DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

AFFORDABILITY AND STUDENT LOANS COMMITTEE

NEGOTIATED RULEMAKING SESSION 3, DAY 2, MORNING

December 7, 2021

On the 7th day of December, 2021, the following meeting was held virtually, from 10:00 a.m. to 12:00 p.m., before Jamie Young, Shorthand Reporter in the state of New Jersey.

P R O C E E D I N G S

MS. MACK: Good morning, everyone, my name is Kayla Mack, and I want to welcome you all to session three day two of the Department of Education's Negotiated Rulemaking with the Affordability and Student Loans Committee. I want to begin today with recognizing the participants from the Departments, the Committee and the Advisors. We are going to ask that everybody turn themselves on mute so that we get no background feedback. Thank you for that. And if you haven't changed your naming convention already, folks, please do that as we go through the roll call as well. On behalf of the Department, our Federal Negotiator, Jennifer Hong. Good morning.

MS. HONG: Good morning.

MS. MACK: We have from the Department's Office of General Counsel, Brian Siegel. Good morning, Brian.

MR. SIEGEL: Good morning.

MS. MACK: And I believe that we have Ms. Vanessa Gomez joining us from the Department to assist us with document sharing and live editing. Good morning, Vanessa.

MS. GOMEZ: Good morning, everyone.

MS. MACK: Alright, thank you,

Department. Now let's recognize our esteemed committee members. For the constituency group of accrediting agencies, we have our primary Dr. Heather Perfetti.

Dr. PERFETTI: Good morning, everyone.

MS. MACK: And we have our alternate Dr. Michale McComis.

DR. MCCOMIS: Good morning, everyone.

MS. MACK: Good morning, Michale. For our constituency group of dependent students, we have our primary Ms. Dixie Samaniego.

MS. SAMANIEGO: Good morning, everyone.

MS. MACK: Hi, Dixie, and I do want to recognize the alternate Mr. Greg Norwood, who will not be joining us for today. For the constituency group of federal family education, loan lenders and/or guarantee agencies, we have our primary Ms. Jaye O'Connell.

MS. O'CONNELL: Morning.

MS. MACK: Good morning, Jaye, and we have our alternate Mr. Will Shaffner.

MR. SHAFFNER: Good morning, everyone.

MS. MACK: Good morning. For our constituency group of financial aid administrators at postsecondary institutions, we have our primary Mr. Daniel Barkowitz.

MR. BARKOWITZ: Good morning and happy holidays, everyone.

MS. MACK: And we have our alternate, Ms. Alyssa Dobson.

MS. DOBSON: Good morning.

MS. MACK: Good morning. For our four-year public institutions, we have Dr. Marjorie Dorime-Williams.

DR. DORIME-WILLIAMS: Good morning, everyone.

MS. MACK: Good morning, Marjorie, and her alternate Ms. Rachel Feldman will be joining us later today. For independent students we have as our primary Ms. Michaela Martin.

MS. MARTIN: Good morning. I'll be on camera shortly.

MS. MACK: Okay, thanks, Michaela, and we have our alternate Dr. Stanley Andrisse.

DR. ANDRISSE: Morning, everyone.

MS. MACK: Morning, Stan. For constituency group of individuals with disabilities or groups representing them, we have our primary Ms. Bethany Lilly.

MS. LILLY: Good morning, everybody.

MS. MACK: Good morning. And we have

our alternate Mr. John Whitelaw.

MR. WHITELAW: Good morning.

MS. MACK: For our constituency group of legal assistance organizations that represent students and/or borrowers, we have our primary Ms. Persis Yu.

MS. YU: Good morning, all.

MS. MACK: Good morning, and our alternate, Mr. Joshua Rovenger.

MR. ROVENGER: Morning, everybody.

MS. MACK: Morning. For the constituency group of minority serving institutions, we have our alternate who has served as our primary throughout the sessions, Ms. Noelia Gonzalez.

MS. GONZALEZ: Good morning, everyone.

MS. MACK: Good morning. For the constituency group, private nonprofit institutions, we have our primary Ms. Misty Sabouneh.

MS. SABOUNEH: Good morning.

MS. MACK: Good morning. And we have our alternate, Dr. Terrence McTier, Jr.

DR. MCTIER: Good morning.

MS. MACK: Good morning. For constituency group of proprietary institutions, we have our primary, Ms. Jessica Barry.

MS. BARRY: Good morning, everyone.

MS. MACK: Good morning, and our alternate Dr. Carol Colvin. Good morning, Carol. For states attorneys general, we have our primary, Mr. Joseph Sanders.

MR. SANDERS: Morning, all.

MS. MACK: Morning. And our alternate, Mr. Eric Apar.

MR. APAR: Morning, everyone.

MS. MACK: For state higher education executive officers, state authorizing agencies, and/or state regulators, we have our primary, Dr. David Tandberg.

DR. TANDBERG: Good morning, everyone.

MS. MACK: Good morning, David. And our alternate, Ms. Suzanne Martindale.

MS. MARTINDALE: Good morning.

MS. MACK: Good morning. For constituency group of student loan borrowers, we have our primary, Ms. Jaycee O'Pwoa (phonetic). Excuse me, Jeri O'Bryan-Losee. Sorry, Jeri.

MS. O'BRYAN-LOSEE: That's alright. I've been called worse. Good morning, everybody.

MS. MACK: Me too. But I won't share that. And our alternate Ms. Jennifer Cardenas, I believe, is joining us a little bit later. For the constituency group of two-year public institutions, we have our primary Dr. Robert Ayala.

DR. AYALA: Good morning, ladies and gentlemen.

MS. MACK: Morning, and our alternate, Dr. Christina Tangalakis.

DR. TANGALAKIS: Good morning.

MS. MACK: Good morning. For the constituency group of the United States service members, veterans or groups representing them, we have primary, Mr. Justin Hauschild.

MR. HAUSCHILD: Good morning, folks.

MS. MACK: Good morning, Justin. And our alternate Ms. Emily DeVito.

MS. DEVITO: Good morning.

MS. MACK: Good morning. And for our State DOCs, we have Ms. Anne Precythe.

MS. PRECYTHE: Good morning.

MS. MACK: Good morning, Anne. Thank you to the committee members, I believe we've done our full roll call. Now we move on to our two esteemed advisers. For PSLF, we have Ms. Heather Jarvis.

MS. JARVIS: Good morning.

MS. MACK: Good morning, Heather. And

for economic and/or higher education data, we have Dr. Raj Darolia.

DR. DAROLIA: Good morning.

MS. MACK: Good morning. Okay, to round out the introductions, I'll remind you of your FMCS team. My name is Kayla Mack. I'm joined by my esteemed colleagues, Ms. Cindy Jeffries. Good morning, Cindy.

MS. JEFFRIES: Good morning.

MS. MACK: Mr. Brady Roberts.

MR. ROBERTS: Hey, everyone.

MS. MACK: And Mr. Kevin Hawkins.

MR. HAWKINS: Good morning, all.

MS. MACK: Thank you. Alright. Just a few reminders. If you have not already fixed your naming convention, it looks like most, if not all, of you have, please do so now. When you're not speaking, we ask that you remain on mute just so that we can minimize background noise and distractions. And at this table at this time, I would like to invite only those folks who are participating at the main table to remain on screen and on camera. We are going to have public comments today. Folks are signing up for today, tomorrow and Thursday. There will in fact be no public comment on Friday afternoon because at that time we will be concluded. And lastly, we do want to thank everybody for their efforts yesterday and congratulate you all on your successes yesterday. To recap, the Committee was able to reach consensus on two issues. We did have productive dialog around two additional issues, and we're close to consensus, but we do have a single blocker on two of those issues, so we do hope to revisit those and to continue to work towards consensus on those issues as we're able and as appropriate. We're going to continue asking you all to work towards consensus today, which is the aim of good faith efforts in the negotiated rulemaking process. So keep in mind, when we get to those checks, they will be an official consensus checks and we'll make sure that everyone is clear on what we are taking consensus on at that time when we get there. Alright, we're going to pick up with IDR today. We had just started. Jennifer had walked us through the first two pages and we were opening up for comment. As we work through the IDR paper, we are going to chunk it out. So keep in mind, we would ask that your comments and questions be related to the two pages or how we continue to chunk that paper out. At the end of the discussion, though, we will be taking one consensus check on the entirety of that issue. Jennifer, is there anything that you would like to share around those first two pages to get us started before I open it up to comment?

MS. HONG: I could just do a quick refresh. Basically, we're looking at the IDR document, and we're looking at definitions regarding beginning with discretionary income. There's just recall some of these definitions don't necessarily apply to the proposed new IDR plan. We've put everything under one section to kind of better streamline and organize the information. I just want to point you again to page two, we were talking about monthly payment or the equivalent. Again, I just want to emphasize we've included the default deferment and forbearances to count as monthly payments and those are enumerated later in the document. We've also created a process to address the forbearance steering. Again, that's later in the document, but it's referenced here under a monthly payment or the equivalent. And again, just to point out the bottom of page two, partial financial hardship was just some wordsmithing. Nothing has changed substantively in that section. So that's as far as we got. I know many of the comments are kind of about the proposal generally, but I'm happy to move on. But I see a hand raised, so I'll pause there.

MS. MACK: Okay, I just want to note that I believe Carol is in for proprietary institutions, and it looks like Stan is in for independent students. I noted yesterday at the conclusion of our session, Persis, your hand was up and Marjorie your hand was up as well. So if you ladies want to begin the dialog today, raise your hand. Persis you already have. So I'm going to begin with you, please.

MS. YU: Thank you. And and since we're kicking off, I wanted to somewhat relate this conversation back to to a lot of the public testimony that we heard yesterday. We heard, you know, a lot of public service workers who expressed a lot of frustration about the fact that they weren't getting the benefits of the Public Service Loan Forgiveness program despite meeting the spirit of the program. And what I wanted to say as we start the Income Driven Repayment dialog is that if you really peel back and I think that's our job here, right? As as policymakers to peel back on the stories that the folks who are not getting the relief, but why are they not getting the relief and an underlying a lot of these problems were really Income Driven Repayment problems. They're manifested through the fact that they didn't qualify for public service loan forgiveness. But really, we're talking about IDR failures, right? We heard people talk about the fact that the the IDR payment was not affordable, which is why they had to take forbearances. Or we heard about the fact that they were steered into these forbearance and they're not getting credit for these. These are IDR problems. And in order to fix the fundamental problems of PSLF, we really fundamentally need to fix the problems with Income Driven Repayment. We cannot do this piecemeal. They're all connected. But I think, and so first of all, just to say like our public service programs absolutely need to work for for public service workers. But we also need IDR to work for the folks who are not who are not able to show up for public testimony. You know, my clients are restaurant workers, my clients are grocery store workers, and they don't qualify for public service loan forgiveness. And they need IDR to work. They need an affordable program that's going to count the time that they've been in repayment to work for them. I think it's worth thinking about why, you know, why are people struggling so hard to get shoehorned into public service loan forgiveness? And it's because IDR does not work, and we need a program that is working for all borrowers, all borrowers, meaning borrowers with graduate loans, borrowers with parent plus loans, you know, borrowers who are in public service and borrowers who are not in public service because they need to send money to family members who are not in their immediate family. So we need these programs to work. I I appreciate all of the public testimony, and I think we need to take that back to us with this discussion. I find I just as a technical note, I find the way that we're scrolling through the especially the IDR regs to be a little challenging because we have things, right, we're talking about how we count payments, but that's really talks later on.

MR. HAWKINS: Thirty seconds.

MS. YU: Marjorie dropped in the chat, and I'll let her speak since she's speaking up next. Speak more to this, but I thought she had an excellent proposal on how to discuss these topics in a way that was more comprehensive for each of the discrete topics when we're talking about the payment amount or we're talking about time to cancelation, I think that that makes a lot more sense. And I of course, will defer to her to speak more to that at that point. Thank you.

MS. MACK: Thanks, Persis. Marjorie why don't you walk us through that?

DR. DORIME-WILLIAMS: Sure. And so now, of course, I'm like, what did I do with the list? But I think to second Persis's point is that while we understand the goal is about the language in the text, we need to have a conversation about the issues that the language and the text is addressing. And so I'll say specifically, and I want to call back to something that you said yesterday, Jennifer, about rights, education being a ticket to the middle class. And I think that we all agree. I think the folks who have called in to give public comment agree that the goal of an education is to look for social mobility is to advance individuals in terms of their careers, in terms of right family and lifetime outcomes. However, I'm really concerned about how we're looking at this in terms of equity and specifically because we received evidence and research and data about the disproportionate impact of student loans and affordability on borrowers of color. In addition to also getting information about the fact that black borrowers have to get advanced degrees to be on par with their white peers and colleagues. You also cannot go into specific fields and areas related to public service without those advanced degrees. Right. We've talked about social workers, for example, we've talked about counselors, we've talked about folks who work in nonprofits and do community work, and we've heard from those individuals as well. And so to me, it's really concerning that there's language in here that distinguishes between undergraduate and graduate degrees. When we received evidence and I would say, thank you Raj, for sharing those documents, right? From scholars who study this. And so we can't say that we understand that education is a ticket to the middle class. We understand that education is something that helps individuals advance their own life outcomes for their families, for their communities, while at the same time denying those same individuals' opportunities for forgiveness and opportunities to engage in a program that's less cumbersome. And so I really think it makes more sense for us to look at this holistically and to talk through the topics and then look back at the regulatory language instead of trying to do this right page by page. I think as we've done for some other issues where because we're talking about similar issues, I think that made a little bit more sense. So again, I want to bring that to the forefront. I think, yes, right, education is a ticket to the middle class. My parents are immigrants to this country. They're, all people understand that. I think we all know that. But if we're going to create language that excludes students or penalizes them, right, (inaudible) issues beyond their control, I really think that that's doing a disservice both to this committee and the work and time we've invested in these issues.

MS. MACK: Thank you, Marjorie. Jeri,

I see your hand, please.

MS. O'BRYAN-LOSEE: Marjorie rocks. That was that was exactly. I just want to add a couple more examples to her to what she was saying. When we talk about health care workers, when we talk about they need, they all need graduate degrees. We know there's a health care shortage right now and we're not going to be having people who work for for-profits in the PSLF program. We're cutting off our future nurses, doctors, all who need advanced degrees, plus the people who teach and train them. And I also want to put out the working poor. Most K through 12 teachers need to have advanced degrees. People running daycare centers have to have advanced degrees in many places. And I think that we do a disservice by not including them into the mix of what we're talking about. Thank you, Jeri. Daniel, please.

MR. BARKOWITZ: So, you know, I think one of the one of the concerns that you're hearing Jennifer and I would echo this is that I feel this proposal is a lot of tinkering around the edges, but not really a broad scale reform of income based, income driven or Income Based Repayment Plans. So I'll put a proposal on the table. I wonder, and I struggle with the idea that the time to forgiveness is as long as it is. We say to our public service colleagues, those who work in public service, you have 10 years, you can earn income and work for 10 years, and we'll forgive your loans after 10 years of public service. That makes sense to me. I'm now a beneficiary of that thanks to what came through the the waiver, and I appreciate that dramatically. But I would also say, you know, I feel badly for my colleagues who who aren't working or who are struggling to be a livable wage that we're saying to them, you're 10 years aren't as valuable, your 10 years of living in that really should be twenty or twenty-five or longer. And so I would I would argue that as a starting frame, we've set an expectation of 10 years. I would love. I would love to see 10 years of forgiveness or 10 years to forgiveness for those who have limited income because, you know, carrying that burden for 20 or 25 years is more than life altering it’s trajectory altering. And so you know that that as an example, I think, would be a strong statement of equity that could alleviate this. I'm curious and I don't know if this data is available, but if the Department is looking at the amounts of income of those who are now getting forgiveness out of the new PSLF waiver, I would venture to say it's much higher than the group that would ultimately get forgiveness out of this Income Based Repayment Plan. And with that, I'll I'll put my hand down. Thank you.

MS. MACK: Thank you, Daniel. David, please go ahead.

DR. TANDBERG: Thank you so much and just a huge plus one to everyone that's spoken before me and to, you know, asked the Department to look at that what Joe is put in the chat. I think he did a really good job of summarizing where the committee is on this, you know, and I profess my disappointment. You know, I think the Department's come back with some really great recommendations on so many topics. On this one, I think we had expected the Department to swing for the fences and instead you went for a single. And I think there's some really clear areas where we could greatly improve the proposed changes. And like I said, Joe summarized those. I'd like to pick up on something that Marjorie brought up in regards to black borrowers seeking graduate degrees. I think one of the primary roles for public policy is to address where the greatest inequalities and abuses exist, and there is significant evidence that many proprietary institutions in particular recognize the desperate desperation and desire of so many black Americans who are seeking a better life, knowing that they need a graduate degree and are then handed a ton of debt, inferior products and almost no way to effectively pay it off. That abuse of desperation is just sickening to me. And the fact that we would not address that now when we have this opportunity, I think, is unconscionable. I think we have to add graduate debt to what we're doing here because the the the evidence, the facts, the stories, all are calling for us to do that and that and I wanted to highlight that. But I would speak just as passionately about each of the proposals that Joe put in the chat. All of them, I think if we don't do it now, it's like when? These are, these are clear wins for all of our constituencies.

MS. MACK: Thank you, David. Bethany, please go ahead.

MS. LILLY: I maybe should pause because I'm just going to jump in like Daniel did on one of the proposals in the chat, and I don't know if we want to go through the whole document before we jump into the different topics or I realized after I put my hand up, I should ask that question before I started talking.

MS. MACK: Sure. And that's what I was considering as well. I think we heard yesterday the idea or suggestion that we chunk this out, but I think what I'm hearing today is it may make sense to instead go through the document comprehensively and then unpack some of the issues here. So Department, let me ask you Jennifer, are you comfortable walking through the entirety of this paper and then we circle back for comments and questions?

MS. HONG: Yes. I'm prepared to do that.

MS. MACK: Then let me turn it over to you to do that.

MS. HONG: Okay.

MS. MACK: Thanks for pausing, Bethany.

MS. HONG: So thank you all for your comments thus far. I'll just go over the whole document. I do want to say at the outset that this issue of targeted benefits, we've always said at the outset that we're interested in the lower income, lower balanced borrowers that we wanted to focus on undergraduate students. I understand that's that's not to say that graduate borrowers are not important. We have other repayment plans to serve those borrowers. But in trying to address these targeted benefits, we wanted to, we feel like the marginal rate and I'll get into that, really gets to the issue of making more targeted benefits available to everybody. That way, we can address the lower income borrowers, those working towards an undergraduate degree, those that are more likely to go into default, which is exactly the issue that we're trying to address through this proposed plan. So on page three, so left on page two, on page three in the middle of page three, if we could cue the document. Okay, one of the things that we are permitting here and we're making it explicit in the regulation is that we're allowing a borrower in default to use IBR because doing so allows them to also make progress toward forgiveness. And we can't do that in this new proposed plan under the ICR plan. So we've made that explicit in the reg that regardless of whether the borrower is in default on the loans selected for repayment under the plan, they will be able to make their payments count on IBR. So that's one point we discussed. Again, under D, we landed to focus on undergraduate loans. We've had so many presentations to kind of figure out which levers to pull. There's been, you know, direct questions of what the parameters are, what are we focusing on? How can we focus and target benefits while addressing kind of broader issues, the broader population and where we landed, what we needed to focus on undergraduate students. And we really need to address the first first entry, first entry level degree and with with with the idea that the other payment plans can address graduate loan debt. Alright, going to page four, that whole section is highlighted just again because it was reworked. I understand Joe had suggested that we mirror (inaudible) borrowers to pay, we've put it along with REPAYE. And that's the combined income of the borrower spouses used in the calculation in all cases, regardless of whether the borrower spouse file a joint federal income tax return or a separate. So we've we're marrying that with REPAYE in the proposed language. And then again, for EICR, along with all the other IBR or IDR plans, spouses eligible loan debt is included for purposes of adjusting the borrower's monthly payment amount as described in paragraph G and then under romanette two, for ICR spousal loans are eligible for repayment under the ICR plan in accordance with paragraph D2 of this section. And that's on the ICR plan. Okay, there's just some minor changes on five, page five. And then let's go to let's go to section five at the bottom of the page because I know a lot of people had comments on this. So we are using an income exemption to equal to 200 percent of the federal poverty level, which is approximately 25,000 for single individual. Again, we've landed on a marginal rate. We feel like these targeted benefits can be made available to everybody to calculate payments so you pay nothing from zero to 20 to 200 percent of the poverty level. Then when you get from 200 to 300 percent, five percent of the income share and then 10 percent of amounts over that. So in example provided, it is a marginal rate, someone earning 60,000 as a single individual, they would have the income the exemption for the 25,000, pay five percent on 13,600 and then 10 percent on 21,000, which would lower their total payment on the plan from 230 to 232, whereas it would normally be 339 on most IDR plans. So I know that there was questions about making the income protection higher. We landed at 200, I think, from Raj's presentation, again, we saw that, you know, as income protection increases to higher levels, the benefits were largely accrued to higher income borrowers. So in order to address and target these benefits to the population that we want to while making them available to everybody, we feel like this marginal rate addresses a lot of the concerns. So that is how the monthly payments are calculated. Again, it brings out everybody paying less. Let's see. Yeah, I'll just leave that there, and then we'll. I think that's kind of like the centerpiece of a lot of the comments that came across yesterday and this morning, so we can revisit that and maybe Raj can talk about what this means. Give us some examples in terms of the marginal rate. On page six, you'll see a lot of highlight there. The main issue is under interest subsidies on a $0 payment will due to due to their income have all unpaid interest forgiven. That is on the on the bottom of page six. So for $0 dollar payments, we will pay the interest. In subsection four. Okay, page seven. I know again, we talked about. years to forgiveness. So what we're proposing where we landed on forgiveness under K, there you go Vanessa, is 20 years. And so. We explored the 10 years that was proposed, I know we discussed a lot of that at the previous session. And this is where we landed, I don't know, I don't have much more to say about that, but it's 20 years, 20 years to forgiveness. And just at this point in time, we're not comfortable with going back to the (inaudible) had a lot of concerns regarding the 20 year forgiveness timeline. Separately, we did look into monthly cancelation for incremental and annual cancelation of loans. And (inaudible) can talk more about that, but we feel like we don't have the legal authority to do the cancelation. So that is the language that we have there. I can get, Michaela, did you want to comment there? Did you want me to keep going here?

MS. MARTIN: Yeah. You mentioned that like, you know, 20 years is where you landed there, like a lot of conversation, I was just wondering if you were willing or able to provide like why that was 20. Like just why really?

MS. MACK: Jen, I don't know if you have an immediate response to that, and I know that more hands are going to come up. I would like to ask that we allow Jennifer to just walk through the rest of the document and then I invite any and all hands for for comments and questions.

MS. HONG: Thanks, Kayla. I mean, I'm close to being done here. There was a question. Okay, so. That is, so 20 years to forgiveness for ICR. page eight. So we've added we've added some additional deferments and we have forbearance and we have mandatory and an administrative forbearance that that was actually in there before we've added a cross reference to pick up periods of national emergency, as well as issues like when a loan is transferred. So again, we've added we have training program deferment, unemployment deferment. And post active-duty student deferment, so all these count toward monthly payments. So I mean, I realize. I'm hearing your comments, and I just I don't want to, I don't want you to dismiss this, I mean, it's it's it's lower payments every month and it is and it is an attempt to try and both target the borrowers that we want to target. We said from the outset what we were interested in. We're interested in those lower balance, lower income, undergrad, working toward an undergraduate to keep them from going into default to help them ensure completion of their degree while addressing the higher balance borrowers as well. I think that the marginal rate does that, and we've included additional deferments to count as monthly payments. In addition to that, we have addressed the forbearance steering issue explicitly in the regulation. Okay, so the next the next comment in the middle of page under subsection five, romanette five. The language about if a borrower consolidates one or more direct or FFEL loan into a direct consolidation loan, the payments the borrower made on the direct or FFEL loans prior to consolidating, and that met the criteria in paragraph four of the section 682209 866 or 682215 will count as qualifying payments on the direct consolidation loan. Okay, so what did what does that mean? That means the language allows payments made on IDR to not reset if a borrower consolidates direct loans. Similarly, borrower payments on FFEL that are on the standard payment plan on IBR can keep counting if the borrower consolidates onto DL. That's a big issue that is a real big issue for borrowers so that we're not resetting the clock on consolidation. All those previous payments, they'll count toward forgiveness. Okay. Again, we can't we can't count defaulted borrowers and we can't put them on ICR, so we want to make sure that they count the payments made on IBR while in default toward forgiveness. Department (inaudible) that we can't do it on ICR and we want to we're proposing to make borrowers in default eligible only for IBR to ensure that their zero dollar payments count toward forgiveness. Again, for the IBR plan, a payment (inaudible) I through three I on a loan in default is also considered to satisfy monthly repayment obligation for the purposes of forgiveness under paragraph K. Another big change, right? Inclusion of defaulted borrowers and IBR and counting those zero-dollar payments toward forgiveness. I think that's I think that's significant. Again, another significant change. We have inserted a hold harmless process that would allow any borrower who has spent time in a deferment or forbearance to make up for those months by making the payment they would have otherwise made. This includes a zero-dollar payment if the borrower would have been eligible for it. So again, this doesn't we're not going to go and explore what happened. Did you know, does a borrower need to prove that they have been steered? No, we're just going to do it. We're going to make this and put it in regulation.

So we always have the authority. We've said this before. We've always had the authority to make the correction. I realize and that's kind of limited to borrowers that have the wherewithal to call and, you know, have to deal with this issue about forbearance steering, well, now it's in regulation. And now we will count that. We're saying assertively that we will count those payments that you've been on forbearance. We'll count them toward forgiveness. If you're if you’re a defaulted borrower, you have zero-dollar payment we'll count those payments. So I think I just don't want I don't want these big wins to be dismissed by you. I understand we all want we want the grand plan to address all borrowers. But you know, there is some prioritizing that we have to do. And if we can lower the payments for the most needy borrowers and we can carry that benefit through higher higher income, higher balance borrowers. I feel like we we can achieve that through the marginal rate that we're proposing for zero to five, 10 percent of the income share. I see a lot of hands. I'm going to keep talking. Two more pages, guys. Everything else here you see on page nine. Okay. (Inaudible) technical revisions and then at the very end bottom of page 10 automatic enrollment in an IDR plan, okay, we talked about this a lot. So we're proposing that someone who goes 80 days late be put on to IDR plan if if it can get the necessary data to calculate a payment. So again, this is to avoid negative credit reporting. So and we're proposing something similar for borrowers and defaults as long as so long as we can obtain their consent. Okay, and that's under M at the very end automatic enrollment in an IDR plan. And again, another another issue that we were we had talked extensively about. To keep these borrowers out of default and to ensure that their zero-dollar payments count toward monthly forgiveness. So just to summarize the high points here. We've got putting the borrowers, defaulted borrowers on IBR, counting those zero-dollar payments toward forgiveness. The ICR is going to address undergraduate loans. We want to we want to have a plan exclusively exclusively for undergraduates. So that is what this proposed plan is seeking to address. We're mirroring the treatment of married borrowers to that of REPAYE marginal rate two hundred beginning with 200 percent of income income exemption. And then again, five percent from two zero to two. Two hundred and three hundred percent of the poverty level. And then 10 percent for any amounts above that. And then paying all forgiving all interest on zero-dollar payments, 20 years to forgiveness and the inclusion of additional deferments and forbearances. To include national emergencies also counting payments again for defaulted borrowers, hold harmless procedures for forbearance steering, count those payments toward forgiveness as well. And then finally, automatic enrollment in IDR, in summary. I see a lot of hands.

MS. MACK: Thank you for walking us through that, Jennifer. I, too, see a lot of hands, and it looks like in the chat, everyone sort of organizing the thoughts. I'm going to invite questions, comments, concerns and ideas. I just want to keep us focusing on working towards consensus. So let's keep that in mind in terms of what that might take. David, I want to invite you to kick us off.

DR. TANDBERG: Yeah, thank you so much, Jennifer. I appreciate your presentation and the work of the Department. I would say in baseball, a single is certainly something to celebrate. And I think this is a definitely what's been proposed is an improvement over what existed, no doubt. I guess my the big broad question I'm left with is you've said you felt the need to prioritize and to focus, and I don't understand why when we could do more. So what was what's the underlying motivation to restrict it and to prioritize? I and this is a sincere question. I don't understand that. What's the risk that I don't see that

that you all see?

MS. HONG: I think I think that's a I think that really gets to the heart of it. So what we've what we've seen through IBR is that the beneficiaries of the IBR are higher income, higher balanced borrowers. So we're losing out on the neediest borrowers and keeping them out of default. That's that's we want to shine a light and we want to serve those students. That's the issue. We want to keep them out of default and we want to ensure that borrowers that are working toward an undergraduate degree have the support that they need and that they'll finish and stay out of and stay out of default.

DR. TANDBERG: I agree with-.

MS. HONG: The high balance borrowers really well. The higher income, higher balance borrowers seem to be the biggest beneficiaries of these plans. And that's important. I'm not. I mean, as Marjorie has enumerated, you know, more and more, the graduate degree is important to entering a profession and we understand all that and we're not. And that's why we chose a marginal rate because we feel like it provides targeted benefits while providing some relief on the payment end for everybody, for all borrowers. But in terms of having to kind of shine a light and focus. We want to keep borrowers out of delinquency and we want them to finish their undergraduate degree. That doesn't negate everything else that everybody has said here. It's all, it's all important.

MS. MACK: Thank you, David, thank you, Jennifer. Michaela, please.

MS. MARTIN: I first want to speak on the the the point of how this is like helping students complete their degree because students who don't typically make payments while they're students, and so I don't think that this affects the likelihood of of attaining their degree because it's usually paused during that time. I think that bringing the payments down is really, really awesome. But 20 years is still too long, particularly when we're talking about a lot of students who maybe haven't actually completed their degree. I've been trying to get my friend Sam to come to public comment. I've had her testify in other spaces that I've been in. We haven't been able to do that. So I'm just going to share a story with your permission. Sam's husband was deployed and has served multiple tours overseas, and since he's been out of the military and come home, they have had just a string of issues, including having to get him signed up to be on receive disability benefits under the VA, which is a whole process. During this time, she was also in school, so when he came back, she became the full, full time, essentially still single mother now of two, right? Because because he needed care and was the only income provider and had to stop out of school. So now she owes over $50,000 in debt. (Inaudible) and under this plan, we mapped it all out and she'd owe about forty-six dollars a month, which is great, that's totally affordable. But for 20 years. Like now, she's working three jobs and she's doing awesome. She's like hustling insurance and she's working like as a receptionist and like she's doing. I mean, like, I'm really proud of her, but she can't get a car like she can't get (inaudible) right now, like she's still not making enough to be able to like, their income now is like technically within a rate in which they could afford a mortgage, which would be cheaper than the apartment they're renting. They won't qualify because they have all this debt attached to them. So like, I think that that 20 years of like just not being able to imagine yourself living a life in which you get to participate and are like, you know, our society. And then also on the other end, I want to acknowledge that like for folks who have been in default for like a long time, Sam's been in default actually now for like two years. We're working on it, trying to get her out of that. But that other lending institutions would drop a loan that hasn't been paid on for years because it's just not. At some point, it becomes that it costs more money to service that loan and to have people trying to collect that debt, then it would be then to just not do it, you know, like $50 a year for 20 years, like for what? For what?

MS. MACK: Thank you, Michaela. Daniel, please go ahead.

MR. BARKOWITZ: Thank you. I've got three items and I'll try to do them within the three minutes, but if I go long, I'll take my place at the end of the line. So two of them are substantive, one is technical and I want to I want to just acknowledge again, I'm tinkering on the edges because that's where we are. I'd prefer not to be, but I want to give feedback to what's out there. So first of all, I want to comment on the the calculation of the monthly payment. I appreciate the marginal rate, but I would urge the Department to use as a baseline the same eligibility criteria you're using for Pell Grants in the new SAI calculation. In the new SAI calculation, Pell can minimum Pell can be offered to someone with 400 percent of annual income. So I would suggest that we mirror that and go instead of 200 300 to 250 400. I think that would go a long way toward alleviating some of my concern about affordability. Again, it's not saying anyone with 400 percent pays nothing, but it would again help with the marginal assessment so that it would be five percent of the 250 to 400 range and 10 percent for 100 and above. I strongly urge the Department to match what's on the Pell calculation table. I think it just helps explain it better and gives it some face validity. On the next page, I have significant concerns about, let me back up. I appreciate strongly for getting interest for zero payment, but I have significant concerns about not forgiving interest when the payment is less than the interest. So if I pay a dollar, then my balance continues to grow. If my calculation of my payment is twenty dollars and my interest is sixty dollars, you know, it's a very, very high cliff. So my strong suggestion would be to say that interest that is assessed but unpaid due to the minimum calculation under this program would not would would be canceled using your language so that that expands so that we're not in a situation where we have an accumulating balance for those low balance individuals. And then finally, if I have time, Kevin, I know you're a stern timekeeper. I appreciate it. My technical correction on page eight is, I believe you're missing a letter or you skipped a letter. So under your types of deferment and forbearance, you go from G to I, so I'm not sure if H was removed or if it's missed, but it just seems like there's a technical problem in the lettering. Oh my gosh, I did it. Okay, so there you go. That was my three minutes. Thank you.

MS. MACK: Thank you, Daniel. Persis, please go ahead.

MS. YU: Thank you, and I think I wanted to start with a discussion of just the goals as they were laid out by by Jennifer, I think there's, you know, preventing default is certainly a laudable goal that I can get behind. It just seems pretty arbitrary how and when the Department has decided to apply that goal. For example, Parent Plus borrowers in my experience and then the people that I've served are are are struggling and they have very limited options for Income Driven Repayment and the programs are not serving them well. The point that was made before that, you know, graduate borrowers or, you know, can use the other IDR programs. Well, frankly, Parent Plus borrowers cannot. And you know, we know that this is a huge racial justice issue. And why are we not providing a plan that Parent Plus borrowers will have a pathway to use and get affordable payments? I think we also know, though, that, you know, black borrowers in particular have high default rates, and we also know that there is disparities that graduate borrowers are disproportionately black. So this again doesn't make sense. The goals are not aligned with the the the ways that you structured it. I very much appreciate I will go into some of the positives and then we'll jump in line for some more negatives. I appreciate the inclusion of IBR for defaulted borrowers and ensuring that the time that borrowers make payments on IDR on IBR count towards cancelation. I do think that that is a huge improvement and I encourage you and I can submit language to this effect that we also in terms of what we count towards forgiveness, include payments made while in defaults, whether they are voluntary/involuntary payments expand the idea this hold harmless to these payments as well. But I do want to point out that this doesn't solve default, right, it does not. Under these current regs, stop wage garnishment from occurring. It does not stop tax offsets with the EITC and the child tax credit protected, you know, so those will continue to occur. Folks will continue to have their Social Security benefits. There is more work that needs to be done for defaulted borrowers. They also will not have their Title Four funds restored, eligibility restored. So like there is more work that needs to be done for married borrowers. Again, I appreciate in the positives. I think counting the savings towards cancelation for payments made in FFEL is a huge improvement and will greatly improve the situation and in fact is required by the statute. So I think that this alignment with the Income Based Repayment (inaudible) is as helpful, and so I will jump back in line. Thank you.

MS. MACK: Thank you, Persis. Joe, you have the floor.

MR. SANDERS: Thanks, everybody. I'm going to I'm just going to address a single issue, I've been putting a bunch of other stuff in the chat, so I'll confine myself to one issue. I hear the Department on their priority of helping low income, low balance borrowers. I agree with David that we should really be thinking bigger, but I'm willing to in the good faith negotiation, meet the Department they are. I'm going to talk about forbearance steering and how to address that. I appreciate the Department's inclusion of the hold harmless provision, and I appreciate the effort to try to address this problem. So thank you for the for the time and effort that went into coming up with that proposal. I think that it falls short of helping the borrowers that you're prioritizing, low income, low balance borrowers, because the administration of that hold harmless concept would seem to be something that's difficult to to navigate. So I deal with a lot of these borrowers, state attorneys generals deal with a lot of these borrowers. They're the type of people that will file a complaint and just say in general, like, help, I can't make my payment right. They don't know whether their loans are private or federal. They don't know what repayment plan they're in. They don't know. That, you know, they don't know who their servicer is. There's a real lack of information there, and so if you have a program where they have to go back in time and demand information to help figure out what they would have made at some past previous time, it seems like a lot of those borrowers are going to fall out of that system the way they've been falling out of the current system. The Department expressed to me and others concerns about moral hazard with counting forbearances that everyone will just go into forbearance and then get their loans forgiven. And I'm skeptical that that would happen. But I but I hear the Department's concern. And so I've put forward a proposal which I sent over the weekend that would avoid those concerns that would target low income, low balance borrowers by looking at a period of consecutive forbearances. So if someone in the past has been in forbearance for more than 24 months, that's somebody who should be in IDR. They have a structural problem making the payments. And if we only count those forbearance retroactively, there are no moral hazard concerns. So I appreciate the Department's prospective look. I think it can help, but I think we can do more, and I think that my proposal targets exactly the borrowers that the Department wants to. Thank you.

MS. MACK: Thank you, Joe. I do want to acknowledge that Suzanne Martindale has come to the table for state higher education executive officers. Dixie, I'd like to give you the floor.

MS. SAMANIEGO: So first off, my chickens and roosters, they're making noise. I feel very bad, I'm sorry, but really just wanted to, plus a thousand bajillion like points to what everyone was saying previously. Really wanted to go in hard on asking why there wasn't an inclusion of like a regional poverty guideline. I know previously I've asked about it and kind of what the answer was. There's just no capacity and it just kind of seems like that's always the answer. But and it would for me in my thought process and my own lived experiences, I think that if the Department truly wants to target low-income students right or low income borrowers, I think that it's important to find some way to include understanding at the very least of regional poverty guidelines, mainly because we a lot of us, I think, are on like either coast of the country and we see it every day, right? Like well, 60K and 60,000 a year in one area is not the same as 60,000 another. And it's but also like we see that folks of color also just like struggle, period trying to make payments, right, and so for me, I think one of the ways that the Department could I guess just actually target students who are poor, including understanding of regional poverty guidelines, and I know the answer is probably going to be like, well, we don't have capacity. It's just I just want to know if there's any chance or possibility that the Department is going to include that because for me, that's something that's important to me. Obviously, I'm not going to. Not like I'm not going to hold consensus on this, but I would want know at least some understanding of it because as I see it just previously like the answer that I've gotten, it's just not sufficient. And personally, as a student of color, I don't think that's okay for the Department to just say, well, we don't have capacity instead of actually finding a way to increase capacity of bandwidth of the Department to include regional poverty guidelines. So I'll give Jennifer some time to figure out an answer or if there is an answer. But yeah, I just wanted to put that in.

MS. MACK: Thank you, Dixie. I do want to acknowledge that Christina has come to the table for two-year public institutions. Bethany, I'll turn it over to you.

MS. LILLY: So I want to touch on two of the things that have already come up, but since we're talking about the big bucket issues, the first is the length of time to forgiveness. And I mean, I think that the The Jim Crow debt report made it very clear how hopeless borrowers of color feel about how long it takes to repay this debt. And I think that that's something that the Department, if they are trying to target low-income borrowers need to think about. And I really think that, you know, people spend 40 to 50 years of their life working right, and we're asking them to spend half of that repaying debt that they needed to get into the career that they're in or to the excellent example Michaela put forward, didn't even get a degree out of it. And I think that those are the borrowers I'm thinking about. These payments are going to be, you know, very concentrated during periods of life where people are trying to buy houses, they're trying to raise kids where they have a lot of additional costs. And I think it's completely unrealistic to keep that number at at 20 years like that. We're asking for a huge percentage of people's time here. And a big part of why I think people feel hopeless is the bigger picture concerns that everyone has been raising about how complicated the system is. It feels like you're in the middle of a scam and because it just doesn't make sense how it all works. And I haven't gone through the Public Service Loan Forgiveness piece as a very high-income borrower. Like, yeah, it feels like a bit like a scam because it's so confusing. And I can only imagine for somebody who doesn't have the resources I do, it feels even more that way. So I really want to urge the Department to take another look at that to think about going to 15 years or 10 years. I think Daniel's arguments around 10 years were very persuasive to me. I also want to touch on the income disregard piece, you know the minimum there because, okay, so we're setting it at two hundred and three hundred percent right now, the rent for an average basic one one-bedroom apartment in the United States and to Dixie's points about geographic diversity, this is very different where I live. This is very different where she lives is just over a thousand dollars a month. The average income for somebody at 200 percent of federal poverty is going to be. That's going to be 50 percent of their monthly income spent just on rent. And we are asking them to say then make payments on their student loans on top of that? Like HUD doesn't even recommend you spend that much money on rent. HUD says you should be spending at a maximum 30 percent of your income on that, and we're asking people making spending 50 percent of their income to pay student loans. I think that's to be honest, quite ridiculous. I would really encourage the Department to look at going higher than that. If you get up to three hundred percent of federal poverty, that is a closer to the 30 percent mark that HUD suggests. I think that's a much more reasonable number. And so I just I want to flag like this means a lot to a lot of people, and we really need to be thinking about that. And if there's a way to do it geographically, as Dixie said, strong support for that as well because it is very different for people in D.C. and people in L.A. than it is for some. Thank you.

MS. MACK: Thank you, Bethany. Jeri, please go ahead.

MS. O'BRYAN-LOSEE: Thank you. I'll I'll also say that I appreciate the changes that have happened. My focus is going to be on the grad loan situation. And just to bounce off what several people have said to simplify the process, just make it available to everybody. It's simple if you don't want them to be the same 20 years of forgiveness, 15 years, 12 years, whatever. Great. But just be inclusive and include everyone. One of the things that I worry about and I'm not going to articulate this as well as I would as as others would, is that when people are finishing their undergrad, working on their undergrad and want to do more, it's they they miss out on the grad work because at the undergrad you tend to get state aid, you tend to get federal aid, you tend to get all these other things that help you through your undergraduate degree that you don't see at the graduate level. So people are taking an increase in funding at the graduate level. And I know there's I hear it in the comments being concerned about high borrowers and high with high loans getting forgiven. I'm not concerned about them. I'm concerned about the people in the middle. I'm concerned about the people who did have clear enough credit to get their Parent Plus loan for their child. But then after that, they're still paying on this loan that couldn't be turned back to the child. They're it's just because people have the credit to be able to qualify for a Parent Plus loan doesn't mean that that continues on. And I think we've heard that in the public comment and the the other point, I forgot the train has left the station, I'm sorry, I'm going to let more articulate people, Marjorie's next. I know she's got this, but just since I'm not out of time yet, just again, simplification is going to be easiest. You know, not everybody on this call has to sell. I don't have to necessarily sell it to somebody finishing an associate's degree, but I have to be able to explain the program why they're excluded from a program at a graduate degree. You know, and I'll go back to my last point, and that's about the health care workers we've heard from people who are in for-profit health care industries that are the working poor. We've heard from nursing students, we've heard from people who are working with people with autism. We've heard about those things, the social workers that still require a graduate degree to do their work, but their loans are eating that up, and a good IDR program can help eliminate that.

MS. MACK: Thank you, Jeri. Marjorie, please go ahead.

DR. DORIME-WILLIAMS: Yeah, so Jeri actually took many of the words right from my mouth. I my specific question and I hope there is a answer, is why this policy can't be inclusive rather than exclusive. And so if we simply strike undergraduate and keep it to student loans. I don't see how we're not still serving undergraduate borrowers while at the same time, not excluding other borrowers. In addition, while we're seeing national trends of decreased funding for particularly public institutions of higher education, much of that burden gets pushed onto graduate students. So at my own institution, we've got tuition waivers, we've got assistantship. And so again, these same students who are undergraduates who are low income from marginalized populations go on to get graduate. These are the same students. We're not talking about different folks. There are students who are low income, low income backgrounds who go to undergraduate to get undergraduate degrees and then continue on to get graduate degrees. And so I just it's really not clear to me why we can't simply remove that language because it doesn't mean that we're not still attending to the needs of undergraduate borrowers. I really, I know I'm going to keep harping on this. I know it's just one point, and I do, I think, also agree with everyone else. There is a lot here that is helpful in thinking about forbearances, deferments, automation and those are appreciated. But I really think that exclusionary policies aren't helpful, and then to try and undo it later, I feel like causes more difficulty both for the Department, right? And then there's going to be another committee that's going to have to have this conversation again. And so I really, really strongly am stressing, can we please just strike that language and make this an inclusive policy? I don't see the harm that that does to undergraduate borrowers while also benefit graduate borrowers. The second thing is when we started this process as well was this goal of here's a better plan that's more simple and easy to understand. If now I'm a borrower who I have undergraduate loans and graduate loans, now I have to figure out two completely different plans in a system that we already know is beyond confusing and inefficient for borrowers, period. So I think this distinction works against the stated purposes of the Department to simplify, it is not inclusive and doesn't address these issues of equity that affect all borrowers.

MS. MACK: Thank you, Marjorie. Daniel, please go ahead.

MR. BARKOWITZ: Marjorie, I'm just gonna let you drop the mic on that for a second because, yeah, so I'm I'm going to echo and actually add, I wasn't going to comment on this, but I think the point that Marjorie raises about undergrad versus grad. If you think through the normal progression of a student, you finished your undergrad degree. Not everyone goes off immediately to grad school, so that student may consolidate their undergraduate loans and then they take out graduate loans. What do they do? And in a sense, is the calculation of the minimum monthly payment double because in a sense, they'd be under two different payment plans. So again, I think there are multiple issues of complexity here that I hadn't even thought about, Marjorie, until you just said that that I think are really important to address. So is the expectation an undergraduate borrower would then consolidate into a different repayment plan with their grad loans. It just counseling wise, it becomes extremely complicated. The point I was going to raise and my eyes are on my timekeeper, but the point I was going to raise is the married student issue. And again, I just want to talk for a moment about the public comment that was made yesterday by Professor Hayes from Marymount. I think that was really important to understand. So if we are, if the Department is thinking about and I think you have to think about Income Based Repayment Plans is a feeder to PSLF because they are connected. You won't get PSLF unless you're on an income-based plan. The the difficulty of a married borrower where one spouse is working under public service and the other is not, it becomes very limiting as a factor. And so, you know, requiring in each of these plans or even EICR to require that that students in effect or borrowers in fact merge their income and merge their loans is a disincentive and a disaggregator for PSLF eligibility. So that's another piece that I would think maybe we want to reconsider is the idea of of having the married borrower’s information considered in her case, and I did some follow up with her yesterday. You know, she's got a very small loan amount that could be forgiven based on her years of experience. But again, under the wrong repayment plan, there's no way to go back and recalculate at that point and that, you know, that's a real loss in terms of the benefit to public service employees. Thank you.

MS. MACK: Thank you, Daniel. Persis, please go ahead.

MS. YU: Thank you, and I would like to just go back to the idea of bucketing these somewhat in the idea of if we're going to try to come to consensus on any particular issues, it might be easier if we're talking about one issue at a time. But but about that, I will go dive into the time to forgiveness proposal. One of the stated goals of the Department early on was that they wanted low-income borrowers to be able to get cancelation sooner. And so that is something that we again don't see in this, that the lowest income borrowers, zero-dollar borrowers or the, you know, 10, 15, $50, as Michaela pointed out, borrowers are still going to have to do it for 20 years. And that seems untenable. One of the proposals that I made that has not been addressed by the Department of Education is whether or not we can tier the amount or scale the amount of forgiveness by the borrower's income, and I think one can do this on an annual basis. I submitted a proposal. I I've talked to some colleagues who have done some more mapping and modeling and can provide a little bit more specific proposal on how one could tier cancelation by income so that borrowers who have, let's say, a, you know, make less than 150 percent of the federal poverty can get cancelation within five years. And then borrower, you know, and then we can scale it up to 15 or 20 years for the highest income borrowers. But looking at this idea of how can we peg the amount of cancelation to what the borrower's income is, I think that would be a much more equitable way to target relief rather than this graduate versus undergraduate distinction or plus versus not plus. I think that there are ways that we can do this that can be responsive to the goals of helping low-income borrowers while also helping to get them out of debt. Because, as we know, only 32 borrowers have received cancelation under Income Driven Repayment. It's not working. Folks aren't seeing cancelation. And if we take this plan to another 20 years, we're not going to know for another two decades whether or not it worked or not. And at that point, it's going to be too late and we've going to lock a lot of borrowers into a lifetime of debt. So I'd like to I'd like to hear some response in terms of the idea of having some kind of scale with cancelation and thinking about that as a way that we could target relief instead of picking and choosing which borrowers we are going to to help with this proposal.

MS. MACK: Thank you, Persis. I also want to note have been a number of great questions in the chat as well. I just saw one around statutory authority. I want to encourage you if the dialog isn't touching upon your question, to feel free to raise your hand and ask it to the group just to make sure that we're getting attention and to each of those questions for the purposes of our dialog as well. Suzanne, please go ahead.

MS. MARTINDALE: Great, thank you, so I will endeavor to make points that have not already been explicitly made. So, yeah, you know, when I when I hear, when I hear targeting, I hear complexity and a theoretical concern over the federal fisc, as opposed to a concern for student borrowers' success here. And I don't think as to Persis's point that anyone's got good enough math upon which to to say this is definitely going to work when it's a highly complex program and we're adding to an already complex ecosystem for student loan repayment. Also, I would be remiss as the state financial regulator if I did not mention that I think any program that you put down on paper, let's remember it's going to be implemented and operationalized by servicers, and we already know all the problems that have already existed with, you know, borrower calling a servicer. And maybe they get what a customer service rep for seven minutes. How are they going to explain this program, the eligibility, what your payments are going to be? I have great concerns about about how this could be operationalized and the ways in which it could go wrong. And also, I want to lift up again another point that Michaela made and to say, you know, in the in the private credit context, you know, if someone has a zero-dollar payment for that long and then you charge it off, right? I think that there are hidden backend costs that we're not talking about in terms of servicing and collections of loans that simply cannot be repaid. And so again, I do think that all of these different aspects of this, the the the hesitancy to raise the amount of protected income, the insistence on repayment for 20 years and also, you know, some limitations on interest capitalization. I think you could go further there to cabin the front-end costs and then the back-end costs to the Department. But I do think that we'd be in a much better place if we had a simpler program where borrowers can understand their options and are more likely to engage in the programs and maybe find a modicum of trust in the system. I think that the increased complexity does does kind of tamper the interest in trying this at all. And then we're not really effectuating the stated goals here of trying to provide access. I will also say very briefly, you know, when we when we negotiated REPAYE, you know, there there was contention around how to how to determine the repayment periods and initially the Department considered, you know, seconds 20 years for most people. And then if they borrowed a dollar more above fifty-seven thousand five hundred, we were going to make them pay for twenty-five years and the Department backed off of that. If they backed away from the notion that we should penalize people with higher balances and that would just call out that, I don't think that we should do that here either. Thank you.

MS. MACK: Thank you, Suzanne. Michaela, please go ahead.

MS. MARTIN: Yeah, first, I really want to like acknowledge that all of us in this space have a lot of privilege by even being in this space and that like, well, I'm not receiving any form of compensation. There are a lot of folks that like through their work and things, do have access to this space because of that, right? And on that that like when we're making when we're talking about making an IDR plan that works for PSLF and we're talking about how many people were (inaudible) PSLF, there's a reason for that, right? Folks who have access to even think about PSLF inherently also have privilege, right? They have a job. They likely already have a degree and they're doing work that people think of as worthy of forgiveness, right? Which in itself so like just because we're not seeing folks in the comments coming out and saying, hey, I didn't, I didn't graduate. Like, first off, that's a really, really hard thing to ask of someone, right? The emotional labor that goes into like a public comment to come and sit in front of a bunch of people in suits and be like, I didn't graduate and I'm poor and please help me like, not a fun time. Like not a fun time. It's a whole lot easier to come and be like, Yeah, I'm a hero and I'm trying to get PSLF and I'm going to come comment. So I just want to like, really really put that there, and then, you know, my question is, where are we going from here, right? Like if this is like some type of like zero sum game with like a limited amount of resources, like do we have options? Like is this like a, you know, if then kind of situation where if we messed with the lever here or like, can you give us some on forgiveness or do we have to like, do we have to make choices? Because I feel like right now we all want to have a conversation like broadly about like, these are all the things that we want, but we're also not really being giving information on if there's really anything and my fear with starting piece by piece is that if we don't have any idea of where we can go, then like the the negotiating power. Right? And I just I think that that that 10 years to forgiveness, I don't think that even lowering it to 10 years would would eliminate the need for PSLF because PSLF is for folks who have you know, the potential for the whole program was just created so that people would be incentivized to go into nonprofit nonprofit when they could go (inaudible) private sector. And I just like we shouldn't talk about IDR as the pathway to PSLF right, like the IDR, should be the pathway to forgiveness and way out of debt. And it's not. In 20 years like that's like that's a really long time, like 20 years. Like I'm thirty-one right now and I'm going to graduate this year. That means that like three minutes. Thank you, Michaela. Joe, please go ahead.

MR. SANDERS: Hi, I'm just going to kind of make some structural suggestions that I think might actually help us move towards consensus. First one, I think that there are a number of areas where feedback from the Department could help us get towards consensus if we can know what the Department was thinking on. Why they're not comfortable going below 20 years, if we could answer Jaye's question that she put in the chat about authority. That will help people understand where the Department is and help us move towards the Department right good faith negotiation. Along those lines, you know, one of the things the Department commented on in the issue paper here was that they had considered monthly or annual forgiveness, but felt they didn't have the authority. I've been doing some reading on authority and was looking at settlement and compromise authority. There's a good memo that was out last week from the Student Borrower Protection Center, which I dropped in the chat, which addresses, so (inaudible) authority, the question that I have for the Department is whether that authority could be used to do monthly or annual forgiveness. I take Persis's point that seeing balances go up is a real dissuasion for people to get into IDR. I definitely see that with the complaints that we get to the state attorneys general, so we'd love to get some feedback from the Department. Absolutely happy to work with you guys to try to come towards consensus.

MS. MACK: Thank you, Joe. Jaye, please go ahead.

MS. O'CONNELL: Thank you, so I had dropped in the chat the question regarding the counting, the underlying FFEL payment for forgiveness and just not understanding the statutory authority because it's never been that way. My understanding was that that connected to the fact that FFEL loans were never authorized under the Higher Education Act or Income Contingent Repayment. So I wanted to understand that. I also had a question on the default, the default piece and IBR for defaults. I was assuming that was DL only, but I wanted to clarify if that is the case. I can put that question in the chat too.

MS. MACK: Thank you, Jaye. Persis, please go ahead.

MS. YU: So I was, when when Jaye posted the question in the chat, I've been frantically trying to search for the statutory authority because I concur with the Department on its legal authority to include underlying FFEL payments. I believe the, in fact, I don't have the statute in front of me, so I'm doing this from memory. So forgive the slightly clumsy way of doing this. But the Income Based Repayment statute, in fact, says that any payments a borrower makes under the IBR plan shall count towards cancelation. And so to my mind, whether because it's about a borrower and not about a payment made on a loan, which is distinct from the way that PSLF is, counts payments where that's talking about payments on a loan. But in the IBR statute that explicitly talks about payments made by a borrower under the IBR statute, which to me says that it doesn't matter whether or not the loan has been consolidated or not that those payments have to count. The Income Contingent Repayment is quite broad in terms of what what can count, and so I believe that there is good legal basis for counting the underlying payment, the payments made on a FFEL loan that have then been consolidated into a direct loan for both the IBR program and for the ICR statute. I'm happy to go back over lunch time to actually dig out those statutes and point to the precise language. But I do want to talk more about the interest piece and one technical question that I have because Jennifer in your when you discussed how we're treating interest of interest subsidies for zero-dollar payments, you said that all paying all interest for zero dollar borrowers would be paid by the Department. Whereas I believe as I read the statute and tell me if I'm wrong, that it's only on the subsidized loans portion of the interest. And so even zero-dollar borrowers with zero dollar payments in ICR would still owe interest on their unsubsidized loans. And I think this again leads to a layer of complexity for borrowers where because REPAYE covers some amount of unpaid interest, but it doesn't distinguish between subsidized and unsubsidized. It would be nearly impossible for our service or to walk a borrower through which program is actually going to be most advantageous for them. And I think that's a huge problem that even a borrower under, you know, the threshold with a zero-dollar payment can't distinguish which plan is better, I think is a huge problem. But I think more problematically is fundamentally is that the interest subsidy creates, and I think that all unpaid interest needs to be subsidized. The fact that balances continue to grow is a huge problem, and it leads to a debt trap because again, you're talking about 20 years forgiveness. Too many people fail, and when they fail, that interest becomes something that they have to pay and they're going to pay them through their child tax credits that their earned income tax credits for their Social Security benefits. And so that's a huge problem for low income defaulted borrowers in particular who are the population that you claim to want to protect in this plan. Thank you.

MS. MACK: Thank you, Persis. I want to welcome Alyssa to the table on behalf of financial aid administrators at postsecondary institutions. Carol, please go ahead.

DR. COLVIN: Thank you. Would it be possible for the Department to consider not the level of education, but to possibly restructure that language to use an original loan cap amount for subsidized and unsubsidized loans borrowed to better address the inequities that we were discussing? I would suggest considering a cap of the undergraduate loan limits the 57/5 that we're aware of, plus the equivalent of two years of graduate level and sub loans, which is twenty thousand five hundred per year. Or at least ask that the Department consider the undergraduate aggregate loan limit cap of 57/5, which would still afford the Department the same protection against high balances that they're seeking. But it would take into consideration low-income borrowers who were full Pell eligible and possibly able to complete an undergraduate degree without exhausting their aggregate loan limits. As previously mentioned, the rationale for removing graduate students is the expectation that graduate level education has the ability to move them to middle class income. However, we know that it's less likely for students of color. And unfortunately, it does not address at all the situation where graduate education has started, but never completed. I believe that if unable to allow for graduate level loans as a whole, this may allow for at least some consideration of those disparities that exist among students of color while obviously not resolving the issue, but also ask for consideration of forgiveness at 15 years as I believe that was approved by the prior administration, which I think would indicate that it's feasible and then using a tier past that point as Persis suggested.

MS. MACK: Alright, thank you, Carol. Any other comments, questions at this time? Okay. Here's what I'd like to suggest. Why don't we take a quick five-minute break, come back, invite any more questions or comments, and then I'd like to invite some feedback to the part from the Department as we've had a number of questions and solicitations for for some thoughts from the Department. And we'll do that before we move into a consensus check before lunch. Alright. So I have mine, 11:28. Let's come back at 11:35 and we'll pick right up here. Alright. Thank you all, I hope you were able to step away and enjoy a bit of a break. I want to pick up in the conversation just where we left off. We we've gone through a number of comments, questions, ideas from the committee and there have been some requests for some feedback from the Department. So Jennifer, I would like to invite that at this time if you have feedback to some of the concerns and questions that have been raised by the committee.

MS. HONG: So I know that there was a lot of questions regarding the 20 years to forgiveness. I will say that the main point of this proposed plan is that we've lowered monthly payments significantly. And just just as a reminder, I mean, this is this is a repayment plan. I mean, the statutory is not explicit about forgiveness. It's interpretation that the Department has made over the years, and we've included that and we felt like 20 years if if we could lower the payments significantly, which I think we've achieved through this proposal, this through this proposal, that 20 years is a reasonable timeframe. I I hear the concerns regarding the timeframe. And we found that it was less of a concern given the fact that we are able to lower the monthly payments so significantly and save the borrower, target the borrowers, the lower income borrowers. But also those benefits apply across the board through this marginal assessment. So that that is one point I just want to just emphasize again that we've included deferments or forbearances. Months when borrowers have been steered into forbearances, we've made that explicit in the regulation. To Joe's point, the language that we've proposed, and again, we are looking at the language, the retroactivity language that you're proposing for the forbearance steering, however, we feel like our proposal addresses it both ways. And I think we have to keep it in there for prospective instances as well. So we stand we stand by that process and the fact that we have the authority to make those account corrections for borrowers that have been steered into forbearances. Again, the inclusion of defaulted borrowers can use an IBR Kayla zero-dollar payment Soren forgiveness. The issue with the income protection again on increasing it, I will say that when we when we talked about this in the past, again, we've we've we've noticed that there's little to no marginal benefit as income protection gets higher for the lower income borrowers. And so by doing the marginal assessment, I think we're capturing a lot in terms of both again, the targeted and everybody else in terms of saving money monthly every month on the payments that they're making again, 200 percent of income protection up to the the poverty level and then a marginal assessment thereafter. Five percent for two hundred to three hundred, 10 percent everything else thereafter. Persis, you're right, the subsidy on paid interest is limited to direct subsidized loans. We won't reset payments if the borrower consolidates, that's to the extent that Jaye's questioning our authority to be able to do that, and I'm going to have Brian talk about that authority as well when I finish. Again, count payments on IBR while on default, we have the whole harmless procedures and auto-enrolment into IDR so, I'll just stop there. I don't know if that addresses some of your concerns. We have some of the questions in the chat. We're happy to look back, but I'll pass it off to Brian regarding it based on authority.

MS. MACK: Thanks, Jennifer. Brian, please go ahead.

MR. SIEGEL: Okay. As Persis started explaining it under Section 493, C (inaudible) 7 of HEA periods in which in borrowers' and IBR count towards forgiveness and our regulation, our proposed regulation would count those periods on a FFEL loan if the borrower then consolidates into a direct loan. Sometimes the Department. I mean, the Department has in the past taken what the borrower did on underlying loans into consideration on the consolidation loan. And sometimes it doesn't. In this case, we are changing it to provide to count those periods in which the borrowers and in IBR on a FFEL loan towards forgiveness once on the consolidation loan. I note that both the IBR statute and Section 455 D or E provide that both, in that payments made by a borrower on a on a 10-year plan, the standard 10-year plan count toward forgiveness in both IBR and ICR. So the Department under its regulatory authority, is including payments on made under an IBR plan or 10-year standard plan on a FFEL loan towards cancelation of the direct consolidation loan. We figure that's both consistent with our past regulations and consistent with our statutory authority. In regard to your second question about applying default or providing ICR to a defaulted borrower, this is a change to the direct loan regulations, and the direct loan statute specifically provides that the Department can require a defaulted borrower to repay under ICR. So we believe that that's clearly consistent with that statutory authority. More broadly, the Department, when it's when it holds a defaulted loan, works with borrowers in a multitude of ways to try to get a payment plan that works for them. And so we may provide a FFEL borrower what appears to be similar to an ICR plan in an appropriate case when we're trying to to collect on the loan.

MS. MACK: Thank you, Department, Jennifer and Brian, I want to acknowledge that David's come back to the table for state higher education executive officers and state regulators. And I want to invite the committee if there are any additional questions or comments at this time, having heard this piece from the Department. Michaela, please go ahead.

MS. MARTIN: Just prior to the break, you said we would just move to consensus. And I'm just wondering if there are any pieces in which like, is this really like less of a negotiation and more of like, this is what it is and we vote on it now. And that's it. Because I just don't feel like that we have like. I do acknowledge that there are some really great pieces in this and that there were some expansions, but I mean-

MS. MACK: Yeah. Let me try to speak to that Michaela. Doing a consensus check does not mean, in fact, that there's not a negotiation. There's been discussion and negotiation in the prior two sessions and then we have this paper here. All of the work that's been done thus far has led us to this point. The initial consensus check is to see where the parties are and if they can support what is being proposed. If anyone dissents and expresses a serious reservation then we pick up with the discussion there, we ask that individual to articulate their serious reservation and what idea or proposal does in fact get them to here. So it's not an end of the road, but it is a very clear indication of where each of the constituency representatives as part of the committee stand with regard to what is specifically being proposed at this time. Does that help?

MS. MARTIN: Yeah. And then I also just want to acknowledge that like, you know, when we're talking about this one is like just a pathway to PSLF when we're talking about statutory interpretation, like PSLF, like there is not limited to like 501C3s in government work. And like we're hearing over and over and over again about how there are other folks that that are doing what we might consider public service and again, particularly in COVID, where we called. You know, essential workers, right, they are essential to our economy like that is a public service, not not just even during COVID, but like all labor in our and in the world in which we've created here, you know, is is important. And so limiting this to qualification of you can get 10

10 years to forgiveness if you happen to write for an organization that we think is worthy, even though there are still organizations that are, like, very controversial, that are 501C3s and you can get loan forgiveness under, you know, like the NRA and (inaudible) right there are like opposite ends of the spectrum, right? But those both get loan forgiveness. But if you work for a for-profit hospital like, then you don't like the way that we're delineating what is worthy in our society is just really, really concerning to me. And it really hurts that that in order to get that forgiveness, you have to be good enough. And I just I wish that we could we could really challenge that and give a way out of debt and an affordable education to everybody.

MS. MACK: Thank you, Michaela. Persis, please go ahead.

MS. YU: I just want to echo well, I echo both of Michaela's concerns, certainly about the time to forgiveness, but I think more procedurally, the call to a consensus check right now feels very premature. This is the first week in which we've had any language and any actual answers about what the Department considered to be the reasonable time towards cancelation about what they consider to be the repayment amount, about this is the first time we've heard about the exclusion of graduate borrowers. This does not feel like a negotiation like we've had with the other with the other topics. I think that Income Driven Repayment has gotten short shrift in the conversation. And and to Michaela's point, there are a lot of people who are really counting on this plan working for them, and we have given it all of one morning where we've actually had language to respond to. And I think that it deserves more time and I think we deserve to have more time and more feedback from the Department.

MS. MACK: Thank you, Persis. David, please go ahead.

DR. TANDBERG: I just want to bring attention to a comment by Joe in chat. I would love to start working the red lines and trying to compromise on things and negotiate on these points. That way, we can find out where the line is for the Department. Maybe we can nudge things towards consensus, but you know, if there is a few points and we could just start ticking them down and try to see if there is negotiation to have, that would be great and and and if possible, actually change the red lines to reflect any compromise among the committee members. I would just echo that.

MS. MACK: Thank you, David. Any other

thoughts from the committee that you'd like to share this moment? Department, do you have any initial feedback based on the suggestions in terms of what's being shared out by the committee members now or would you like a moment?

MS. HONG: So I mean, I think how you characterized it is good Kayla, I mean, like we this document in front of you is an outcome of everything that came before it in terms of our discussion in session two. So we went back and we considered thoughtfully everything that was raised in Session two, and this is where we landed. It's still a negotiation. We are in the third session. I understand the concerns. I do. I know I keep repeating them. There's some really important changes from Sessions two and three that we wanted to include, but we did prioritize lowering the monthly payment. And I think that is I think that's important to note because by lowering the monthly payment that makes a 20-year repayment timeframe more feasible. And so that is, you know, in terms of the questions of, you know, why 20 years for forgiveness. That's why, because it's it's and again, just to keep in mind, this is a repayment plan and we want to make this work for for all borrowers. That being said, we did have from the outset some priorities, some some population that we want to focus on. And I think that's important given the different levers that we can pull and what we find as the income protection grows, that that is marginal benefit, little to marginal benefit for those lower income borrowers. And that really those the benefits accrue for higher income borrowers. So we landed at 200 percent. That being said, I mean, we're we're open to hearing. I think the purpose of the consensus check is to see what the sticking points are. I feel like I understand it from this conversation and so I mean, we can take it, but we are, what is this Tuesday, so I don't know the extent to which or what what what's being proposed to change. And I would have to go back to see whether we could take it or not take it, but we're still in negotiation here.

MS. MACK: Thank you, Jennifer. Justin, Please go ahead.

MR. HAUSCHILD: Yeah, thanks. And I might differ from a number of my negotiator, FFEL negotiators here in this proposal, but I mean, I generally support Joe's idea of taking a look at some specific language. But I guess I would just pose the direct question of the Department right now on whether or not they're willing to engage in that type of exercise at this point, because if they're not, frankly, then I just propose we do a consensus check with the hopes that the Department comes back to us with updated regulatory text when we circle back on this later this week so that we can execute on that still being a negotiation. So I mean that that's what I would propose. So the direct question of Department is, are you willing to go forward with any type of red lining right now?

MS. MACK: Thank you, Justin. Persis.

MS. YU: So I think I I'm happy to do the consensus check if we're going to circle back later. I do think it's worth just reiterating the stated goals of the Department are not what this regulation accomplishes. It seems pretty arbitrary, given how devoid it is of the data, you know, so you know, the Treasury did a pilot a couple of years ago looking at defaulted borrowers, and it found it found that like half of borrowers would have a zero-dollar payment, which says to me that like while I don't want to dismiss it like, I think the payment amount is very important, but it's not the only thing that's making borrowers default. And so this is not responsive to what is making borrowers default. It is not simply the payment amount. The payment amount is incredibly important, and we've heard that time and time again that a lot of people cannot afford the payments. But that is not the only thing given the number of borrowers that we know that default, who would have zero-dollar payments under the current plans. And the other piece that I think this is related is when we looked at the at the data before, you know, we considered borrowers with a $50,000 income to be high income borrower. So I think we have a just a definitional problem right now about thinking about who is a low income borrower because in most parts of the country, someone with a $50,000 annual income is actually considered low income. So we base have basic definition problems and I and so I would like to push back on whether or not the Department even the stated goals of the Department are accomplished by the by the regulations that they've proposed.

MS. MACK: Thank you, Persis. We are three minutes from lunch. Okay, go ahead, Jennifer.

MS. HONG: Maybe, maybe, yeah, I didn't realize how close we are to lunch, we can go to lunch and we could pick back up on this after lunch.

MS. MACK: This is what I was I was going to suggest. I want to encourage you all to think of the consensus check as the committee expressing their agreement or dissent with what is currently being proposed. If we're in consensus, we'll move forward if we are not, we will invite and ask and basically charge the blockers or the dissenters to providing red lines that would help us get to to consensus. So I don't want anyone to think that if we take a consensus check, it prevents the opportunity for red lines and further discussion during this session. I hope that that helps, but given that we are so close to lunch, I don't want to push for the consensus check now and would suggest that we come back after lunch and circle back to that. But Jennifer, please go ahead.

MS. HONG: Wait. Yeah, let's we'll talk more after lunch and I'll go. I just don't want anybody to spend their lunch working on red lines either.

MS. MACK: Sounds good. Alright, we will return at the top of the hour. Michaela, go ahead.

MS. MARTIN: I just think a lot of us have already submitted the red lines. Like I did, Persis did, like the folks that you're hearing, like most vocally right now, and if someone didn't specifically submit a red line, it's likely because it was already covered in someone else's. So like that red line exists and you have it and it's on the website. Also, like, we're not taking a consensus check before lunch, correct?

MS. MACK: We are not.

MS. MARTIN: Okay.

MS. MACK: Suggested that we come back after lunch and do that. If that works for all of you. Okay, then let's go to lunch, we'll see you at the top of the hour.

Appendix

Department of Education
Office of Postsecondary Education
Zoom Chat Transcript
Affordability and Student Loans Committee
Session 2, Day 2, Morning, December 7, 2021

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

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

+1 to everything from Joe above

From Rajeev Darolia - Advisor Econ & Data to Everyone:

@David -- I am not aware of research that examines this systematically. I will look to see if I can find anything on this

From Joe (P) State AGs to Everyone:

Daniel made the point that Pell eligibility is at 400% of poverty level

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

Joe, I will address that in my comment...

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

@Raj - did Judith Scott Clayton provide data on this.

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

?

From Joe (P) State AGs to Everyone:

TY Daniel!

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

To clarify the proposal only covers the unpaid interest on Subsidized loans only, correct?

From Anne, (P), State DOCs to Everyone:

I have to leave the meeting temporarily and will be back.

From Joe (P) State AGs to Everyone:

I have the same Q

From Rajeev Darolia - Advisor Econ & Data to Everyone:

@David -- not that I am aware of (much of her work started with a sample of undergraduate borrowers).

From Michaela Martin to Everyone:

This doesn't effect students...

From Joe (P) State AGs to Everyone:

How is forbearance steering addressed?

From Michaela Martin to Everyone:

Most students don't make payments while they are students as far as I can tell

From Joe (P) State AGs to Everyone:

Hold harmless is a start, but we can’t put the burden on students who were steered by other parties to jump through new bureaucratic hoops

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

The Trump administration had forgiveness after 15 years with 12.5% discretionary income payment.

From Joe (P) State AGs to Everyone:

Moral hazard concerns are not an issue if forbearances are counted retroactively and not prospectively

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

Which of the issues we've IDed are we starting with?

From Joe (P) State AGs to Everyone:

I'm comfortable addressing the issues in the order I put them in the chat

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

Agreed

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

Fine w/ me!

From Marjorie (P), 4 Yr Public Insts. (she/her) to Everyone:

Why make it exclusive when it can be inclusive of all borrowers? I do not understand the rationale for adding language that would also create more confusion for borrowers.

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

Agree with that order too

From Michaela Martin to Everyone:

What was that order?

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

- reduce time to forgiveness (why is ED not "comfortable" going less than 20 years?);
  - increase the percentage of protected income;
  - include grad loans in EICR;
  - count forbearances (at a minimum retroactively); and
  - treat married borrowers in EICR like PAYE and not REPAYE.

From Michaela Martin to Everyone:

Agree on the order

From Heather-PSLF Advisor to Everyone:

$

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

Agree with David's question

From Joe (P) State AGs to Everyone:

That is in part because of poor administration and bureaucratic hurdles

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

I think we could accomplish the Department's goals plus more all in one reform.

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

+1 Michaela

From Joe (P) State AGs to Everyone:

If we are not retroactively counting long term forbearances, we are not helping the borrowers the Department wants to prioritize

From Suzanne Martindale (A) state regulators to Everyone:

+1 michaela

From Carol (A)-Proprietary to Everyone:

+1 Daniel

From Joe (P) State AGs to Everyone:

+1 Daniel

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

+1 Daniel

From Joe (P) State AGs to Everyone:

+1 Daniel on interest as well

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

+1 Daniel on interest as well

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

+1 Daniel

From Michaela Martin to Everyone:

Also just - Sam is only on default bc payments under current plans are hundrds of dollars. Bringing it down is great

From Joe (P) State AGs to Everyone:

Goals are not aligned with the structure

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

Can we move the marginal rates on payment to 250% / 400% rather than 200% / 300%. Rationale - match the highest eligibility ratios for Pell maximum and Pell minimum under the new SAI calculation.

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

My alternate, Suzanne, will be replacing me now.

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

+1 Joe on the process issues--have heard this from several legal services / P&A (legal services for people w/ disabilities) folks

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

+Agree w/ joe we should just count forbearances retroactively

From Christina, she/her (A) 2-Year Public to Everyone:

I am stepping in for 2 year public

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

COLA (cost of living allowance) adjustments from the Department of Military - https://www.defensetravel.dod.mil/Docs/perdiem/browse/Allowances/COLA/CONUS/Locations/cclocs21.pdf

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

We could use a COLA allowance to make adjustments to the base rates.

From Dixie (P) Dependent Students to Everyone:

In Orange County most 1 bedroom and many studio apartments start at $1,500

From Joe (P) State AGs to Everyone:

+1 Marjorie

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Marjorie

From Jaye (P) FFEL Agencies to Everyone:

Since FFEL loans are not ICR eligible, we've understood that counting payments on the underlying loans is not supported by the HEA. Can ED clarify statutory authority?

From Justin (P) Servicemembers and Veterans to Everyone:

+1 Persis regarding scaled time to forgiveness and hearing from department about that

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

+1 to Persis on scaled time

From Joe (P) State AGs to Everyone:

+1 Suzanne on servicing and debt collection costs

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

+1 to Michaela

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

+1 to Michaela. That's why I suggest 10 years to forgiveness for IBR as well!

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

Stepping away from the table. Alyssa will be stepping forward.

From Joe (P) State AGs to Everyone:

Agree with Persis on statutory authority to count FFEL

From Jaye (P) FFEL Agencies to Everyone:

Will IBR on defaulted loans be for the Direct Loan program only?

From Suzanne Martindale (A) state regulators to Everyone:

+1 persis, balances are artificially growing

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

I have rejoined the table

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

+1 (I just want to support this change!)

From Joe (P) State AGs to Everyone:

Can we consider some specific language changes that would move us toward consensus? Let's work with a redline.

From Alyssa Dobson to Everyone:

+1 Joe!

From Jeri (P) Student Borrowers (she her, they) to Everyone:

+1 Joe

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

+1 Joe

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

+1 Joe it's hard to vote without knowing which of our concerns can be addressed

From Suzanne Martindale (A) state regulators to Everyone:

+1 - are any of these items open to revision?

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

+1 to everyone

From Michaela Martin to Everyone:

This makes little financial sense tome..Why make a loan worth so little and have gov pay servicers for 20 years for little to no return on investment

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

That's fine with me too

From Suzanne Martindale (A) state regulators to Everyone:

+1 persis

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

+1 to Persis on the amount of income that makes someone low-income