cancellation of debt or, as an alternative, implement an interim final rule regarding the modification, waiver, and release of the debt. Under no circumstances should the Department endeavor to limit, constrain, or circumscribe the Secretary's authority by requiring determinations of need, periods of emergency, requests for waivers, means tests, applications, or any of the other detritus of the past failed approaches. Similarly, while the rule should allow the Secretary to implement the President's directive regarding debt cancellation, the rule should not be either one time only or limited to an arbitrary amount of relief, especially when that leaves tens of millions of borrowers indebted for decades to come. Finally, the Secretary should provide borrowers as many pathways to relief as possible, including directing the Department to finally stop opposing borrowers who seek to have their debts or teach grant obligations discharged. The scope and timing of relief must reflect

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the true scale of a \$1.7 trillion debt crisis and the 45 million borrowers who urgently need and all of whom deserve relief that is automatic, instantaneous, universal, and total. Thank you.

MS. ABERNATHY: Thank you for your comments. Christina Winton. I'm sorry. Excuse me. Joanna Kerns.

MS. KERNS: Yes. Can you hear me now?

MS. ABERNATHY: Yes, ma'am. You have four minutes.

MS. KERNS: Yes. My name is Joanna L. Kerns. Today, as one of millions of negatively affected lives by the Department of Education and the predatory student loan companies of this nation, you both are intentionally ever so guilty of preying upon our lives at a time of our innocence for your financial gain. You have violated me, millions of others financially, physically, and emotionally, and caused us years of severe distress, all because of one decision at a time of our- again, at a time of our innocence. The solution is we are urging you now to stop opposing all Federal Student Loan borrowers in bankruptcy court who are trying to apply for undue hardship and approve all applications in bankruptcy court and restore bankruptcy protection for all Federally owned student loans, and urge President Biden now to cancel all Federally owned student loans by his executive order, The Department of Education and the

predatory, unconstitutional student loan lenders of this country have not and should not have the right to demean, demoralize, and cause the issue of suicide just for their immoral, intentional financial and political gain. Also, in my defense, why don't I have the financial ability to pay my student loans, you ask? Is because my 80- my 82-year-old father years ago was diagnosed with currently incurable multiple myeloma blood cancer. And he has- and he is still in multiple cancer treatments to save his life. Thank you for listening to my comments.

MS. ABERNATHY: Thank you for your comments.

MS. KERNS: Thank you.

MS. ABERNATHY: Christina Winton. Christina Winton.

MS. WINTON: Hello? Can you hear me?

MS. ABERNATHY: Yes. You have four minutes.

MS. WINTON: Thank you. So, first of all, I want to thank everyone for letting me speak today on behalf of all student loan borrowers, both private and Federal held student loans. Okay? First, I want to tell you that with the Higher Education Act of 1965 we need to make sure that moving forward with whatever policies that are set in place, we need to stop opposing student loan borrowers in hardship, in bankruptcy hearings that are now being done through the Department of Education. But

in any case, this is the reason why constitutional rights to uniform bankruptcy laws were uniquely stripped from student loans. And this process started the day that these loans were created in 1965. It opened up the opportunity for predatory lending. And the reason for that is when it was first established, it was supposed to be zero interest. Student loans were not supposed to be something that could be made money from, especially since most students that need loans are low to middle income cannot afford education without it. At no point in the Constitution under Article 1, Section 8, Clause 4 does it state exceptions to any loans. Student loans should be put back in that category. And the next point I want to make on that and why constitutional rights to uniform bankruptcy laws need to be reinstated is the gross negligence that has occurred on the part of lenders and all parties that have been involved. We need to restore accountability to these lenders and other agencies that handle all student loans. I can give you my story as an example, but I can tell you for a fact that all student loan borrowers on one level or another have been dealing with these atrocities. You can ask why most of us aren't paying our loans. In most cases, we have actually been paying our loans for years. I've been paying for mine for 30 years. At no point in my adult

life have I not had student loans. And I can tell you that as I made my payments and even paid more than what was due in order to get ahead and to pay off my loans, to my horror, I saw my student loans go up, not down. And in addition to that, I have since found that my lenders have lost all my payment history, so has the Department of Education, and I have asked my local senators to look into the matter. And they have since just not been able to give me any kind of answers on what's going on with my loans. So, I am currently a student loan borrower that's still in a position after 30 years of paying my loans, I still owe as much as what I borrowed. They never lowered my principal. I am currently a public servant, so I am by no means somebody that's not working and a burden to society. And most of our student loan borrowers in one way or another are serving our country, whether they're military, public servants, Peace Corps or they're volunteering and trying to get back into the workforce, are in the workforce and working multiple jobs. Some of them are, in fact, eligible for public service, however- thank you. I want to say, if our rights are not restored, you need to consider shutting down all these student loans September 2023 instead of starting interest up and then starting payments in October. Because honestly, at this point

we're looking at- thank you.

MS. ABERNATHY: Thank you. At this time, we're going to have a staffing change. I'd invite Wesley Whistle to join us from the Office of the Under Secretary.

MR. WATTS: Hello? Can you hear me?

MS. ABERNATHY: Hold on one second, sir. Hold on one second. We have a staffing change. Apparently, Wesley is here, but we don't see him. So, I'm going to just assume that he- you all can see him as I cannot. I would also remind you to please mute the public hearing in the background. Otherwise, there will be a delay in the public hearing, and we will be unable to hear the speaker. The speaker, you will hear yourself on a little bit of a delay, so don't think that we can't hear you. Alright. Without further delay, Mr. Gordon Wayne Watts, you have four minutes. You're on mute.

MR. WATTS: You can hear me? Oh, let me see. How do I take myself off mute?

MS. ABERNATHY: You're good now. You're good. Now, let's start with your four minutes. Go.

MR. WATTS: I'm Gordon Wayne Watts. I'm the national director of Contract with America Part II registered trademark. Here's my business card. I'm not affiliated with Newt Gingrich's part I. His part I was

trying to get lawmakers to convince people to vote Republican. My part II registered trademark is trying to get people to get the lawmakers to do a few things to save America, and both liberals and conservatives, my number one concern is that taxpayers are on the hook for over 2 trillion of our national debt as student debt. Now, the students have paid way back more than they've borrowed. Okay? But they've been they've been paying way more than they borrowed. And you cannot get blood from a turnip. If you guys don't stop originating student loans to students that can never repay, it's going to crash the dollar because it's going to hemorrhage out. And so almost 10% of student debt- number two students, over 45 million students with student debt and about another 50 or 60 million are cosigners or family, Black Americans have twice the student debt, three times the default rate. And so, this particularly hurts people of color. And the third concern is patience. People cannot afford to be doctors and nurses any longer. Okay? What are you going to do if you have a fall or someone- who are you going to call? Ghostbusters? Okay? These old- these older people that had college when it was affordable were like, well, if they can't afford to go to college, well, they just shouldn't go. But they need a heart attack doctor or a cancer doctor or someone when they

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break their arm. So, telling the students not to go is not the right answer. Now, before I give the solution, I want to tell you one thing that's not the solution. Alan Collins, who's a friend of mine and I know him, and even though he's considered Liberal, even he admits that cancellation of student debt forgiveness is not the right word, that they didn't commit a sin, okay, they had really no choice, okay, is not the solution. It's not a long-term solution whether you agree or disagree with it. And so, the bottom line is the PPP recipients, for example, okay, are we going to tell them, well, you took the loan out? No, they're part of their loan contract is that they could have forgiveness or cancellation part of the loan contract. And by the way, I want to thank attorney Brian Siegel for being there. He can verify that one of the bankruptcy laws were changed to remove bankruptcy from an existing loan contract that altered existing contracts. Okay. Now, as I said, if the student loans are not- if the Department of Ed doesn't shut down and stop originating student loans, then there's going to be a problem. A lot of Republican lawmakers have complained, but those Republican lawmakers are at fault for not stopping the originations. Okay, my Republicans are at fault, not the help of students. Okay? There's only two things under

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heaven that's going to stop the loan originations. One is a miracle and that's not going to happen. Or two, returning bankruptcy rights. Article 1, Section 8, Clause 4 of the US Constitution is a conservative free market check. Police officers have guns. Colleges can file bankruptcy themselves. They get tax money. They can file bankruptcy. Credit card users and gamblers have bankruptcy, but students are defenseless. Now, the change in the existing loan contract well, by the way, I want to address the Heroes Act. The president did not really have good authority under the Heroes Act. It was kind of questionable. If he had used the 1965 Higher Education Act, he would have had legal authority to cancel all the loans. That was the way the law was written. Why he chose that, I don't know. But the point of it is cancellation of the debt is not a long-term solution, no matter which side you go. So only one thing is going to stop the bleed out of tax dollars and avert a crash of the dollar, returning bankruptcy, which the Department can advocate for. Maybe you can stop opposing borrowers in bankruptcy. I don't know. But the lawmakers are the ones that need to do this.

MS. ABERNATHY: 15 seconds.

MR. WATTS: Returning bankruptcy to stop the bleed out or we're going to crash the dollar. I'm Gordon Wayne Watts, Contract with America Part II Registered Trademark. Thank you.

MS. ABERNATHY: Thank you for your comments. TyLean, TyLean Tile.

MS. TILE: Hello? Can you hear me?

MS. ABERNATHY: Yes, ma'am. You have four minutes.

MS. TILE: Thank you. My name is TyLean Tile and I want to speak today about the failure of total permanent disability discharge for Americans living abroad. And also, the root cause of the forgiveness programs. I am from Pennsylvania. I came to live in the United Kingdom, where I'm speaking from today. In 2007, when I was studying for a master's degree at the University of Bristol and I decided to settle here permanently. In 2018, I suffered mercury poisoning as a result of a poorly performed amalgam filling removal. I was subsequently diagnosed with several conditions for which there are no treatments and there are no cures. By early 2019, I had to accept that my health was not returning. I applied for disability in the United Kingdom, was vigorously assessed and I was awarded the maximum disability rate. The SSI and SSDI equivalent of the disability benefits that I received in the United Kingdom in the US would have triggered an automatic student loan discharge. In order for me living abroad to

get my student loans discharged, I have to have a form completed by a United States licensed doctor. This means that I have to travel to the United States, which is a challenge not just financially but physically. And I have to hope that a GP that I may have not seen in two decades, if ever, is going to sign this form for me. However, during- I was supposed to go to America to try to achieve this in March 2020, the third week of March 2020, and you all know what happened at that time. So, you know that I didn't make that trip because it was canceled. So, when it was canceled, I then thought, okay, well, they're accepting things like Zoom calls and everything. I'm going to try to get a doctor to speak to me on Zoom. And as soon as I mentioned the TPD discharge form, they would not speak to me. And it doesn't really make any sense because it's just a form that they fill out and they say, yes, this person has these conditions and these problems, and I sign it off and it's either accepted or rejected, but they were behaving as if their medical licenses are in jeopardy if they sign this form. And I find that a little bit bizarre. At this point, I now really can't conceive of going to America because it would be just too difficult for me. And I am asking for an easier, easier route to be opened up for the discharge of student loans for citizens living abroad.

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The US State Department suggests that there are 9 million American citizens living abroad, and we are no more nor less likely to have either student loans or to become disabled. Everybody thinks it's never going to happen to them. Well, you don't know. You just don't know who it's going to hit. And there is one last point that I have to make, and that is the all student loan forgiveness is completely theoretical. And it has been denied or made bureaucratically impossible for thousands of eligible people, myself included. The reason the Government gets away with these failed forgiveness programs is because we have been stripped of our bankruptcy rights, which is completely and utterly unconstitutional. We demand the return of bankruptcy rights and to stop opposing bankruptcies in court, because without it, all student loan forgiveness, be it the PSLF, IBR, SAVE, TPD, it's all a crapshoot. Thank you so much for giving me the time to speak today.

MS. ABERNATHY: Thank you for your comments. Christina Cress.

MS. CRESS: Good afternoon. My name is Christina Cress, and I am a student loan borrower. Thank you for the chance to speak today. While the SAVE Income Driven Repayment program is a good starting point toward student debt relief in the face of the recent Supreme Court decision, striking down the Biden-Harris Administration's student loan forgiveness plan, respectfully, the SAVE program does not do nearly enough. For starters, it only helps those who opt into the SAVE program. That should not be the case. The protections offered by the SAVE program should be automatically made available to all student loan borrowers, regardless of the kind of repayment plan they are on. Second, the SAVE program only addresses runaway interest on a forward looking basis without doing anything to credit the borrower for prior runaway interest already paid toward borrowers' existing principal balance. Student loan interest at rates currently offered is predatory. Interest accrued on all student loan accounts should be zeroed out and interest already paid should be credited toward the principal balance. Unfortunately, if SAVE is approved as currently contemplated, I will not be opting into the SAVE program because currently I am on a pay as you earn or PAYE Income Driven Repayment Plan. For those of us on the PAYE plan, if we were to opt into the SAVE program, we would be extending the terms of our Income Driven Repayment Plan by five additional years. That's five additional years' worth of minimum payments that would be required to be made before the remaining balance is

forgiven. That's unacceptable. The SAVE program protections and relief should be made available to borrowers on any kind of Income Driven Repayment Plan without having their current repayment plan terms extended for additional years. In addition, there should be more transparency regarding the number of qualifying payments or months credited toward an IDR repayment term. Currently, I'm unable to access that information anywhere, not through the Federal Student Aid website or through MOHELA, my student loan service provider. Separate and apart from my concerns with the SAVE program, additional policy changes are needed. Student loan payments should be 100% tax deductible and fully dischargeable in bankruptcy. Finally, any amount of student loan forgiveness at the end of an IDR plan should not be considered- forgiven at the end of an IDR plan should not be considered taxable income. These changes to tax policy and bankruptcy policy are needed alongside changes to student loan Income Driven Repayment Plan, regulations and policies. I hope the Department of Education will seriously consider improving the SAVE proposal consistent with these comments and recommendations. Thank you for your time.

MS. ABERNATHY: Thank you for your comments. Paul Noss. Andrew Engelbrecht. Andrew Engelbrecht.

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MR. ENGELBRECHT: Yes. Hi.

MS. ABERNATHY: You have four minutes.

MR. ENGELBRECHT: Okay. Hi, my name is Andrew Engelbrecht. I'm from New Lenox, Illinois. Grew up in what I thought was a middle class household. But it turned out we were living paycheck to paycheck, just like a lot of people. My dad was a union electrician. My mom worked as well. And they fought all the time. We struggled all the time. I thought the only thing to do to rectify the situation for myself was to go to college. And so, I did. I had to take out student loans. And I had- I struggled constantly growing up, you know, going to school with depression and anxiety, knowing I'd have to pay these loans back. But I was told to go to college and get a good job. [Inaudible] student debt, I still haven't found a decent paying job. [Inaudible] trouble, I'd be homeless probably with the money I make. So again, I've done everything I was told to do. Work hard, go to school. And instead, I got student loans. I got all these bills to pay. My wife and I, that being all of this said, we are lucky. You know, we have a nice home. We have a baby on the way. And we have we had to replace our water heater furnace AC this year so we have another more financing options and it's just, it just makes me frustrated that it's like there's nothing we

could do to get ahead. You know, one thing we could do is cancel student loans, which I don't think our financial aid, you know, we need to do, you know, we need to have tuition-free college and forgive student loan debt. I think the Department of Education should forgive our student loans, and it would help my wife and I out tremendously. I believe that the Higher Education Act of 1965 has that authority. And if the loans can be canceled, why not do it? Thank you for your time.

MS. ABERNATHY: Thank you for your comments. Deborah Parker. Deborah Parker. Miss Parker, would you please mute the public meeting in the background so that we can hear you when you begin your comments? And you have four minutes. Thank you. Ms. Parker, you have four minutes.

MS. PARKER: Okay, I'm here. Hi, my name is Deborah Parker, and I want to thank you for allowing me to speak with public comment. The reason I sent comments into this regulatory site is to help you with the FSA student protections and loan issues. As a parent, I had two students graduate with bachelors and they sat for six years and unable to work during a recession time period. And during that time, they accrued debts of \$22,000 each. Those debts have been paid down now to \$3,000. But it's been how many years? 26 years, I think. Is that

right? 23. It's been, they're 40, let's see, 17 years, something like that. Anyway, I appreciate the fact that this is being addressed now and the relief that people need for their student aid is definite. It's not only linked to Borrower Defense or any of the other stuff. It's been chronic for a very long time. The other issue that I presented in my comments was about for-profit universities and I wanted to assist, I gave some ideas and suggestions for how to protect students against these fraudulent, for-profit universities that existed and were listed with Senator Harkin's 2012 report that he gave to the Senate. In that list, one of these universities that I attended with has been resolved under Sweet and Cardona for two cases. Meanwhile, I represent 8 to 10,000 of those cases in the PhD degree at that university that are still waiting for justice. The Sweet Cardona case at least has helped some with those two cases. In the 53 group of people that I am currently working with and the 8 to 10,000 that we represent, the issues that were not considered yet and must be considered in the FSA regulatory organization that will follow this this public hearing, there are issues on online infrastructures and what's built prior to accepting admissions and the schools that we attended that we- this 8 to 10,000 attended did not have an

infrastructure built online to accommodate a PhD degree. So, all these students got stuck for a period of 2002 to 2015, sitting and waiting for the infrastructure to be built. Some of the students were isolated to one school and allowed to build the infrastructure. There's a lot of issues here. I don't want to go into them here. It's not the place. But I just wanted to suggest that I have given you commentary addressing some of these issues in online universities and graduate programs. The kids remaining, they're not kids anymore. These are 40-yearold persons that remain \$200,000 in debt, in excess of that also have no degrees. So, they have no way to recover this money.

MS. ABERNATHY: 15 seconds.

MS. PARKER: I just want- I'm pretty much done, but I want to be helpful to you and this regulatory group and offer my services to do that at any time. Thank you very much.

MS. ABERNATHY: Thank you for your comments. At this time, we do not have anyone waiting to speak, so we'll take a temporary pause. Speaker Jacque Abron. Jacque Abron.

MS. ABRON: It's Jacque Abron.

MS. ABERNATHY: I apologize. Jacque Abron, welcome, you have four minutes.

MS. ABRON: Thank you. I just want to know- just want you all to know that the key to solving this problem is going to be the bankruptcy rates being restored to all the borrowers. Every single other debt is allowed to be discharged in bankruptcy. That would include unpaid taxes. That includes payday loans, that includes noncollateral and collateral loans, credit card debt, all of [inaudible] student loans. So, with 18, 19year-olds, 20-year-olds signing loans, who knows what's going to happen to them for the next 3 to 4 decades of their life. So, when they get cancer or when they have a spouse that is injured or killed, when they have children that are born with extreme disabilities, these are the people that are needing relief. It is [inaudible] one of the fights that's what's called for in the [inaudible]. We need our bankruptcy rights [inaudible] reinstated. Without these, the lendingthere's no regulation on the lending which now is the Department of Education. But if there's [inaudible] also with college tuition. So that's why the college tuition is just it's eye gouging. They're just gouging it up as much as they can. They're raising it sky high because there's no one- there's no regulation. There's no one saying, hey, whoa, whoa, whoa. So, the bankruptcy rights, that's the most important aspect of this if you

want to actually end the crisis. This student loan crisis will never be ended until we have our bankruptcy rights reinstated. There's 40, 45 million borrowers. Some had their bankruptcy rights when they signed. And then it was, it was taken away. So that's falsifying documents. If those documents are changing by just one party. The bottom line is that bankruptcy rights must be reinstated for all borrowers, and we need to stop being opposed when they are- I know that everyone can file bankruptcy. But the Secretary and the Under Secretary there [inaudible] undue hardship? Well, undue hardship is kind of like impossible to even prove. It's like, who knows if you're going to win the lottery tomorrow or who knows, you're going to slip and break your neck and you're going to be riding in a wheelchair for the rest of your life, unable to make a living for you or your family. No one knows what's going to happen. Undue hardship is just really not, it's not something that's provable. So, they should stop fighting us in bankruptcy courts and let these student loans be discharged through bankruptcy. The loans can be canceled through bankruptcy without even charging anything to the Treasury or needing anything added to the deficit. [Inaudible] that's just pure profit which is made off of these loans each and every year. So, there's plenty that's been

made, and it should also even be an interest-free nonprofit. That's the only section of the Government that's making a profit. The US Department of Education. How is that okay? How is that? How is that okay?

MS. ABERNATHY: Thank you for your comment. Matthew Milliken.

MR. MILLIKEN: Hello.

MS. ABERNATHY: You have four minutes.

MR. MILLIKEN: Great. Thank you for extending the welcome for me to make a comment. And I think I'd like to just speak to maybe a proposal or a feedback regarding the Public Service Loan Forgiveness program. And I guess my understanding is under the current system, 120 total payments are required to be paid by our borrower while they're working full time under a nonprofit or Government entity. And that's in order for them to receive complete forgiveness of Federal student loans. And I would like to see, and I would like to propose that that system be modified to forgive that of the recipients and a stepwise system instead of something that's accumulative over 120 payments and then the full amount is forgiven as it is now. And my thought being that, you know, I imagine this would be a little bit more logistical of a thing that would be hard to pull off. However, I feel a more equitable system would

be that every year that is served in a public service manner that that would, that would award a borrower that 10% of the original loan amount is forgiven. And if someone goes to 120 payments or ten years of public service loan or public service paying off, you know, these loans up until like it's 120 payments that like the remaining balance of whatever is accumulated, whether that's because, interest had accumulated to be a higher amount than what was originally borrowed. After ten years, then the final, the total amount is forgiven. I would even consider it being if every two years 20% of the original balance being forgiven as still being equitable. To me, I think it feels like an injustice for some people to partially be able to participate and serve in the public role and not have any reward for that. And that having something that's more incremental in this way would give, I think, more incentive for people to consider entering public service. It would also continue incentivizing people that are within that that are getting a more immediate benefit and reward for their service, and I think ultimately help retain public service as well. Whereas, you know, to commit to public service you- whether it's being a teacher, whether it's working in a certain healthcare setting or in nonprofit settings, you are signing up for a lower income and

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trajectory over your career often. And to be receiving some benefit in the process of those ten years I think is just a more equitable way to for someone to continue in this path. My wife and I had our kiddo during COVID and we're both clinical social workers and there is just not really any possibility we can welcome another kiddo if- until my spouse has her loans forgiven through the PSLF program. It would look differently if that was a changing number throughout the years, but we have to hold out another four years until there's just a more secure chance financially that we can have, a solid sense that we can afford a lifestyle.

MS. ABERNATHY: 15 seconds.

MR. MILLIKEN: And so, I'm just hoping that this is something that can be considered or specifically in this PSLF program. Thank you.

MS. ABERNATHY: Thank you for your comments. Lazarus Leviticus.

MR. LEVITICUS: Hi, my name is Lazarus. Thank you for letting me speak. I just wanted to suggest that I think ultimately that the most fair and equitable thing to do would just be to cancel student debt overall. There's no reason why America should be the only western liberal democracy that doesn't subsidize education like other countries do, like in Europe and stuff where you

can go to school in Germany or Finland or Sweden and it's free. I would absolutely- I- this student loan system is entirely predatory in nature. The interest- I have \$70,000 in student loans. It was originally 76,000. I went to a private for-profit school when I was 19 years old and they wooed me with all these promises that I would make all this money, and that I needed to sign up and you know, I needed to hurry in order to take control of my future and whatnot so I can end my cycle of poverty and whatnot because I grew up poor. And by the time that I graduated with my certificate, I graduated straight into the Great Recession where economic opportunity for me that it was virtually nil, and it forced me to go into default. And in order to get out of default to get a loan consolidation because, what was it in 2020? Three years ago? No, I'm sorry, 2019, I started to try to fix my credit. So, I had to agree to a loan consolidation of- if I remember correctly, when I left school, I had \$45,000 in debt. But by the time that I had to get a loan consolidation, I had to agree to sign for, it was like short of \$77,000 because of the interest and the penalties that had accrued since the time that I had been in default. I'm still in school working on a bachelor's degree and I plan to go to law school afterwards. And I feel that the student loans are

entirely predatory, mainly the interest and whatnot. Like I said, I think the most fair and equitable thing to do would just be to cancel these things outright because we students are America's future and whatnot. And is it that our own country is going to- how they're going to do us in terms of we spent years making the sacrifice to go to school, to learn something, to become good at something in order to benefit society and whatnot. Because society, you know, we need lawyers, we need doctors, we need scientists and stuff. And to saddle us with a lifelong amount of debt is absolutely criminal because with the amount of student loan debt that I have, I could buy a house with that and whatnot. And the reason why I have not been able to buy a house or start a family is entirely because of this. And yeah, the Higher Education Act of 1965 clearly gives the authority to the president as well as the Education secretary, to cancel these student loans. And nothing short of this should be done. I'm done. Thank you for letting me speak.

MS. ABERNATHY: Thank you for your comments. A.D. Davies.

MS. DAVIES: Am I unmuted?

MS. ABERNATHY: You are unmuted. You have four minutes.

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MS. DAVIES: Okay. I'm speaking today as a constituent of the United States. The preamble of the US Constitution states we, the people of the United States, in order to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity. Meaning, future generations. It's crystal clear that the entity or entities named the US Department of Education is not securing the blessings of liberty to the most valuable assets in the US, who is none other than we the people who are the true Government. We the people see this entity or entities named the Department of Education is not ensuring domestic tranquility and promoting welfare and blessings for our future generations. It's very clear that a decision for freedom has been made. We the People have signed a petition on Change.org, started by student loan justice that has over a million constituents of the United States signing and agreeing that student loans should be completely canceled, even according to census.gov. Since 2017, the Federal student loans have increased an additional \$190 billion, totaling 1.5 7,000,000,000,000 in 2020. The onset of COVID 19 pandemic has piled an additional layers of economic challenges on top of existing student

loan burdens. The price of living is higher. Rental and mortgage payments have skyrocketed. The price of gasoline is up. The price of insurance is up. The price of food is up. The price for bills like electricity and water and medical bills and taxes are higher than ever. From where exactly the entity or entities named the Department of Education, whose role is stated as their mission statement is to foster educational excellence and to ensure equal access to educational opportunity for all suppose the constituents of the United States generate currency to pay for these loans. As a constituent of the United States, I declare that no one should be deprived of his liberty merely on the ground of his inability to fulfill contractual obligations based on his inalienable rights to learn, pursue and acquire knowledge in a higher education, to sustain his or her livelihood and the livelihood of their fellow men in the United States. The entity or entities named the Department of Education is in direct violation of these inalienable rights of the constituents of the United States, the true Government, the people. It is obvious to the American people, as expressed by the million signatures and counting and the petition that the entity and or entities named the US Department of Education is a contemporary debtor's prison and intends to shackle

the true Government, which is we the people, the constituents of the United States, into debt slavery. Finally, I'm appealing to the highest court of true reality, the courts of Heaven above man and other entities, Governments and laws, to the God whose name is Yahweh Elohim, his only begotten Son, King Jesus and His Holy Spirit. In their book, His Law, states Deuteronomy 15:1, at the end of every seven years, you must cancel student debts. This is the manner of remission. Every creditor shall cancel what he has loaned his neighbor. And finally, in closing, declaring in Exodus 9:1, then Yahweh said to Moses, come to Pharaoh and speak to him. Thus, says Yahweh, the God of Hebrews. Let my people go, that they may worship and serve me. The entity and entities named the Department of Education has become a you- a contemporary pharaoh to the constituents of the United States. And the God of Hebrews is commanding today, right now, let his people go in Jesus' name. Amen. May every human hear of my words be restored and blessed in the name of Jesus Christ. Amen. And thank you for your time.

MS. ABERNATHY: Thank you for your comments. Bernard Schulz.

> MR. SCHULZ: Hello, am I there? MS. ABERNATHY: Yes, you have four minutes.

MR. SCHULZ: Thank you very much for allowing me to speak. I'd just like to say that the goal of economics is advancement. Advancement stands in the [inaudible] from knowledge and reasoning. Education is in- sorry, excuse me. Education is in some sense [inaudible] knowledge, education, advancement of success and such. I'd have to say that the pride and honor of advancement [inaudible] is a goal [inaudible] that is needed to be progressive. Through a process of decreased spending habits within the education system by planning to post to my Facebook page Global Politic Initiatives, Inc., there's a proposal proposed [inaudible] and [inaudible] utilize the interactive software to grow [inaudible] over 100% increase by providing intern opportunity to all children by fifth grade to teach curriculum to children two years and younger, below them depending on their GPA performance, we could create a capital savings that could implement funding for welfare reconstruction ideas also outlined on Global Politic Initiatives, Inc. We could create an education cost-free society [inaudible] go towards goals of economic advancement. The most basic instinct is survival. The knowledge and adapt to protect and advance. Let's protect our interests and advance our community. Without such education, no advancement would be possible. Rising to

the higher essentials of education, galvanization around a cause so important and so vital to global success. Thus, galvanization [inaudible] important and such as the opposing roads is cataclysmic [inaudible]. Well, that's all I have to say. So, I would advise you to check out my Facebook page, Global Politic Initiatives, Inc. I believe that funding for free education Biden plan is essential. You deposit it- funds into education. Those funds revitalize into work, jobs, ideas, productivity, science, advancement, medicine. All productive, evolving and revolutionary around new [inaudible] of the new world Government. So, thanks for allowing me to speak. I'm done for my cause, so you can give it to you next speaker. I look forward to hearing the next person speak. Thank you.

MS. ABERNATHY: Thank you for your comments. Ebony Brown.

MS. BROWN: Hi and thank you for having me today. My name is Ebony Brown. I am a student at Morris Brown College, and I also serve as the State Director for Rise, which is a student and youth led nonprofit organization. And we advocate for access to higher education and building political youth power. On last year, I had the pleasure of speaking in front of the Supreme Court to demand promise relief for millions of Americans that were in need of relief that would support their ability to access opportunities their loans have prevented, such as sending their children to college, retiring or purchasing a home. And the recent decision that was made by the Supreme Court was a blow to the movement. But it's on the Department of Education to right their wrong for the 1 in 8 Americans who are facing inescapable student loan debt. I can remember a time where I couldn't even take out a simple loan due to my inability to repay. And being on the frontline as a student organizer means leading the fight for the voiceless. We are simply asking you to invest in your working class that keeps the economy running. And provide what was promised. We put blood, sweat and tears to ensure that the economic system is in well standing. And we are tired of broken promises. We want this decision to be inclusive and not leave anyone behind, which means continuing to include voices at the margins like ours in this process every step of the way. Students go to college to catapult their professional careers. We are not a menace to society. An educated society is a thriving society. A thriving society is a greater America. And a greater America is a better America for all. Once again, my name is Ebony Brown. I serve as the state director for Rise, which is a student

and youth led organization. And I digress. Thank you very much for your time.

MS. ABERNATHY: Thank you for your comments. I would like to thank all the speakers for sharing your remarks with us today. As a reminder, you may submit comments at www.regulations.Gov and the comment period closes on July 20, 2023. The docket number is on our negotiated rulemaking website and on your screen. This concludes today's public hearing. Thank you for joining us.