

**Department of Education,
Office of Postsecondary Education
June 21st Public Hearing**

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Greg Martin: Good morning. Thank you for your attendance at our virtual public hearing today. My name is Greg Martin. I am the director of policy development in the Office of Postsecondary Education. I'm pleased to welcome you to this portion of today's public hearing. This is one of three public hearings that we are convening this week. Our purpose is to gather input regarding regulations that govern programs authorized under title four of the Higher Education Act of 1965 as amended. I am joined on camera today by two other department officials: Brian Siegel from the office of General Counsel, and Michelle Cooper, who is the acting assistant secretary. She will have some remarks in a few moments. First, I'd like to turn it over to Michelle, whom I said before was the acting assistant secretary who would like to welcome you to our first hearing, Michelle.

Michelle Cooper: Thanks Greg, and good morning everyone. Thank you all for joining us today and for your interest in providing input on the Department of Education's rulemaking agenda for Post-Secondary Education. Secondary Secretary Gardner recently stated that the Department's primary responsibility is to serve students and borrowers. To do this well, it means that we must continuously examine our policies and our practices associated with college access, retention completion, and host of affordability issues including student loan debt repayment and default. In examining these topics, we must also focus on equity and pay, especially close attention to disparate impacts by income, race, ethnicity, gender, and other key demographics. This week's hearings are an important part of this process as Negotiated Rulemaking allows us to take a fresh look at a range of regulations that make sure that we are not creating unnecessary barriers for our students. To this end, we are seeking input on a number of regulatory provisions that reflects the departments commitment to protecting students and student loan borrowers from harmful programs and practices that may derail their post-secondary careers and compromise their life goals. In addition to improving the rules and regulations for loan repayment and targeted student loan cancellation for borrowers. I will not discuss the topics that have been suggested for rulemaking which are listed in the Federal Register because I want to optimize time for public comment, but I do want to stress that we are most interested in ideas that make our academic and student aid programs more accessible, and more affordable for all, regardless of their backgrounds. In addition to the topics that were listed in the Federal Register we also invite you to suggest and comment on other topics that may be important to you. In addition to the oral comments that we will receive throughout this week, you can also submit written comments by July the 1st. After the hearings and the review of comments, we will bring key issues before the rulemaking committees that will begin negotiations this fall. We intend to convene multiple committees to develop proposed regulations and each will be comprised of a unique set of negotiators. We will notify the public of the schedule and topics of each committee before the subsequent Federal Register notices, and we will also be seeking nominations for number of negotiators, and we hope that you will consider serving in this capacity. Post-secondary education remains one of the best investments a student can make in their life and in their future, and students deserve a fair and honest deal.

Institutions play a very critical role in helping students to succeed in their educational pursuits, and thankfully many are working hard to ensure valuable education. Through the rulemaking process, we endeavor to strengthen these and other postsecondary institutions so that they can serve our students better. Thank you for your time and for your interest in these programs. We look forward to your ideas. Thank you.

Greg Martin: Thank you, Michelle. With respect to the logistics for today's hearing, I will call your name to present when it is time for you to speak. We ask speakers to limit their remarks to five minutes. If you get to the end of your 5 minutes, I will ask you to wrap up and ask that you do so within 15 seconds if you exceed your time, you may be muted. Speakers have the option to turn on their cameras presenting but it is not required in consideration of others. We ask speakers to please silence your cell phones and to be in the area free from background noise while presenting as much as you can. Perhaps most importantly, we ask that speakers remain on mute before being called and after presenting. We ask that speakers leave Microsoft Teams meeting and join the public Microsoft Teams meeting. If you are a speaker and did not mute yourself when not presenting or speak when it is not your turn, we will administratively mute you from the Microsoft teams meeting and may remove you from the speaker line. You can always join the Microsoft Live teams meeting as an attendee where you can listen to the hearing. When you were called to speak, please provide your name and your affiliation. This hearing is being transcribed and the transcription will be posted to our website in the next few weeks. The department will also provide a recording of the hearings with audio and video. This is a public hearing and it is possible that a member of the public may record your remarks and post edited clips of them before or after the department post the full unedited hearing. Closed captioning is also available in real time during the hearing. Live captions in a meeting go to your meeting controls and select more options, then turn on live captions. If you are submitting written comments, we encourage you to do so through the regulations.gov website. You may also submit comments through postal mail, commercial delivery, or hand delivery. Due to the COVID-19 pandemic, if you wish to hand deliver comments, please email Vanessa Gomez (vanessa.gomez@ed.gov). She will coordinate with front desk staff in the lobby at the Department of Education Building at 400 Maryland Ave Southwest in Washington DC so that you can leave your comments there. We will not accept comments by fax. To ensure that we don't receive duplicate copies, please submit your comments only once. In addition, please indicate the docket ID that is ED-OPE- at the top of your comments. You will also use that number to quickly access the place to submit your comments during the regulations dot using the regulations.gov website rather. OK, about ready to begin here. So, I'm going to call the names and when I call your name again, please restate your name and indicate the organization that you represent. So, our first speaker today is going to be Jeff Arthur. Jeff, do you want to begin?

Jeff Arthur: Thank you, Greg. I'm Jeff Arthur, Vice President, regulatory affairs and CIO free CPI University. I've managed federal student aid programs for 37 years. I thank you for the opportunity to provide comments. It's important to hold rulemaking committees prepare proposed regulations for federal student aid programs. As we consider regulations, I hope this process will stay true to the department. Public hearings notice that stated the department is committed to advancing equitable outcomes for all students by insisting that any rules advanced will have the broadest student impact possible. You can't achieve the stated mission without having equitable treatment of all institutions, therefore benefiting all students. The objective should be to incentivize higher education to prove outcomes for all students. In the last 12 months my institution graduated over 430 students, over 80% in STEM and nursing programs with an average age of 31. Half of those graduates were minorities and 30% were veterans and military-affiliated. With Military Times' Best for Vets rankings last week, we remained the number one career and technical college and are 27th in the country overall. Among

colleges US News ranked for quality, we were the 5th most ethnically diverse and third most economically diverse in the South. ECPI University is the number one provider of practical nursing graduates in the United States, the top provider of nurses who pass the NCLEX exam in the mid-Atlantic, #10 in computer science undergraduate degrees, and #3 with African American graduates earning their degrees in computer science, which is 2.3% of all such degrees awarded. Over 60% of our students attended other institutions without earning a degree. They come to us with considerable student loan debt and are often unemployed or transitioning out of the military. For these students, it is not a choice they face. It is a last chance in higher education and our institutions successfully graduates over half. We achieve this with the highest levels of engagement in a way that it's not available at other types of institutions. This immersive engagement shortens time to completion with your own learning, 5 hour class sessions and only two classes every five weeks. This in high levels of service, are the reason our graduation rates are very similar across all demographics of our student body. All the data I present will be footnoted in my submitted written comments. I urge the Department to be cautious when data is presented comparing outcomes data by sector. Often two and four year college data is combined in a way that misrepresents the for profit sector, who serves a population only comparable to those served by two year public colleges. Avoid giving consideration to outdated data from 7 to 10 years ago. Much has changed, including merging data and considerably enhanced oversight, I will submit more specific written comments, and we'll very briefly highlight some important regulatory topics. Regarding the negotiated rulemaking committees, I ask the Department to reconsider holding all negotiate rulemaking sessions remotely. Having served on two of these committees, the process is greatly assisted with side discussions during breaks, including opportunities to address ideas with department staff. I've seen some of the better ideas originate from casual conversations. I will submit additional ideas on the makeup of the committees. Regarding gainful employment, the data analyzed and outcomes evolved greatly since regulations were last negotiated and will continue to do so. So regulatory solutions must focus on helping the public with a more informed approach to higher education decision making as their precious time and resources are invested in our higher education system quite often overlooked in gainful employment, related loan data analysis, total family debt. We must not ignore the total debt families take on by only looking at student debt. 57% of all federal loan debt is at the graduate level, only seven percent at the associate's level. It would be irresponsible to families to measure the value of a degree by only considering the depth the student is responsible for Costco Card database which contains thousands of fields of data has evolved to include program level, gainful employment type data. This data has the potential to help many optimize their higher education choices and will be a catalyst for institutions that greatly prove student success to be most effective data should be aggregated at the two or 4 digit CIP code levels and should include graduation rates, average total cost, median debt for those that borrow employment outcomes and median time to complete the program. We should be careful not to put the cart in front of horse when propagating gainful employment regulations focusing on producing the outcomes data have mentioned would be the most effective outcome. While taking a cautious approach with guardrails that truly identify outliers by program across all institutions of higher education, graduation rate data and measuring debt to earnings of graduates does not properly measure the success of the program. Many institutions have very low graduation rates that have sidestepped outcomes metrics due to low numbers of graduates. Those low graduation rates also act as a filter to improve graduate debt to earnings, for the few that make it through a program. For institutions offer predominantly two year programs like my institution 97% of the public sector colleges graduate less than half their students, 47% of the for profit colleges graduate over half of their students also made a similar. OK, the point is you should not pick one metric as a measure of program success. All, it's also been additional comments on ideas on borrower defense to repayment and other

items, and especially closed school discharges. I think we're making some errors on what we consider close school, but I appreciate your time and thank you.

Greg Martin: Thanks Jeff, appreciate your comments. We're now going to move on to our next speaker who is Ryan Thompson. Ryan, Mr. Thompson.

Ryan Thompson: Yes, can you hear me. The testimonial for today is made on behalf of ATIXA Association of Title 9 administrators. We asked the department to work with Congress and the White House to create a federal financial aid repayment exception for victims of sexual violence. Many victims must temporarily withdraw from college for more than six months, thus triggering repayment and interest accrual requirements. Creating an exception would ensure that interest does not begin to accrue and that grace periods can be extended. This issue first came to my attention several years ago, while I was a university title 9 coordinator working with and providing support services to a victim of a particularly violent and traumatic sexual assault. The victim was so traumatized that she needed to take a temporary leave of absence from the university and that leave lasted a little more than six months. Around the six-month mark, the victim contacted me for help as she had just been notified that interest had begun to accrue under student loans, and that the federal student loan six-month grace period that she was supposed to receive after graduation at laps during her leave. I assured the victim that I would help her correct this mistake because I assume the financial penalty she faced as an indirect result of the sexual assault were contrary to the scope and purpose of Title 9 and therefore constituted sex discrimination against her based on her status as a sexual assault victim. However, after much research and many calls to the Department of Education's FSA I learned that there was nothing the victim nor I nor the university could do to correct this clear and inarguable discriminatory effect. Now this was in the hands of Congress or the US Department of Education to correct an oversight in federal law that unfairly penalize this sexual assault victim for taking the time off that she needed to heal. We welcome this administration's commitment to protecting students from discrimination by ensuring the full and fair implementation of Title 9 protections and we believe the department's role is crucial in correcting the federal governments discriminate to student loan loss. The law, as it stands, exposures certain students to financial penalties, which amount to discrimination on the basis of sex through the accrual of interest and the loss of a 6-month grace period on student loans. There is a practical and sensible exception in the current law for those students who are called into active military duty when that service extends from more than six months. Our solution simply seeks to create an identical exception for victims of sexual violence who must temporarily withdraw from college for more than six months or for pregnant women who must temporarily withdraw from college for more than six months. Title 9 and federal civil rights laws are clear. And we can all agree that no student should be discriminated against for being the victim of sexual violence or separately for becoming pregnant. The FSA law, in its present form, however, does in fact cause discriminatory of fact for both pregnant students and victims of sexual violence. We asked the department to prioritize the correction of this unfair rule and to work collaboratively with Congress and even the White House to achieve the necessary reform. My name is Ryan Thompson of the law firm Thompson, Esquire PLLC and in affiliated consultant with the ticks up and my phone number is 646-819-1994. Thank you very much. If there's time and you have any questions about this, I'd be I'd be happy to answer them.

Greg Martin: Thank you, Ryan. We would have a format for people to interact unfortunately here but thank you very much for your comments. We do appreciate it. Alright, thank you very much. Our next speaker is listed as Jessica Berry, Berry.

Jessica Berry: Hello everyone, can you hear me? My name is Jessica Berry. I am the president and owner of the Modern College of Design in Kettering, OH. Thank you for this opportunity to speak today. I graduated from the Modern College of Design in 97, earning a diploma in advertising art. I enrolled in the college because I was inspired by the excellent quality of the students, artwork and drawn to the family like environment that reminded me of my small-town upbringing. While in college, I transformed the art skills that I had gained in high school into digital graphic design skills, which made me highly employable after graduation. The instructors who were local design professionals, mentored me and helped me refine my portfolio. The Career services director introduced me to a local design firm that offered me a full-time position after graduation, and I launched my career. At my first job, I was able to succeed immediately. I joined 30 design professionals and began creating presentations, brochures and direct mail for national brands. After three years I was recruited to work as an art director at a design firm in a larger market. In this new role, I made conceptual decisions and provided leadership to other designers. Several years later I started my own business and provided design services to clients throughout Ohio. My clients appreciated the attention to detail and creativity that I developed as my time as a student. Shortly after opening my business, I attended an alumni event at the modern College of Design. The College had expanded and hired many new, highly qualified instructors. Once again, the quality of the students artwork blew me away and I left that event thinking I want to be a part of that, I want to help students who love art launch their careers as professional designers like I had done. A few months after attending the alumni event, I joined the admissions team at the modern College of Design as an admission specialist. I visited high schools and met with students interested in pursuing a design career. This was the first time I encountered any negativity surrounding mycologist tax status as a proprietary institution. A few local high schools did not allow proprietary colleges to participate in career fairs and other activities. As a student and then graduate my college's tax status or ownership never crossed my mind. My school had an excellent reputation and a demonstrated track record of helping students succeed after graduation. Through the years, my career progressed from admission specialist to admissions director and then to President when the husband and wife who founded the college retired, I purchased the assets at the college. I knew I had the proper knowledge experience and integrity to lead the college and welcomed the responsibility. I served as the primary negotiator for small, proprietary colleges in the 2017 gainful employment negotiated. I decided to serve because I wanted them negotiators, and the department to hear about the success we're having at the modern College of Design. I wanted them to hear about our dedication to student success that is commonly found amongst family own proprietary colleges. I wanted them to know that I hold myself and my faculty and staff accountable for student success. For nearly 40 years we have served in each population of artist looking for small environment and caring instructors who helped them launch their careers as professional designers. We continually evolve with the needs of the design industry and for the last decade we have been recognized as one of the top design schools in the country. Every time we make a decision, we ask ourselves what is best for our students. Our current default rate is 8.3% compared to the national average of 9.7% for all institutions and 9.3% for public institutions. Our current overall graduation rate is 53% compared to our local community colleges overall graduation rate, which is 26%. I will never defend any school regardless of its tax status, that takes advantage of students but the department should remain mindful that any arduous regulations placed exclusively on the proprietary sector are likely to have unintended consequences that hurt good schools like ours. So here I am, a first generation college graduate of a proprietary college that is now the owner of that proprietary college, an owner that leads her faculty and staff always to do what's best for the student. Any new regulations should apply to all institutions not just proprietary colleges. We should be accountable for our student success and proprietary institutions should be held to the same standards as all other institutions students deserve a quality education at

the institution, they decide is best for them, whether it is an elite private sectors, a large community college or a small family owned proprietary college. Thank you.

Greg Martin: Thank you, Jessica. Appreciate your remarks. Our next speaker is Jessica Ranucci. Jessica.

Jessica Ranucci: Good morning, thank you for the opportunity to speak today. My name is Jessica Ranucci and I'm an attorney with the New York Legal Assistance Group or NYLAG. As a nonprofit law office that uses the power of the law to help New Yorkers in need, combat social and economic injustice, our attorneys, paralegals, and financial counselors provide services to thousands of low-income federal student loan borrowers today. Incidentally, our current evidentiary standards, notice procedures, and record retention practices make it nearly impossible for eligible borrowers to destroy. So, first, NYLAG urges the Department to strengthen closed school discharge regulation. The simplest way to do this is to reinstate the department's automatic discharge regulation. Additionally, students who enroll in programs that end but whose school remains open should also be eligible for quote school discharge if they choose not to continue a different program in this school, at least for students at for profit career focus school. Related least into change programs of study before their school closes should have the opportunity to discharge their loans from both of the programs of which then were enrolled, the department must also strengthen its notification requirements. My colleagues and I have spoken to dozens of former students of closed schools, and virtually none of them report having received the close will discharge notice that is currently required by regulation. We suggest the department adopt regulations similar to those the Congress placed in the CARRYBACK, which would require notifying borrowers couple times by multiple methods including postal mail, telephone, and substantive emails. We'll suggest once the department should also place notice requirements for teachers that borrowers know that they're in many cases forgoing the opportunity to discharge their loan. Second, the current evidentiary standards for all certification ability to benefit are extremely difficult for any borrower. To be met, a borrower must prove a negative—that she did not have a high school diploma—twice. That the department often requires students to corroborate their claim but it is very difficult for students to obtain this evidence and then the department infers that no fraud has occurred if no oversight agency has found it, but agencies can't detect every instance of prod a bar was credible sworn statement. Our application should be sufficient for false certification. Ability to benefit discharge compounding this problem. Many borrowers can access no records at all from their close schools, not like represents a client who is eligible for the discharge and no one, not this closed school, not the state agency has any records of this. It's a state agency actually suggested that we search Google to find his school records. The department should require that schools maintain records for the life of the loan until preserve the records of closed schools or else liberally grant discharge applications, window record, that's it. 3rd borrower defense regulations must set forth realistically attainable evidentiary standard. Borrowers often cannot meet the current standard because documentation regarding the school's intent, if it exists at all, would most likely be found in records that are unavailable to borrowers. Likewise, it is extremely difficult and profoundly unfair to require borrowers to show financial harm beyond picking out the loan. The department should return to the evidentiary standards in the 2016 rules and should allow the department to consider this own records permissions from a school in any additional information in addition to the borrower's application. Further, along enforcement agencies, finding that is school is engaged in a pattern of broad should trigger automatic discharge or at least it simplified application process and the regulation should allow entities both private and governmental to initiate group discharge application this would allow legal services providers like mine to use our limited resources to help many similarly situated students. Instead of being forced to pick and choose a few students to represent. The department should also eliminate the statute of limitations we imposed a ban on pre-dispute arbitration agreements in class

action waivers and strengthen its authority to reclaim bone revenue from school, subject of our different click. Finally, borrow to receive social security disability should have their loans automatically discharge, Justice Department does now with the Veterans Administration, but any automatic disability discharge system including the current VA discharge must also be accompanied by a regulation that offers a reversal to borrowers after the path. In some, we strongly encourage the department to ensure that eligible borrowers who are disproportionately low income and borrowers of color and attendees of for profit colleges have a meaningful pathway to discharge their student loans and are not left saddled with debt that they have no way to repay. For every borrower that we had not allowed connects us, we know that there are thousands more out there who have access to any legal help and they especially need stronger regulations to be able to access their discharges. Thank you.

Greg Martin: Thank you Jessica Our next speaker is Yan Cao.

Yan Cao: Good morning. I'm Yan Cao, a senior fellow at the Century Foundation. Thank you for this opportunity to testify. It is fitting that we start these hearings on the Monday following the 1st celebration of Juneteenth, a national holiday. It's one that celebrates emancipation while reminding us that no proclamation legislation or regulation has meaning without robust and vigilant enforcement. Yes, we need regulations that better enable the department to root out bad actors and hold wrongdoers accountable for breaking the rules. But as the department moves forward with regulatory change, it is critical to fully enforce the authorities that are already in place. Today I will address four topics on rulemaking certification, cash management, financial responsibility, and change in ownership review. First to start at the beginning, schools that don't meet standards simply should not be certified to receive federal funds or to receive the additional permission needed to place students in debt, the enforcement has been sorely lacking. Last week the department acknowledged that for 10 years it certified ITT Tech defrauded students. Essentially the department bankrolled by GTS fraud with taxpayer dollars it took 500 million to grant relief. Adjust 18,000 students full justice to the hundreds of thousands of students who have been harmed will cost billions. Students absolutely deserve a better borrow defense system, but the standard must be higher. Current certification practice tells bad actors you can break the law and get away with it for decades. Provisional agreements that were meant to serve as short term, closely monitored, corrective action plans have become permanent tools ignoring the rules to fix the problem in addition to updating the identified regulations the department should also consider reviewing the selection process for direct loans. The contracts for Title IV Direct Loan participants and the tools for ending participation in direct loan, another title programs. My second topic is the need for the department to address payment practices in cash management rules which are not currently identified in the Federal Register notice. Colleges regularly pay contractors after delivery, satisfactory services or after a monthly review of expenses. This helps protect against waste and to ensure that both sides have filled their promises to improve the performance of bad actors. The department should be considering new rules cash management practices fiduciary duties of institutions and the use of limited purpose funds suggested student grants that were delivered during the pandemic. My next topic is the financial responsibility of rules which must ensure the student debt in federal spending is not wasted and the private world as entities approach insolvency, ownership and control shift to creditors ending. Students and taxpayers are effectively the creditors of last resort for risky schools, but they take on that risk without the necessary additional protections. It's a for profit school can't get a bank to issue a letter of credit or can't get its own investors to provide financial backing. The Department of Education should not lower its standards to bail out the school. The department already has bought authority to improve financial oversight and loss prevention. Regulatory improvements are sorely needed. I've done applied for additional areas for the department. Consider first strengthening the general standards for financial responsibility, especially a

school's obligation to deliver the services that it has promised. Second, cover the return of unearned title 4 funds, plus penalties for unlawful practices and cost, associated with loan discharges when necessary, this is not the current practice. Third, the department should improve corporate, affiliate and executive liability to recoup costs and forth the direct loan rules should be reviewed to protect and promote the use of federal funds to advance student educational goals. Finally, my last topic is change in ownership review. This review should ensure the students futures cannot be bought and sold like assets with tax enforcement. Corporate restructuring has become a routine way for bad actors to weasel out of accountability. The department must improve its ability to figure out who actually controls students' education, which may include creditors, online program managers additionally, and must get better at spotting changes in control. The worst parties may not volunteer for review. In addition to the provisions listed in the Federal Register, the department should consider regulations in two areas. First, outsourcing agreements and third-party contracts and 2nd definitions of control. There are laws and regulations on bankruptcy and creditor view of structural changes. For too long, the Department of Education has authorized predatory schools, receive federal funds and originate student loans while turning the full force of the government collection power on defrauded students. Meanwhile, not one executive has faced fines fees wage garnishment or the seizure of social security disability or veterans' benefits. Instead, the department has invited known fraudsters to recertify eligibility to receive more funding often through corporate shell and sometimes as reported nonprofit entities. It is time to turn the tables by drafting and enforcing regulations that promote the original purpose of cattle for the use of federal funds to improve the lives of students through higher education. Thank you and please refer to my written submission for additional comments examples and legal citations.

Greg Martin: Thank you, yeah, appreciate your comments. Our next speaker is Johnson Tyler. Johnson. Mr. Tyler. OK, Mr. Taylor is not present, so we're going to move on to our next speaker and that is Vivian Nixon.

Vivian Nixon: Hello can you hear me? great thank you so much for having me this morning. Good morning everyone. My name is Vivian Nixon. I'm executive director of College and Community Fellowship an organization based in New York City. College and Community fellowship, known as CCF, has assisted women with criminal record histories to enter and complete college graduate school and achieve related goals upon re-entry to the community. I'm honored to give this testimony because 20 years ago in 2001 I was one of those women released from prison uncertain of the future without an education that match the needs of the labor market and a long list of collateral consequences of conviction that I was not fully aware of until years later. Today, I have a Bachelors of Science in nonprofit management from the State University of New York and an MFA from Columbia School of the Arts. In December 2020, we all know what happened Congress through the COVID-19 relief package made law that the real statement of Pell Grant eligibility to incarcerated students. We join many other advocates in celebrating Congresses decision. The act was facilitated by the second chance Pell program and decades of persistence. However, there is no need to wait until July 1st, 2023 to provide relief to hundreds of thousands of students, some of whom have been waiting for more than 20 years behind bars to access a college education. We plead with you to act with urgency but we're also cognizant of important precautions that will protect these vulnerable students and shows stewardship over the tax dollars invested. I'll speak less about guidance around particulars and more from the perspective of the values that we must embrace as we do this work and things that are not indicated in the law but are crucial to implementation access to educational opportunity for these students cannot begin quickly enough. It matters how quickly you act and you must act most energetically it matters who benefits the most from your actions. At every level, these things will

determine how far into the future the healing of our nation is impacted by the vision of this program. The disproportionately black and brown communities that have been affected by the lack of education in prisons in the United States have felt that impact since 1994. Diverse stakeholders applied pressure and now that access is once again available, we ask that you ensure academic institutions offer quality education on par with the education provided to non-incarcerated students. We ask that directly impacted people be evident in all aspects of implementation that our voices be amplified in the criteria evaluation, design and support systems as substantive contributions, not really points that are part of a data set for outcome measures. College and Community Fellowship and many similar organizations have helped thousands of students graduate from college post release since 1994. But it is very important that we find a way to continue to support bridge programming. Bridge programs with years of experience can provide specific kinds of supports to develop plain language materials for existing college in prison providers as well as incarcerated students pre and post release in virtual and paper formats higher education institutions must be strongly encouraged to pursue and maintain partnerships and learning relationships not just with state education boards and corrections administrators, but with community based organizations who are equipped to address the post incarceration. Higher education needs of these students. I would like to stress one additional item given the current national reckoning with racial history the PAL program, which is closely tied to historically discriminatory practices and our education system cannot be measured and scrutinized by parties whose independence extends beyond empirical objectivity into the realm of complete unfamiliarity with the critical links between higher education policy, pedagogy, research, protocol, and consideration of racial equity and justice. From Columbia University and Kent State all the way to Tiananmen Square, college and university students have protested curricula in sites with a dominant perspective, have always made sites of higher education prone to subjugation, subjugation and opposition. We ask that you allow education to be a practice of liberation and freedom for those of us who have been incarcerated in the United States and now have an opportunity to have an impact on this magnanimous opportunity to offer education to those who have been denied for centuries. Thank you very much.

Greg Martin: Thank you for your comments within. Our next speaker is Brian Stevens, Brian. Mr Stevens. OK, I'm told Mr Stevens is not present, so we're going to go onto our next speaker. Just bear with me a moment. Our next speaker is Heather Jarvis. Miss Jarvis. OK, I'm guessing. Miss Jarvis is not available either. Or not. OK. I'm told, Tyler Johnson is available. Hold on a second. Hold on Johnson Tyler. Mr Tyler are you available? Alright, so that would look like David Halpern. David, are you there? I think you're muted David. Could you turn on your microphone here, OK?

David Halpern: Good morning. I'm David Halpern. I'm a self-employed lawyer, and I work on higher education issues with support from charitable foundations. The Biden Harris campaign promised their administration would quote require for profit colleges to 1st prove their value to the Department of Education before gaining eligibility for federal aid that is absolutely the right position given the documented predatory behavior by many for profit colleges requiring for profit schools to prove their value would be of enormous benefit to taxpayers who would see far less money misused. It would benefit quality careers schools by moving more resources away from bad schools, most importantly it would benefit students, single mothers, veterans, immigrants, people who are just seeking a chance. As we meet more such Americans are being deceived into enrolling in high priced, low quality programs that will ruin their financial futures, and crush their dreams. I think people across the political spectrum should agree that government should be select against waste, fraud and abuse with taxpayer dollars. That if government commits tax dollars there should be real performance standards so we get what we pay for and that government investment should not make the intended beneficiaries worse

off than when they started the federal investment in student aid. As applied to for profit colleges overall have flunked these principles for decades. Unfortunately, the department has often allowed predatory schools to stay in the federal aid program long after the evidence of their abusive behavior is clear. If you are to fulfill President Biden's promise you must act. I want to name just a few schools whose predatory behavior and lack of value has been established by law enforcement, accreditor action, principled whistleblowers, or student complaints. Yet the department has not cut off these institutions, from financial aid: American intercontinental, University and Colorado technical University, Independence University, Florida Career College, Ashford University now disguised as University of Arizona Global Campus, and Kaplan University now disguised as Purdue University Global. There are many more. They're great teachers at for profit schools, even the ones I mentioned. But many schools for many schools, the overall picture is disturbing and disqualifying. I doubt you would want your own family members enrolling at these schools, so why are you sending others. Predatory schools use deceptive ads, promising jobs to trick people into getting on the phone with aggressive recruiters. People who are elderly, intellectually disabled, homeless people who deserve opportunities but who cannot benefit from the low-quality programs offered because these so called schools are not designed to educate them they're designed just to take their money. The department already has authority to remove bad schools. You can require an enforce provisional program agreements and financial responsibility rules. You can strengthen investigative capacity rebuild an interagency task force and enforce the rule against deceiving students. You can reject sham conversions to nonprofit status and shady ownership changes and drop weak accreditors. You can improve transparency, so the public knows what's going on. And in this pandemic era where the government has offered extraordinary relief to people in need, you can grant broad debt relief to those broke students, who schools were exposed as scams without slicing and dicing every claim. You also can restore strong rules for gainful employment, borrower defense, distance, learning, it's unfortunate these rules must keep whip sawing as presidents change. But it's a struggle between educational opportunity and equity. On the one hand, and special interests on the other and that's a struggle worth pursuing, of course the industry will fight every reform with lawyers, but you can fight back and win. Look what happened last year when a federal judge who actually heard from students testifying live about their experiences with predatory schools. He threw out a proposed settlement and ordered the deposition of the former Secretary of Education who oversaw a blatantly anti-student agenda. The facts, the law and the equities are on the side of the Biden Harris pledge, which I will repeat for profit schools, must prove their value to students or make do without taxpayer aid. Thank you.

Greg Martin: Thank you for your remarks, David. We will now go back to Johnson, Tyler who was not ready to speak, Johnson. Mr. Taylor. OK, I'll go back to the list, just bear with me a moment. We have Kate Tromble I'm sorry OK, I'm sorry for the mispronunciation, Kate. Are you ready to go?

Kate Tromble: Can you hear me. OK, my apologies. Good morning. My name is Kate Tromble with the Institute for College Access and Success. Thank you for the opportunity to share ICAS's views on the Department of Education's proposed negotiated rule making process we will supplement these oral comments with more detailed written comments. Student veterans and taxpayers have waited far too long for consistent strong protections from unmanageable student debt, school closures and wasted fraud and abuse in higher education they cannot afford to wait any longer. We urge the department to prioritize reinstating the rescinded gainful employment rule revisiting and strengthening the borrower defense rule, and addressing the challenges within the current income driven repayment system in this upcoming negotiated rule making. It is critical that any negotiating committees be balanced. There should be at least as many student, veteran, consumer, and public interest voices at the table as there are members of the regulated community involvement with litigation against the

department should not preclude participation. The 2014 gainful employment rule was the result of an extensive expert input in analysis negotiated rulemaking and almost 200,000 public comments. This critical safeguard prevented thousands of students who taking on debts they were unlikely to be able to repay, and even before it was finalized, the rule had significant positive effect. Prompting colleges to eliminate their worst performing program then tuition increases and implement reforms to improve student outcomes. The finalized rule was similarly effective by early 2017, nine and 10 colleges with rated GE programs had no failing program, and the rule drove other improvements like free trial periods for scholarships, lower tuition rates, and greater focus on employer needs. Despite these benefits, the rule was rescinded in 2019 from moving a valuable safeguard for students against low quality program. Throughout the COVID-19 pandemic enrollments increased at for profit colleges. Despite falling across other sectors, this dynamic without the safeguard of a strong GE was concerning. It leaves students as vulnerable now as they were before the 2014 bill and leaves students of color, low income students, and women particularly vulnerable. As these student groups disproportionately enroll in, the program is governed by the Black and Latinx students. For example, make up 36% of undergraduates at all colleges. They represent more than half of undergraduates at for profit colleges. Turning to borrower defense large number of borrowers with pending discharge applications and the ineffective 2019 borrow defense rule make tackling this issue a priority in the negotiated rule making process. Thousands of students who attended collapsed colleges and colleges where state and federal investigations have found patterns and practices of predatory activity remain burdened by their student loan debt. Many are not aware of their borrower defense rights or do not see value in applying because so many other claimants have had their claims timed or summarily rejected. Most importantly borrowers today taking loans remain subject to the 2019 borrower defense rule, which offers them little possibility of release. It is also worth noting that the department can act now to improve the current situation for borrowers as it prepares for a negotiator goal, making for example the department can adjudicate all Corinthian College and ITT claims. As it began doing last week and revisit already adjudicated partial relief early claim toward full release to approve payment. Finally, income driven repayment plans are a critical safety net for student loan borrowers in so far as those enrolled in an IDR plan default at much lower rates. However, the current IDR landscape is beset by challenges: enrolling and staying enrolled in plans, truly affordable monthly payments, questionable service or conduct, and lack of real relief after reasonable number of payments. To address these challenges, the department can use the upcoming negotiated rulemaking process to craft a new ID plan built on repay. There are also steps the department can take separate from the rulemaking process to improve the current repayment system. Other issues take Congress, a priority that we will address in our written comments. Given time limit, include accreditation, state authorization, public service, loan forgiveness and the discharges for borrowers with a total of permanent disability. We also urge the department to move forward on issues that should not require a rulemaking process including implementing Pell Grant eligibility restoration for incarcerated students. Thank you for the opportunity to share our thought we look forward to partnering with the Department as this process continues and remain available to answer questions or to provide further information as needed. Thank you.

Greg Martin: Thank you for your comments, Kate. We appreciate it. I'm going to ask if Johnson Tyler's available Mr. Taylor. I'll ask again, Mr. Tyler.

Johnson Tyler: Hello can you hear me? Excellent OK? I'm sorry, I'm the complete novice on this, you think I'd have it down by now my name is Johnson Tyler. Hi can you hear me? Drag, I'm sorry I'm really having problems with this. Yeah maybe other broadcast in the background make...sure turning off in the background because it feeds back but I think. OK, can you give me a thumbs up if they can hear me and I'll just do. OK great, so Johnson Tyler, I'm at Brooklyn Legal Services, we represent student loan

borrowers in the city of New York. Our organization is the largest provider of free civil legal services in the United States. That's the Legal services NYC of which we're one office. We help borrowers everyday with student loan problems and the biggest issues we wanted to do right now are disability discharges. So in 2012, relations were issued hoping to address the problem making it more accessible to people who are disabled to actually get their loans discharged. What we have found is the process is so cumbersome that people who have disabilities who obviously are eligible for it are just not getting it. And we would ask that they, uhm, the Department convene and negotiated rulemaking on. This is an example to illustrate the problem in 2016, the Obama administration reached out to about 600,000 borrowers who they knew were eligible for the discharge based on Social Security records and existing regulation. They sent them letters saying, hey, you want your loans discharged? Less than 40% responded, so 60% of the people that everyone knows are disabled are still having our loans serviced at taxpayers' expense. People are still getting their loans collected on this stuff and they are eligible for discharge, so we'd ask that they renegotiate, with addition to that group that 600,000 people that the department of education knows are eligible. I would suggest also that people who go on social security are often on there for that entire period of their lives and hence the standard should be expanded to include people who've been on for five straight years and there should be an automatic discharge. That way, this part of education is done with the VA beneficiaries who are disabled. It's very laudable thing, but it's basically you need a opt out provision. In other words, everyone's opted in less, they say they don't want their loans discharge. The second issue that I'd like to address concerns, repayment plans there is a standard repayment that comes out every time someone leaves. It's cool and that is based on a 10 year level repayment level. The problem with this is people get that bill, and let's say you have a typical student loan of \$37,000, it's going to be three, four hundred dollars a month and people are like, "I can't afford that," and they go into a forbearance. And the problem with forbearance is they end up capitalizing interest when you come out of forbearance and that makes a loan just more and more unaffordable, just it, just as it like a trampoline effect on this. So I would suggest that our clients would benefit greatly from this. If the department of education instead of using a standard flat level 10 year repayment plan as the go to initial communication, it's an income-driven repayment plan. An income-driven plan would have many more people participating right off the bat, getting involved understanding their relationship, their income to their repayment. Other countries do this, Canada does it, Germany does it, Australia does it and, I think that it's more fair for borrowers. And it also will lead to, in the process, feeling more fair for borrowers, who then when they're just starting out from school, really cannot afford it. And then, by tricking the debt down the road end up with a very large debt at the end. That that's really just becomes impossible. So those are my comments. Thank you and thanks for bearing with me and thanks for keeping trying to call me Greg and I hope I get this stuff then before September. OK, bye.

Greg Martin: Thank you, Johnson. We appreciate your comments. It looks like our next speaker is Carolina Rodriguez, so Carolina. If you are ready you may begin.

Carolina Rodriguez: I'm sorry, I think I was having some tech issues, so I'm just going to echo what Johnson Tyler said. I know Johnson quite well and I agree on every point he made before hand. Thank you so much for giving me the opportunity to testify today. I am the director of a program called the Education Debt Consumer Assistance Program, which is located in New York State and my entire job is basically to help student loan borrowers tackle their student loan debt. Oftentimes that is, that means that I am helping them manage and hopefully eliminate their student loan debt. And I can say that from my job I obviously have first-hand experience in terms of what it means to carry this debt and impact cannot be overstated. Women and people of color are obviously most severely impacted by this. I'm going to start off by focusing on the income driven repayment plans. One of the things that

worries me a lot is an increasing number of parent borrowers are coming to me with high loan balances and there only IDR option is ICR and it is unaffordable. And that is really concerning, because the only alternative is entering into a pattern of forbearances and we all know the consequences. So forbearance is a stance as previously mentioned that is just going to capitalize and see their loan balances increase. I really hope that there is a closer look in terms of the parent plus loan repayment options, because I can foresee a lot more bad things happening for this population in so many ways. Oftentimes these parents are pre-retirement or already in retirement and it can have catastrophic effects. The other area that I want to talk about is in regard to the income driven forgiveness program. I believe that there needs to be more transparency about this program in terms of the program requirements and also a tracking system if nothing else. PSLF has shown has the impact that it has when we are not properly giving borrowers the guidance they need and a method to track their payments as IDR. Gives you the ability to have your remaining loan balance forgiven after 20 to 25 years and unfortunately this is the only option. Many of my clients who may not be pursuing PSLF or ever eliminating their student loan debt and yet whenever I call servicer and say I would like it in accounting history to determine how many IDR payments my client has made, I cannot get that information and that is especially true if borrowers have had multiple servicers. And throughout multiple years, most of the borrowers, as you may know, are currently enrolled in the newer IDR plans, so that means that they're not going to be eligible for IDR forgiveness until the next decade. Yet if we don't start fixing this issue of tracking qualifying payments for IDR forgiveness, we can foresee that many borrowers will simply have to deal with this debt until they die. And I am not exaggerating on that note. I'm going to stay on the topic quickly in terms of transparency. I think that as you work to reform and improve this system your objective should be to provide borrowers, a fair and transparent process. Transparency is key most of my bars don't know basics like their interest rate, the type of repayment plan they have, the effect of capitalization, how to renew the repayment plan, and they definitely don't know how long based on their current repayment plans or repayment status it will take them to tackle their student loan debt. And it is not their fault. The information that you need to make informed decisions is imbedded and almost hidden on service or websites. And the FSA accounts it takes me half an hour sometimes to find this basic information in order for me to properly council clients. Many of my clients would have made different decisions had they been providing in a clear, consistent manner this information. Now I'm going to move forward with public service loan forgiveness and for this part I decided to share my own story. I graduated in 2010 during the last economic recession. I only borrow what I needed and I worked throughout undergrad and graduate school to keep my debt loan. I've only had two employers and I've been on the same repayment plan. I've avoided any changes, just to make sure that I had clear records. The good news is that I'm supposed to be done with public service loan forgiveness this year 2020 is supposed to be my year. The really bad news is that loan has made it a mission to literally find issues with all of my payments. They in fact want to invalidate 40 of those payments. They want me to keep paying for another three or four years. The irony is that every time that I would ask that loan for an accounting payment audit it will take them over a year to do that audit over and when they would come back, they would actually invalidate more and more payments. The boilerplate reason that there are giving in terms of my payments into that my payments were outside the payment window. Now I know how to write a complaint this is what I do for a living and I will do so. I will go up the chain of command and advocate just as I advocacy on behalf of my client. Yes, the bad news is that I don't have appeal rights. At the end of the day without appeal rights or any other rights borrowers are left in the dark. Payments are supposed to resume in October and I'm going to conclude that this is urgent and I'm going to say you should never have to be a student loan law attorney in order to get a pair outcome this program needs to be fixed. It needs to be fixed fast. Thank you.

Greg Martin: Thank you, Carolina. We appreciate your comments then. Our next speaker is Ebony Ford. Ebony.

Ebony Ford: Good morning, how are you? Thank you so my name is Ebony Ford. I'm just going to tell you a little bit about my story. So I am a first generation college student. I attended St John's University for undergrad, New York University for grad school and I made the decision to be a public school teacher in the largest school district in the entire United States, New York City Public Schools and so for the last seven years I have been a public school teacher in the New York City Public Schools. When I graduated from grad school in 2014, I had approximately \$70,000 in student loans since that time, I've made 84 payments to my loan servicer uhm, believing that I had public loan forgiveness, after 120 payments. It wasn't until the beginning of the pandemic that I found out that I was actually not enrolled in the proper loan repayment program, so I did not know. I was not informed from my loan servicer that I was not in the correct program. And so the 84 payments approximately \$20,000 that I paid this far in student loans do not count towards student loan forgiveness. And so my concern is that it's not just me that has this story. There are so many other public school teachers that are teaching in public schools in title one schools trying to do good for the community and are paying their student loans under the wrong student loan payment. There is no transparency with our loan servicer companies to let us know what plans we should be in. And as a result, we are making these payments and we're servicing the public and will never have public loan forgiveness and so this loophole that's in the public loan forgiveness program is making it hard for myself and many others. And so I'm concerned that this is a pattern not with just me and the teachers here in New York City, but across the country. Many other people are also having this issue not just teachers but also other public servants such as lawyers for the city. I have a friend that's a lawyer for the city that has over 300,000 in student loans. And so if we're doing good for the public I do believe that our loan servicers as well as the government owe us transparency as well as owe us, you know, repayment for our student loans, and so I don't have a lot to say, but that is what I would like to say I believe that the other thing that is an issue is in order for us to make these loan payments back we're being asked to go into an income driven program. The payment the I'm sorry. Our cost of living and the bills that we have are not covered by our income that we're making. So as a result the loan payments that were being asked to make are ridiculously high. We then have to go back to school in order to make more money in there and then we have to pull out more student loans and again we're not being compensated enough money for us to be able to pay our make our loan payments and then again we have people in my position that are making long repayments and have been making tons of loan repayments and find out that you're not enrolled in the correct program. So again, I believe that transparency is needed and thank you for your time.

Greg Martin: Thank you Ebony. We appreciate your comments today. Our next speaker is Justin Hockensmith, Justin.

Justin Hockensmith: Hello very much my name is Justin Hockensmith. I'm a student representing myself actually and actually all undergrad and graduate students out there that cannot afford their student loans. So right now I'm going to be graduating this December with about \$103000 in student loan debt. My monthly payment under the current laws and regulations is going to be about \$1200 a month on the standard plan, it'll be 695 a month if I extend it 25 years, and if I go on the income based repayment, that's yet to be determined, but I need to make at least a payment of \$340 a month just to break even and pay the interest on my student loans. So what I'm asking today is that the ministration which I appreciate taking the time to listen to students on our concerns, number one, I would like to see the lower monthly payments. I 100% agree with the invite administrations plan to reduce the

monthly payment to 5% of your discretionary income. They'll make it reasonable for us to be able to afford our monthly payment. Second, I would like to see the stop of student loan capitalization. As I mentioned before, I'm going to pay at least 300 a month in interest over the life of my five years and maintain that 600 month payment. I'm looking at almost \$130,000 in student loan interest. I'm up to pay on that long it's just realistic, and then third I'd like to see the refinancing of my student loan interest payments. My interest rates right now are about 6 1/2%. I am in the graduate direct unsubsidized loans and then the grad plus loans, so my average is about 6 and now this, uhm, coming from a government that just gave the airlines a bailout of 1% on their loans and the federal fund rates of a quarter of a percent. So the we're basically living error free money where loans are really cheap to get. And yet me as a student, I'm stuck at 6 and a half. I could go out into the private sector and refinance my loans with the bank. But then once I do that, I'm going to lose all of the protections at the federal programs offer in terms of forbearance and student loan potential discharge in these things, and so therefore I just do not want to go out there. My situation is the federal government. This program is my parent. I don't have a trust fund. I don't have someone supporting me. I don't have extended family helping me. I'm pretty much on my own funding college myself and this is the only program that I have so just to reiterate, I'm looking for a lower monthly payment and agree with the 5% discretionary monthly, 5% payment of your overall discretionary income. Lower the interest rates on my student loans. Ideally, I'd like to see it down to maybe the 10-year Treasury at one or 1.4 today and then stop the capitalization of my loans. I shouldn't be penalized for not being able to keep up with the payments and have interest charged astronomically as I am and coming out paying an exorbitant amount of money. So I'm just here to fight for all the students that cannot afford their monthly payments, the overall capitalization and the higher interest rates that were stuck in. This is the only program that we have. We need your help. Thank you very much.

Greg Martin: Thank you Justin. We appreciate your comments today. Our next speaker is Kaitlyn Vitez. Kaitlyn. If you're ready.

Kaitlyn Vitez: Yes, getting my camera ready. Hello, my name is Kaitlyn Vitez. I'm the government relations officer of the American Association of University Professors or AAUP. I want to thank the department for convening this panel and for everybody else, that's spoken up today on these really critically important issues of student lending and educational quality. So since its founding in 1915, AUP has defined and develop professional values and advance the rights of faculty and promoted higher ed for the common good and we see ourselves as speaking up for that academic profession as a whole and then specifically for Members across hundreds of different colleges, some of which are unions and then some of which are non-unionized professional associations. So we have a longer written comment which will be sending into the department later this week. But I wanted to emphasize a few critical elements for department staff to consider as they look forward to these rulemaking sessions. So I think first shared governance at our own institutions is one of AUPs core values and so in a similar vein, just wanted to express gratitude for the new leadership of the department the past couple months to hold listening sessions and public comment hearing periods in to meet with stakeholders about serious areas of concern. And I think the list of topics that have been proposed for this session reflects all the concerns that have been raised over the course of the past few years about final rules and regulations issued by Secretary DeVos and the department at that time. So we're hopeful that upcoming regulatory sessions are going to be able to reach consensus that reflects the values of all the stakeholders at the table, and hope that the department will open up more seats for borrowers and organizations that represent them so that their voices can have a real impact on the policy making process and be responsive to the conditions that people are seeing on the ground. And then I think, second, there's two really important policy decisions that aren't on the list of

rulemaking sessions on. I think are important questions to resolve. Namely, debt cancellation and resuming federal student loan repayment. So proposals to cancel student debt vary broadly from a targeted means-tested amount to full cancellation. And at the same time, servicers are unsure of how to restart repayment and the Department's own analysis says that a certain amount of people are going to be thrown into default if payments don't resume smoothly. So some of the topics listed for a proposed rulemaking would be greatly shaped by a decision on cancellation. And we need to have resolution on those questions before we get started. We, of course, urge the department to use executive action to cancel all student loan debt, to make students whole after unjustly shouldering the student debt crisis over the course of decades. But to clear out bad debts so that negotiators can craft, really well written rules that are addressing the underlying problems in our student loan servicing environment. And then finally, and I think most pressing for faculty we would urge you to take immediate action to cancel student loan debt for all public service workers who have completed a decade of service. With the narrow terms of approval in widespread servicer error, the federal government has fundamentally failed to deliver on its promise of PSLF. So on top of the much needed reforms to fix PSLF that will happen as part of this rulemaking process. We are urging negotiators and departmental staff to fix the problems uniquely faced by faculty as they try to achieve public service loan forgiveness. About 3/4 of faculty in America are off the tenure track and more than half are part time so updated PSLF guidelines are needed to make sure that borrowers are not penalized for holding a part time or adjunct position, and that there are public services adequately recognized. And I think beyond that give them credit for payments made under qualifying implement in older loan programs and not just income based repayments on direct loans. So I think that's all I have for now, but thank you for having us and looking forward to working with you on these issues.

Greg Martin: Thank you Kaitlyn. We appreciate your comments today. Our next speaker is Chris Chapman. Chris if you're ready?

Chris Chapman: Hello good morning. Thank you for the opportunity to talk about some much needed reforms to the higher Ed Act title four programs. I am Christopher Chapman and the President and CEO of AccessLex Institute, a nonprofit organization with a membership comprised of the nearly 200 nonprofit and state affiliated American Bar Association approved law schools. Its mission drives AccessLex to use its resources to expand access to law school while simultaneously working to increase affordability in its value to the benefit of aspiring lawyers and ultimately, the society, serve a mission which aligns very nicely with the federal government's primary role in higher education. Mainly, today I'll supplement the referenced submission by speaking about three well intentioned programs created by Congress that currently suffer from structural implementation or other challenges, specifically public service loan forgiveness, income driven repayment in total, and permanent disability discharge. I'll begin with the PSLF, a program with great promise but so far not so great execution. PSLF is designed to encourage individuals to pursue and, perhaps more importantly to society at large, persist in public service careers. A group of people whose critical importance our country was brought in sharp relief during this pandemic, unfortunately the approval rate for PSLF, not four years after the first applicant would have been eligible is still just 2%. Confusing eligibility requirements, poor communication in various implementation, missteps continued to materially frustrate the ability of the program. AccessLex recommends that the department improve the PSLF program in the following direct and indirect ways. First direct provide more informative, timely, and specific information to borrowers about whether they qualify for PSLF, make the processing of PSLF forms electronic, allow borrowers to consolidate their loans without losing credit towards a 10-year forgiveness period, and allow borrowers to file employment certification forms of any federal student loan servicer from an indirect standpoint. We ask the department support legislation to further

improve the program such as providing 50% forgiveness after five years and expanding eligibility to federal family education loans in all repayment deadlines. Next, I'd like to touch on income driven repayment or IDR. Again, a great idea with the sound policy basis that seeks to align monthly payments and total repayment with income that has unfortunately over time evolved into a web of what can be cryptic and opaque options. As of today, there is 5 different IDR programs each with slightly different terms and eligibility requirements, so a recipe for borrower confusion and loan servicer error. We recommend that department champion the creation of a new IDR plan that would be the only income driven plan available to new borrowers. We think the new plan should include the following elements. First, the percentage of income required to be paid based on a sliding scale in recognition of the fact that discretionary dollars increase along with income. For example, new plan could provide that borrowers making less than \$100,000 pay 10 of discretionary income for those making between 100 and 150,000 pay 12 1/2% and those making more than 150,000 pay 15%. All the borrowers would receive forgiveness after 20 years and that forgiveness should be tax free. And finally, interest should not be capitalized. Now some of these changes may cost money while others make save money, it's important to remember the government's role in student lending is not to seek a profit. It's a right access and opportunity, which in turn necessarily requires supporting borrowers who struggle at the back end. This support is a feature, not bug of any open access program offered by the government to remedy of a short all in the marketplace. We believe these changes would support the interests of the government while concurrently making repayments simple, understandable and truly manageable for all. Finally, we believe that the total and permanent disability discharge should be streamlined to provide for timely and efficient relief for all borrowers. As the HEA provides, the borrowers who are certified to be totally and permanently disabled may receive a discharge of their federal student loans. The good news is that data matching between federal agencies has streamlined the process and makes it clear to the Education Department who is eligible, however borrowers deemed eligible by the VA receive their total and permanent disability discharge automatically. Those deemed to be disabled by the Social Security Administration must create and submit a separate application causing an unnecessary barrier to relief. As a result today, nearly 400,000 otherwise eligible borrowers remain in red tape limbo. We should provide the financial relief that those borrowers are entitled. We urge the department to offer automatic discharge to all who the Social Security Administration reports as disabled. Thank you for your time. We at AccessLex stand ready to work with the department on reforming student loan program for the benefit of all stakeholders.

Greg Martin: Thank you, Christopher for your comments today. Our next speaker is, I apologize in advance if I don't get the name correct, Cody Hounanian.

Cody Hounanian: Hello, thanks for having me today so my name is Cody Hounanian and I am the program director at student debt crisis. We are a nonprofit organization dedicated to funnily reforming the way student debt and higher education policy's impact Americans. And we have about 2,000,000 supporters across the country. So as you can imagine, for nearly a decade, we've spoke to thousands of people hurt by student loan debt, and I personally have heard their ambitions, their fears, and the obstacles that they face. And I can tell you factually that their concerns are growing, and they're exponentially growing since the pandemic began last year. So, it shouldn't be a surprise to those on the call today, but it's worth reiterating, obviously Americans are bearing the weight of a student debt crisis last year alone, more than 1,000,000 borrowers defaulted on their student loans. And that adds to millions more who are just currently unable to afford their payments. That means that many of us are struggling to save for retirement unable to purchase a home harassed by debt collectors or really have our entire livelihoods denied by wage garnishment, social security offsets and other obstacles caused by student loan defaults and falling behind on our student loans. Even worse, for our society,

student debt disproportionately harms the most vulnerable people in our communities. The facts really are startling. We know that women owe 2/3 of America's \$1 trillion student debt. Total African American borrowers owe nearly 45% more than their white peers. And older Americans over the age of 50 are the fastest growing group of student loan debt, and that is a really important fact for us. This is a multi-generational crisis. So here I am today facing a new administration that now has a chance to repair the damage caused by decades of mismanagement and industry abuses. In fact, President Biden ran on the promise that this administration would reform the student loan system to guarantee that student debt wasn't a lifelong burden and that student loan payments would be affordable for all of those that are in repayment. On top of that, the President also promised to cancel a significant amount of student loan debt that included broad based debt cancellation for all borrowers and using existing programs to erase the debt for people defrauded by for profit schools borrowers, who are totally and permanently disabled, and borrowers who have worked in public service for more than a decade. We have seen some progress in these areas, but not nearly enough. So I'm here today to recommend three areas of much needed reforms. First, this administration should use existing authority to provide as much relief as possible by canceling student debt for millions of Americans. New research shows that cancellation would provide a much needed economic stimulus as we face a post pandemic recovery. We know that when borrowers' student debt can be cancelled, their ability to pay down other debts increases, their social and geographic mobility increases. Borrowers are able to stay in and invest in rural communities, they're able to pursue better jobs and also even more important during this moment in our history, student debt cancellation has the potential to increase the net wealth for black households and would help reduce the racial wealth gap. We believe that is the boldest and most immediately needed reform on the table. But we know there's much else that can be done, so we are part of the broad consensus among borrower advocates, industry professionals, and lawmakers that acknowledge that the current system is just fundamentally broken and now that payments are set to resume on October 1st borrowers are facing reality in which they will be thrown back into a system with programs that are meant to help but are failing millions of Americans here are just a couple of examples of how the current system is unable to meet the needs of borrowers in our country. Our allies at the National Consumer Law Center received data from the federal government showing that only 32 borrowers had finished their income driven repayment plans to the point of receiving cancellation, and that's out of over 4,000,000 people that have student loan debt that's over decades old. We also know just recently that over a half million people with permanent disabilities who should be eligible to have their debt erased have not received that relief at all. We also know that there's a backlog of hundreds of thousands of applications for public service loan forgiveness and these are for borrowers that have met their commitment and the threshold for receiving student debt cancellation under that existing program. And on top of that, hundreds of thousands more applications for programs like borrower defense to repayment still sitting in the administration or at the Department of Education without being addressed. So, there is just an incredible lack of urgency and seriousness when it comes to implementing currently existing programs in a way that helps borrowers and that is another area that needs to be addressed. And lastly, as someone who spoke into hundreds of thousands of student loan borrowers we've surveyed as an organization hundreds of thousands student loan borrowers about this particular topic, we know that industry oversight and service or accountability remains one of the biggest obstacles to creating a student loan system that is fair and has reasonable consumer protections for everyone. Sure, I just want to flag that there's been multiple lawsuits against the loan servicers, including the largest of them, Navient, that showed that they repeatedly pushed borrowers into wrong repayment programs prevented them from accessing debt forgiveness and set them up to fail when it comes to accessing federal programs. So these are the three recommendations I provide today and I'm happy as representative student debt crisis to lend any of our insights and borrower stories to any future efforts. Thank you for the time.

Greg Martin: Thank you, Cody. We appreciate your comments. Our next speaker, and again apologies if I did not get the name correct, is Jolene Litzau. Jolene?

Jolene Litzau: Can you hear? OK. Thank you for allowing me 5 minutes to share my story. I want to be clear, this may be my story, however, there are thousands of others that share a very similar story and that is where most come from to be bold and advocate for change, which is what I'm asking of all of you. 109177 dollars may just be a dollar amount to you, but it is a lifetime burden that will shackle myself and family for future generations to cope. That is my student loan debt from the university I never stepped foot on. I never attended an in-person class and I never actually saw any of my professors. Kaplan University has been found guilty by US government investigation of doing illegal things and running fraudulent business practices. A lawsuit essentially forced Kaplan University into closing down, but not before it defrauded the government 4 billion. Kaplan University has been accused of enrolling unqualified students, changing grades, illegal marketing practices and falsifying legal documents related to the school's accreditation requirements. Under the watch of Betsy DeVos, her department took 12 minutes, 12 minutes to look over the evidence. For the entirety of the student application and then some of these applications are hundreds of pages of evidence. The department offered bonuses for processing applications faster and threaten the jobs of those who took more than 12 minutes to review. This is embarrassing, a mockery of the very system that has convened this public hearing. I was targeted by a for profit school because I was a veteran single mother and the first in my family to go to school. I was promised so many things by Kaplan University that never happened. I received a phone call from Joseph at Kaplan University. I will never forget his name for so many reasons at the time I had no idea what was happening and no understanding of the student loan process, which was no mistake on his part, the for profit education system operates on deceptive tactics, unethical practices, and aggressive marketing. I was guided through the funding process, not fully understanding the ramifications in the future. I have applied to many positions in the field of my degree and I have been laughed at because Kaplan University degrees are not acknowledged. The credits do not transfer to in-state schools and are basically worthless. I'm 42 years old with \$109,000 in student loan debt with interest racking up daily. I will never be able to pay it. I will never be able to make a dent in it. The student loan debt I will have attached to me until the day I die. This is just one fact that I have to grapple with. I will never be able to purchase the car, home or live the American dream like thousands of others. I have children that will also suffer the burden that for profit schools have provided. As a parent I will not be able to help them pay for higher education because of student loan that I have been assigned, this would likely leave them in a position where they would have to take out student loans and continue the cycle of student loan debt. I will not be able to save for the future as it seems I have borrowed against it, leaving them in a perilous position. Simple small things are not possible for my family. No family vacations, no going out to eat, no dance classes. To be honest, there have been times that I wonder if my children would financially better off if I was dead. They would not have to endure the financial hardships awaiting them because of decision I made under false pretenses. I know that may be shocking to hear, but I can guarantee each and every one of you. There's thousands of other people just like me. Abraham Lincoln said government of the people by the people for the people shall not perish from this earth, the system is currently covering students is not for the people, rather, is for the predators that the government is allowing to write the rules and regulations they will follow during the negotiated rulemaking process. The unfair practices of Kaplan University have changed the future of my family in ways that are shameful not only to myself but to the United States Education Department. The Department of Education is supposed to be a safeguard in place to ensure students receive a quality education to achieve their highest potential. Ronald Reagan said government's first duty is to protect the people the department has let me and thousands

of others down in this regard by not holding for profit schools accountable by defrauding them. Kaplan University is probably taking \$4 billion from the government, so why are for profit schools allowed at all. This seat at the negotiating table, except for one is important to have a full spectrum of student experiences representing the rulemaking process. It is not enough to just have one representative. In 2016 during the negotiated rulemaking process for borrower's defense, only one student representative had a seat at the table. Her name was Ann Bowers. She did an excellent job, but she should not have been the only person in the room who was fighting for people like me. The deck was stacked against students' representatives from the predatory for-profit university industry, who were at that table, and so called policy experts who did not have students' best interest in heart when writing the regulations that result in a rigged process that has failed students this time around. No representatives from for profit universities should get to write the regulations that they will have to follow. And we need many people who suffer from fraudulent debt at the table. Students are not just young people. There are senior citizens having their Social Security garnished. We need senior citizens at the table. We need parents who borrowed student plus loans for their children to go to school. We know that for profit universities target students of color, single mothers and they target veterans like me. We need to make sure the people in the room during the negotiated rule processing have all the voices and not just a single voice. We need to acknowledge that this is the third time the rulemaking process has been conducted on borrower defense. Then the first two times resulted in a rigged process (15 seconds) Everyone knows what is going on here. Everyone at the Department of Education knows schools like Kaplan, are breaking the law, defrauding students as part of their business model. This is not a secret; the problem in student loans could not have come without the full knowledge and participation of the Department of Education. It is time for the Department of Education to once and for all get out of the crime of business. It was once said that the moral test of government is how the government treats those who are in the dawn of life, the children, those who are in the twilight of life the elderly, and those who are in the shadows of life, the sick, the needy, and the handicapped, by Hubert Humphrey. Our government is being morally tested now and it seems to me it is failing to protect thousands of people and their families from being victims of a rigged system. It's not too late. Be bold, be brave, and do what's right.

Greg Martin: Thank you for your comments. Our next speaker is David Tandberg, David. Mr. Tandberg. OK, we're going to move on to Scott Lissner, Scott. Mr. Lissner.

Scott Lissner: I say the most intelligent things while I muted. First, let me thank you for inviting AHED to participate in this process, I'm representing the Association of Higher Education and Disability. We're a membership driven organization with roughly 4000 members who are disability service providers, ADA coordinators, faculty, and administrators at colleges in all 50 states, representing and committed to equity for students with disabilities. Roughly, the seven million students with disabilities that are out there. I'm going to highlight what is in my written submission for the record and then I know that the format today does not allow for questions, but AHED certainly more than willing to participate in an ongoing basis. So as the department knows, both the matriculation rates in the on-time graduation rates for students with disabilities are lower than those for students without disabilities. Part of that at least is due to some structural barriers in the financial aid system around full time status and cost of attendance. [Section] 504 recognizes in its list of reasonable accommodations, extended time modifications of degree timelines, and taking longer to graduate and the logical inference, if that is students taking lower course loads, either the minimum full time load as a full time student, or participating in college as a part time student there are costs associated with being a student with a disability that are not tuition driven. And impact two groups of students with disabilities a little bit differently that AHED would like the department to consider. So one group of students are

students admitted as full-time students at their institutions, who typically can manage 12 plus credit load from semester to semester but may run into occasional difficulty, either because of chronic episode and flare up, and we're seeing an increasing number of students with chronic conditions, with random episodes participating in higher education or because of a particular combination of course work in how it interacts with the impact of their disability, who may need as a reasonable accommodation for a semester or two to take reduce courses. Now, grants are structured by credit ranges and assumes that your cost of attendance will go down at a certain proportion based on the number of credit you're enrolled in, and for students receiving accommodations of a reduced course load. That's not typically true. Their Pell Grant goes down potentially some of their private financial aid. It's part of their overall package goes down. They are still incurring full housing costs, if there are residential student, even though there may be assumption that below 12 credits you were no longer eligible for housing as the accommodation. Colleges continue to treat the students as full time students and then disability related expenses don't change, particularly based on the number of credits this student is enrolled in, whether those are personal attendants or the cost of medical supplies or other costs that they may be accruing that are necessary to keeping them in college. The cost of attendance formula has not well publicized, not well known. A condition that allows student, allows institutions rather to recalculate a disability allowance for students with disabilities and AHED would encourage the department to consider using that process expanding it, adding some details to help, including the cost of attendance, make up for that disparate impact of tuition reduction to 9 credits. That doesn't always proportionally match the cost productive cost reduction students with disabilities encounter by taking fewer credits. We would also encourage the department to widely publicized that element. It is not well known across colleges and financial aid offices. Our members use it with some frequency, so I put more details in the written statement and I appreciate this opportunity and AHED looks forward to participating in ongoing negotiations. Have a good day.

Greg Martin: Thank you, Scott. We appreciate your comments. And now we're going to go back to David Tandberg, David.

David Tandberg: Hello, my name is David Tandberg service senior vice president of policy research and strategic initiatives at the State Higher Education Executive Officer's Association, more commonly known as SHEEO. An organization of chief executives of statewide governing policy in coordinating boards of post-secondary education and their staffs. This negotiated rulemaking process provides an exceptional opportunity to advance equity goals, make college more affordable, strengthen institutional accountability, and improve federal student loan policy's with policy expertise at the nexus of state and federal higher education policy and it constituency that will be significantly affected by wide range proposed regulations. SHEEO welcomes the opportunity to participate in the negotiated rulemaking process. State higher education executives are members who are charged with maintaining one leg of the program integrity triad. They often play a critical role in the triad as the frontline authorizers determining which institutions are allowed to offer credentials within their states, therefore providing a vital layer of consumer protection. SHEEO believes the program Integrity Triad should be viewed holistically. Reform efforts should consider the roles and responsibilities of other members of the Triad to collectively ensure institutional integrity and to address gaps in post-secondary outcomes, including by race, ethnicity, gender, class and other characteristics. To ensure policy cohesion and communication between the federal government accrediting bodies, and the states, we welcome the opportunity to contribute to these regular regulations. SHEEO are committed to protecting students from low-value, fraudulent, and financially unstable institutions. Students of color, low-income students are overrepresented at such institutions, compounding the inequalities faced by these populations of students. Borrower defense regulations can be vital policy tools in our

effort to protect students. These measures augment the state role in consumer protections and provide more protections for students and taxpayers. SHEEO also encourages robust gainful employment, employment, and borrowed defense regulations. Likewise, state higher education leaders also recognized the importance of the public service loan forgiveness program to their states and to their addressing racial disparities in student loan debt repayment and default. A growing number of states are pursuing racial equity goals in higher education, and equity permeates the topics listed in the US department so that notice the states and the federal government can partner to advance racial equity and other policy areas. For example, the Pell grant for prison education program presents a unique opportunity to help justice-involved students to successfully transition back into society. The federal regulatory framework for using the Pell Grant for prison education will significantly affect the SHEEO community and their ability to provide educational opportunities for these students. SHEEO applauds the Department of Education for undertaking the challenge of addressing these complex and multifaceted issues. The federal government and the states working together can make college opportunities more affordable eliminate achievement gaps based on race and other factors and create an effective accounted accountability framework to serve the next generation. And we look forward to partnering in this effort. Thank you so much.

Greg Martin: Thank you, David. We appreciate your comments. And now we're going to move to our last scheduled speaker, who is Spencer Dixon, Spencer.

Spencer Dixon: Thank you for the opportunity to provide public comment my name is Spencer Dixon and I serve as the policy advisor for Savi, a social impact technology startup working to solve the student debt crisis affecting 46 million borrowers by helping them discover repayment and loan forgiveness options. Founded by longtime student loan experts and advocates, Savi is a registered public benefit corporation that has helped more than 50,000 student loan borrowers reflecting more than 1.6 billion in student loan debt and has identified more than 200 million in projected forgiveness eligibility. Savi works with employers, membership organizations, and financial institutions to provide our service as a unique student loan benefit. Our 100 plus partners include membership groups like the NEA, SCIU, and ARP, retirement providers like TIAA and AIG, and organizations like Student Debt Crisis and United Way. Savi plays a unique role in the student loan space as we interact with borrowers, employers, and student loan servicers on a daily basis. We see how the current programs are implemented and have a front row seat to some of their benefits as well as their shortcomings. As the new administration embarks on the lengthy negotiated rule making process covering a variety of topics within higher education, we look to the proposals put forward by the President as an indication of what's to come. Given Savi's role, we're paying special attention to the proposals regarding income driven repayment programs or IDRs and the Public Service Loan Forgiveness Program or PSLF. President Biden has put forward a plan to create a new IDR that would ensure that individuals making \$25,000 or less per year will not owe any payments on their undergraduate federal student loans and also won't accrue any interest on those loans. The plan would then require everyone else to pay \$25,000 toward their loans after payments through the program will be 100% forgiven. The plan states that individuals with new and existing loans will be automatically enrolled in the program with the opportunity to opt out if they which, given the generosity of this proposed program compared to the current ones. We're excited for the opportunity this will bring to provide substantial financial relief to borrowers. At the same time, we wish to put forward several considerations when implementing such a plan. One, all loan types, regardless of when they were dispersed, should qualify. This would include older FFEL loans and parent PLUS loans. Two, time spent in repayment in other IDRs should count towards the 20 year repayment horizon under the new plan. Three, flexibility would be provided for borrowers with higher cost of living expenses. Right now, only adjusted gross income and family size

determine payments under IDRs. And four, borrowers that are currently in default on their student loans will be able to enroll in the new IDR without rehabilitation or consolidation. At-risk borrowers are exactly the group we should help easily get into this new option. In addition to the IDRs, this negotiated rulemaking process intends to touch on PSLF. While the statute that created PSLF is clear in some of the rigid eligibility requirements for the program, there is nothing preventing the administration from providing flexibility in the program through other legal authority. Possible reforms should include: one, allowing FFEL loans to qualify for forgiveness; in addition, months spent repaying FFEL loans should count as qualifying credits for the program. Two, provide flexibility for borrowers who would work less than 10 years in public service by prorating forgiveness amounts based on the number of years worked in public service. Three, automate the tracking an enrollment in the program using administrative data. And four, expand the definition of eligible employers, ideally to include groups like government contractors and for-profit healthcare employers that have traditionally been excluded. These are just a few ideas to consider on two of the topics that will be covered through this process. Savi looks forward to continuing to share our unique perspective in order to bring more relief to more borrowers. Thank you for your time.

Greg Martin: Thank you, Spencer. We appreciate your comments. Because we have a few remaining moments, we're going to have one more speaker, and that speaker will be Chuck Knepfle, Chuck.

Chuck Knepfle: Hello. Great, looks like I'm off of mute. Good morning, my name is Chuck Knepfle and I am the vice president for enrollment management at Portland State University and the current chair for the Higher Education Loan Coalition. I'd like to thank the Secretary of the department and all of you specifically for the opportunity to share my comments with you today. As well as providing testimony relevant to the students at Portland State I also speak to you today on behalf of the schools in the Higher Education Loan Coalition, a grassroots organization of financial aid professionals working in institutions of higher education and dedicated to the continuous improvement and strengthening of the student loan programs board members of the Higher Education Loan Coalition have served as negotiators at numerous negotiating rule making sessions over the last 10 years and I hope and request that the coalition be included as you plan for the sessions in 2021. We provide a balance student centered approach to the negotiation process and can effectively represent all 5000 plus colleges and universities who participate in federal loan programs. My colleagues on the Higher Education Loan Coalition Board will be submitting written testimony to you on borrower defense to repayment, gainful employment, income contingent repayment plans, and public service loan forgiveness program. So I won't go into the weeds on those topics. I would however, like to talk a bit about loan counseling. It's not listed as one of the likely topics for upcoming rulemaking sessions. We encourage you to consider adding it. The current federal loan counseling requirements need a lot of work. Is there are no definitive studies that I've seen which can point to either entrance or exit loan counseling as having a positive impact on repayment rates, overall debt, or any other positive borrower metric. Current student loan counseling needs to be transitioned to an annual process. Now that prior-prior year, federal needs analysis, and the earlier FAFSA application dates are fully implemented, we believe that the existing FAFSA process could be enhanced to provide this counseling. Current loan counseling does not effectively prevent loan default. An FSA report from 2003–2004 about the alternative entrance loan counseling experiment, the Department concluded that quote it is hypothesized however, that a relaxation in counseling requirements brings a higher potential cost to the federal government through rising default rates. However, institutions participating in this experiment were institutions were permitted to try alternative loan counseling methods for a period of time showed a decline but sometimes by half in their default rate. The time period in which entrance counseling is administered after the student has chosen a school and

program is typically too late to make significant cost savings decisions information gleaned by going through entrance counseling in the summer before the 1st year of college is often forgotten and sometimes changes by the time the student graduates. Students are less impacted by the total amount of loan debt down by the size of the monthly payment they're facing upon graduation. We see loan counseling is a process rather than event. It should begin a student starts the college search process, as a high school senior and culminate. It is currently turned exit counseling. A final a counseling session where all new borrowing has ceased each step in the actual counseling should feature shorter, more streamlined messaging and sharing that student borrowers not overwhelmed with too much information. Fortunately, the tools that we propose already exist and simply need to be moved to different segments of the process specifically we recommend the following steps to be more directly linked loan counseling to positive student borrowing behavior. One, streamline exit entrance counseling and provide the opportunity for students to complete loan counseling as an optional part of the FAFSA. Two, since students move from school to school during their higher education journey. FSA is off from the organization with the most complete picture of a student's enrollment in borrowing history. FSA should contact borrowers which have not graduated and not enrolled in institution with a certain period of time. These students currently fall through the loan counseling cracks. Loan counseling should be a shared responsibility between the schools and the department. And three, instead of waiting until a student actually withdraws from their college, institutions should be required to send exit loan counseling or something similar to students in danger of dropping out. In closing, I'd like to thank you again for the opportunity to present this testimony on behalf of both Portland State and the Higher Education Loan Coalition. Many of our members were the first schools to implement the direct loan program over 25 years ago and have years of expertise and operational policy issued, as well as compliance with regulations for the program. The coalition looks forward to participating in the negotiated rulemaking process that will occur later this year. Thank you so much.

Greg Martin: Thank you, Chuck, we appreciate your comments. Thank you for your time and for sharing your comments with us this morning. This concludes the morning part of our session. We will reconvene this afternoon at 2:00 PM Eastern Daylight Savings time.

Jennifer Hong: Hey, good afternoon everybody. Thank you for attending our, for your attendance at our virtual public hearing today. My name is Jennifer Hong. I'm the director of policy coordination in the Office of Postsecondary Education here at the Department. I'm pleased to welcome you all to this portion of today's public hearing. This is one of three public hearings that we are convening this week and our purpose is to gather input regarding regulations that govern programs authorized under Title IV of the Higher Education Act of 1965, as amended. I'm joined on camera by two other department officials: Sue Lin from the office of general counsel as well as Benjamin Miller from the office of the Secretary. With respect to the logistics for today's hearing I will call your name to present when it's time for you to speak we ask speakers to limit their remarks to five minutes. If you get to the end of your 5 minutes, I will ask you to wrap up and ask that you do so within 15 seconds. If you exceed your time, you may be muted. Speakers have the option to turn on their cameras while presenting but it is not required in consideration of others. We ask speakers to please silence your cell phones. And to be in an area free from background noise while presenting as much as you can. Perhaps most importantly, we ask that speakers remain on mute before being called and after presenting we ask that speakers leave the Microsoft teams meeting and join the public. Microsoft Teams live meeting. If you are a speaker and do not mutt yourself when you're not presenting or speak when it is not your turn, we will administratively mute you from Microsoft teams meeting and you may be removed from the speaker line. You can always join the Microsoft teams live meeting as an attendee where you can listen to the hearing. When you are called to speak please provide your name and affiliation. This hearing is being

transcribed and the transcription will be posted to our website in the next few weeks. The department will also post a recording of the hearings with audio and video. This is a public hearing and it is possible that a member of the public may record your remarks and post edited clips of them before or after the department post the full unedited hearing. Closed captioning is also available in real time during the hearing. To use live captions in a meeting, go to your meeting controls and select more options, then turn on the live captions. If you are submitting written comments, we encourage you to do so through the regulations.gov website. You may also submit comments through postal mail, commercial mail, or hand delivery. Due to the COVID-19 pandemic, if you wish to hand deliver comments, please email Vanessa.Gomez@ed.gov. She will coordinate with front desk staff in the lobby at the US Department of Education Building at 400 Maryland Avenue SW in Washington DC so you can leave your comment there. We will not accept comments by fax. To ensure that we don't receive duplicate copies please submit your comments only once, in addition please indicate the docket ID number, which is Ed Dash 2021 Dash OPE dash at the top of your comments. You will also use that number to quickly access the place to submit your comments using the regulations.gov website. So without further ado, we will move on to our first speaker for this afternoon and as a reminder to all of our commenters, please do introduce re introduce yourself and your affiliation after I call your name. So, we will start with Shawn Brick. Shawn if you could begin with your comment.

Shawn Brick: Thank you, thank you for this opportunity to provide comments on the public service loan forgiveness program. Both the promise of the program and it's on going to failures to meet that promise. My name is Shawn Brick, executive director for student financial support at the University of California, Office of the President. The University of California is a 10 campus system that serves 226 thousand undergraduate students and 65,000 graduate in health science students. Core to the University of California's mission is public service, something that we hope we pass along to all of our graduates. Eighty thousand of our undergraduate students, about 36%, are federal Pell Grant recipients. Another 4500 are low income, undocumented students. Our graduate students are nearly as diverse with about 1/3 of domestic graduate students having been Pell Grant recipients when they were undergraduates. More importantly, many of our students go on to serve the state of California and the nation by working in fields of public service five years after graduation. 16% of those with the UC undergraduate degree or working in education, healthcare, and public administration. For graduate students that number more than doubles to 34% and that does not account for students working in public interest jobs that may not be immediately apparent by their field of employment, such as public interest law or medical service in low income communities. UC students are fortunate to benefit from both strong state and institutional financial aid programs, and as a result our students graduate with lower debt than the national average. Nevertheless, like all colleges and universities, we ask students to leverage their future wages to pay for their education today by taking out student loans. But future wages are uncertain, especially for those who discover a passion for entering a vocation in public service. The Public service Loan forgiveness program provided higher education with an answer for those students who needed to borrow to pay for school but who wanted to use their degrees to give back to their communities. Like other public universities, UC pushed information about PSLF out to our students to those in public service fields like health care and education as well as to potential employees through our own human resources. For many years we told them that PSLF would be there to help them with their loan debt while they were completing their degree. Then when the first cohorts of students became eligible in 2017, we began to see that the promises that were made to students have been empty. The program is fraught with problems, some of which are well within the department's ability to fix through regulation or program oversight and some of which would require legislative fixes. To wit, mandatory enrollment for 10 years in qualifying income-based repayment is very difficult for students to navigate and does nothing to protect the federal taxpayers, since those

outside of the income based repayment programs are paying more per month. Better oversight of servicers providing this information is necessary to help guide borrowers. Borrowers regularly complained to us that about routine mistakes and processing that require them to approach attorneys general, the ombudsman, or the CFPB. These horror stories and the stories about the low acceptance rates have had a tangible impact on our graduates' career choices. The all or nothing aspect of the program should be altered so that students can qualify for partial forgiveness of their loans if they work in the public service during any of the 10 years following graduation. Finally, options that will benefit borrowers with lower loan balances should be adopted. The current PSLF only helps students with large loan debt upon graduation since they would need to have remaining balances after those ten years of repayment in the income based repayment programs. Colleges and universities across the country, including the University of California, are exploring ways to reduce student indebtedness and enter in by structuring PSLF the way it is now students who managed to keep low loan balances but still wish to enter the public service would not benefit. The University of California strongly supports the policy goals of PSLF and we want to work with the department to improve the program. As you will hear in a moment from one of our students, the administrative barriers to participation by UC students affects real people's lives and livelihoods. Help us make the promise of PSLF a reality for our public servants. And thank you for your time.

Jennifer Hong: Thank you, thank you for your comment, Mr. Brick. We will go on to Gwen Chodur. Gwen Chodur you're on.

Gwen Chodur: Thank you for the opportunity to speak today about the public service loan forgiveness program. My name is Gwen Chodur and I'm the president of the University of California graduate and professional council representing nearly 60,000 graduate and professional students through the UC system. I'm also the president of the National Association of Graduate Professional Students, which represents graduate and professional students across 45 member institutions. Grad students bear a larger debt burden than undergrads even when accounting for the extra time that we are in grad school. Although graduate students only make up a quarter of the students with debt, we hold about half of the national total. The average graduate student debt is more than \$71,000 per student not including any debt they hold from undergrad. And of course, some professional programs cost more and therefore leave their graduates with even higher levels of debt. The average medical student graduates with more than 200,000 in student loan debt, while the average debt after finishing dental school nears 300,000. This level of debt drives decisions about jobs after graduation. Without incentive, underserved areas will struggle to attract needed health care professionals, not because those professionals don't want to work in those areas or with those populations but because they can't afford to. Rural areas already have 80% of the primary care physicians per 100,000 people that urban areas do. More than 63 million Americans live in areas without access to a dentist. For many students, the choice to take on loans was made with the understanding that forgiveness would be available to us. None of my classmates studying public health expected to get rich from jobs in that sector. We were choosing to study public health because we were dedicated to helping those who need it. The Public service Loan Forgiveness Program was a lifeline for many of us given the vocations that we hope to pursue and what our projected earnings would be. The cost of graduate school would have been out of reach for many but the PSLF program seems like a perfect solution. We would be able to get the training that we needed to make a difference in underserved communities and after working at the kinds of jobs that we felt called to do the debt we had accrued to be able to get the training needed would be forgiven. Seeing how many borrowers have actually had their loans discharged through this program is chilling. It feels like a betrayal to those of us who are counting on it. It has become very clear that despite its laudable goals the PSLF program is broken, both on a structural level and in its

execution. The current system punishes adjuncts, although they provide a vital service to our system of higher education. Many work multiple part time jobs across multiple institutions of higher education to survive on an adjunct salary. Under the PSLF program, this does not meet the employment qualifications and these borrowers are ineligible to have their loans discharged. As tenure track funding lines have dried up with progressive decreases in investment in higher education at the state level, more and more instruction in higher education is provided by adjunct faculty. These educators should qualify for relief in recognition of the vital public service that they provide. As currently structured, the program is also unattainable to those who consolidated federal loans making them start over on a new clock for their ten year repayment and service requirement. But this is not something that all borrowers entered into knowingly. The New York attorney general's office's enforcement action against ACF alleges that company policy directed representatives to not provide education on education and information on PSLF eligibility criteria to borrowers who contacted them seeking information about the program. This highlights a massive issue with the execution of the program, the companies who service student loans are disincentivized from ensuring the borrowers qualify for relief programs like PSLF. Since the eventual discharge of loans results in less business and less profit from the loan. The PSLF program has laudable goals and its intent to provide debt relief for graduates who go on to careers in public service. However, modifications are needed to ensure that the program is able to meet the goals. First, companies servicing loans should be audited for the number of eligible borrowers they route into PSLF and fined for failures to do so. Servicers should be financially liable and making sure that the loan is in good standing in the proper program if they deliberately kept it off track from being PSLF-eligible. Eligibility for the program should be expanded to cover individuals who work multiple jobs within the nonprofit sector, rather than be based solely on a full time employment in a single job and eligibility should also be extended to those who have previously consolidated student loans. Finally, payments from borrowers, enrolled in ineligible programs erroneously should count towards the 120 month payment requirement. It is imperative that PSLF be radically reformed to live up to its policy goals. This is an issue of equity, not only for the borrowers impacted but for the communities who rely on their training. This concludes my remarks. Thank you for the opportunity to comment on this important issue.

Jennifer Hong: Thank you so much for your comments. Next, we have Laura Buckner, Laura.

Laura Buckner: Hi my name is Laura Buckner. I'm a borrower and the stories that Sean and Gwen just shared certainly resonated with me, so I'm here today to share about my personal experience with the public service loan forgiveness program. Since I started paying back my student loans in 2017 under an income-based repayment program, I've received certification twice that my employment is eligible for public service loan forgiveness. I have received confirmation of the number of payments I've made that count towards the required 120, and each month I mentally tick another off. At the end of this year I should be about halfway there. I've declined job offers and opportunities to consolidate my student loans knowing that it could compromise my eligibility for forgiveness. My loans are significant. My husband and I have a debt to credit ratio that has prevented us from buying a home and we've held off on significant life events on account of our student debt. Believing that I only have about 5 1/2 years left under this burden has been a huge factor in how I feel about our long term financial prospects. This past April 2021, I logged in to submit my employment eligibility certification once again. I checked my previous tally of eligible payments, all still documented and then try to submit my employment paperwork to update the count. That's when the system let me know that my employment, which has been the same since I enrolled in PSLF is now likely ineligible to be certified for forgiveness. As you can imagine my stomach dropped. How can I have two previous certifications, a list of qualifying payments and now be told that I may not be eligible? I've submitted additional paperwork for my employer

hoping to prove my eligibility. After over a month I still have not received any confirmation and it still listed in the system as likely ineligible. While I wait for the Department of Education to determine if my employment is eligible or not, five years after being assured and receiving documentation that it was, I feel powerless, confused, frustrated and concerned about my financial future. I can't imagine that I'm alone in this experience and I would urge you to take a look at any alone accounts that have been previously certified for PSLF but are now in jeopardy. What happened and why weren't we notified and what are we supposed to do after five or more years of financial decision making, not just believing that we were eligible, but with documentation in hand? I really appreciate being given the opportunity to speak on this issue. For me personally, I'm still hopeful that the Department of Education will determine that my employment is eligible for forgiveness or consider how to make up for five years of essentially being lied to about my eligibility. At the very least, the system needs to stop sending out any documentation of eligibility if there's a chance that it's not actually true and you need to alert PSLF enrolled borrowers immediately if there's been some sort of reversal in their certification. That concludes my comments, thank you again for the opportunity to speak today.

Jennifer Hong: Thank you so much for your comment, Miss Buckner. At this time, will move on to Sabrina Calazans. Pardon me if I miss pronounce your name. By the way, Sabrina Calazans.

Sabrina Calazans: Yes, that's correct. Can you hear me? OK, my name is Sabrina and I'm speaking on behalf of myself as a borrower and one of the 45 million borrowers whose lives and families have been impacted by student loan debt. Like millions of Americans, I believe that higher education can change people's lives for the better and in part it changed mine. As a first generation American, I was the 1st in my family to attend college but I was only able to do so by taking out student loans, something that has become a common reality for millions of families. After graduation, my goal is to work with the nonprofit to advance gender equity or to work within immigrant and refugee communities. I applied to hundreds of jobs and found it challenging to find a position in the field, especially one that would be sustainable with the high cost of living in New York. I work temporary jobs to support myself financially, but once my grace period ended, I could not afford to make my student loan payments. I was never informed about my options in other repayment plans by my loan servicer, so I immediately entered into a forbearance. While the payment pause has been extremely helpful for me, my student loan debt is controlling my career choices and any decisions that I make regarding my future. Unfortunately, student loans have kept too many dreams from becoming realities. For some these dreams include home ownership or starting a business or a family. For me, it's being able to relocate to pursue job opportunities, saving to buy a car and being able to financially support my family. Student loans are preventing borrowers like myself from moving forward in our lives, contributing to the economy and creating or accumulating generational wealth. I was fortunate to have participated in a roundtable discussion with the Secretary of Education, Miguel Cardona, Senators Chuck Schumer and Elizabeth Warren, and the NAACP president Derek Johnson, where we not only discuss the impact of student loan debt on our lives, but also how it disproportionately impacts communities of color, low income communities, and women. However, this ongoing student debt crisis is not just your racial wealth gap issue, a gender equity issue, or a public versus private university issue this is a moral issue and it is one that requires immediate attention and action. President Biden and the Department of Education must listen to borrower voices and take actions to help them and their families. The Department of Education's website says that its mission is to promote student achievement in preparation for global competitiveness by fostering educational excellence in ensuring equal access. You cannot succeed in your mission of equal access and educational excellence until the student debt crisis is addressed. There is no equal access when the biggest burden falls on black women. And when people have their wages or social security benefits garnished this is immoral. This is an issue impacting

not only my generation but every age, race, and gender. This impacts individuals, families, and entire communities. Borrowers need to know that the government is doing its job of working for the people. President Biden made campaign promises regarding student loans, and borrowers are anxious to hear what he and the Department of Education will do to help them before payments restart on October 1st. President Biden said he wants to narrow the racial wealth gap, and he can do so by canceling student debt. If the president wants to adjust gender equity, he can cancel student debt, and if he wants to be progressive in helping 45 million individuals and their families, he can cancel student debt. We need broad based debt cancellation as relief for millions of struggling Americans. We need reforms to the current repayment programs offered and need our government representatives to understand that this is not a Democrat or a Republican issue. This is an American issue. Despite the student loan burden that I am faced with and millions of others are faced with, I still believe in the power of higher education. I have hope that debt cancellation and reforms to the current higher education and student loan systems can create equitable access for millions of Americans whose dreams are to one day go to college as well as financial and emotional relief for those who are struggling because they went to college in pursuit of the American Dream. I thank you for the opportunity of speaking here today.

Jennifer Hong: Thank you so much for your comments. At this time we'll go to Angela Inzano. Angela Inzano.

Angela Inzano: Hi, hello everyone. Thank you for the opportunity to speak here today. My name is Angela Inzano. I'm speaking on behalf of the Chicago Bar Foundation. We are here today as representatives of the legal community because the ongoing student crisis is also a significant access to justice problem in our country. When the weight of overwhelming student debt prevents dedicated lawyers and legal professionals from pursuing careers serving everyday people and small businesses, it is increasingly that our nation's ideal of equal justice for all falls further out of reach. And we all suffer as a result. Strengthening the public service loan forgiveness program is a critical part of the solution, and we've heard that from many others during these hearings. The problem, though, is much bigger than just public service. What our country needs at this moment is a long term, holistic and sustainable solution that is responsive to the reality and is fair and equitable for all. The linchpin of the proposed solution that I want to talk about today is to take advantage of today's near to refinance their public and private student debt into one new streamlined income based repayment program that would feature more realistic interest rates for everyone. And then for those who can establish that consolidation option isn't fair or equitable, such as graduates with debt incurred at predatory for profit schools, bankruptcy and cancellation should be made a more manageable option. Going forward, students could then borrow what they need with realistic and equitable terms and repay their loans under this new repayment program with an income. More improved public service loan forgiveness program as part of it as well. It's also important that there be more accountability for schools improved information for borrowers on the front end and more opportunities for employers to also help their employees with repayment of their student loans. And I know that cost will come up. Some may wonder how much all of this will cost, but if we acknowledge the reality of how much of our country's current student debt is already uncollectible, the real cost of this approach is likely to be nominal in comparison to doing nothing. We've submitted this proposal in full in writing, but to illustrate how we believe that these changes would help graduates in a forward-thinking, comprehensive, and equitable way, we've chosen 3 case examples. Sammy is a recent graduate from a paralegal program in the city she'd really like to move back home to her family. That families rural town where she knows there's a shortage of legal help available and where she could work in a small law firm serving farmers and other small businesses in the community, but she's worried about her ability to make her student loan payment with a lower salary that's available there. She knows she can make a lot more money working

for a law firm in the city, but under this proposal, Sammy would have a clear and hopeful path forward, a manageable interest rate, a reasonable income based payment each month that could rise as her income rises and should be helping close a growing gap available legal help in rural America. Paul is a coder at a startup and the first in his family to graduate from college. He'd really like to start his own socially conscious tech firm in an underserved neighborhood in the city and employ and train community members in this industry. But Paul is afraid to do this innovative and community based business because of the high student loan debt he carries from having to support himself through school under this proposal, Paul would have the same more realistic path to get his career started as Sammy, and when his business is given a chance and becomes wildly successful as he knows it can be, he would end up paying back the entirety of his loans based on that higher income. Our proposal would allow Paul to invest in his underserved community, but also grow our economy in a more equitable and inclusive way. And lastly, Amelia is a first generation perspective college student in the year 2030, if we do nothing now to fix the structural problems in higher education financing repayment, Amelia will continue to find an unsustainable set of options to navigate. She may opt to skip school altogether, but under this proposal, she benefit from those structural improvements and would be able to navigate choosing a school with increased transparency and confidence about which schools are a good investment and which are predatory to avoid. This proposal would allow people like Amelia to have all the information they need to make the educational choices that are best for them. And as you can see, this comprehensive solution would be more fair, accountable, equitable, and rational. Everyone pays their fair share and is incentivized to do what is best for not only them in their families, but also our economy and our country. The cost of doing nothing is too high for graduates who are afraid to start businesses and buy homes and live where they want for taxpayers in our economy and for our country's future. Thank you again for the opportunity to present today and we stand ready to work with you to address this crisis in a meaningful and responsible way.

Jennifer Hong: Thank you so much for your comments. Next, we have Mike Pierce. Mike Pierce.

Mike Pierce: Hi, can you hear me yes. Go ahead. Great, thank you so much, sorry just bear with me I'm a bit early here and I thank you for the opportunity to speak today. My name is Mike Pierce. I am the policy Director and Co-founder of the Student Borrower Protection Counsel, a national nonprofit organization largely comprised of former officials from the Consumer Financial Protection Bureau who served as regulators. As I'll discuss in more detail, the Biden Administration must use all of the tools in its toolbox, including administrative and sub regulatory action, as well as rulemaking to deliver on the promises already made. The student loan borrowers under the law, The Higher Education Act, holds the potential to lift the burden of student debt off the shoulders of 10s of millions of people yet administrations of both parties have repeatedly failed to deliver. This must change, it must change now. I'm pleased to be here today to talk about the student debt crisis from a consumer protection perspective, and in particular, to highlight the awesome power the department wields as one of the largest holders of consumer debt in the world. From this vantage point, the US Department of Education, and in particular the Office of Federal Student Aid, has historically behaved more like Wells Fargo than a branch of the United States government. I say this not to be glib, but to highlight the truth underlying are badly broken student loan system. The economic lives and financial futures for 10s of millions of people rest with the regulatory and sub regulatory decisions made in the weeks ahead. I also use this analogy to highlight the widening gap between student loan borrowers' rights under the Higher Education Act and borrowers lived experiences struggling to repay these debts. When millions of families lost their homes to foreclosure more than a decade ago, advocates warned of a startlingly similar gap. Congress and the Obama administration made broad claims about Americans rights to mortgage modification and foreclosure mitigation promises that proved illusory as the biggest

creditors in the mortgage industry ramped up the foreclosure machine and kick millions of families out of their homes. Similarly, the Higher Education Act makes bold promises to Americans with student debt. The promise of a monthly payment that will never be quote unquote affordable. The promise of loan forgiveness for workers who served for a decade. The promise of debt cancellation for those who become totally and permanently disabled. The promise that student loan payments will never be a lifelong burden for low income people, and the promise that government will discharge debts for those who have been defrauded by a predatory school and those who have faced a school closure. And much like we saw in the wake of the financial crisis for far too many these promises were not worth the paper they were printed on. I want to use my time here to highlight a few examples with more precision. Each day were met with new evidence that the student loan system is unable to meet the needs of student loan borrowers and our country. For example, this year alone the GAO found that PSLF, which was established nearly 14 years ago, has only cancelled the loans of 124 members of the military even as hundreds of thousands of hours of served and CLC national Consumer Law Center received data through FOIA showing that only 32 borrowers had successfully navigated IDR payment plans and received cancellation out of more than four million with decades old debt. The governments identified more than a half a million people with disabilities who are eligible to have their debts immediately cancelled based on data the Education Department has today. The Education Department just acknowledged last week more than 150,000 PSLF borrowers whose applications are backlogged and another 100,000 applications for borrower defense to repayment discharges that are also backlogged. There's a robust and growing body of evidence that shows the far reaching economic effects of student debt across borrowers' financial lives. It also shows these effects are not shared equally. The student debt crisis is a civil rights crisis. Cancellation of student debt is a matter of equity as much as a matter of justice. This research also shows the myriad ways that the government has broken promises to student loan borrowers. Millions of low-income people default on student loans despite a right to affordable payments. Millions of older people remain trapped in debt despite promises of debt relief. Students, taxpayers, and the entire higher education sector continue to pay the price for decades. But the decades long failure to deal with the collapse of Corinthian, ITT, and other large predatory schools. SBPC recommendation today is a simple one, Joe Biden needs to deliver on for student loan borrowers before he throws them back into the badly broken student loan system that means taking necessary action to cancel debts to the maximum extent amount allowable under the law. Cancelling 50,000 to cancel all debt owed by low income people, by public service workers who have served for a decade or more, by people who are totally and permanently disabled, and people who have been defrauded by predatory schools and many many others. The department's neg reg agenda must be informed by and fill in the gaps remaining after a robust, comprehensive effort is undertaken to deliver immediate debt relief to borrowers. This regulatory effort should address the underlying flaws in the student loan system that continue to drive the student debt crisis. I know that I am limited in time here and I just want you to know that I will offer more detailed written comment but I did want to flag two other topics before I run out of time. First, right, it's critically important that the department in writing better rules, needs a better negotiating table. That means participation by borrowers, advocates, and experts that can represent the lived experiences of borrowers and provided deep understanding of how the current system has failed. That requires an expert with deep knowledge of each topic on the agenda rather than following a one size fits all approach has been the norm historically. This is illustrated by the failure of the most recent TPD neg reg that failed to include a disability advocate. We'd encourage you to take this view broadly across negotiating topics. I also want to close by noting a couple of missing topics on Ed's agenda accreditation, state authorization, and 90/10 implementation are all critically important and must be priorities, but the top, to close the top regulatory priority beyond the set of administrative actions that I've already outlined needs to be income driven repayment. Joe Biden ran on the promise to cut borrower student loan payments in half

if they were unable to afford their monthly payment. That needs to happen before borrowers thrown back into the student loan system. We know the student loan system doesn't work for low income borrowers. We know that student loan borrowers are often failed by the student loan safety net. We cannot throw tens of millions of people back into the student loan system without first fixing the really deep flaws. Thank you again for the opportunity to participate today and again we will provide written remarks as part of the public docket.

Jennifer Hong: Thank you so much Mr. Pierce. Our next commentor is Brenda Dann-Messier.

Brend Dann-Messier: Good afternoon. My name is Brenda Dann-Messier. I'm senior advisor for Education Strategy Group, formerly Rhode Island's postsecondary commissioner and OCTAE's assistant secretary from 2009 to 2014, which houses the correctional education office, and acting assistant secretary for OPE from 2013 to 2014. My comments today are related to justice-impacted learners, and my work with justice-impacted learners started in the late 80's as the director of the Rhode Island Education Opportunity Center, a Federal trio program. Our EOC program assisted just it impacted learners prepare for re-entry by providing college admissions and financial aid information, application assistance since Pell grants were available for incarcerated individuals up until 1994. I've also had a long-standing relationship with the Rhode Island Department of Corrections and last year produced for them an equity focused plan to expand education and workforce training inside of our states correctional facilities funded by the Lumina Foundation. Based on the experiences listed above, I will use my time to suggest the following recommendations in preparation for the restoration of Pell Grants for justice impacted learners. I urge the department to begin offering Pell Grants for school year 22-23 and not wait for the 23-24 school year. Incarcerated individuals have been waiting long enough, 26 years long, and I urge the department to work with practitioners, policymakers, advocates, including those with lived experiences to expedite the process in order for all learners to reach their goal. One major limitation for individuals participating in higher ed programs inside correctional facilities, the lack of access to technology. I urge the department to work with United States Commerce Department to include in its broadband expansion an explicit plan to add broadband in correctional facilities so justice impacted learners can access all the tools and resources they need to be successful students. The Act states that DOC should determine which institutions of higher education should be allowed access to students inside correctional facilities. We know many states' DOCs do not have working relationships with their higher education officials, institutions of higher education, other state partners. I urge the department to recommend that states' DOCs partner with their states' higher education officials to ensure only high-quality institutions of higher education offer programs and services to justice-impacted learners. The law also requires, or the act, that institutions establish transfer articulation agreements. This is the work the shields can lead. Individuals who are incarcerated need a broad range of support services in order to reach their education workforce goals. I believe that we should prepare individuals for re-entry into their community as soon as they've been emitted into this system. Comprehensive assessments of the individuals work in educational histories, career interest, support services needed, must be part of the intake and assessment process and not just rely on the usual criminogenic assessments. The assessment should result in individual results and individual educational workforce plan for learners. Both the college promise ecosystem of supports and Federal Trio programs are student support services models that could be replicated inside correctional facilities. Correction staff should also be encouraged to form partnerships with community-based organizations to provide the necessary stream support services essential for students to increase their educational attainment levels. Financial aid advising and application assistance must be tailored to meet the needs of justice impacted learners, individuals who currently work at higher education programs inside correctional facilities can help deliver the academic personal

financial and career supports needed in Rhode Island. We are proposing the development of a justice peer navigator program managed by the reentry campus program established by its executive director, James Montero, an individual who was formerly incarcerated. We want to establish the Justice Care Navigator program to assist learners inside correctional facilities and back into the community, education and workforce training opportunities inside correctional facility should result in credentials of value, valued by employers and be tied to high wage in demand priority sectors that are gauge the regional and local labor market needs in order for it justice. Impacted learners to secure employment in sectors that could lead to economic self-sufficiency and to partner with employers willing to hire the formerly incarcerated individuals. Due to the fact that, there are more men than women incarcerated, many correctional facilities have limited high quality education and training programs for women this may be a violation of Title 9. The Department needs to ensure equal access to education and workforce programs for black indigenous students of color, women, and students with disabilities. Finally, the department should provide technical assistance to state DOCs, SHEEO's institutions of higher education, including second-chance Pell institutions, to design programs and services that effectively serve justice impacted learners by providing high quality programs and comprehensive support services. There is a large and committed community of individuals who have been doing this work for years along with individuals with lived experiences that would like to continue to dialogue with the United States Department of Education to make sure that multiple perspectives and experiences are included in the development of the regulations. In addition, of course to incorporating research and evidence based practices in the programs designed or expanded, please reach out to us. We stand ready to be of assistance. We will offer if written comments, and I thank you very much for your time.

Jennifer Hong: Thank you so much for your comment. Moving on to David Silberman, David Silberman.

David Silberman: All right, can you hear me? Yes, we can, thank you. Thank you, my name is David Silberman. I appeared today on behalf of the Financial health network as a nonprofit that unites business leaders, policy makers, and innovators in a shared mission to improve financial health for all. We see, student debt is a crucial financial health issue. I want to use my time to share some new data about the link between student debt and financial health, discuss severe challenges at the student loan system will face when the current payment freeze ends, and then discuss the urgent need to reform income contingent repayment plan. There are three key points I want to make. First, student debt is unmistakably a financial health issue, much research has been done looking at how student debt effects household formation, homeownership, and the like. But as important as these findings are, they do not begin to capture the full impact of student loan debt on financial health. The Financial Health network has developed a tool for measuring financial health, which we do annually through our nationally representative financial Health Pulse survey. The most recent survey was conducted just last month, and preliminary analysis of the data shows that compared to those without student debt, households with such debt are approximately 60% less likely to score within the top financial health tier, and importantly, the gaps are greatest for those with a relatively small amounts of student debt, and borrowers of color. For example, households with under 10,000 in student debt are twice as likely to be in the bottom tier and black household, black student borrower households are almost three times as likely to be in the bottom tier compared to non-borrower household. Second, the end of the freeze and student loan payments further threatens the financial health of borrowers, especially those who are already financially vulnerable. We all know that even before the pandemic, many borrowers were struggling to pay their student loans and the economic fallout from the pandemic has almost surely made their situation worse. Our research suggests that about 3.4 million student loan borrowers

currently are laid off or looking for work. They could face a dire situation if required to resume making student loan payments. Last year, the Financial Health Networks financial solutions lab convened a group of stakeholders to explore what could be done to avert this coming crisis. One of the outputs of that effort was an analysis by the Student Borrower Protection Center, from whom you just heard, focused on borrowers in the Bay Area. It found that even before the pandemic, roughly 30 percent of student borrowers in need of IDR were not enrolled and that number had increased by over 20% as a result of the pandemic. Moreover, the analysis found that this large unmet and surging need for IDR in the Bay Area was concentrated in geographic hotspots that are disproportionately communities of color, and that's undoubtedly true not only in the Bay Area but throughout the nation will be including in our written comments that more details on this study. But that brings me to my third and final point, as the debate over broad based student loan forgiveness continues the department should use all of its authorities to the fullest to ensure that when the freeze ends, borrowers in need of IDR can obtain it seamlessly from their services. Even before the pandemic, many borrowers who would have benefited from IDR were left out due in part to the complexities of the program and in part to the inadequacies of the servicing system. And again, that was especially true of the most vulnerable borrowers at the end of the freeze could overwhelm the servicing system unless the department acts both to streamline the enrollment process and to hold services accountable for meeting the needs of borrow. Beyond that, we urge Department to address via rulemaking, the rules that define who is eligible for IDR and how much borrowers in IDR are enrolled to pay. That means, among other things, re-examining the definition of discretionary income so that it realistically reflects how much borrowers need for basic living expenses, as well as the cost of living differences across the United States. It's simply not plausible to assume that everywhere in the continental United States borrowers with incomes that are 150% of the poverty level have money to spare, especially considering how low the poverty level is. Additionally, as the President has proposed, IDR payment should be set at 5% of discretionary income in order to make those payments more affordable. And finally, observers from across the political spectrum recognized the need that the safety net aspects of IDR and need to be strengthened. At least the low balance and low income borrowers so that their balances don't grow as they make their monthly payments due to capitalize interest, and so that they can be relieved of their remaining debt after 10 years rather than stretching out over 20 years as is currently required. As I indicated, would be submitting written comments, and we look forward to the opportunity to work with the department bringing a financial health lens and our expertise in financial health to these critically important issues, thank you very much.

Jennifer Hong: Thank you so much. Thank you for your comments. Next, we have Jason Schmidt, Jason Schmidt. We can't hear you, Jason. Uhm? Still can't hear you. Now. Feel like we can come back to OK, we'll give you another few seconds.

Jason Schmidt: I think I got it now. There we go. Yes, took me a whole pandemic to get this far. Anyway, my name is Jason Schmidt. I am here just representing myself as a borrower who actually fits into a group of people that tends to get overlooked in all of this conversation because we're qualified as high income earners earning over 125 thousand a year. My wife is a physician. We're both first generation college graduates. I'm a first generation law school graduate, and she's a first generation physician. Together, since graduation in 2012, our student loan debt has done nothing but grown. Even though we're in income based repayment, we're looking at over \$600,000 total in student loan debt between the two of us. How's it get that far? Well, physicians are required to do a residency program where they make about \$45,000 a year for three to seven years. During that time, you're essentially forced into the income based repayment, paying very little, and so what happens is your debt load grows when you're in the hundreds of thousands and then every time you need a break from

payments because of some issue with finances, they capitalize your interest on you and roll that in, and so you start paying interest on your interest over time. Personally, I graduated into one of the worst attorney markets, job markets, in US history and sort of a similar thing happened to me. I get an income that's out of step with what my debt load was and over time you end up, you know, you have kids in this time period. I've got 3 kids now, and you know it becomes something that affects your life in every single way. And even though you grow into an income that starts to match all of your things, like daycare, everything that adds up. Suddenly, you're like, well where's this wealth I'm supposed to be building that with this higher education. My parents have been saddled with a similar debt. I'm the oldest of five kids. All five of us fortunately went to college, even though my father worked in a factory and my mom stayed at home and they're saddled with over \$100,000 plus in parent plus loans, even though their income hasn't gone up since their kids went to college, but all of us feel the pressure to give back to them even with whatever income we have to make things work. Now I've got some ideas that I want to share with you just in terms of maybe how we can get creative. At that I'm not hearing in the public conversation about how things can change. Because, you know, being an attorney I can kind of dig into these things deeply and see the flaws in the system. So one, I think current income level should not dictate eligibility for forgiveness or other benefits because frankly when you got to look at your debt load as well as your income level and not just rule people out because, oh hey, we shouldn't be paying for doctors or lawyers to get student loan breaks. Most of our ability to get tax breaks, even when we itemize, goes out the window anyway. We don't get any benefits for paying our loans back sort of forced into just income based repayment when we can do it. Parent plus loans again, I feel like parents had multiple kids that are given the parent plus loans. Any forgiveness should be per child that was a borrower for them and not just per parents set. Proposed solutions in terms of how to proceed and make things right. Because I'm someone that will stand behind I knew what I borrowed, there's arguments from another side of the table saying well, know what you got yourselves into and so therefore there's no sympathy, only you're in it, and no way out. So some solutions, I'm not really hearing much of that, I think could help everybody that settled by this level of debt is let's keep interest rates at 0% on all federal loans. I mean, why not? Why should I pay more to borrow money than a bank does? It's crazy to me. And I'd like to see that actually reduced retroactively to counteract all of these times that are our debt and that interest has been capitalized adding to the debt load compounding the amount of interest get charged against what we owe. So if you do it retroactively, that means each of us would pay back the amount we borrowed and no more I get that there's maybe a windfall there with inflation, but you could probably get creative and deal with that, but at least it's nobody on the Republican side can say we were getting a handout here. We're just trying to pay back what we borrowed in a way that makes sense. The other thing is maybe to allow repayment of student loans to come out of pre-tax dollars without any sort of limitation or some tax breaks on what we're paying back to incentivize repayment. A lot of us are just sitting here thinking well years from now I guess my loans will get forgiven because I'm never going to pay them off in 20 years. I've got three kids that are probably going to college before I my debts paid off, but if you sort of added that incentive of paying out of pre-tax dollars, kind of like 401ks work. Maybe we'll kind of see a light at the end of the tunnel and be able to pay back quicker. And then also just keep this same forgiveness programs without any new caps or exclusions. A lot of people are relying on public service loan forgiveness. They're working for nonprofits regardless of their income level 'cause a lot of people that work for nonprofits, they take on lower income than they could have had, myself included. If I would have gone and worked for a big law firm and tried to make a lot of money that way you give up income pursuing things that are maybe a public benefit, and you shouldn't be penalized just 'cause you're a lawyer or doctor doing the same thing because you take on way more debt. So that's really about it for me. I think it's just I don't come from wealth and there's a lot of us out here that now make a quote on quote high income that people look at with some sort of disdain because we made it, and we're trying

to rise in the ranks as Americans. But we're still held down by the fact that we don't come from wealthy families. I mean, any of us that have this amount of debt. We didn't just pass up money from our parents to get here. It wasn't, that's not what it was I mean, I feel like there's this new construct of compared to the Reagan administration's welfare queen like we're the people that are just sitting back. It's a straw man type argument and I'm sick of hearing it and sick of being pushed aside 'cause for a lot of us it's not just a personal responsibility issues it's turned to a mental health issue for a lot of us here, and you see that, like, the only way you're getting out from under these is dying or paying it back. I mean what kind of message does that send? Anyway, I appreciate your time. Thank you.

Jennifer Hong: Thank you very much for your comments, Mr. Schmidt. Next we have Christopher Barto, Christopher Barto.

Christopher Barto: Hello Christopher, hi, good afternoon. Can you hear? me yes, we can thank you. Great, thank you so much for the opportunity to speak today. I'm here on behalf of my institution LIM College where I'm the vice President of Government relations and Community Affairs, also higher rate administrator with over 32 years of experience in all sectors of higher ed and primarily in the world of financial aid. I've been at LIM College for 17 years where I'm also the chief Financial aid administrator. And I'm currently the chair of the government relations committee for the New York State Financial Aid Administrators Association or NYSFAAA. For a little background on LIM College, we were founded in 1939 as Laboratory Institute of Merchandising. LIM is the only college in the US that focuses exclusively on the business of fashion and has been a pioneer and experiential education since its inception. Our current enrollment is a little bit shy of 1700 students in eight undergraduate programs and four graduate programs of study. We are a woman owned an LED institution under the visionary leadership of our President Elizabeth Marcuse. We're also a proud member of the New York State Association of Proprietary Colleges, Colleges that have been engines of social mobility in New York State for generations. I'm here today to talk about revisiting flawed gainful employment regulations but focusing more on outcomes and raising the bar for all students. I'd like to emphasize the importance of the college scorecard data that's publicly available and provides meaningful and important transparency information for students, parents, and higher education professionals to examine and compare outcomes completion rates earnings, debt levels, etc. And this information is now available for all degree granting institutions on a programmatic level based on 4 digit ZIP codes, providing further data and exposing the flaws, what we believe are the flaws of the GE 2014 regulations. Based on current college scorecard data, 697 degree-granting institutions have debt to earning rates for borrowers above 8% and would not have passed the USDOE's debt to earnings metric applied to borrowers. This includes thousands of degree programs across all kinds of disciplines and hundreds of thousands of students that are quote, presumably in lower quality programs across all sectors of higher ed. The 2014 GE metric is problematic for wide swaths of higher education, again, in all sectors. LIM College's specific history of strong career outcomes in earnings provide a perfect example of the inherent flaw in the previous GE regulations. Assuming that this metric should only be applied to degree granting programs at proprietary colleges and ignoring the vast majority of college students who attend public and non-private colleges, sends the message that lower outcomes and poor returns on educational investment are unimportant for students in the same type of degree programs at non-profit colleges and that their institutions don't need to be held accountable for results that quote lead to gainful employment in those occupations from those institutions. LIM's exempli outcomes have been broadly recognized. For example, the Brooking Institute's value-added rankings place us in the top 10% of all colleges in the United States. Georgetown University's recent return on investment study provided strong evidence of the long-term return on LIM College degree programs, specifically accountability and transferring data matters. Based on the 2020 December 2020 College Scorecard data, LIM's largest

degree program, fashion merchandising, has the fifth highest salary two years post-graduation of over 50 other similar programs with comparable data in the US. With median earnings of over 45,000 and median debt of 26,000, LIM's simple debt to income ratio is 6.58%. Almost half of other similar programs don't fully pass the previous GE metric having DTs higher than 8%. More than half of those are public or private nonprofit colleges most with very similar debt levels, just as LIM. This is just one example that is repeated hundreds, if not thousands of times across higher ed based on scorecard data. When you compare degree programs amongst colleges in all sectors, we urge the departments and not engage in political ideologies or politics that make assumptions about proprietary colleges that are not based in current facts and ignore the challenges that all of higher education faces. LIM College and APC member colleges from New York State would like to see reasonable accountability metrics that set minimum outcomes thresholds for all of higher education. A rising tide that raises all boats and helps all students regardless of the tax status of the type of institution they choose to enroll at. We will be submitting more detailed written comments and look forward to adding that information and additional data to the record. Thank you so much for the opportunity to speak today.

Jennifer Hong: Thank you, thank you very much for your comment. Next, we have Christopher DeLuca. Christopher DeLuca.

Christopher DeLuca: Hi, can you hear me? We can. Thank you for the opportunity to participate in today's public hearing. My name is Christopher DeLuca, and I am an attorney whose practice includes the representation of post-secondary trade and career schools. I had the privilege of serving as an alternate negotiator on both the 2016 and 2018 borrower defense to repayment negotiated rulemaking committees based on the information provided by the department in the lead up to the public hearings occurring this week, it appears that the department is considering to again convene negotiated rulemaking committees to make further changes to the borrower defense regulations. Enveloping borrower defense policies and procedures it is critical that the process provides students with viable means by which they can submit their claims. The procedures must also provide due process for schools to be able to respond to allegations made against them, which means that schools must be provided with notice of the claims and any evidence submitted by students, along with a fair opportunity to respond. And the process must protect the taxpayers because they will ultimately bear the cost of successful borrower defense claims if the institution does not have the financial resources to provide restitution. If the Department is to issue new borrower defense regulations, then that would mean that there would now be 4 different processes to follow in administering of students' borrower defense claim depending upon when that student's loans were disbursed. If the department is to convene a third borrower defense negotiated rulemaking committee, I strongly recommend that this committee's work be limited to just that borrower defense to repayment. One of the stated goals when I first served on the borrower defense negotiator Rulemaking Committee to simplify the procedures by which student claims were processed. For the past few years, the department has received 10s of thousands of student borrower defense to repayment claims. Most of these claims were submitted subject to the pre 2000 rules. Governing borrower defense claims which are complicated by state law considerations, which is contributed to the current backlog of cases. Having procedures by which the department can efficiently process student claims while ensuring due process to institutions and protecting the taxpayers' interest is critical. Given the importance of this issue and with hope for creating a final rule that will be respected by all constituents and not be at risk for even another rule change by a future administration, I believe that any potential future borrower defense negotiated Rulemaking committee should be tasked with the sole and critical role advising a fair and efficient procedure for processing student borrower defense claims. In the past, two borrower defense negotiated rulemaking sessions the committees were tasked with negotiating proposed changes to

other regulations, including the Financial responsibility standards. I strongly urge that if the department convenes a third borrower defense to repayment negotiating rulemaking committee that financial responsibility standards be excluded from their scope. And its responsibility is a critical component of the department's oversight of postsecondary institutions that participate in the federal student aid programs. But it is not related to borrower defense to repayment. In legal terms, borrower defense to repayment is akin to civil procedure. It is a process by which claims are to be submitted and adjudicated. Any committee that is convened to negotiate the borrower defense claims process should consist of persons who have the experience and knowledge to be able to develop a final regulation that fairly balances the interests of students, schools, and taxpayers. The department is seeking to review existing financial responsibility standards, then I strongly urge the department to convene a separate negotiated rulemaking committee with the experience and knowledge to address those issues. Financial responsibility is too important an issue to be an afterthought or tacked onto another negotiated rulemaking topic. It requires serious consideration with committee members who possess the requisite financial and accounting knowledge and experience. Such a committee would and should look much different than a committee otherwise tasked with negotiating the procedures for the adjudication of student borrower defense claims. As a final comment on a separate matter, I strongly ask the department take concrete steps to improve its process for completing program reviews. Program reviews are important for ensuring compliance with federal student aid laws and regulations and for the protection of students and taxpayers. But to be effective, this process must simply be more efficient. I experienced cases where an institution had to wait over 5 years between the issuance of a program review report in a final program review determination letter. I have another situation in which the department conducted an onsite visit over 2 1/2 years ago and the institution is still waiting for the initial program review report. This is simply unacceptable for program used to be inefficient or to be an effective tool in the administration of federal student aid. The department must be responsible and process these reviews in a timely manner. Thank you for the opportunity to participate in today's hearing.

Jennifer Hong: Thank you very much for your comment. John Cagle. Can you hear me? Yes, we can hear you, John. Excellent.

John Cagle: All right, so my name is John Cagle and I'm from the Woodlands, TX. I'm here today to hopefully open up a discussion on the issue of transcript withholding. A little bit about my situation: about two years ago I attempted to send an official transcript from one university to another, but a personal loan that I had taken out, in my opinion, wasn't fully explained to me as being non deferred made it impossible to have my transcript release. There were no take backs for this loan or even through the use of future financial aid which had been awarded to me, which would have more than covered the cost of the initial loan. \$2800 is a lot of money to just prove through virtual piece of paper that I had indeed been there and done that. After that I was unable to register for the next semester at the university and I was forced to leave the campus. I began my life as a Houseless person living in a tent in the woods, finding specific universities which only allowed such waivers for the official transcript. What blew my mind then was how at the university. I made my way up through the chain of command communicating effectively with people at every level, yet no deals were brokered regarding payment plans which were reasonable, ultimately ending up in policy being thrown at me. I never gave up, however, and I continued my pursuit of architecture and found a very wonderful community college, awesome community college, which sees the student as their priority and, quick plug, is one of the rare community colleges that offers an AAB-accredited associate of science architecture program. As amazing as my experience has been there, all good things must come to an end. Because now I need to move on to a major university so that I may earn my bachelor's degree. The roadblock from

two years ago is creeping back up again and is now more salient than ever. It's the only thing standing between my future and not having one. I recently started to do some research on my situation because I thought it was illegal to withhold transcripts from students, but it's actually a very well-known practice by universities shameful in my opinion. But by law, transcripts are considered property of the institution. How can this be, though because we as a student spend our time on our education. We go into debt for the opportunity to change our stars, but when it's all said and done, if we owed it to the university, it's as if these achievements never existed. How would you like to work for five years on something only to not be able to access careers in society to advance the community, the economy, and to grow as a person all because you owe the university money. The tangible result that should be considered is what's in your head, and what you can do with the knowledge you've gained. If not for the struggles of my personal journey to find the solution of my problem, I would have never discovered that this is actually a national crisis and not just a me problem. I have discovered that there at least 6.6 million students who also cannot move on with their lives, continue their education, or prove to potential employers that they do have the skills all because of a transcript or diploma that is not present in their resumes which is being withheld because of debt. I wonder how they're ever supposed to be able to pay this back if they can't find the opportunity to do so, since they can't be hired anywhere. Rather than blame any specific person, however, I think that the system is obviously broken. The Department of Education and all those concerned should work together to create a policy which allows institutions the access that they need to look at student records without the need for processing fees students would have to otherwise pay. How about a nationalized system where all transcripts are held in any university may access these records at a given notice. Anyway, get rid of the disproportionately costing transcript fees and get more people the freedom to apply to as many schools as they can. Lastly, I want to say it to the Department of Education that you have the keys to unlock it all. So be the heroes of our great country because our education is our greatest asset.

Jennifer Hong: Thank you very much for your comments. Next, we have Robert Hildreth, Robert Hildreth. Last call for Robert Hildreth we'll come back to you, Robert. How about Judy Mortrude?

Judy Mortrude: Good afternoon. I'm from World Education National College Transition Network. Thank you for the opportunity to discuss regulatory fixes to the ability to benefit provision of the Higher Education Act or ATB. This year marks the 30th anniversary of ability to benefit as a federal student aid policy but today ATB is poorly understood and massively underutilized it no small part due to the fluctuations of legislative approval the adult career pathway movement of the early 2000s built successful adult bridge programs and integrated education and training models. Thousands of adults and young adults without high school credentials accessed Pell grants after first completing one of two ATB alternatives either through attaining 6 college credits or by achieving a cut score on a standardized assessment approved for ATB use. However, in 2012, Congress eliminated the ATB provision in a budget cutting move, and this changed all of the many adult education and community college partnerships supporting adult students transition, as tapping those federal student aid funds was the life blood that made college going possible for these adult learners. In 2015, Congress partially restored ability to benefit with a lesser maximum award and some very confusing program design language. But by 2016, ATB was fully restored with equitable resources and with a career pathway definition alight aligned to other federal law, namely the Workforce, Innovation and Opportunity Act of 2014. In 2019 Congress passed the strengthening career and technical education for the 21st century act or Perkins 5 using the same career pathway definition, and the US Department of Education, held a national dialogue and ability to benefit showcasing the work of state and local partners implementing adult career pathways and leveraging ATB. Since 2019 four states have successfully developed and approved the third ATB alternative the 3rd way that an individual proves their ability to benefit from

post-secondary education via state defined process. Having state leadership, a state defined options supported by the Community college system is powerful. For far too long the post-secondary options for adults without high school diplomas have been short-term, terminal trainings. Revisiting the section 668.156 approved state process regulation can help more states build equitable career pathway strategies that accelerate secondary and postsecondary completion for adult learners. Specifically, the first section that needs simple updating the state defined option is listed only as an alternative to the test option blind to the option that is used by most community colleges, which is the six credit option. Additionally, the mandate to include percentage outcome data in the application is unreasonable. It assumes across system data reporting that only begins to be available once a state defined process is in place, even in states with well-defined adult group pathway initiatives like Washington and Mississippi. Only now through turning on their state defined alternative will they be able to generate the data reporting called for in the application. Finally, section C needs revisiting. The six services detailed under section C are standardly available services, but we know that for adult career pathways to work, there must be much deeper intentionality and cross system alignment. The approved state process regulation should be updated to clearly connect to the adult career pathways as defined in WIOA, Perkins 5, and HEA. Through mandated WIOA and Perkins 5 state and local plans we have state and local level strategic and operational guidance for career pathways. The Institute for Educational Science's What Works Clearinghouse is recently released gold standard research on the positive impacts of career pathway program models and a practitioner's guide. So, we have evidence that career pathways work, we know how to implement them, and ATB is the federal funding that can make equitable access and success a reality. Essentially by revisiting section 668.156, the agency can help states establish an intentional adult career pathway strategy support students into and through it and leverage ATB as a resource to scale and sustain the work. An additional benefit of rulemaking would simply be raising ATB's profile. In a study of ATB use, 50% of postsecondary institutions reported that lack of awareness of ATB was the biggest challenge they faced, and they highlighted the need for increased ATB advocacy. With millions of adult students potentially qualifying for ATB, it is an equity imperative that community colleges and their partners begin utilizing this overlooked funding source with evidence based program designs. Thank you for the opportunity to share with you and World Educations National College Transition Network stands ready to support the department's rulemaking and ability to benefit.

Jennifer Hong: Great, thank you very much for your comments. Moving along, we have Gail daMota, Gail daMota.

Gail daMota: Hi, thank you for this opportunity to comment on regulatory issues that can improve outcomes for student borrowers. My name is Gail daMota. I'm with Education Finance Council also known as EFC. We are the National Trade Association of nonprofit and state based higher education finance organizations and I would like to outline just a few of our recommendations on a high level regarding improving the repayment process first and foremost. We urge FSA to provide federal servicers borrowers and other stakeholders certainty on the date when the COVID-19 payment pause for federally owned loans will end, there is an urgency here. Outreach to these borrowers must begin many months before repayment begins, particularly to those who are at high risk of delinquency. When payments resume, however, servicers have been instructed to temporarily cease communication with borrowers until notified further by FSA. It is critical that services are allowed to begin this outrage as soon as possible to provide the borrowers the information they need to prepare to enter repayment on their student loans. Borrowers need time to budget update their counts, provide services with any required documentation. And servicers also need time to update their IT systems to find and hire staff to ensure staff passed background checks and receive FSA security

clearances and provide the proper training to their staff. This September 30 deadline is quickly approaching and every day that passes without date certainty of when this payment pause will end is a detriment to the borrower. FSA must stop delaying and enable the servicers to communicate with the borrowers to help them prepare them to enter repayment and to provide additional assistance to those who are at high risk of delinquency and default with regard to income driven repayment plans, we encourage the department to swiftly implement the data sharing in multi-year consent provisions of the Futures Act. This would allow the Federal student loan borrowers to automatically enroll in an remain enrolled in IDR plans without having to provide documentation of their income. With regard to public service loan forgiveness, EFC is encouraged by the improvements made to the application process, however, understand there is much more work that needs to be done. The recent PSLF report data released by the department clearly shows what we have known for some time that borrowers were not arbitrarily being denied. They simply were not yet eligible for the program. Based on the requirements and parameters set by federal law, and regulation as stated in the department's press release for forgiveness have eligible loans that have been in repayment for less than 120 months. It is important to remember, too, that upon implementation of the program back in 2007 of the borrowers were in an ineligible loan program, the FFEL program to become eligible for public service loan forgiveness. They had to consolidate into the federal direct loan program which would reset the 120 month payment clock meaning those borrowers did not and still do not get credit for employment or payment activity on those prior loans. We encourage the department continue examining the PSLF program, and to make changes that will ease burdens to the borrower from the process of determining eligibility for PSLF. We also like to encourage increase transparency of college costs and financing. We suggest modifying the preferred lender lists rules to allow for additional counseling of students and families on paying for college. The department has the authority to once again allow nonprofit and state based organizations to work collaboratively with higher education institutions without fear of violating PLL rules to provide a spectrum of valuable education finance and advisory services to students and families. These services help students and families understand their financing choices and to make smart borrowing choices. And lastly, we suggest applying the same private loan disclosure requirements to the Federal Student loan program especially the Federal plus program so that students and families have the information they need to make fully informed higher education financing decisions. The federal government is currently not subject to same disclosure requirements as private lenders, and as the originator are of more than 90% of all education loans in the nation they should be required to provide a more complete picture of the total expense associated with federal student loans, including APR, origination fees, and the potential effects of deferment, forbearance, and interest capitalization. I thank you for your time and the EFC team is available to you should you have any follow up questions or information, thanks.

Jennifer Hong: Thank you very much for your comment. Next, we have Robert Hildreth again, Robert Hildreth, I think. We're going to go back to see if he can tune in. Robert, are you there? How about we try Andrea Harvey-York. Andrea Harvey-York, whom I do see. Andrea Harvey-York, are you there?

Andrea Harvey-York: I am here. Thank you so much. Thank you, wonderful. Good afternoon, my name is Andrea Harvey-York and I'm pleased to provide comments today on behalf of West Coast University, also known as WCU. WCU strongly supports federal student protections and is pleased that the Department of Education is committed to advancing equitable outcomes for all students. Our hope is that this current discussion will lead to a regulatory environment that is inclusive of the voice of the proprietary sector. WCU opened its doors in LA, Los Angeles, in 1909 and today offers a diverse range of health care programs across 6 campuses in Southern California, Texas, and Florida. We are known for our preeminent, undergraduate, masters, and doctorate nursing programs in 2000, and produced

28% of the Bachelor credential nurses in the state of California. We also offer undergraduate and graduate programs in dental hygiene, health administration, occupational therapy, physical therapy, and pharmacy. We are family owned. We are not publicly traded. WCU holds regional accreditation through the Western Association of Schools and Colleges and our specialized programs hold national accreditation. Our outcomes are a testament to the quality of our programs and commitment of our diverse student body. Over 90% of graduates pass the National Nursing License exam on their first try. Financially, our graduates are excelling in the workforce. WCU has a 0% student default rate with Sallie Mae for 2019 and 2020, and only 10 total defaults since 2014. This represents the lowest default rate of any non-profit or proprietary school in the country and the top five in the nation for lowest default rates at Sallie Mae. 70% of our student body identify as people of color, and over 50% identify as Latinx. They have been deeply engaged in vaccine distribution and we are extremely proud of the differences they will make in delivering health care to communities of color. Especially as our nation addresses gaps in health care equity in America. Even before the pandemic experienced nurses were retiring at a rapid rate and there were not enough new nursing graduates to replenish the workforce. The American Nurses Association estimates the US will need to produce more than 1,000,000 new graduate nurses by 2022 to fulfill its health care needs. Now as we rebuild the post pandemic economy there continues to be tremendous demand from hospitals and clinics to hire more nurses and allied health care professionals. There is also growing demand from students who want to enter these programs but there is limited enrollment capacity at schools given the cost of operating the programs today. We ask you to listen to our concerns regarding potential changes to borrower defense rules and gainful employment so that we may continue to serve students and address these recognized needs for a skilled healthcare workforce. The current BDR provision allows loan borrowers to seek forgiveness if a college or university misled them or engaged in fraudulent behavior. We agreed with the overall intent of the regulation, however, previous proposed versions of the reg sought to create an opaque system that paints with broad strokes across the proprietary sector, lumping the bad actors and the good actors together. Particularly concerning for our university are versions of the regulation that proposed sweeping new title four requirements regarding a school's financial responsibility with all-encompassing mandates and automatic triggers for letters of credit for subjective and arbitrary reasons such as the mere filing of a lawsuit. We are also concerned with previous attempts to convert a regulation that Congress intended as a defense against collection proceedings into a far reaching and House legal system where students are allowed to revive decade old grievances in attempt to have their loans forgiven, but without providing the university the benefit of its due process rights of either understanding the claims against it or presenting evidence to refute the same. For example, in previous versions of the regulation, accused schools were given no indication as to the substance of the claims against them, nor the process by which the department intended to adjudicate the claims. Opening the door for predatory class action lawsuits. We respectfully request that any changes considered provide relief for borrowers and due process and transparency for institutions of higher learning. We are respectfully asking Congress and the administration to work with WCU during the rulemaking process so that we can protect the ability of students to have options and flexibility in their higher education. And we are grateful for the opportunity to present our thoughts with you today. And thank you for your time and consideration.

Jennifer Hong: Thank you very much for your comment. We are going to go back to Robert Hildreth. I think we worked out our tech issues with him. So third time's a charm. Robert Hildreth, are you there?

Robert Hildreth: Yeah, can you hear me? Yes, we can. Thank you, praise help. Well I am Bob Hildreth, the guy you've been waiting for, and I am here on behalf of the Hildreth Institute and next to me is none other than Doctor Marcelo Orozco, the Chancellor of UMass Boston. Let me begin my testimony.

Today, the average student borrows \$35,000 for college, but the real burden comes from the \$370 payment students must make each month on that debt. Is it possible to reduce this payment to only \$50 by adopting the practices of pension funds? If so, a 7-fold decrease in monthly debt payments would be transformative in the lives of 43 million students holding the debt. Pension practices include the following: 1. Spreading payments over a lifetime. 2. Generating revenue through investments. 3. Obliging employers to contribute to employee payments. And 4. Creating a rotating fund to meet future obligations. Applying these practices to financing college would create a low cost, no interest lifetime investment plan for students. The government initially would fund investments out of its current annual appropriation for the student loan program, as students choose between loans and investments. But overtime, the rotating fund would pay for the investments. Payments would be divided into 50 years or life expectancy. They would be deducted from pay for those who work, those who do not work would have their investments written off. Corporate contributions would expand today's practice of many companies which provide help for employees to pay their student debts as part of their standard benefit package. As payments are received from students and employers, they would be invested in treasuries to build revenue in a rotating fund. Because payments could be simply calculated by eliminating interest projections, students would know their future obligations with ease and with certitude. Taxpayers' losses from the present student loan system are large and growing due both to embedded forgiveness and defaults. The structure of investments, however, could substantially decrease these losses by making student obligations highly manageable: \$50. Investments could be combined with loan forgiveness and may even enhance its chances of passage as losses incurred from past loans would be tied to investments with much greater certainty of being paid. To test a no-interest, lifetime investment proposal, we shall apply for a repayment waiver from the Department of Education. With this waiver, a university could conduct a pilot by offering investments to students. Hildreth Institute has joined with UMass Boston to test this proposal through a series of focus groups, and now I give you, my doctor Orozco. Thank you so much. Good afternoon, dear colleagues, my name is Marcelo Suarez-Orozco, and I am the Chancellor of the University of Massachusetts, Boston, New England's most diverse university, the third most diverse university in our country. We are partnering with the Hildreth Institute to study in depth the vehicles that could serve to alleviate the debt students are carrying as we examine in greater detail the idea that Mr. Hildreth just presented to us. I believe that higher education in our country is facing extraordinary challenges to the health and well-being of our students. As they move through the higher education system and their ability to manage an affordable payment schedule moving forward is of existential importance as we move towards a more equitable, a more diverse, and a more inclusive future for higher education in our country. Thank you very much for the opportunity to testify this afternoon.

Jennifer Hong: Thank you very much for your comments. Next, we have Satra Taylor, Satra Taylor.

Satra Taylor: Hello, can you hear me? Yes, we can. Thank you. Awesome, good afternoon. My name is Satra Taylor, manager of the Higher Education Justice Initiative at the Education Trust. I'm here to give public testimony on behalf of the Education Trust as a national nonprofit organization working to close opportunity gaps that disproportionately affect students of color and students from low income backgrounds. Ed Trust is broadly supportive of the Department's plan to invite comment on, examine, and possibly revise several federal higher education regulations. We would especially encourage action to protect student loan borrowers by restoring and strengthening the gainful employment and borrower defense to repayment rules. But today we want to focus on the Department's implementation of Pell Grant eligibility for students in prison education programs. Ed Trust is committed to expanding high quality educational opportunities to individuals who are incarcerated. Along with our partners in the education, civil rights, and criminal justice communities, many led by

people who have experienced incarceration, we urged Congress to rescind the 1994 Pell ban, in which we were thrilled to see Congress lift the ban in the December 2020 COVID-19 relief package. Thankfully, this law contains early implementation provisions that allow the department to implement Pell restoration quickly, which brings me to our chief concern for your consideration. While the law was passed, the ban has yet to be fully lifted. The Department has until July 1, 2023, to do so, but it does not need to wait and should not wait to make students in prison eligible for Pell grants. Until Pell grants are restored more than 400,000 eligible students in prison remain locked out of higher education opportunities. We urge you to act with deliberate haste to implement Pell grants for students who are incarcerated this year, in 2021, while establishing safeguards to ensure that higher education in prison pays off for students and protects taxpayers. However, without Pell grants, higher education in prison remains inaccessible to the overwhelming majority of students. After the 1994 ban was put in place, the number of education programs in prisons plummeted, from more than 350 in 1990 to only a dozen in 2005. Fewer carceral education programs means fewer justice-impacted individuals have access to essential educational opportunities that many of them were denied throughout the course of their lives. It means fewer justice-impacted individuals have the means to pursue opportunities for themselves and their families. It also means the light delaying progress on addressing racial disparities in college attainment overall, which is an ongoing goal of the Department of Education. Reinstating education opportunity for these students cannot happen soon enough and Congress has provided a way to expedite this policy. Given the department's existing experimental sites, effective models are already in place to facilitate quick and efficient implementation. Existing frameworks for approval and reporting established by the department can be repurposed and guided to ensure that existing programs can expand responsibly and new programs can begin operating with fidelity. The time for you to act is now. Now what about safeguards? Through guidance outside of the negotiated rulemaking process, the department can and should address several important issues related to program integrity and quality. So ensure that students and taxpayers are protected when Pell Grant eligibility for students who are incarcerated is fully restored in prison, education programs are implemented, Christian education program should only be eligible to administer programs if they offer students who are slated the same opportunities for academic and career advising and counseling. Ensure that the cost of the program does not exceed the value of the program or other funding that institution may have received to support that program but facilitate students future career and educational goals. Partner with local community based organizations to work on comprehensive full service reentry programs. Identify ways to absorb the cost of transcript fees. Understand the challenges of operating effective distance education or correspondence programs for students who are incarcerated and prioritize access to establish face to face programs. Build in enough time for students who are incarcerated to gather the necessary documentation for filing a FAFSA, and prohibit enrollment practices that give priority to students based on years to reentry or their probability of obtaining the documentation needed to fill out a FAFSA. And lastly, assist students who have defaults on their federal student loans to rehabilitate those loans and help ensure that students who are incarcerated are included in any student debt cancellation policies implemented by the administration or Congress. Some of our partners will share their own comments and testimony about why it's so important to expedite and require safeguards for the implementation of Pell grants for students were incarcerated. We hope you will take their perspectives into account as you decide how to proceed on this issue. We welcome the opportunity to connect further with the Department, to ensure that the voices of those directly impacted, practitioners, policy experts, and advocates, are at the forefront of this effort to efficiently and effectively implement Pell Grant eligibility for students in prison education programs. Thank you for your time and I'm done.

Jennifer Hong: Thank you very much for your comments. Next, we have Amy Laitinen.

Amy Laitinen: Hello. Can you see me? Yes, we can see you, we can hear you. Thank you, good afternoon. My name is Amy Laitinen and I'm the director of higher education at New America. Thank you for holding these hearings and beginning the painful but critical task of negotiated rulemaking. I was really glad to hear Dr. Asha Cooper highlight equity in her opening remarks this morning, because it's really easy to get lost in the minutiae of the regulatory process and to lose sight of the bigger picture and the vital role that consumer protection plays in advancing racial equity. So, the problem some of the problems nationally, only 42% of students complete a four year degree in four years with rates that are much lower for black and Latino students. At hundreds of colleges, alumni who attended school using federal aid leave with typical earnings less than that of a high school graduate and over a million borrowers each year fall behind in default on their loans for the first time. Students who enrolled in college may actually leave school worse off than they were before they started off, and with debt, and no degree or with the low value credential that carries little or no value in the labor market. Borrowers have been defrauded by their colleges, languish for years without financial relief that is owed to them. And in recent years tens of thousands of students have seen their colleges close within the blink of an eye with no warning and few options. And all of this happens at accredited colleges that are authorized by their states to operate and that received title IV dollars. It is clear that the systems, multiple, that we have in place to protect consumers are not working, which is why I'm so glad you're embarking upon a process to help create and restore strong protections for students. And the process is what I want to spend most of my time talking about before I get into some of the substance of what you all are proposing. While neg reg is supposed to bring critical stakeholders to the table, it has become wildly imbalanced with schools and accreditors dominating the makeup of the committee, leaving students and consumer protection voices marginalized. The department has the opportunity to change that to ensure that these voices are given equal or greater weight at the table. We have to stop thinking about industry as the primary stakeholder. We need to center students, borrowers, and taxpayers, and we need to start by doing that at the negotiating table. Once at the table then we can talk about the issues, and there are a few that I wanted to address: two that were on the preliminary list and two that were not. The first is gainful employment. It was, it was unconscionable for the previous administration to rescind a much needed and strong definition of gainful employment. We believe the 2014 rule was strong and could be made even stronger and we encourage the department to consider adding an earnings threshold in addition to a debt to earnings ratio. If we believe that a critical function of higher education is to help students gain access to and stay in the middle class, then federal policy should not prop up programs that leaves, this is complicated to say, should not prop up programs that leave large swaths of students in poverty or near poverty level jobs. The second on the list relates to borrower defense and to loans. We need to reregulate to protect students going forward who couldn't have been defrauded by their schools with a rule that's easier for borrowers to understand it to access, easier for Ed to administer relief safely, quickly, fairly and transparently and easier to provide safeguards to mitigate against misconduct and sudden institutional collapse. But the department should also take immediate steps outside of regulation to clear the unconscionable backlog. Existing BD claims left by the previous administration and in terms of income driven repayment. Any work on IDR plans should ensure that payments are affordable for struggling borrowers, reduce administrative barriers, managed, balanced growth ensure that borrowers don't spend a lifetime in repayment and establish appropriate safety standards for a conduct sorry standards for in conduct strong oversight of servicers and other contractors. And two other critical elements I wanted to mention briefly that were missing from the proposed list, and that's accreditation and state authorization. As I mentioned before, we have seen repeated failures of colleges to protect students. These are accredited colleges, colleges that have been authorized to operate in states. The Department plays an important role in strengthening accreditor in state

authorization and should do everything in its power, regulatory and otherwise to ensure accreditation and state authorization are more than empty rubber stamps. And to ensure that the creditors in state authorizers see student success rather than industry satisfaction as their main objectives. That's it for us for now. We'll provide additional details in our written comments. Thank you for your time and for engaging in this critical work to ensure that there are strong, meaningful consumer protections in place so that students are not harmed by the education that is meant to help them. Thank you.

Jennifer Hong: Thank you, thank you for your comments. Next we have Jessica Giordano. Jessica Giordano

Jessica Giordano: Hello. Hello, we hear you. OK, great. And we see you. Comments. My name is Jessica Giordano and I want to thank you so much for holding this important hearing. I'm an assistant professor of genetic counseling and OB-GYN at Columbia in New York. I graduated undergraduate in 2006, in graduate school in 2008. My parents are not college graduates and work in blue collar and secretarial roles, and I'd like to share my personal story and my point of view in this hearing. My private loans were over \$85,000 and my federal loans are around \$55,000 at Sallie Mae. When I graduated with an interest rate between 6 and 8% and this totaled over \$140,000 of debt at graduation in 2008. So that's a mixed federal and private set of loans. These loans have dictated every decision I've ever made in my life since 2008. I worked in non-profit healthcare as a genetic counselor role I'm privileged to have and grateful for, but I've worked in a variety of public and academic hospitals in New York. I've never missed a payment and I've made many specific lifestyle choices, including living with random roommates from Craigslist and working numerous extra jobs to ensure I can make my payments. The majority of the years I was paying over \$1600 a month in student loan payments. Predominantly my private loans, which for many years this payment really represented 40 to 50% of my take home salary. I could not afford the income based payment model I heard about in the two thousand tens because my private loan payment was so expensive. The IBR calculations did not account for my private payment of 1100 and the government seemed to think I had a lot of discretionary income that I truly did not have because of student loan debt. I also did not realize or understand the difference between FFEL and direct loans, and every time I called Sallie Mae I would receive different and confusing information about pros and cons of consolidation, and I was scared to mess anything up. I had no guidance from my family so I just kept paying because I didn't want to mess up my credit score or my future, and I was not as lucky as some were. My FFEL loans did not get switched to direct loans by chance. I have made 149 on-time payments to Sallie Mae and Navient, totaling \$55,183 on loans that were originally \$54,816, and I still owe \$42,014.25, and all these payments were made on time while working in public service hospital setting. I've already paid back the amount taken out over the last 13 years, but with a high interest rate it looks like I've only paid around 20% of this loan. When I found out my payments were not eligible in 2017, I just cried at my desk. I switched them to direct then, but my eight years of payment did not count. I would like to see public service loan forgiveness extended to everyone who had FFEL or direct loans regardless of the payment plan. As long as you've made 120 payments on time, the remainder should be forgiven. Or, I would like to see the interest paid so far be redirected towards the principal and the loan set at a low interest rate, maybe 0 to 2%. Either, help me greatly as I'm about to turn 37 years old and I'm hopeful to buy a home one day, and I don't want to have that for the rest of my life related to my education. I'm not looking for a handout, just an execution of the actual mission of public service loan forgiveness to ensure that educated and qualified individuals are able to give back to the community in lower paying jobs, through a reasonable mechanism to forgive federal debt for those who worked in public service and made 120 on-time payments, which I do think is a reasonable structure. Overall, just simplify the process and be more inclusive allow everyone with the FFEL or direct loans made their

payments regularly while working in public service be eligible. The current rules are arbitrary, arduous, and frankly asinine. My generation is worked hard to build a healthier, better economy and population. I'd encourage the group to give what was promised and not just to those who randomly had right loans by luck or had the resources of time and support to navigate and unnecessarily complex system. It's partially run by private servicers with conflicts of interest, such as Sallie Mae and Navient. Unnecessary complexity tells me that the government is not interested in actually for giving these loans. For thousands of Americans that it's yet again the privilege, you can hire a lawyer to navigate it or have the free time to work on making all the calls and filing all the paperwork that unnecessarily difficult. The tax code communicates values of this country and the tax code currently prioritizes homeownership which will never be within reach. For those of us with crippling debt, the tax code continues to saddle those with education debt with no help. For instance, the interest deduction phases out on loans based on modest salaries. There are better interest rates on mortgages than federal loans, and the government and these servicers are making money off at our expense. Additionally, I work in recruitment at Columbia University for our graduate program. Fixing public service loan forgiveness is really essential for me to be able to recruit under-served candidates to our otherwise homogenous medical field of genetic counseling. The promise of public service loan forgiveness can't be false; it has to be clear, easy, and followed through by administrators. The government needs to provide support for college and graduate education that is easy and accessible, not necessarily free, but well supported and it is not well supported right now. In my role in recruitment I have to convince people to take the debt on because it's worth it, but is it? The promise of forgiveness allures but it is rarely delivered. Please consider expanding public service loan forgiveness now to those with it and make sustainable changes to the future so future students from all backgrounds can access higher education without the stressful and debilitating debt that I've experienced in my life. Thank you so much.

Jennifer Hong: Thank you, thank you for your comment. Next we go to Aaron Shenck. Aaron Shenck. We can't. I think you're on mute Aaron. OK, yes.

Aaron Shenck: Great, well good afternoon. My name is Aaron Shenck, and I'm the executive director of the Mid Atlantic Association of Career Schools. We are headquartered in Pennsylvania, but we represent about 100 career and technical postsecondary institutions in several states. Our member schools educate a diverse field of programs, everything through your traditional trades like HVAC, welding, construction, electronics to things like auto mechanics, aviation maintenance, truck driving, computers, culinary arts, nursing, health, and barber and beauty programs, and many, many more. My message today is going to be pretty simple and that is that any accountability measures that is negotiated should be fair to institutions should be applied evenly across the board to all sectors of higher education. If a rule is fair and makes sense, then apply it to all public, nonprofit, and for-profit—or otherwise known as proprietary—schools. If the rule is in the best interest of students, then don't segregate against students based on the tax status of the schools they attend. Look at some of the issues on the regulatory table right now. Some of them are not new to the menu. We've been down some of these roads before, and some of them are previous proposals that applied more strictly or only to proprietary institutions. I believe it's an important point to make out for this discussion that the members I represent, I represent both nonprofit and for-profit institutions, but they're all career and technical-based schools. Some may not know this, but most postsecondary career and technical education is delivered by proprietary institutions. Some also may not know this, but there's many different kinds of proprietary institutions. There are publicly traded colleges. There are large, medium, and small corporate schools. There are family-owned institutions also referred to as mom and pop schools. There are schools owned by partnerships and even a few schools called ESOPs that are owned by the employees themselves. For a vast majority of both private, non-profit and private, for-profit or

proprietary career and technical schools, they are highly successful institutions. However, there are some people who have a negative perception of for-profit education. Sure, there have been a few bad apples in the past, and just like every industry there will be a few bad apples in the future. However, all sectors of education have a small minority of people or institutions that could be deemed a bad apple. The discussion that should be had is around looking at all sectors of higher ed and weeding out bad apples in any sector. There are cases of public institutions in my home state and many others that have been in the headlines for bad news, but just because a few bad actors in those public institutions existed doesn't mean we assume that all of them are bad. Our public sector schools provide tremendous value in education and research, so it'd be foolish to paint them with a broad brush. It's just as foolish to do the same with proprietary education. Let's point out some positive facts from proprietary schools. Most have extremely strong student outcomes that are measurably higher than some of their peers in other sectors. Graduation rates, job placement rates, occupational licensure rates are just some of these strong student outcomes that proprietary schools excel at. Also, as mentioned earlier, a majority of postsecondary career and technical institutions in education is delivered by proprietary institutions. Graduates from these schools build your homes, keep your lights on, keep your cars running, keep your planes in the air working, take care of your loved ones in medical facilities, cook your food at restaurants, drive the many trucks that deliver everything from food to vaccines across country and fix your computers and do many, many other essential jobs. The importance of the graduates of these institutions and the skills they've acquired at these schools cannot be understated. The goal of setting up accountability measures should not be to paint with a broad brush and falsely predetermine who the good and bad actors are. Accountability systems should apply rules fairly to all and then look at those outcomes, look at the metrics based evenly across the board and then determine poor performers based on the measurements looking at all institutions. There are good and bad apples in every sector of higher ed, so any accountability system that doesn't recognize this and try to correct problems in any sector is not truly an accountability system and not truly in the best interests of students or taxpayers. Thank you very much for your time today. Appreciate it.

Jennifer Hong: Thank you, thank you for your comments. We will go to our next speaker. We have Michelle Dimino, Michelle Dimino. And again, pardon me if I mispronounced your last name. You can correct me when you come on. Hello, can you hear me? Yes we can hear you.

Michelle Dimino: Wonderful. Good afternoon, my name is Michelle Dimino, and I'm a senior education policy advisor at the think tank Third Way. Thank you for the opportunity to comment this afternoon on the Department's proposed rulemaking agenda. With 14 far-reaching topics included for potential rulemaking committees, it's clear the Department will need to prioritize those areas requiring its most immediate attention. I'd like to speak to specifically to why borrower defense to repayment must be among those top priorities. One of the central obligations of the department is to ensure that all students receive a quality post-secondary education. But we know this isn't always a reality. When predatory institutions engage in illegal recruiting practices, mismanage their finances, or commit acts of fraud and misconduct, they leave students with significant amounts of student loan debt and little to show for it in the way of a valuable credential. The borrower defense to repayment rule exists as a remedy for students who have been victimized by such institutions, entitling them to have their federal student loans cancelled and get a fresh start. And borrower defense has widespread bipartisan public support, with polling we've done at Third Way showing that 71% of Republicans and 87% of Democrats strongly believe that borrowers should have their federal student loans cancelled when they were defrauded by their institutions. Yet the rule itself has been subject to significant debate over the past few years. The 2016 rule issued by the Obama administration was never fully implemented, and the

Trump Administration's 2019 rewrite of the rule would have made it nearly impossible for borrowers who are wronged to successfully make a claim for relief. Congress rebuked that rewrite with both the House and Senate voting on a bipartisan basis last spring to pass congressional review act resolution overturning the 2019 rule. That rule sent a resoundingly clear message to the Department that it must go back to the drawing board and determine a better way to do right by borrowers who have experienced harm due to the misconduct of their institution of higher education. In beginning a new round of negotiated rulemaking, that mandate should remain top of mind. Since taking office, the Biden administration has reversed course on the Trump-era rule and methodology for borrower defense and has discharged \$1.5 billion in loans for 90,000 borrowers under the borrower defense rule to date, including last week's approval of 18,000 borrower defense claims from former students of the predatory ITT Technical Institute. These recent actions by the department are important and welcome steps to right past wrongs and help defrauded borrowers, including large populations of student veterans and students of color. But they're only initial steps and regulatory action is needed urgently to create a sound borrower defense to repayment rule. The Department has an obligation to thoughtfully address borrower defense to repayment immediately in this next round of negotiated rulemaking and to develop a fair, reasonable, and compassionate standard that ensures that promised relief will be provided to struggling borrowers who are legally entitled to it going forward. Thank you for the opportunity to speak and we look forward to submitting comments as well.

Jennifer Hong: Thank you very much. Our final commenter of the day will be Antonio Luna. Antonio Luna, if you could turn on your audio. Good afternoon, can anybody hear me? Yes, we can hear you. OK.

Antonio Luna: Good afternoon, my name is Antonio Luna and I'm from Phoenix, AZ. After completing my active duty in the Marine Corps in 2014, I enrolled in DeVry University to pursue a degree in computer information systems, with a concentration in Web development. I graduated in February 2018 but still haven't found job in my chosen field. That's just one of the reasons why I'm testifying today. I determined to enroll in DeVry when I attended my military base's transition into civilian life classes. The school's representatives told me a degree from DeVry will guarantee a job in my field within six months and that I'd be earning a salary over \$60,000, much higher than the bachelor's degree from other colleges or universities. They bragged about how they take care of veterans and how my GI Bill will pretty much take care of all the costs. They said their hands-on career advisors and their connections would help guide me to the perfect career. Why wouldn't I enroll? This all sounded great. Unfortunately, none of it was true. There were in fact plenty of out-of-pocket expenses, including all of my books, and ultimatums. When I wanted to enroll in some of my required courses, they said to pay for my classes or I wouldn't get the course for the next semester. So much for the GI Bill covering every cost. Worse, the quality of education was substandard. I pretty much had to teach myself. Even so, I was determined to finish. And I did. I worked with their advisors' career advice for two years, but they weren't helpful at all. To this day I still don't have a job in my chosen field. I applied to many computer-related fields only to be met with rejections and ghosting from potential employers. I felt lost, depressed, and hopeless that I couldn't find a job with my degree. I worked a couple of months at a pizza place and then close to two years as a warehouse associate. I had the privilege of working as a border registration project specialist for Maricopa County for a year now. If it wasn't for this job, I don't know what I would have done. I'd really like to go back to school at community college for something STEM-related, something I can actually use. However, since my degree is non-transferable, I'd have to start all over again as a freshman. And since my GI Bill is now gone, I'd have to pay my own way, which I can't afford right now. Even though DeVry has been hit with lawsuits for deceptive recruiting practices, I've been told I have no recourse. The VA told me they can't do anything

to reinstate my GI Bill because I got a degree. I even spoke to the dean at DeVry, but he couldn't help me. Nobody is helping me, nobody is taking it seriously. I know my story isn't unique, which as a former marine frustrates me. I hope you will scrutinize for-profit schools like DeVry going forward and not let them get away with defrauding veterans or any other students. Thank you for your time.

Jennifer Hong: Thank you for your comment, Mr. Luna. And that concludes our hearing for today. We want to thank you all for joining us, for sharing your thoughts and your comments with us. We will reconvene on Wednesday at 10:00 AM. Thank you very much and enjoy the rest of your day.