DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

NEGOTIATED RULEMAKING

STUDENT DEBT RELIEF COMMITTEE

SESSION 4, DAY 1, AFTERNOON

FEBRUARY 22, 2024

On the 22nd day of February, 2024, the following meeting was held virtually, from 1:00 p.m.to 4:00 p.m.

P R O C E E D I N G S

MR. FRANCZAK: Welcome back, everyone. I'm Mike Franczak, FMCS facilitator for this afternoon's session. So, in terms of picking back up where we left off from this morning's discussion on the financial hardship waiver language, I wondered if there are any additional comments regarding paragraph C before we would switch to presentation and discussion of paragraph D? Alright. We okay then to move to paragraph D then? Tamy, are you good to go? Can you hear me?

MR. ROBERTS: I think you're muted, Tamy.

MS. ABERNATHY: Yes. My screen went black, and I couldn't find the unmute button. So, you know, we live in a technological world of fun, don't we? I'm ready. If everyone else is, we can go ahead and get started with paragraph D. I believe the screen is being shared. In paragraph D, the Department would describe the factors that could be used to establish a separate and additional pathway for relief through an application by the borrower or otherwise where the Department has some of this information on hand. As we've explained, the text would provide for a process by which the Secretary may provide automatic or application-based relief to borrowers experiencing hardship. We have discussed automatic relief for borrowers who we believe are likely to be in default in the next two years, as described in paragraph C. Paragraph D provides that for automatic or application-based relief, the Secretary may use data in the Department's possession as described under paragraph B, how a borrower is a Pell Grant recipient or the age of the borrower's loans. The Secretary may also use an application to acquire information for the factors described in paragraph B to supplement data that may already be in the Department's possession, such as high-cost burdens for essential expenses. For an application-based approach developed under these regulations, the Department's priority would be minimizing the burden on borrowers. We seek your feedback on such approaches, as well as through the public comment process later today and through the public comment process in rulemaking. We'll now turn it over to FMCS for discussion and questions on paragraph D.

MR. FRANCZAK: Thank you, Tamy. Discussion and questions on paragraph D? Please raise your hand. We'll begin with John Whitelaw.

MR. WHITELAW: I like the general approach here. I'm a little disappointed that the word automation isn’t nowhere here to be found. I'm also a little disappointed that there's no mention of data sharing, and I just think this is not robust enough and does not show enough umph with respect to the Department's willingness to think creatively about how to automate decision-making. And I'm not I don't mean in the context of placing like significant actual requirements on the Department to do a particular type of data gathering or data sharing, but to reflect what we've talked about in many of these sessions before, which is why it is so incredibly important to get away from an application process where we can. I totally understand that you want to have an application process for people for whom the Department doesn't have or cannot readily get, which I think is something that's missing in this section D, information that shows they would be eligible for forgiveness based upon meeting the criteria that we discussed this morning. We know what happens when there are eligible people who have to apply, and the answer is they don't apply. And we know we have seen this in lots of different contexts. We have specifically seen it with TPD in the past, and I commend the Department in the past for to remind folks what happened there. This was before the TPD regs were changed. Step one the Department sent a bunch of letters out to thousands, if not tens of thousands of people, telling them you're eligible to get TPD, you just need to apply for it. John and 50,000 other people who were eligible did not apply. So, what did the Department do? The Department then switched the default to the same people, so the Department knew they were eligible, but instead of making them apply, they switched the default. What is currently happening in TPD in part, is people are getting letters that say, Dear John, we know you're eligible unless you tell us you don't want to have your loan discharged, it will be. And I think I would like to have some language that I'll try and drop in a little bit later that would show a more robust moral commitment, for a better word, towards automation, towards thinking about what data sharing agreements you can get with various, especially Federal agencies, so that you can gather information that will allow you to assess if someone has a hardship without making them apply. And again, this is not about the substance of who's eligible. It's about how the Department goes about finding those people without making them apply. And still having at the end of the day, a mechanism for people to apply themselves. And so that's sort of really what I wanted to say about this. And I'm going to break it down to three words: automation, automation, automation. I want the Department to make a real commitment to be doing that. This language just doesn't get me excited about that.

MR. FRANCZAK: Thank you, John. Jordan Nellums.

MR. NELLUMS: Yes. Thank you. And I just wanted to agree with my colleague John. As a current student and representing currently enrolled students, I think a lot of the proposals that the Department has presented are beneficial for borrowers after they leave school. But right now, there's not any type of text that really supports currently enrolled students. And so, I think automation would allow currently enrolled students.

MR. FRANCZAK: Can folks please mute their audio if they're not speaking? Thank you. Go ahead, Jordan.

MR. NELLUMS: Yes. So, I just think automation would allow currently enrolled students to be able to partake in some of the benefits of the text that the Department has released, especially if the Department knows that there are certain metrics under which a borrower is likely to default. I think there are ways that the Department can realize whether or not a currently enrolled student is likely to default and just automatically apply some of the solutions that have been identified in the text, so thank you.

MR. FRANCZAK: Alright. Thank you,

Jordan. John, you still have your hand raised. Is that from the prior or are you no longer wishing to speak again? Okay. Thank you. We have Ashley Pizzuti next.

MS. PIZZUTI: Hi. I just want to bring up the fact that just from past programs where an application was required, such as Public Service Loan Forgiveness and Borrower Defense, there are so many people filling it out, the website tends to go down and making it unavailable. There's also a backlog of applications. And so, I'm wondering how the Department is going to be determining going through these applications, do they have the manpower behind them to sort of go through these individual applications? So, I'm just a little concerned with having folks find the form, fill out the form when they go to the website, the form is actually available and works. You know, there's a huge problem in Borrower Defense where people spend three hours filling out this form and not saying that this form is going to be as robust as Borrower Defense, and then they get to the end, and they submit it and they can't submit it. The website has timed out and they have to start all over again. So, they abandon the form and they never get it filled out. So, I feel like there might be a lot of hiccups in that area of forcing people to file a form and then also making sure that that form is getting into the hands of everybody that's eligible. Because I know that I still have people coming to me every day who've never even heard of Borrower Defense. And asking what it's about and how to file the form and yeah, so I just see it as a huge roadblock.

MR. FRANCZAK: Thank you. Appreciate that, Ashley. Alright. I believe Jalil was next.

DR. BISHOP: Thank you. So, I think when we're thinking about the points of my other colleagues have made about being kind of the gold standard to make sure we get relief to borrowers at a broad level, but also a quick and effective level. I think we have to also take a step back and maybe reframe some of the policies that are often put forth, both in this rulemaking but also just in the general discussion around student loans. So, for example, the White House put out a fact sheet yesterday saying that 4.3 million borrowers are unsafe, are at $0 payments per month. I think that's an indication of hardship. I think that many of those borrowers have probably been at $0 for years potentially under other repayment plans. And I would encourage the Department to look at that data point that they already have to be just one example of how they could do automatic relief. I would hate to see a situation where a plan like SAVE, which really shouldn't be seen as the gold standard of solutions, but should be seen more as a stopgap while we're trying to come up with better solutions, I would hate to see the Department make a choice where we say, well, someone is under SAVE with a $0 payment so they don't need the automatic relief, or they don't need to be identified as having hardship. When, I think, even if you're under SAVE, even if your payment is $0 or $50 or at such a low level that it's not tackling that overall principle, that we should look at all those indicators as factors of hardship and as ways to do automatic relief. So, I just hope that we're going to look back at plans like SAVE and other policies that have come down so far and don't make the mistake of saying, well, because we have SAVE or because we did IDR adjustment, we don't need to do something automatically here. I think at best we can have kind of multiple ways to catch people and doing automatic relief based on those programs and the data we have from those programs that to me would be the gold standard of how we should approach this. Not saying if someone is covered by SAVE, they don't need to be covered by this automatic relief or some of the harsher factors under section B.

MR. FRANCZAK: Thank you, Jalil. What if we go to Tamy in terms of a response and then we'll go to Lane thereafter. Tamy?

MS. ABERNATHY: Thank you, Mike. So, I really want to reiterate that paragraph C is about automation. The entire paragraph is about automating the process to provide relief for borrowers who are experiencing hardship. As we mentioned earlier, we wanted to have multiple pathways for borrowers to seek relief. So, in instances where we do not have data, we need to get that information from the borrower. So we agree with everything that you're saying, and we are committed to automate where and how we can, but we may still have to have an application process at this point to make sure that we're capturing those borrowers, that we simply do not have the information to be able to provide this relief for hardship.

MR. FRANCZAK: Alright. Thank you, Tamy. Next, Lane.

MS. THOMPSON: Yeah. It's funny that I was going to commend the Department for including both automation and application options. I think it is really important to have both of those available. As you mentioned, there's some data that's not available to the Department. I do also want to kind of reiterate the value of data sharing agreements with other Federal agencies. I think that's a really big one. Not sure if that needs to be included explicitly, but I do want to really stress the value of that. And then the other thing I just kind of wanted to include in here is any place that the Department is able to include qualitative analyses and not just quantitative would be really excellent. I mean somebody who is experiencing several different types of hardship simultaneously, that maybe there's some accounting for that rather than just meeting very specific metrics. So, yeah. Thank you.

MR. FRANCZAK: Thank you, Lane. Next, we have Melissa.

MS. KUNES: Thank you. And I do want to agree with the Department's determination that this section does attend to both an automated process as well as an application process, because we know as much as automation, we want to get at the borrowers who need this relief. Ultimately, we are going to have those one-offs where only an application can get to the root of the issue and to help that borrower with some relief. But I would state that as the provision is currently stated, I don't think we want to be as limiting, even though I am very supportive of having open-ended authority here. I think we should state that the Secretary may, but will rely on data in the Secretary's possession, but also expand that thought to say, the Secretary can or will obtain. Now, I know that John had put some language recently in the chat that talked about data sharing agreements, and perhaps that is to the level of specificity that we need to determine here. But I just think we need to broaden up that section to say not just what's in the Secretary's possession, but which they can obtain. And I will put language of that nature in the chat. Thank you.

MR. FRANCZAK: Thank you, Melissa. Alright, we'll go next to - I thought Jaleel's hand was before Jessica. No, the other way around? Okay. Very good. Alright, Jessica then Jalil.

MS. RANUCCI: Doesn't matter. I'll be quick. I agree with everything that everyone had said. I would just say I think some of us want to play around with this language a little bit. And as we do, it makes me a little nervous that this section is intended to include both application-based and non-application-based waivers, but it only says the word application. It doesn't say without an application. So, I think as we're thinking about the language I wish that it could be a little more explicit. I think that's in some of the other Department regulations, like the Department will consider without an application from an individual borrower, something that just spells that out a little more, because I know what you mean. But I think I just want to be a little cautious.

MR. FRANCZAK: Thank you, Jessica. I imagine the Department would welcome your suggested language in the chat, so when you're able to do so, that would be helpful. Thank you. Jalil.

DR. BISHOP: Thank you. So, Tamy, thank you for the clarification around the Department's intention to have multiple pathways to try to automate as much as possible. But I think in your opening statements, the Department is indicating that one of the areas where it will do automatic cancellation is based on Pell Grant data. I've already provided regulatory text revisions in the chat, but I want to uplift again that if we're going to cancel automatically through Pell, that we should also include Parent PLUS borrowers whose dependent receives a Pell Grant. And so I think that's an example of why it's not only about what we're going to do automatically, but it's also about the technicalities of who's included in those categories of hardship. So again, implore the Department to really think about how to expand these different categories and if default, for example, is meant to be done automatically and through immediate relief, then it's important for the Department to also understand that the likelihood of default is that borrower who's been sitting at $0 payments for years.

And this is particularly important for borrowers of color, Black borrowers who disproportionately do not have the financial means to afford their student loan payments. So, they're often sitting in lifetime debt sentences where their payments are $0 or less than enough to pay off their student loans. And they're sending these student loan repayment plans for what feels like a lifetime. So again, this seems like a great framework, but the technicality of how these things are going to be defined are really going to determine whether or not they give the justice that borrowers deserve. So, I just want to uplift that point again, that automatic multiple pathways is great, but we also have to make sure we're defining them to include the borrowers who need relief.

MR. FRANCZAK: Thank you, Jalil. John.

MR. WHITELAW: If I can take myself off mute. I put some language up there. I'm certainly not wedded to that language. I'm happy to have other people play with it or have the Department do something with it. I don't disagree at all with what Melissa said. I mean, the further we can push the Department to committing to do this, the better. And I agree it would be data sharing or other mechanisms of getting it. I do think the point she made that I did not make as articulately is it's not just information that the Department has, but it's information it can get. And again, the example that we have of the big examples is TPD is largely being done these days with data sharing through Social Security. So, there are definitely ways in which data sharing can be accomplished. Thank you.

MR. FRANCZAK: Thank you, John. Any other discussion or questions regarding paragraph D? Oh, Lane. Yes.

MS. THOMPSON: Just real quick with this discussion of data sharing is I wanted to throw in that maybe including governments other than Federal as well. I know the Department is already working with some state governments on some data matching. So, if we're going to reference data matching, maybe keep it broad as much as possible. I think there's maybe tribal government information, anything like that that could potentially be shared and be really useful in this way.

MR. FRANCZAK: Thank you, Lane. Looks like John found that acceptable as well. Any other comments or questions regarding paragraph D? Alright. If not, do we need to circle back to any of the previous paragraph discussion for purposes of clarification or new ideas? I can begin first with paragraph A. Is there anything to still clarify or ask questions around paragraph A from this morning? Looks like Jessica has her hand raised. Feel free, Jessica.

MS. RANUCCI: Yeah, Tamy, you said at the beginning that this would not include HEAL borrowers and repayment. Is that just because those are commercially held HEAL loans? Is that what you meant?

MS. ABERNATHY: Yes, ma'am.

MS. RANUCCI: Thanks.

MR. FRANCZAK: Thank you, Jessica. Any other questions or comments for paragraph A? Alright, let's go- oh, there's a hand. Jalil, go ahead.

DR. BISHOP: This is kind of connecting back to this question of borrower's ability to fully repay or the cost of enforcing. I'm just wondering if the Department can speak or explain how they're seeing this hardship regulatory text interacting with some of the prior discussions, which I believe are often framed as we're not touching these areas because we have SAVE or we have IDR adjustment, or we already have tackled Public Service Loan Forgiveness. I'm just trying to understand how SAVE and this regulatory text are kind of going to be in conversation with each other, if the Department can voice that over because in some earlier conversations, it was framed as, you know, we have already addressed this in SAVE or we have already provided this type of relief in SAVE. And I think some things here may be providing another pathway to relief, but I'm just trying to understand how those two things will be in conversation with each other.

MR. FRANCZAK: Jalil, could you repeat your question, so it's fully digested?

DR. BISHOP: Yeah. So how will the borrower's ability to repay or the cost of enforcing and-when the Department is trying to determine those factors, how will that be in conversation with SAVE? Or potentially maybe even some tensions or possibilities with SAVE.

MS. ABERNATHY: So right now, in the context of costs and benefits of collection, the Secretary might determine that a borrower has or experiencing hardship, and that the cost of enforcing the full amount of debt is not justified by the expected benefits of continued collection, which is what you just said Jalil. In the regulatory text, we don't prescribe costs. We broadly include a number of ways to think about cost, and we could consider costs beyond costs to the government. Okay? We're not amending any of the provisions for PSLF or IDR, and that's still the case. This is a new proposed regulatory text that focuses completely on borrowers experiencing hardship and the hardship factors that are in paragraph B and other information available to the Secretary and looking at these borrowers under that lens. And that's the focus of hardship for them. Now, that's not to say that a borrower under the SAVE plan with a $0 payment might not be exhibiting hardship. So, there might be information that the Secretary is using information that they have available to use for each of these cases of hardship. So, the lines could be closely connected. But this is a separate provision that the Secretary is choosing to exercise the authority to waive debt for borrowers that are likely to default within two years for borrowers that are experiencing these hardship factors. So, I just want to point out that it's kind of separate and apart, even though we may glean information from the borrowers and from the information that's on our system for these respective borrowers.

DR. BISHOP: Thank you. That clarifies. And I think for me, if I'm understanding correctly, you will use information from SAVE to better provide relief to borrowers. But in assessing if a borrower has hardship, you will look at this. You will look at a borrower’s situation outside of-

MS. ABERNATHY: Yes.

DR. BISHOP: So that's important in

communicating to borrowers and making sure that they're not somehow experiencing missed relief because they decided to get on to SAVE.

MS. ABERNATHY: Absolutely. That is not our intent at all. We are taking a holistic approach where we can and using everything that we can within our abilities to look at borrowers for where they are and what we can do to help them. And we want to help as many borrowers as possible as quickly as we can. And so, while we talked about the application process and things of that nature, our goal here is to really look at our borrowers. We've heard you guys, you have given us great information. You have provided us with research. We've had other Department officials that have done the research on this. We understand that this is a very passionate topic for this committee, and we are hopeful that you can see that our best effort has been put forth with the proposed regulatory text. And these discussions are super helpful. And we will go back, and we will look at some of the suggestions. Again, like I said, we can't guarantee that we're going to take everything, but we are going to look at everything and we'll circle back to you on those. So, thank you for your comments. We really do appreciate them.

MR. FRANCZAK: Alright. Thank you

for your clarification and understanding. So, next we have Lane.

MS. THOMPSON: Yeah. After I raised my hand, I realized this might fit more nicely under B than A, but I'm just going to go ahead and say it anyway.

MR. FRANCZAK: Okay.

MS. THOMPSON: This is a little bit in the weeds, but as of today, borrowers who have balances, original balances that they took out between $12,000 and $22,000 and are on the SAVE plan are starting to see balances canceled after ten years. The reason I'm bringing this up is that there are borrowers who originally borrowed between $12,000 and $22,000, who are currently not on SAVE, who are not having their balances canceled. The reason I wanted to bring this up is that I think when we talk about things like the cost of collecting on a loan or ability to repay a loan in full, we really need to be looking at the time-period in which somebody repays that loan as well. You know, the fact that some folks will have their balances canceled after ten years under SAVE, while others who had the same borrowing history, similar repayment histories will not, is something that I am concerned about and that I think could be covered in cancellation here.

MS. ABERNATHY: Thank you, Lane. One

of the things that I want to mention is in addition to what we discussed and what we've proposed in 30. 80 through 30. 90. So this particular hardship proposed regulatory text is in addition to all of what we've discussed already, which we're not opening up for discussion. But I say that to remind everybody that this is in addition to that, and some of what you're saying, Lane, with the extensive length of time and repayment, some of those things were addressed with our proposed final rule related to our last three sessions for student debt relief.

MS. THOMPSON: Yeah, and I understand that. The reason I said it's a little in the weeds is that I'm specifically talking about borrowers with a certain amount of debt whose repayment period could be shorter than 20 years, but isn't. So, it's really a group that is kind of being missed in those previous regulations, kind of being missed under the account adjustment. So that's why I really just wanted to bring attention to this one group. You know, they tend to be folks who don't have college degrees, tend to be folks who borrowed less to begin with. So just a good group to try to hit when automatic inflation goes through.

MR. FRANCZAK: Alright. Thank you, Lane and Tamy, for that exchange. Alright. Anything else on A before we would formally transition to paragraph B again? Alright, seeing none. Moving now to paragraph B, the categories. Is there any further clarification, comments or questions relative to paragraph B? And it is my understanding Richard Haase is becoming primary in substitution for Jalil. Richard?

MR. HAASE: Hi Mike, thank you. Yeah, I just wanted to revisit something that we discussed when we were talking about B earlier today. There were a number of comments made. We reiterated our concern around hardship that's attributable to servicer error. And I think in the course of having those conversations, we often think of the personal individual stories that are contact's experience or that we've experienced personally. But I do think it's important for the Department to consider cases where we already have documented and systemic servicer errors, like in the broader scale, transferring of loans from one servicer to another, where I think it's already been recognized that, you know, there are multiple overlapping issues that impacted borrowers. So, I just wanted to add that to the record here to make sure that when we discuss hardships that are attributable to servicer errors, that we're not just looking at these isolated one-off cases that can be hard to quantify. But some of the broader ones that I think are already fairly well documented. Thank you.

MR. FRANCZAK: Thank you, Richard. So, I'm not sure who came in first between Wisdom and Scott. What if we go with Wisdom, then Scott? So, Wisdom, go ahead.

MR. COLE: Thank you, Michael. Just highlighting some amendments that I had shared. I believe everyone received an email, but I also put it in the chat. In addition to some of the factors that I talked about earlier, I want to highlight the educational outcomes, disparities and really making sure in this sector and level of the institutions attended, along with typical student outcomes, the Department should analyze how these factors intersect with race and economic status, recognizing that disparities in educational opportunities contribute to unequal outcomes. We've talked about disabilities, but what folks have said there as well. I submitted this proposal during the last session particularly around the legal system impacts. But I think in consideration there, we shed the impact of legal system and incarceration of borrowers, financial circumstances, and the ability to repay the loan with particular attention to disproportionate impacts on Black and underserved communities. I want to also highlight the age and life cycle changes. The Department should also adjust the consideration on age and account for life cycle changes that may affect older borrowers differently such as retirement or transition to fixed income, especially in the light of racial income disparities. And last but not least, public benefit eligibility. Eligibility means testing public benefits will be clarified and expanded within the criteria to capture a broader range of support programs, ensuring it reflects financial hardship and includes programs disproportionately serving Black and underserved communities.

MR. FRANCZAK: Wisdom, that's captured in the amendment that you posted in the chat?

MR. COLE: Yes, sir.

MR. FRANCZAK: Okay. Thank you, Wisdom. Alright. I believe Jalil is back in for Richard as primary. I'll go to Scott next.

MR. BUCHANAN: Sure. And I just want to re-ask the question I think I posed before the Department answered, but I'm interested in, you know, all of us have to interact with borrowers and explain to them who might be eligible for forgiveness and who's not. They are going to be a lot of questions about this if the Department proceeds with the regulation here. Can the Department provide some examples in real-world about how you would interpret this? Because the language would give the Department the ability to do something, nothing, or everything. Some specific examples of what borrowers would envision, you know, their characteristics, whether it's age, debt balance, things like that, what threshold would be for people to be able to get forgiveness under the Secretary's asserted authority and then examples of people who would not be eligible for forgiveness that are below those thresholds, whatever they might be. I think that would be very helpful illuminating the conversation of who actually is in scope here and who is not rather than sort of the language right now, which is vague about who may or may not be in. And again, it could be everybody, nobody, or somebody. So, I realize that may take the Department some time. And certainly, tomorrow would be fine for the answer, but I would appreciate that. I think it would be useful to the group.

MR. FRANCZAK: Scott, to clarify, were you referencing the categories somehow in B, or was that pertaining to paragraph C?

MR. BUCHANAN: Both. It's applicable to both.

MR. FRANCZAK: Alright. Thank you, Scott. Jessica is next.

MS. RANUCCI: Thanks. I just wanted

to respond slightly to that on B. I strongly support the Department writing regulations that give future secretaries of education the discretion to waive some or all of student loan debts based on financial hardship and these factors. I don't know what the student loan system is going to look like in 2030 or 2035 or 2040. But I do think that future secretaries of education, having the ability to do what's in here is really important. And I don't think that the Department should or could really give a full answer to that as to section B right now, and I don't think that that's a negative. I think that it's a positive. I think that we need to build regulations that will work across administrations, across points in time, and I appreciate the framework the Department has put up that will be lasting into the future.

MR. FRANCZAK: Thank you. Yael.

MS. SHAVIT: Add a little emphasis to that. You know, this particular part of the regulatory endeavor that the Department is taking on now is one that has been called on for a long time as necessary to ensure that regardless of the particular circumstances and programs applicable in the student loan system at any given moment in time, there is always a process by which people who are facing hardship are able to get relief that they need, and that taxpayers are spared the burden of the expenses that go out to collect the debts that shouldn't be collected. So, it's incredibly important for these regs to be drafted in a way that will serve that purpose, which is the most important purpose that these provisions can serve. And it would be a mistake to draft them so narrowly that they are only applicable at one given moment in time and would necessitate the expense of additional regulatory processes like these in the future, when there are new programs or changes to the student loan system that make a very, very detailed or not detailed, but a very, very narrow drafting of them inapplicable. That's not the task at issue here. That's not the purpose that these are serving. And so, I do want to commend the Department for the effort that it's put into these and make sure that we are thinking about it through the appropriate lens. This is the part of this regulatory process that needs to be applicable in the future consistently.

MR. FRANCZAK: Thank you, Yael. Any other comments or questions on paragraph B? Alright. If not, we can transition to paragraph C and ask if there are any comments or questions for paragraph C. Alright then, we'll do one last circle back. If there isn't anything further on C, we'll do one last circle back on B, and then I might make an announcement about the public comment in terms of the afternoon. Alright, yes, Yael.

MS. SHAVIT: I was hoping before we move into public comment, this is not intended to stop conversation about D, but I didn't want to lose this moment. If we could have a very short conference or caucus with the Department and with the primary for consumer advocates, Jessica.

MR. FRANCZAK: Okay. So, the request is for Yael, Jessica, and who from the Department are you requesting?

MS. SHAVIT: It would be great

MS. ABERNATHY: I can answer that, yeah.

MS. SHAVIT: Thanks.

MS. ABERNATHY: Me, Soren, Ben, Genevieve Torres, Toby Merrill.

MR. FRANCZAK: Yeah. I just want to make sure we have everyone in terms of creating that caucus. Thank you, Tamy. Looks like before we do that, there is a hand raised. So, what if we take the hand raised by Jalil, and then we'll go from there. Sound okay? Okay. Jalil?

DR. BISHOP: Thank you. And sorry if I sound, I’m repeating myself, but really trying to get clarification on this so we can make sure that we're doing what's best for borrowers. So I'm really thinking about the hardship factor. So, I'm kind of going back to B a little bit here. But I'm thinking about the hardship factor of age of loans. And I think Lane touched on this a little bit. But we have previous regulation that is really looking at 25-year periods before relief is being provided. And I'm trying to understand how the Department is going to factor in the age of the loan under this new proposed hardship proposal. Is it the 25-year period or is that something you going to look at the age of loan as it intersects with other hardship factors? But just trying to understand, are we still looking at this 25-year period or is the age of the loan? Does that open up some other timeframe for [inaudible]?

MS. ABERNATHY: I think what we are looking at is more of a combined approach, like you're going to have factors that have put this borrower in hardship, and one of those factors may be the length of their loan may be five years, maybe 10 years. That, combined with other additional factors and other information that the borrower provides to us, that may, as we, you know, continue to develop our model, it goes into that predictive model and it's going to be able to show us certain things about those borrowers. So, for us to sit here and say that we know it's going to be X number, we can't pinpoint those that length of time. We have not written into our regulations if it's X number of years in repayment. We're not going to do that because we need to look at these borrowers on an individual basis with all of the factors that they are experiencing that lead them to this hardship in the first place of not being able to pay their loans or putting them in an undue burden if they pay their loans. And I think we want to look at it more holistically. So, we do appreciate your question. And please continue to hit us with things so that we can think this through thoroughly with you guys. That's the whole purpose of our conversation. But we know what we're doing for the 20 and 25. We've got that settled already, right? That is a different paragraph in the rules that we did previously. So right now, what I think we were going to be doing is looking at this as a holistic, all of the factors. There are 17 factors right now and we already know that that's a non-inclusive list. So, I think it can be both and a combination of a lot of different things to look at a borrower's respective situation, to determine the kind of hardship this borrower is receiving. So, I hope that helps a little bit.

DR. BISHOP: No, thank you. And just to clarify, the predictive model is going to be used both for part B and for part C?

MS. ABERNATHY: Our intent is to provide the borrowers that are likely in default, the one-time relief. And then looking at our model to provide this as an ongoing effort. So, we're going to build that ongoing development of this model to look at the predictive factors that put borrowers in hardship holistically.

DR. BISHOP: Thank you.

MR. FRANCZAK: So, if we go next to the idea for the caucus, can I have perhaps estimated time from Yael for the need for the caucus? Like, how much estimated time should we allocate?

MS. SHAVIT: I think ten minutes is adequate.

MR. FRANCZAK: Ten minutes? Okay. So, are we good to set up that caucus now? Alright.

MS. ABERNATHY: We are Mike, thank you.

MR. FRANCZAK: Okay, good. Alright, so what if we shoot for reconvening at 2 p.m. Eastern with the larger group, sound okay?

MS. ABERNATHY: That works. Thank you.

MR. FRANCZAK: Alright. Beautiful.

Alright, so let's end our public component here, and we'll take our break with the caucus. Brady, can you help set up the caucus?

MR. ROBERTS: You should have just received-

MR. FRANCZAK: Welcome back, everyone. So before our break there was a caucus called and so my first question coming back is if there is any report out on the caucus itself.

MS. SHAVIT: No.

MR. FRANCZAK: Okay. Alright. So, my understanding is we may not have as much discussion still this afternoon on the text. And if that is the case, we may be able to accommodate additional speakers who are on the wait list for the public comment section that was originally going to start at 3 p.m. Eastern. Sorry, Tamy.

MS. ABERNATHY: Go ahead and finish and I'll jump in when you're finished.

MR. FRANCZAK: Okay. So, what we were envisioning was we have a good number of folks that are on the waitlist. I believe there are up to 10 on the waitlist. So, one idea we could do is to start the public commentary at 2:30 p.m. Eastern, allow the folks that are on the waitlist to have up to three minutes each between the 2:30 and 3:00 p.m. portion, to allow them to provide public commentary, and then begin the additional public commentary with the folks who are already slotted then from 3:00 to 4:00 p.m. Eastern. So that is an option and available. So, if there aren't any objections to that we could proceed with that format. I guess before we go any further on that, I'll go to Tamy if she has any comment or question at this time. You're muted, Tamy.

MS. ABERNATHY: Helps if you check that little button, doesn't it? What I wanted to do was circle back and clarify something that Jalil had asked, and I'm not sure that I said it as clearly as I would like to say it now. We view the automatic relief tied to the likelihood of being in default as a one-time effort under paragraph C, the other relief contemplated under paragraph D may be ongoing. So, I just want to make sure that we clearly understand that C is a one-time and D is ongoing.

MR. FRANCZAK: Alright. Thank you for that clarification, Tamy. Looks like there is a hand raised with Jalil.

DR. BISHOP: Okay. Thank you, Tamy, for the clarification. So my understanding, if the immediate relief for borrowers likely to default is going to be one time, I think that again, I would underscore the need to really define the likelihood of default based on the borrowers variables and based on the borrowers hardship, without considering existing relief policies will be an important way to approach that, because, again, the argument can be made that if a borrower is on a $0 repayment, that they may not need relief in that one time moment. But I think that what we know about hardship, what we know about likelihood to default, what we know about borrowers and loan servicing errors, I would just encourage the Department to consider the likelihood of default based solely on the borrowers financial and hardship variables without considering some of these other contingent or sometimes even theoretical forms, hypothetical forms of relief. So just based on default on the borrower for this one-time relief, I think would be closer to the gold standard of how to include as many distressed borrowers as possible.

MR. FRANCZAK: Thank you, Jalil. Any additional questions or comments on paragraph C or D at this time? Yes. Jalil.

DR. BISHOP: Sorry. I have a lot of thoughts today.

MR. FRANCZAK: No worries.

DR. BISHOP: So, I think that this is

not explicit in the regulatory text but I will say for the record, and I think it's important for the Department to consider how we're going to use predictive models. So predictive models are not neutral as I'm sure many researchers and data analysts at the Department will be able to attest to. So, I would just encourage the Department to think about and build out those models. Do you have the right equity experts, the right anti-racist experts to really unpack and navigate ways that machine learning, AI or large data sets can without intentional and proactive efforts can reflect racial, gender and other biases built into these systems. So just an encouragement to make sure that we have the right experts at the table and building out these models so that they're not reproducing other forms of bias discrimination or marginalization that borrowers have sometimes experienced in attempts to provide relief. So just having the right experts at the table, I think, will be key to make sure that model delivers relief in the intended way.

MR. FRANCZAK: Thank you, Jalil. Lane?

MS. THOMPSON: I just wanted to add on to what Jalil was saying to say that whatever the model ends up being, whoever it is that's actually running it, as much transparency as possible for borrowers and for state officials would be really helpful. I'm not asking for that now. I know it's probably not all made up yet, but I just wanted to ask that when we have that tool available that it's clear whether a vendor is using it, whether the Department employees are using it. And that would just be helpful for us to know when we get there.

MR. FRANCZAK: Thank you, Lane. Alright. Any final comments or questions before we sort of lay out timing and next steps for this afternoon? Alright. So, here's the thought, sort of building on the earlier public comment piece to allow folks who were on the wait list to have an opportunity to provide commentary for up to three minutes per person. What we would ask would be for those who were waitlisted, if you could begin and the larger group here will take a break. I'll ask us to reconvene at 2:25 p.m. Eastern. We'll ask folks that are waitlisted in terms of the public commentary, to begin to log on 10 minutes prior to 2:30. So if folks who were waitlisted, if they could begin to log in around 2:20 p.m. Eastern that would be helpful to sort of developing a batting order for when we would officially begin with the earlier public commentary around 2:30 p.m. Eastern. Does that sound like a plan?

Alright. So, we would take our break now, reconvene officially- or if you could get back here on screen by 2:25, we'll kick back off at 2:30. If you are waitlisted and wanting to speak in that earlier section, please do so by 2:20 p.m. Eastern. And with that, unless there is anything else, we'll take our break and go off our live stream. Welcome back, everyone. So, we are going to start with the public commentary earlier. I would like to provide a couple reminders. If you are on the wait list and would like to speak as a part of the public commentary now between this 2:30 and 3:00 p.m. Eastern timeframe is when we can fit you in definitely, so if you please call in, we will work to get you in that way. We would ask those who were already slotted for public commentary to call in 15 minutes prior to your time slot. And then we will go in the order that we have in terms of the slotting order. So, we will start the public commentary momentarily. Please remember that you'll have up to three minutes to provide public commentary. So, Brady, I'll turn it over to you in terms of how you want to do the order and announcement of folks.

MR. ROBERTS: Sounds good. Alright. I just admitted our first speaker, Dawn Arr, who's representing herself. Looks like she's in the meeting, but she hasn't turned on audio or video quite yet.

MR. FRANCZAK: So, Dawn, if you could turn your audio and video on, and then we could begin with you.

MR. ROBERTS: Looks like she might still be working on it. Do you want me to admit the next speaker and I'll work with her?

MR. FRANCZAK: Yeah, that's fine.

MR. ROBERTS: Okay. I just admitted Sylvia Tapia who's representing herself. Looks like she's in the meeting with audio enabled. She's just on mute.

MR. FRANCZAK: Okay. Sylvia, can you unmute yourself, please?

MS. TAPIA: Hi.

MR. FRANCZAK: Hi. How are you?

MS. TAPIA: I'm good, thank you.

MR. FRANCZAK: Good. If you'd like to turn your camera on, that's fine. If not, you know we can make do. Please feel free to provide public commentary up to three minutes.

MS. TAPIA: Okay.

MR. FRANCZAK: Starting now.

MS. TAPIA: Okay. Hi. I am a student loan borrower. I just turned 62 last month and I have been making student loan payments for most of my life. I have been employed by PSLF-eligible employer for almost 20 years. My current position does not require a degree. Sadly, my bachelor's degree has not paid off at all and, in fact, I am worse off financially than my parents who both had less than an elementary school education and yet they owned their own home. It was a never-ending fixer upper, but they owned their fixer upper. I live in a 375 square foot studio apartment that I rent for almost $1,700 per month, with rent increases every year without fail. Due to the crushing student loan debt, I have been unable to buy a home or save for retirement. I have no assets. All I have is debt. If the Supreme Court had helped loan borrowers with $20,000 student loan cancellation, that would have been me because I received a Pell Grant. Instead, I am back in repayment for $220, 36 per month, but only $33. 65 goes to principal to pay off the loan, and $186. 71 goes to interest. I am here to ask this committee to also address this repayment calculation inequity, and how student loans are calculated when only a very small portion of the payment is applied to the principal, and how this has real life implications on many student loan borrowers, especially low-income students. I also ask the committee to address wage garnishment paid towards student loans. Wage garnishments were implemented because student loan servicers refused to work out manageable student loan payments with borrowers. The garnished payments should also be counted as full payments at this point in time to ensure that the Department rights the wrongs that have been committed by unfair and predatory business practices by loan servicers contracted to collect on the student loans. I have experienced the wage garnishments. I ate white rice for weeks because they garnished all of my pay. The loan servicers were sharks and predators without an ounce of humanity and care for real people that were truly struggling to live. Several years ago, before I managed to overcome some of this, I became suicidal with a crush of the student loan debt and the unethical business practices of the predatory student loan servicers. I also request that you give employers incentives to help their employees pay down their student loan debt. Dear Committee, your work is very important, and I thank you all for coming together to work on this monumental task. Please do your very best to cancel student loans for as many student loan borrowers as you can, especially low-income student loan borrowers who took on a debt for a university degree.

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

MS. TAPIA: I want to burn my diploma, and I am 62 and I have only a few years to retire and I do not want to retire with student loan debt fees. Thank you for your time. Have a good afternoon.

MR. FRANCZAK: Thank you, Sylvia, for your public commentary.

MS. TAPIA: You're welcome. Thank you for listening.

MR. FRANCZAK: Brady, who do we have next?

MR. ROBERTS: I believe Dawn Arr is in the room and she's got her audio working now.

MR. FRANCZAK: Hey, Dawn, can you hear us?

MS. ARR: Can you hear me?

MR. FRANCZAK: Yes.

MS. ARR: Okay, great. Thank you very much for the opportunity to speak today. I greatly appreciate your time. I am 53 years old, and I attended a state university. I borrowed a total of $36,000 and have been in repayment since 1999. After over 24 years, my balance has only dropped to $31,000. That's only a $5,000 drop. I've had Pell grants, scholarships, college work study program, and I worked in a restaurant at night. Despite these efforts, I still needed student loans. My loans have been serviced by many groups; Texas Guaranteed Student Loan Corporation, Nelnet, Sallie Mae, Navient, and now Aidvantage. My payment history is filled with errors and there have been no ways to correct it and no one to provide a straightforward answer for resolution. I was ill advised to immediately consolidate my loans in 1999. However, this only locked me into a high 7.625% interest rate. While many other borrowers were able to benefit from a 1% interest rate many years ago, my balance continued to grow because the rules stated that once you consolidated, you were locked into that higher rate forever. Sallie Mae never explained this or provided that information. I had a brief period of bankruptcy of 24 months after my husband died, but ultimately, I did find a way to pay my debts, so I left that program. I did make loan payments during this time because the loans were still required, but my file, thanks to Navient, shows a bankruptcy status and that servicer, Navient, is not available to fix it. This is only a long list of errors by Navient over the years. Because of these few examples that I've shared, and there are many others, I urge you to consider the following for hardship. Number one, Pell Grant recipients. Number two, bankruptcy status. The very definition of hardship, especially because those loans were required, and payments being made. Number three, loans serviced by Sallie Mae and Navient. The list of mistakes and errors by those companies have been detrimental to so many people and have caused us to have increasing balances and incorrect reporting and payment history that continues to plague us to this day. Number four, those people locked into high rates because they were ill advised to consolidate. All this did was guarantee a never-ending cycle of payments.

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

MS. ARR: I do not own a house, a car or a business. I have been strangled by these loans since 1999. These payments mean I cannot afford medical care or retirement savings. I implore you to please consider hardship cases for loan forgiveness. Thank you for your consideration.

MR. FRANCZAK: Thank you, Dawn.

MS. ARR: Thank you.

MR. FRANCZAK: Brady, who will you invite next for public commentary?

MR. ROBERTS: I just admitted Jarrod Wall, who is representing himself, and I believe he's on camera and has audio enabled. He's just muted right now. He's unmuted.

MR. FRANCZAK: Okay, Jarrod, welcome to the regulatory negotiations. You have up to three minutes for your public commentary.

MR. WALL: Okay. Hi. I want to thank you, first of all, for having the opportunity to speak today. I want to kind of speak from a few different angles as a formerly incarcerated student debt holder. So, first of all, I served 26 years in the state of Indiana. And during that time, I ran or administrated an on-site college program for over 12 years. During this time, I saw many men disqualified from receiving Pell and state grants due to defaulted loans. Now, back then, if a person didn't have family or friends on the outside to help them, it was next to impossible for them to discover what company held their debt. Therefore, you know the simple process it should be for a six-month payment plan to achieve deferment, it was ineffective for them because they didn't have outside help at that time. True, we have more internet access now, but that still remains a problem. People inside simply do not have the information, support, or technological access to address their student debt issue. Secondly, most incarcerated student debt falls under, you know, $10,000 while incarceration itself averages $30,000 a year. So, I think simple justice reinvestment would be to completely absolve all student debt from incarcerated individuals so they could have that opportunity there, particularly if they've served five years or more. Next, I want to say that, you know, upon release, for most of us, when you want to talk about wealth, you know, a lot of our wealth, realistically, is what we're carrying on our shoulder in a trash bag. So, maybe a small gate release check anywhere from $10 to $200. So, if a person has student debt and they also leave with debt, and also with little wealth as they're trying to start anew, they're starting from red, below zero. Lastly, when I was released in 2015, this was pretty much my situation. And then I ran into a 30-year-old criminal legal conviction, which I had committed when I was in high school at the age of 17. And it was preventing me from realistically gaining meaningful employment and even admission for a while into universities. But, you know, to increase my opportunities, I finally kept pursuing and did get into a university. I'm currently a PhD student at Tulane University, fifth year, and, you know, but I was wanting to increase my life chances and my goal of helping others. So, I ended up, you know, into at first, I ended into a- excuse me, before the PhD.

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

MR. WALL: Before the PhD program, I entered a counseling program and as a result, great experience, but I currently have almost $40,000 debt from a degree that I'm never going to be able to use. Okay? So, I just want to encourage you. I'm going to be 53 when I graduate, starting with a $40,000 debt. Thank you.

MR. FRANCZAK: Thank you, Jarrod. Brady, who do we have next?

MR. ROBERTS: Alright. I just submitted Braxton Simpson, who's here representing themselves.

MR. FRANCZAK: Alright. Braxton, can you hear us? Can you hear me? There you are.

MS. SIMPSON: Yes, I can hear you.

MR. FRANCZAK: Okay, Braxton. So, you have up to three minutes for your public commentary. Please feel free to begin.

MS. SIMPSON: Greetings everyone! My name is Braxton Simpson, and I am honored to address the Department Negotiated Rulemaking Committee today as a graduate student at North Carolina Central University, a student who also attended a historically Black college and university for undergraduate and the North Carolina state director at Rise. I am deeply committed to advocating for equitable and accessible education opportunities for all individuals, and I just want to express my gratitude to the committee for taking the time to listen to my comments. It's crucial that we come together to discuss and shape policies that will positively impact the education system and ensure that every student has the opportunity that they need to succeed. I firmly believe that all students should have the opportunity to focus directly on their education without the burden of having to work tirelessly to fund it. Personally, as the oldest of three children, I've always had to take on a leadership role in my family. My younger brother and I were in undergraduate school at the same time, with him having partial scholarships but still needing financial support. My brother was also a student athlete, which meant he couldn't work a formal job. And just knowing the strain on my parents, I took on the responsibility of funding my entire education. And this meant juggling work, entrepreneurial pursuits, applying for scholarships and grants every semester, and constantly hustling to stay in school. And while this allowed me to graduate, it also resulted in significant student loan debt. So just like many Black borrowers across the country, student debt is truly a crisis rooted in structural and systemic issues faced by Black and

Brown communities. And we have remained at the center of many of these exclusionary policies that have perpetuated the racial wealth gap, making it increasingly challenging to truly accomplish a high quality of life. And I really do believe that investments in the student loan debt crisis, like you all are discussing here today, has the potential to close this gap and improve the quality of life for individuals just like me. So, in conclusion, it is imperative for the Department to prioritize the needs of student borrowers and take decisive action to create an equitable path to loan cancellation. The stories of countless individuals like mine, highlight the immense challenges and sacrifices made to access higher education, only to be burdened by crippling debt thereafter. So, by advocating for student borrowers and implementing policies that alleviate this financial burden, the Department can pave the way for a more inclusive and equitable educational system. It's essential that we work together to ensure that all students have the opportunity to thrive without being shackled by the weight of student loans, and the time for action is now, and the Department must lead the charge in fighting for the future of student borrowers across the nation. Thank you so much for your time.

MR. FRANCZAK: Thank you, Braxton.

Brady, who do we have next?

MR. ROBERTS: Alright, I just admitted Wesley Watson, who's here representing himself.

MR. FRANCZAK: Wesley, can you hear me?

MR. WATSON: Yes, I can.

MR. FRANCZAK: Alright, Wesley, you have up to three minutes for your public commentary. Please feel free to begin.

MR. WATSON: Good afternoon. My name is Wesley Watson. I'm the Michigan State director for Rise and a student loan borrower. Thank you for taking this time to listen to my comments as you all work to-work diligently to establish a rule related towards the modification, waiver, and comprehensive of the Federal Student Loans. I owe over $200,000 in student loan debt. My life number one concern and roadblock is my student loan debt. This is impacting my family, this is impacting my mother, and this is impacting me. Early on in my early grad years, my mother took out a Parent PLUS Loan to help me in my first three semesters. After college, I wanted to attend law school, but I did not pursue it because I feared of collecting more student loan debt. I'm currently at the stage where I'm at in life where I want to build a family. I want to create a lasting legacy. I want to purchase my first home. But because of my student loan debt, my debt-to-income ratio is too high and the only way I will qualify for a home mortgage loan is by taking an extreme high interest rate loan. This is the new reality for millions of Americans and old and young. And this is an unsustainable reality and pursuing true equity and opportunity in pursuing the American dream. I've seen the impacts of my student loan debt impact my ability to be a business owner. I do not qualify for business loans, and I face significant barriers establishing increasing my business line of credit. The debt crisis has disproportionately impacted Black borrowers and their families across all racial groups. Black borrowers hold the most student loan debt despite being consistently underserved by postsecondary institutions. The Roosevelt Institute brief shows that counseling up to $50,000 of student loan debt per borrower will immediately increase the wealth of Black Americans by 40%. The plan must not leave out borrowers who pursue graduate education or support their children, like my parents and my mother, and accessing higher education to better their lives, to better their future, and to better their families. We must ensure and we must make sure that we're looking at the hardship. We must look at justice and equity and fixing the root cause and fixing the issue within the- [30 seconds] student loan system, including graduate borrowers, including Parent PLUS borrowers as well. We fight for equity. We fight for justice. Equity benefits all of us, no matter what race, skin, color, or creed. Let's fight for equity when it comes to student loan debt in crisis. Thank you.

MR. FRANCZAK: Thank you, Wesley. If you are slotted to speak in the first ten minutes between 3:00 and 3:10, please log in now so we can fit you in. Who do we have next, Brady?

MR. ROBERTS: Mike, I just submitted Deena Alansky, who's joined but needs to enable audio. Let me message her. You should be able to see her on screen.

MR. FRANCZAK: Okay. Deena, can you hear us?

MR. ROBERTS: [background noise] Could you pause the live broadcast? We're going to get a little bit of a feedback otherwise.

MR. FRANCZAK: Alright, Deena, you have up to three minutes for your public commentary. Please begin when you are ready.

MS. ALANSKY: Hi. Thank you for this opportunity, I appreciate it. Can you hear me?

MR. FRANCZAK: Yes.

MS. ALANSKY: Awesome. My name is Deena Alansky. I'm 62 years old, and I can never retire in my lifetime, nor can I afford to buy a house. I work full-time in a field unrelated to my degree. I live paycheck to paycheck with no safety net, and my job does not provide health insurance or a 401K. The American dream escapes me because I attended a school that defrauded me, The Art Institute of Pittsburgh, which I will refer to as AIP. I took out Federal student loans to attend AIP from 1999 to 2002. I graduated in '02 with a degree in multimedia and web design, but I was never able to find a permanent full-time job in my field, and I struggled to make payments on these loans, which have been a hardship to me for 20 years. Then I discovered a few years ago that AIP had committed fraud. They fabricated job placement data, which we found out about from a whistleblower lawsuit, and they lied to me about my future job prospects, potential income, the quality of the instructors, the total cost of tuition, and the job placement services, which actually ghosted me after I graduated. I learned that this was happening at branches all across the country. Fortunately, I am a member of the Sweet vs Cardona class action lawsuit. I am a full class member so I will receive some relief from my debt. I was thrilled to get the email from the Department in

February 2022, telling me that my application was approved, and my remaining loans will be gone, although I'm still waiting for that to happen. I also thought that I was going to be reimbursed for all the payments I had made during those 20 years, but I was devastated to learn that I was ineligible for the refund because my Federal student loans were commercially held FFELP loans, F-F-E-L-P. I believe it's completely unfair, immoral, and unethical the commercially held FFELP loans like mine and like thousands of other people like me, are treated differently than other Federal student loans. It was not my decision to have my Federal student loans financed outside of the Federal Government. So why should I be- [30 seconds] punished for something that was completely beyond my control? Why should I be left out of the COVID payment pause and why am I ineligible for a reimbursement? But still, I'm one of the lucky ones because my application was approved. I want to ask the Department to please consider a group-wide discharge for all former Art Institute students. We were all defrauded by the school, and we all deserve to be unburdened from the crushing student debt associated with this fraud. Please do the right thing. Please issue a group-wide discharge for all defrauded borrowers who attended an AI school. Thank you for your consideration.

MR. FRANCZAK: Thank you, Deena. Brady, who's next?

MR. ROBERTS: Alright. I just admitted Ebony Brown, who's here representing herself.

MR. FRANCZAK: Alright. Ebony.

MR. ROBERTS: She might be stuck in the waiting room right now. She just joined.

MR. FRANCZAK: Ebony, can you hear me?

MS. BROWN: Yes, I can, thank you.

MR. FRANCZAK: Okay. You have up to three minutes for public commentary. Feel free to begin.

MS. BROWN: Okay. Thank you. Give me one second please. Computer is moving extremely slow. Okay. Well, good afternoon. My name is Ebony Brown. I am a first-generation nontraditional college student and student loan borrower, and I serve as the state director for Rise Georgia, and I appreciate you for the opportunity to share my thoughts on this discussion today. I was a teenage mother and fresh out of high school, I decided to attend college and quickly realized that I did not have the financial support to pay for my tuition. I did not have reliable transportation, and so due to that fact, I had to drop out and after dropping out and deciding to choose income over education, the interest on my student loans grew month after month, which eventually led me into default on my loans. And the result of defaulting on my loans impacted me in ways that I didn't know that it would. And so, I couldn't obtain a credit card. I couldn't get a loan for a car. And due to the mounting cost of my student loan debt, I was not considered credit worthy. And so, when the payment pause was rolled out, I was very fortunate enough to be able to save enough money towards opening my small print on demand service, which in turn gave me the ability to contribute to society and benefit my community while also giving me a chance to create generational wealth. And now I am in a space where I am ready to purchase my first home, and with the payment pause ending, I am a bit unsure on whether I will be able to achieve that goal. And you know, the cost of living is higher than it's ever been. Inflation is through the roof. Daycare expenses are extremely high, as over 40 million borrowers are facing student loan debt, and the Department must recognize the profound impact student debt has on borrowers like me and take decisive action to alleviate this burden. And so Black borrowers make up under 8% of those with no debt, but over a quarter of those who hold over $50,000 in student loan debt. And so, I urge the Department to do everything possible to fight for student loan debt cancellation and for borrowers and to create an equitable pathway to cancellation because-

MR. WEATHERS: 30 seconds remains.

MS. BROWN: Yes. It's not about alleviating individual financial burdens, but also building a fairer and more just society where education is truly accessible to all. And thank you for hearing my thoughts today.

MR. FRANCZAK: Thank you, Ebony. I'm going to ask anyone who slotted to speak between 3:00 p.m. and 4:00 p.m. Eastern to log in now so we can fit in as many people as possible and keep the- keep our flow moving as efficiently and effectively as possible. So again, if you are slotted to speak between 3:00 and 4:00, please log in now. Brady, who do we have next?

MR. ROBERTS: Alright. I just admitted Arin Anderson, who's here representing themself, and I believe they are on screen and have audio enabled.

MR. FRANCZAK: Arin, good to go? You have up to- great. You have up to three minutes. Please feel free to begin.

MS. ANDERSON: Thank you. Good afternoon. I am Arin Anderson, an African American first-generation college student and a student loan borrower. Thank you all for taking the time to listen to my comment as you all work urgently and diligently to establish a rule related to modification, waiver, or compromise of Federal Student Loans. During my time in university, I acquired thousands of dollars in student debt simply to have secure housing, basic needs, and tuition. Coming from a single-parent, low-income household with two girls in college and a middle schooler at home, my mom couldn't afford to offer financial support while I was in university and eventually needed my support when she was diagnosed with breast cancer in 2020. At the time of her diagnosis, I was already a full-time student and working two jobs to cover my cost of living and basic necessities while in school, but I refused to let the cost of tuition and unfortunate, unforeseen circumstances hinder me from pursuing a higher education and in turn, creating a better life for myself and my family. I took on student loan debt in need of support. I knew that this would impact me drastically after college, but I had no choice and was unaware to what extent. When student loan payments were paused, I had the opportunity to create stability in my life; secure housing, transportation, and cover basic necessities, something I was struggling to do while in school working full-time to support myself. Now that the pause on student loan payments has ended, I am back where I started, struggling to make ends meet after paying every necessary bill and expense to have safe and healthy living conditions, struggling to get ahead, or even caught up for that matter, after working so hard and so tirelessly to create stability in the midst of chaos. Forty-four million Americans hold $1. 6 trillion in Federal Student Loan debt. The college affordability crisis and the burden of student loan debt can limit economic growth for individuals and families. Student debt affects everyone. It's an economic issue, an equity issue, a housing market issue. And tackling this $1.6 trillion in Federal Student Loan debt would aid in tackling these other issues that are also directly impacting our lives. Canceling student debt would be- would significantly support the financial stability of young adults, families like- families and student borrowers like me can lift the burden of the student debt crisis for millions like me. This would give families an opportunity to get ahead, buy a house, save money, and in turn, change their futures. Thank you.

MR. FRANCZAK: Thank you, Arin.

MS. ANDERSON: Thank you.

MR. FRANCZAK: Brady, do we want to just begin with our slotted speakers and then fit in our last 1 or 2 waitlisted folks as need- as we can?

MR. ROBERTS: Oh, shoot. So, we're missing our first two slotted speakers, so I did go ahead and admit the final waitlist speaker-

MR. FRANCZAK: Okay.

MR. ROBERTS: Who is John Burkey, who's representing Burkey Capital, who's in the meeting and does have audio enabled.

MR. FRANCZAK: Okay, John, you have up to three minutes. Please feel free to begin. Are you ready to start?

MR. BURKEY: Hello. Hello. My name is John Burkey. Hello, my name is John Burkey. I'm with Burkey Capital. The subject of my comments would include the cohort of all student loan debtors. The proposed solution I have would be at no cost to taxpayers. Yes, can you hear me?

MR. FRANCZAK: Yes. Please keep going.

MR. WEATHERS: The proposed solution I have- the-

MS. JEFFRIES: Mike, I would suggest we bring in the next person. There seems to be a problem with his audio.

MR. FRANCZAK: Yeah. John, in the

future, you could turn off your video, and then we could just hear you. That might help with the feed.

MR. BURKEY: Okay, I can-

MR. ROBERTS: I can message him while we hear from-

MR. FRANCZAK: Yeah, let's do that, Brady. Thank you. Thank you, Cindy, as well. Alright.

MR. ROBERTS: I just admitted Guy Joseph, who's here representing himself and Guy is in the room.

MR. FRANCZAK: Okay.

MR. ROBERTS: You're good to go.

MR. FRANCZAK: Guy, you have up to three minutes. Please begin.

MR. JOSEPH: Good afternoon. My name is Guy Joseph, and I am a student loan borrower. Firstly, I want to express my gratitude to each of you for dedicating your time to hear my perspective as you work towards establishing rules concerning the modification, waiver or compromise of Federal Student Loan debt. As a first-generation Haitian American, education has always been revered as a fundamental value in my family. The sacrifices my grandmother, whose education halted at the fourth grade due to familial responsibilities, my mother, who tirelessly worked two jobs to support me and my siblings, highlighted to me the importance of familial well-being and education. Understanding this, I pursued education passionately, driven by the potential it held for my family's future success. Graduating college as the first in my family was a significant milestone for me. This is followed by me becoming the family's first lawyer as my aunt always points out every time she gets- every chance she gets. Yet these achievements came with a heavy price tag for me and my family. Just by receiving the Pell Grant, which helped secure my degree and the unwavering support of my mother who applied for the Parent Plus Loan, the weight of the Federal Student Loan debt has been a persistent burden hindering my financial progress. Today day I stand before you burdened by student loan debt totaling $432,124. 18. It's a staggering sum that threatens to overshadow every accomplishment in every dream. The recent reinstatement of student loan payments adds another layer of complexity to my financial situation. Despite my diligent efforts, the looming monthly payments threatened to hinder my ability to achieve essential life milestones such as home ownership, comfortable family life, the creation of generational wealth, often enjoyed by my- often enjoyed by my white counterparts. In closing, I implore you to consider the broad implications of student debt on individuals like me to approach your deliberations with empathy and compassion, and also to work towards leveling the playing field so that all Americans have an equal opportunity to thrive. Thank you.

MR. FRANCZAK: Thank you, Guy. Brady, who do we have lined up next?

MR. ROBERTS: Alright, I just admitted our next scheduled speaker, who is Lisa Salmons, who's here representing herself.

MR. FRANCZAK: Alright. Lisa, can you hear me?

MR. ROBERTS: Lisa, you're on mute [inaudible].

MS. SALMONS: Can you hear me? Sorry.

MR. FRANCZAK: It's okay, Lisa. Alright, Lisa, you have up to three minutes for your public commentary. Feel free to begin.

MS. SALMONS: Alright. Thank you. Hello. My name is Lisa Salmons, and I have a total student loan debt of $172,000 after attending a doctor and pharmacy school program that was three years in length. I was lucky to not have any other debt when I entered my doctorate program. I appreciate the

Department holding this meeting today. With that being said, I would like to reiterate that PDP stimulus was handed out to businesses, and they did not have to go to great lengths to prove they were experiencing hardship from COVID-19. COVID-19 sparked this conversation about student loan forgiveness, and again, healthcare workers who work tirelessly during the pandemic are being excluded from this hardship conversation and are mostly excluded from receiving benefit from the loan programs available. Hardship in this conversation seems to only include monetary means and is excluding the emotional toll the pandemic took on healthcare workers. I submitted red lines in December to include healthcare workers in the regulatory text and have yet to see them added to the official regulatory text. I would like to add the following red lines to 30.91(b)(18) (Student loans with more than $100,000 original principal balance, combined or not combined, including those not owed to the Department, (19)) The loan was disbursed to a student or parent on behalf of a student in a graduate student healthcare program that provides direct patient care. (19)(a), direct patient healthcare graduate programs mentioned above include, but is not limited to, occupational therapy (ODT), medical doctor (MD), doctor of osteopathy (DO), pharmacist (Pharm D), dentists (DMD), Doctor of Physical Therapy (DPT), physical physician associate (PA), masters in nursing (MSN), doctor of psychology (PsyD); and (20), student loans that have been paid to exceed the original principal balance and have satisfied the original principal. Thank you so much for your time today and I yield my time.

MR. FRANCZAK: Alright, so thank you. The purpose of this is public commentary. We appreciate your public comments. Submission of proposals needs to be done through a different vehicle. So, we do appreciate your public commentary. I want to encourage folks who are slotted to speak now between 3:00 and 4:00 p.m. Eastern to please log in now. We only have seven folks in the waiting room, and I know there's more folks who were slotted to speak, so please log in now so we can hear your public commentary. Brady, who do we have next?

MR. ROBERTS: I just admitted Mia Senechal, who is here representing MoveOn, who is in the room, and I believe has audio enabled. You're on mute, but I think we're ready to go.

MS. SENECHAL: Thank you.

MR. FRANCZAK: Mia, you have up to three minutes. Please begin.

MS. SENECHAL: Okay. Thank you for taking the time to hear my public comment. My name is

Mia Senechal and I'm a campaign director with MoveOn Political Action Fund. I'm here on behalf of thousands of MoveOn members and student loan borrowers who are encouraged by the Department’s proposal to relieve student debt for borrowers experiencing financial hardship. Despite several attempts by far-right Republicans, their special interest funders and the MAGA-led Supreme Court to strip away desperately needed debt relief from millions of struggling Americans, this administration has remained steadfast in delivering student debt relief through legal and established processes. Millions of MoveOn members are looking for this administration to reaffirm their commitment to addressing the student debt crisis. I urge negotiators to continue to quickly and fully deliver student debt relief to the countless everyday Americans who are crushed by the predatory loan system. Thank you.

MR. FRANCZAK: Thank you, Mia. Brady, who do we have next?

MR. ROBERTS: Alright, I just admitted Aissa Canchola Banez, who's here representing the Student Borrower Protection Center.

MS. CANCHOLA BANEZ: Great. Thank you. Can you hear me?

MR. FRANCZAK: Yes. Aisha, is that

how we pronounce your first name?

MS. CANCHOLA BANEZ: It's Aissa.

MR. FRANCZAK: Aissa. Thank you. You have up to three minutes. Please begin.

MS. CANCHOLA BANEZ: Great. Good afternoon and thank you for the opportunity to speak today. Once again, my name is Aissa Canchola Banez, and I serve as a senior advisor for policy and strategy with the Student Borrower Protection Center. First and foremost, I want to thank the Department for heeding the calls of borrowers, advocates, policymakers, and even some of your own fellow negotiators to come back to the table and to present a plan to support borrowers experiencing hardship, and, most importantly, for proposing a strong and expansive rule that could provide the Secretary with the necessary flexibility to address the myriad of ways that borrowers could experience hardship due to their student loan debt. For the millions of working people and families crushed under the weight of the student debt crisis, this hardship proposal sends a strong message of hope. Hope that the dream of finally being debt-free did not die when the Supreme Court sided with special interests over the rule of law, in hope that the dreams of home ownership, starting a small business, saving towards a retirement with dignity, and even starting or growing a family might finally be in reach. For too long, the cost of pursuing a higher education has resulted in a lifetime of student debt, which has denied an entire generation of borrower’s higher education's promise of economic mobility. And it's- this is why it's critical that the Department's rule take into account the millions of current college students not yet in repayment, and recent graduates just beginning their careers. For an entire generation of young people, the promise of an American dream has been pushed out of reach by the student loan debt crisis, and we can act now to change that. This proposal is a step in the- a strong step in the right direction, and we are encouraged to see that the proposal grants the Secretary the authority to provide immediate and automatic relief for those with high likelihood of default. The Department should also ensure that the 7 million borrowers currently in default, and those who have recently taken advantage of the administration's Fresh Start initiative, are automatically included in this critical relief. We also appreciate that this rule has the flexibility to provide further relief automatically or via application now and in the future, and in this case [inaudible] so where the Department has readily available data on a borrower's economic background or relevant demographic information, such as recipient-receipt of a Pell Grant or other public benefits, the Department should work to provide cancellation automatically and without an application.  Default is not the only indicator of hardship and should not be the only grounds for automatic relief.  For too long, student loan policies have been crafted to exclude certain groups of borrowers, and so we applaud the Department for including Parent Plus borrowers, and strongly urge the Department to not allow the 6 million borrowers with commercially held FFEL loans to be left behind.  We again applaud you for proposing a rule that provides an avenue for millions of Americans to see the relief that President Biden promised them, and we now call on you to ensure that this relief is issued as swiftly and as efficiently and as broadly as possible.  Thank you.

MR. FRANCZAK:  Thank you.  Brady, who do we have next?

MR. ROBERTS:  Alright, I just admitted Val Montefu.  [inaudible] It looks like she needs to enable audio.  We can't hear you, Val.  Let me see if I can't message her.  Here we go.

MR. FRANCZAK:  Val, can you hear us?

MS. MONTEFU:  I'm not hearing audio.

MR. FRANCZAK:  You have three minutes

to speak. Up to three minutes. Are you ready?

MR. ROBERTS: I think she maybe has the volume on her phone turned down because her audio is enabled.

MS. JEFFRIES: Can we- Mike?

MR. FRANCZAK: Yes. You are-

MS. JEFFRIES: Mike, can we confirm if she's driving because we can't allow people to participate if they're driving?

MR. FRANCZAK: Yeah.

MR. FRANCZAK: Yeah. Val, are you driving or not?

MS. MONTEFU: As high as it goes. Can you hear me?

MR. FRANCZAK: Yes. Are you driving currently? She can't hear us at all.

MS. MONTEFU: Can you hear me now?

MR. FRANCZAK: Yes. Go ahead.

MS. MONTEFU: Oh, good. Okay. I don't know what that was about. I'm sorry. Okay. My name is Valerie Montefu. I'd like to tell you about the hardships these loans have created in our family. Our son attended Brooks Institute of Photography from 2003 to 2007, anticipating a bright future in a career he had dreamed of since he was a child. He worked hard, graduated with a bachelor's degree and the bachelor's degree turned out to be completely worthless. The career counseling and promise leads never happened. The accreditation they claimed would lead to great jobs turned out to be non-existent. There were no jobs in his field. The loans we were told would be easily paid off by his guaranteed high income, are still lingering and growing like a cancer 20 years later, due to the predatory and deceptive pressure put on us by Brooks Institute and CEC. This loan amount has more than tripled, according to our loan servicer, Nelnet, from about $100,000 to over $337,000. Brooks Institute and CEC are a known bad actor duo for decades, and even though Brooks has shut down forever, CEC is still in the business of deceiving people that are still trying to build a better future for themselves or for their children. My husband and I and our son are Sweet class members, and the victory of this lawsuit was the first ray of hope we've had in many years. Unfortunately, the DOE and Nelnet failed to meet the January deadline. Both have terrible customer service and are nearly impossible to reach. We're currently living in fear that something will happen to allow them to permanently avoid complying with those court orders. My husband is 70 years old and I'm 68. We no longer own a home, nor can we get a loan to buy one with this amount of debt. In fact, our amount of predatory loan debt is more than the price of a nice middle-class home in many parts of our country. I'm still working full time with no view of retirement in sight, probably for the rest of my life. We will die with these loans hanging over our heads, unless the DOE and Nelnet are made to comply with the terms of the law- of the Sweet lawsuit. Due to all these deceptive practices of Brooks Institute and CEC, I believe all Brooks students and their parents should get immediate loan cancellation and refunds so that we can begin to live our lives again with freedom from this crushing burden. The loans from predatory companies like this create huge undue hardships and extreme stress on borrowers and their families. They're devastating in ways that go well beyond mere finances They go so deeply into family relationships and dynamics for success.

MR. WEATHERS: 30 seconds remains.

MS. MONTEFU: Really personal things I don't want to talk about right now. My husband and I, as well as all the other borrowers suffering under this hardship, deserve to be able to move on with renewed hope for what's left of our future. Thank you for allowing me to speak.

MR. FRANCZAK: So, for the safety of

our commentators, we just want to make sure that people are not driving. We couldn't tell if she was driving or not, but we do want folks to be safe while they're providing their public commentary. So, let's make sure that we are in a safe place and safe space to provide our public commentary. Alright. Brady?

MR. ROBERTS: Alright. I just admitted Candace Milner, who is here representing Public Citizen. And they are in the room, and I believe ready to go.

MR. FRANCZAK: Candace, can you hear? Can you hear me?

MS. MILNER: Yes. Can you hear me?

MR. FRANCZAK: Yes. You have up to three minutes. Please begin.

MS. MILNER: Thank you. My name is Candace Milner. I'm the racial equity policy associate at Public Citizen, a national nonprofit organization that represents consumer interests and has more than 500,000 members and supporters. Thank you all for taking the time to listen to my comment and your work to establish a rule related to the modification and waiver of Federal Student Loans. I am a first-generation college graduate, a Pell Grant recipient, and a student loan borrower. During the payment pause, I graduated from law school and began working in a public interest role that is not PSLF eligible. The payment pause enabled me to pay down additional debts I incurred while in grad school and preparing for the bar. I was also able to build a savings and plan for my future. Returning to payment without substantial debt relief has halted my progress in reaching saving goals and makes the idea of reaching financial milestones like home ownership and expanding my family out of reach. It is not a secret that Black women are the most likely group to have student loan debt, and Black and Latinx students borrow at higher rates than their white peers. For me, pursuing higher education was a pathway for upward mobility and to build wealth for myself and my family. Unfortunately, student loan debt incurred from earning my degrees has stifled my ability to save, build wealth, and acquire true mobility in ways that I was promised. This is hardship. I urge negotiators to do everything possible to fight for borrowers and create widespread and accessible pathways to cancellation. Canceling $50,000 in student loan debt would significantly reduce the racial wealth gap and lift the burden of the student loan debt crisis for millions. It will also guarantee that borrowers like me, and an entire generation of borrowers, are not left out to dry. The Department must not leave out borrowers who pursued graduate education or supported their children in accessing higher education by ensuring any proposals for waivers include graduate borrowers and Parent PLUS borrowers. I would stress the importance of the hardship portion for this proposal and thank the Department for bringing the negotiators back to the table. I support making this relief as automated as possible and would like to specifically support it, including Pell Grant recipients, borrowers impacted by loan service errors, and borrowers with high housing costs. Like many borrowers, I am happy to do my part in paying down debt and strengthening our economy. Student loan debt relief and the flexibility for hardship that was proposed today are a great start to ensure [30 seconds]. Thank you- are a great start to ensure that borrowers like me can contribute to our economy and strengthen our communities without the burden of a crippling student loan debt. Thank you so much.

MR. FRANCZAK: Thank you, Candace. Alright, so we have six speakers left. And up to 38 minutes remaining for the public commentary. So, if you haven't logged in as a slotted speaker, please do so now. Brady, who do we have next?

MR. ROBERTS: Alright. I just submitted Timothy Babulski, who is here representing himself. And I believe he is all set to go.

MR. FRANCZAK: Alright, Timothy, all set?

MR. BABULSKI: Yes, indeed.

MR. FRANCZAK: Alright. You have up to three minutes.

MR. BABULSKI: Thank you. Thank you for taking the time to listen to my comments today. I am Timothy Babulski. Although I'm here representing myself as a student loan borrower, I am the art education coordinator for the University of Maine and adjunct professor at the University of Southern Maine, Southern Maine Community College, and the University of North Carolina at Charlotte. The reason why I have so many titles is because higher education right now is in an adjunct [inaudible] crisis, and the Public Service Loan Forgiveness changes, although important made some necessary improvements, have still made it impossible for those of us with large amounts of student loans to be able to successfully return to payment without taking on multiple positions, traveling extensively and working 70, 80, 90 hours a week. The Department needs to understand that their failure to previously include graduate borrowers and to make significant changes to the Public Service Loan Forgiveness program, although they are not topics for today, has indeed created hardships that we all suffer with. My personal loan story is that I have $229,756.41 in student loan debt. A small portion of that is from undergraduate loans, most of it from my master's and my doctorate program. But at a point of career transition in 2009, there was really no choice, no other option left before me. It is what we have all been told to do as good American students and citizens, that when times are down, we dig deep, we go far. We make the Hail Mary pass. We try for the end zone. And that meant going back into higher education. Doing so allowed me to live. I have no doubt that without going back into higher education, I would not have survived a period of being unhoused. However, having this burden of student loan debts hanging over the top means that not much has significantly changed. I still do not have access to home ownership. I have only recently regained access to medical care, still have not had access to dental care in over 20 years. I have never been able to start a business or raise a family. That lack of security as I am entering middle age, means that I am looking at a position where I have no retirement, no real access to benefits, and hearing the stories of people who are 10, 20 years my senior really brings it home how deep and big this crisis is I encourage the Department [30 seconds] to seriously consider how their 17 factors relate to hardship, because the hardship of student loan debt is that it denies all of us full participation in society and derails the possibility of our social mobility. It cannot just be for borrowers on the verge of default or for the purpose of making payments. Thank you.

MR. FRANCZAK: Thank you. Brady, who do we have next?

MR. ROBERTS: Alright. We just got confirmation that Pam Patterson is our next speaker. She's here representing herself. I believe she's in the room, and she's enabled audio.

MR. FRANCZAK: Alright, Pam, can you hear us?

MS. PATTERSON: Yes. Can you hear me?

MR. FRANCZAK: Yes. You have up to three minutes. Please begin.

MS. PATTERSON: Okay. I'm very appreciative to the panel's efforts to hear the borrower's stories. My husband's student loan struggles have been an issue since he left school in 1986. I've been following the discussions and even reached out to Jessica Ranucci, one of the negotiators who's been helping navigate collection issues for HEAL borrowers.

Thank you, Jessica. I would like to bring attention to our experience with the HEAL Loan Program, discontinued in '98, and ask the Department to include HEAL Loan borrowers in any debt relief. When these loans were made at Life University in 1982, my husband was told, sign here and get a loan. No counseling or warning this could ruin your life. So, he borrowed $50,000 and as of October 23, his balance was $562,000. Unfortunately, his first wife deserted him and two young boys at four and five while being a full-time student. When the judge awarded him full custody, he was told to get full-time employment and was not able to finish school and defaulted. His boys took priority over the letters demanding loan payment in full. Times were tough. He was unable to provide insurance for himself or the boys, afford health, dental care, braces, assistance with education, auto insurance, cell phones, etc. The boys started working at an early age to cover expenses that most parents can afford. Because of damaged credit, he never qualified for a car loan and still been a joint owner on a home mortgage, nor contributed to any type of retirement saving plan. Even after Mark and I married, we were unable to escape the stress of this monster loan. As with most borrowers who have gone into default, it is often for hardship reasons. A payment agreement was only offered after years of being in default, since he had honored this agreement and faithfully paid the $200 per month for over 23 years. Prior to COVID, his monthly statements showed interest penalties, late fees at $3,000 or more. At 64 years old, if he lives to be 80, this debt will likely be 1.5 million. He has paid back $60,000 with no credit applied to the $50K principal. For decades, borrowers have likely been paying on similar payment plans unknowingly, still in default with no forgiveness in sight. Since HEAL loans are still in collection through HHS program support, they are not monitored by the Department. When Mark's payments resumed [30 seconds]- He did not receive a monthly statement, just a collection letter wanting payment in full $562,000 in principal. Yet we will still be garnishing tax refunds, Social Security, and benefits. The current balance is unknown since HHS no longer provides monthly statements. This is like a home buyer still owing ten times more the principal amount after paying off a 30-year mortgage. In summary, I understand protecting taxpayer money, but struggling student loan borrowers are also taxpayers and deserve protection. I think that borrowers with defaults, judgments, and borrowers with HEAL loans deserve to be included in debt relief.

MR. FRANCZAK: Thank you, Pam. Alright Brady, who do we have next?

MR. ROBERTS: Alright. I just admitted Christian Solomon who is the Nevada State Director of Rise. And I think he's on screen and off mute.

MR. FRANCZAK: Okay. Christian, can you hear me?

MR. SOLOMON: Yes, sir.

MR. FRANCZAK: Alright. You have up to three minutes. Please begin.

MR. SOLOMON: Thank you. Hello everyone. My name is Christian Solomon and I'm the state director for Rise Nevada, and someone who's suffered under the financial burden of student loan debt. I would like to thank the Department Negotiated Rulemaking Committee for taking the time to hear my story, among others, as you work with the purpose to establish a rule related to the modification, waiver or compromise in loans.

MR. FRANCZAK: Thank you. Go ahead. Christian.

MR. SOLOMON: Because of student loan debt, 2020 was the worst year of my life. In that year, I could not afford to continue pursuing my bachelor's degree and decided that I was going to work and take care of my mother, who had been diagnosed with renal failure. Because of a delinquent balance at New Mexico State University, my transcripts were withheld from me, and I was ineligible for many job opportunities after dropping out in 2020. It was during the payment pause that my financial and career situation was made a lot clearer for me. As someone who then served an AmeriCorps term in the fall of 2020, I was able to establish a plan, pay off my delinquent balance, became empowered to do more and aim higher, and recognize that my ambitions, passions and interests were in my hands all along. But I needed that hand up in the form of a payment pause to help me get here. Without any form of student loan debt relief, my life would drastically change, because I would then have to reacquire the costly burden of simply being born in the wrong time, striving for an education in an economic system that was created without my generation's ambitions, passions, and interests in mind. As a Gen Zer, I can assure you that we are a generation that watched our parents struggle during the recession of the late 2000 and on the verge of adulthood, were set back with similar effects during the pandemic, secure economic mobility for our generation and for communities that have been historically marginalized should not just be a goal, it should be an automatic built in necessity. As young people, we are often told that we are the leadership, professional, workforce and backbone of the future, but get paid lip service far too often for it. The DOE should establish a pathway through student loan debt cancellation to ensure that we can meet our needs and thrive as societal stakeholders. We are not just the foundation of our country's success; we are the reinforcing pillars that will let you know about this immense pressure that could lead to a dark future for young people. Our students deserve to live with the dignity of being able to live and learn. It is their energy that can be focused on solving huge systemic problems in all fields instead of having them squander their talent on survival, hardship, and struggle. More avenues for student loan debt relief will empower students. Thank you for your time.

MR. FRANCZAK: Thank you, Christian. Brady, who's lined up for us next?

MR. ROBERTS: I just admitted Zaniya Lewis, who is the executive director of YesSheCanCampaign.

MR. FRANCZAK: Alrighty. Zaniya, can you hear me?

MS. LEWIS: Yes, I can hear you.

MR. FRANCZAK: Great. You have up to three minutes. Please begin.

MS. LEWIS: Okay. Thank you for allowing me to speak today. My name is Zaniya Lewis, and I am a financial aid recipient, a law student, and the founder of the nonprofit called the YesSheCanCampaign. We run a program and platform called Disscholared that is working to dismantle scholarship award displacement nationwide. I have over $60,000 in student loan debt, and many of my loans came from earning a scholarship. 100% of postsecondary institutions across this nation are penalizing students like me who earn outside scholarships and grants, including, but not limited to, Federal grants, Federal scholarships, state grants, state scholarships, military benefits, outside scholarships, external scholarships, private scholarships, and any outside aid. During my senior year of undergrad, my institution eliminated my work study. They eliminated about half of my university need-based scholarship, and they increased my Federal loans because I won a scholarship, and I was left to pay over $15,000 out of pocket. And I ended up going into over $20,000 in student loan debt, both Federal and private loans that year, and almost had to drop out of my postsecondary institution. Higher institutions are also eliminating a student's Pell Grant after receipt of an outside scholarship grant or aid, and therefore a student who is eligible for a Pell Grant are not able to- or any other type of financial aid, do not receive it because of their postsecondary institutions outside aid policies. And students who receive outside aid and grants are disadvantaged by being penalized for earning these scholarships and grants, leading them to take on additional loans which include Federal loans. Institutions, state student loan lenders, and scholarship websites and programs are also working together to force students into additional student loan debt, including Sallie Mae, who recently inquired the scholarship site, Scholarly. And I hope that this committee will take into consideration on how postsecondary institutions are using scholarships and grants as a tactic to force students into student loan debt. Scholarships and grants should be used to decrease debt, not increase debt. Thank you.

MR. FRANCZAK: Thank you. Next, Brady.

MR. ROBERTS: Alright. I just admitted Joann Mercedes, who is here representing herself.

MR. FRANCZAK: Alright. Joann, can you hear me?

MR. ROBERTS: She has audio enabled.

MR. FRANCZAK: Yep. Joanne, you're currently muted. There you go. Alright. You have up to three minutes for your commentary. Please begin. Still can't hear her.

MR. ROBERTS: Yeah. Joann, if you can hear us, your off mute but we can't hear you for some reason. Do you have like a- maybe an external mic hooked up? Do you want- here, I can work with you offline if you want me to admit the next speaker.

MR. FRANCZAK: Okay.

MR. ROBERTS: Alright, I just admitted Tyler Knapp, who's here representing himself. And Joann, I'll send you a message.

MR. FRANCZAK: Alright. Tyler, can you hear me? Tyler? Can you hear me? Tyler Knapp.

MR. WEATHERS: Yep.

MR. FRANCZAK: Alright, Tyler, you have up to three minutes for your public commentary. Please begin.

MR. KNAPP: Hi. Hello. First and foremost, I'd like to thank the committee for allowing me time to speak. I'm a 32-year-old male who works as a software engineer. I have $48,000 in student loans. I have a chronic medical condition called ankylosing spondylitis, which slowly fuses my spine into one bone over time. I'd like the committee to consider adding a category for people that have chronic health conditions, and the significant gap in how much people with chronic health conditions pay. Last year alone, between medical and dental expenses, I spent $11,456.16. Last year was not a good year. I had two surgeries. An average healthy individual will spend a few hundred dollars a year on out-of-pocket medical expenses. According to Huang, et al, in 2001, two percent of families with members having two or more chronic health conditions spent 10% or more of their income on healthcare, as compared to only four. Three percent of families spending 10% or more of their income on healthcare. For my condition alone, on a monthly basis, I am spending $450.53. I do have private insurance for my employer, but even with the private insurance, I'm still spending hundreds of dollars a month on specialists such as pain management, rheumatology and psychiatry. One of the specialty medications I take, my co-pay is $250 a month. My insurance company's responsibility is around $5,500. Another one, my co-pay is $80. My insurance company pays around $1,200 a month for that. So, I'm asking the 2024 Negotiated Rulemaking Student Debt Relief Committee to please consider these facts when deciding on the rules and incorporate some type of program that offers relief for individuals with chronic health conditions. Every paycheck I pay combined $862.42 in Federal, State, Medicare, and Social Security taxes, which means that last year I had withheld from my paycheck a total amount line taxes of $22,061.28. I am on no welfare programs or any type of state aid. By allowing a program to allow complete or partial forgiveness for individuals with chronic health conditions, I would actually see my tax dollars going toward something that is benefiting me. As a taxpayer that pays so much in tax dollars, I think we should have a say in how our tax dollars are spent. I do not have children, nor do I qualify for food stamps, medical or other welfare programs. I personally, in my lifetime, have met at least ten people that deliberately do not work more than a certain number of hours a week, so that they are able to still qualify for Medicaid and food stamps. And it is people like that that my hard-earned tax dollars are benefiting. While they are fully capable of working more, they choose not to because they don't want to lose the benefits of the hard-working people's tax dollars are paying for. Thank you.

MR. FRANCZAK: Thank you, Tyler. Brady, who do we have next?

MR. ROBERTS: Alright. Joann dropped

off to work on her audio issues. So, we are going to admit Derrick Johnson, who is the president and CEO of the NAACP.

MR. JOHNSON: Hello, everyone.

MR. FRANCZAK: Hi, Derrick. You have up to three minutes. Please begin.

MR. JOHNSON: Sure. For over a decade, NAACP, particularly our youth and college division, has fought for economic liberation through the cancellation of student debt. Make no mistake, this is a racial justice issue. Black borrowers consistently struggle with loan repayments, and over 50% of Black borrowers likely- are likely to default as a result of the payment resumption last fall. This burden weighs particularly heavily on Black women, who are one of the most educated and debt-burdened groups in this country. While we appreciate all that this administration has done to move the needle, the gravity of this issue warrants immediate substantive relief that is not possible without a clear definition of hardship. Let's be clear. Taking out student loans is the hardship. Students do not aspire to enter their early 20s with deliberating debt. They aspire to uplift themselves, their families, and their communities, and have been taught that education is the best path towards economic stability and upward mobility. These students have been promised an American dream, and those unable to afford- to be afforded the education that will open doorways for them are encouraged to take out- take on debt with the promise of a future where that debt can be repaid as they flourish in their careers. The reality is, for many, that dream has become a nightmare. Americans, particularly Black Americans, are saddled with debt, facing insurmountable obstacles and navigating a systemically racist job market while predatory lenders rack up interest fees, creating a perfect storm that for many is near impossible weather- to weather through. We must do better. The relief that we've seen, and the rules that have been proposed thus far are pivotal first steps. Despite this process, Black Americans, particularly young Black Americans who have been at the forefront of this fight, are being left behind. As you engage in this crucial additional session, I encourage the Department to approach the issue of hardship and the factors considered to define such hardship through a racial equity lens. A failure to consider the unique factors that disproportionately impact borrowers of color will be a failure of the duties that have been bestowed upon this administration through the promise made on the campaign trail. Black America has and will continue to show up for America from fulfilling our civic duties to fueling the economy time and time again is at the forefront and we thank you for this opportunity.

MR. WEATHERS: 30 seconds remains.

MR. FRANCZAK: Thank you. Brady, who's next?

MR. ROBERTS: Hey, I re-admitted Joann. I think her audio issues should be solved.

MR. FRANCZAK: Okay.

MS. MERCEDES: Can you hear me?

MR. FRANCZAK: Joann? Yes. You have up to three minutes. Please begin.

MS. MERCEDES: Thank you. Thank you to the Department and the negotiators for dedicating their time to improve the student loan system. My hope is new ways to discharge these loans are found in order to release borrowers from this death sentence. Defaulted and chapter 13 borrowers were left out from all the waivers and no mentions of forgiveness. Borrowers that were most in need currently or at a period of the student loan history. With the waivers, actual no payments or new loans with no payments at all if consolidated with O-1s were forgiven where those with default or chapter 13 history with actual high payments were left behind. Real money sent to our loans not being acknowledged in my personal case after a life event, I defaulted in 2017 and my taxes were garnished a total of over $8,000, which was comparable to my Income Based Repayment Plan at the time. I hope those defaulted payments were accounted, or at least [inaudible] on rehabilitation forbearance, which were over $500 a month for ten months. The reason why we have [inaudible] forbearance payments are not counted is beyond my comprehension, since this loan is in good faith, being rehabilitated and should not have a default status in the history. You can help many, many of us right now by counting our payments that were processed via default or chapter 13 in our IDR or PSLF journey. It is unacceptable that is not counting for us that have struggled with the student loan system for a long time. Due to this status existing in our loans, we can't even use the time to buy back these periods. It feels like a punishment. Please don't leave us behind. Many deserving people that due to temporary financial crisis, can get their loans discharged despite having the time of IDR or working in public service. Fresh Start is not the answer for us because it's not counting the time that has passed or that we paid. Before implementing new solutions, please help us with the [inaudible 02:48:43] forgiveness programs that are still plagued by many issues and can be the answer for many of us. That can potentially help many of the borrowers experiencing hardship today and in the past. Thank you.

MR. FRANCZAK: Thank you. Next, Brady.

MR. ROBERTS: Alright, I just admitted Peter Granville, who is here representing the Century Foundation.

MR. FRANCZAK: Alright. Peter, can you hear me? Great. You have up to three minutes. Please begin.

MR. GRANVILLE: Thank you. Good afternoon. My name is Peter Granville. I'm a fellow at the Century Foundation. During public comments in July, I urged the Department to include Parent PLUS Loan borrowers in student debt relief. Today, I applaud the Department for crafting regulatory text that has the potential to deliver much needed debt relief to Parent PLUS borrowers on the basis of hardship. Nearly four million borrowers and their families carry Parent Plus loans, which have proven to be especially difficult for families with low income and wealth, to repay, and which can exacerbate the racial wealth disparities. Due to restrictions on Parent PLUS borrowers IDR eligibility, debt relief through Department action is likely their best chance to get out from under unmanageable debt that they may have carried for decades. The categories of hardship identified in part B capture many dimensions of the financial challenges facing Parent PLUS borrowers. I'd like to use my time to highlight a few groups of Parent PLUS borrowers, who may be especially likely to qualify for relief if this text were put into regulation. The first group is parents who carry both Parent PLUS debt for a child's education, plus loans for their own education. By my estimates, 1 in 6 parent borrowers carry this unique cross-generational burden. Survey data from the Federal Reserve suggests these borrowers with Parent loans and their own education loans have less savings, are more likely to receive public benefits, are more likely to carry unpaid credit card debt, and are more likely to report being behind on student loan payments versus comparison groups. A substantial number of these borrowers would likely qualify under the hardship provisions. The next group I want to highlight is Parent PLUS borrowers whose loan supported enrollment at an HBCU. Due to more than a century of chronic underfunding, HBCUs lack the ability of predominantly white peer institutions to close affordability gaps through institutional aid that leads to a high concentration of Parent PLUS loan debt among HBCU families. This debt can prove unmanageable, as HBCUs comprise many of the institutions with the highest Parent PLUS default rates. Under the Department's plan, and outsized number of Parent PLUS borrowers whose loans supported an HBCU education would likely qualify for hardship-based relief. Finally, relief based on hardship may reduce the incidence of older Parent PLUS borrowers seeing their Social Security payments withheld due to student loan default. According to the GIO, 40,000 disabled or retired Parent PLUS borrowers saw portions of their Social Security benefits withheld from them in 2015 due to student loan default, which can plunge a person below the poverty line. The undeniable and lasting hardship experienced by these borrowers would likely meet the standard for loans whose cost of collection exceed the value of keeping that debt on the books. While more information would be needed to make projections of Parent PLUS borrowers' relief under this plan, I am encouraged by the text released by the Department, and I thank the Department and negotiators for their work.

MR. FRANCZAK: Thank you.

MR. GRANVILLE: That's all for me. Thank you.

MR. FRANCZAK: Brady, next?

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

MR. FRANCZAK: Lisa, can you hear me?

MR. ROBERTS: But she is-

MR. FRANCZAK: She's listed under River Run Condo?

MR. ROBERTS: She is, yes.

MR. FRANCZAK: Okay. Lisa, can you hear me now?

MS. HARLE: Yes, I can.

MR. FRANCZAK: Okay, great. You have up to three minutes. Please begin.

MS. HARLE: Okay, so my name is Lisa Harle, and I represent students that filed a BTR application against Kaplan University. I want to thank everyone for canceling debt for students due to financial hardship. This will definitely help many, many students. I am, however, very disappointed in the Department has yet to cancel debt for students who attended Kaplan University, now known as Purdue Global. As for the Kaplan students, we do not have much time. I am requesting that the DOE please cancel student debt for Kaplan students. It was accomplished for Corinthian College and ITT, and our time is running out. And that's basically what I have to say. I wanted to thank you, though, for the- for really the canceling of debt for people with financial hardship. I think that's a move in the right direction.

MR. FRANCZAK: Is that the end of your public commentary, Lisa?

MS. HARLE: Yes, it is.

MR. FRANCZAK: Alright, thank you. Appreciate it.

MS. HARLE: Thank you.

MR. FRANCZAK: Okay. Brady, who's next?

MR. ROBERTS: Alright. Next, we have Bob Carey, who's here on behalf of the National Defense Committee.

MR. FRANCZAK: Alright, Bob.

MR. CAREY: Thank you very much. I'm Bob Carey. The National Defense Committee started in 2003, in order to advocate for the civil and legal rights of military and veterans. We've recently put together a report about the nature of military and veteran educational benefits, and what we basically consider to be a war against veterans and military personnel to be able to use their earned educational benefits. And this seems to be another one of those examples. The fact of the matter is that this regulation is going to establish a very dangerous moral hazard. Everyone signed these loan agreements to which they knowingly agreed. And these loan agreements are not based upon any promise of future income or future financial position except to allow for deferments and refinancing. Now, where there's been fraud or other criminal activities in that loan process, or in the educational process that makes that loan agreement broken, then yes, we agree there should be a loan discharge for a reasonable position, but this regulation gives every loan holder every incentive to go into greater debt, get into worse financial position, and to be in the greatest possible position for a default, because then they'll get their loan discharged. Now, from a military and veteran perspective, this looks like a pretty bad deal. The fact of the matter is I'm a 62-year-old veteran. I had to sign on for an additional six years in order to be able to get the GI Bill benefits and that was part of the deal. I knew it, I made the deal. But now it looks to me that I was a sucker because I could have just gotten a loan and then got it into deferred. This looks to be much more about how we make higher education free than about how do we look at deferment or discharge of loans. The last question is we look at the military and veteran- the military recruiting crisis and retention crisis. And, you know, these veterans and these potential military personnel, they're rational. They know whether something is a good deal or not. And the problem is, is that with this regulation that, you know, that military service is no longer a good deal. Now, look, if Congress wants to make higher education free, then they need to pass a law to do it. But as one of your participants today talked about, I don't see where Congress has given the Department this grand expansive of legislative authority in order to be able to essentially forgive each and every loan as a matter of policy. And I think that is a really bad moral hazard that we are setting up for our student financial market. This is how banks fail. And I think we're setting ourselves up.

MR. WEATHERS: 30 seconds remains.

MR. CAREY: I'm good. Thank you very much. Appreciate your time.

MR. FRANCZAK: Thank you. Next, Brady?

MR. ROBERTS: Alright. I just admitted Dorien Rogers, who's here representing himself.

MR. FRANCZAK: Alright, Dorien, can you hear me? Dorian?

MR. ROBERTS: He's in the room but he hasn't enabled audio quite yet. And he's our last scheduled speaker, so I want to give him [inaudible].

MR. FRANCZAK: Okay. John Burke, who

is in the waiting room, he had already spoke, did he not?

MR. ROBERTS: He had some audio issues, and so he left about 45 seconds into his comment. So, I was going to admit him again to see if his audio issues had resolved.

MR. ROBERTS: Okay. While I work with Dorien, do you want me to admit, John?

MR. FRANCZAK: Sure.

MR. ROBERTS: Okay. Just as a reminder, this is John Burkey, speaking on behalf of John Berkey Capital LLC.

MR. FRANCZAK: John, can you hear me?

MR. ROBERTS: [inaudible] There we go.

MR. FRANCZAK: How about now? John, can you hear me?

MR. ROGERS: Yes, I can hear you.

MR. FRANCZAK: Alright. Yes. You have up to three minutes. Please begin.

MR. BURKEY: Hello. My name is John Burkey. I'm with Burkey Capital. The subject of my comments would include - let me turn off my-

MR. FRANCZAK: Yeah, the public feed.

MR. BURKEY: The subject of my comments would include the cohort of all student loan debtors. The proposed solution will be at no cost to taxpayers. It would have the opportunity to fix many of the hardship conditions right now. And additionally, for students that are in school it would provide an opportunity for them to resolve their student loans when they graduate. As we know, a significant consequence of student loan debt has been the delay in home ownership and the opportunity for wealth creation via home ownership. The problem is often the burden of paying down or paying off student debt. And how that impairs saving for a down payment. The delays result in an endless treadmill of never getting ahead, raising rents, rising home prices and then compounding the issue, albeit temporary rising interest rates. Accordingly, an impending structural paradigm shift to mortgage lending may provide an opportunity to enable home ownership. More specifically, traditional mortgage lenders are usually limited to 99 to 100% the house as collateral. However, considering advances of data processing technology, behavioral credit analysis, etc. together with the average growth rate in the price, the value of homes of about four-point three percent that there is an opportunity to comb pine student loan payments with the purchase of a home. Given that historical growth of four, three precent four-point three percent in the period as short as five years, a student loan borrower could basically be out of debt. The value of their home would exceed the price of their mortgage and effectively, they're out of student loan debt, didn't cost the taxpayers a dime. It was fair to the student and had equity for the student, had equity for the taxpayers, especially the ones that didn't go to college or those that did and were able to pay off their student loans. The bottom line is the mortgage industry would ask the Department to do one thing. The reality is student debt is already on the table. They've already wrote the check. The money's already there. So, when a lender- [30 seconds] pays off the loan, the Department would agree that during this five-year period or the next five years, if the student defaulted to the point it became a foreclosure, and there's a little bit of legalese. But basically, if the house ever foreclosed and had to be sold, if there was a what's called deficiency balance or meaning the mortgage balance was greater than the house value, the student loan would be reinstated up to its original amount. So, if somebody bought a house-

MR. FRANCZAK: John, that's the end of the three-minute time period.

MR. BURKEY: -dollars was paid off in student debt-

MR. FRANCZAK: John.

MR. BURKEY: -for some reason, that house foreclosed-

MR. FRANCZAK: I'm sorry, John. That was the end of the three-minute period. So, we have our last speaker. I believe it's Dorien Rogers. Dorien, can you hear me?

MR. ROGERS: Yes, I can. How's everybody doing?

MR. FRANCZAK: Yep. Dorien, you have up to three minutes. Please begin.

MR. ROGERS: Absolutely. Thank you. Greetings, everybody. I hope all is well with everyone. My name is Dorien Rogers, resident of Clarksburg, Maryland. And as a student, as a borrower, as a teacher, as a Door Dash delivery driver, and most importantly, as an American, education has been a bridge that has interconnected me to the intersections of the American Dream. However, with over $50,000 in student debt undergraduate and graduate, the American Dream feels more like the American nightmare. This comes as the job that I possess barely enables me to sustain my finances, the very finances I wish to use to purchase a home, start a family, take care of my parents who have proudly served this country in uniform alongside their endless sacrifice for me and my brother, and my ambitions to run for public office to serve the people as well. Are my parents worthy of relief from me as the supported child to put through school, through their Parent PLUS loans through undergraduate? Am I worthy as a student going through student loan forgiveness as I advance my degree within my master's program? Though I recognize we all have to work hard for our journey to uplift a better America, I find contradictions in having to work so hard to truly utilize the true power of education, when this life investment has become a life sentence. This comes as I struggle to even put gas in my car, knowing if I do not make it through the end of the week from my night's Door Dashing, that I may not be able to put money in my pocket for the week. This comes as I pay out through the week as a whole. This comes as I pay out of my pocket to ensure I can reward my students as I am an educator, so that I can continue to embrace and uplift as they continue to shine their light in their schools through their academics, their civic engagement, and most importantly, in their leadership to make this nation better through their involvement in leadership as middle schoolers, the very education that has driven this nation to make the impossible possible when obstacles and crises have tested our very humanity, which is the $1.7 trillion crisis on student debt. Thank you.

MR. FRANCZAK: Thank you. Alright. That was our last speaker during the public commentary. Before we would break for today, I wanted to check in and see if we have any wrap-up for today or preparation comments for tomorrow. Scott, you have your hand raised. Go ahead.

MR. BUCHANAN: Well, yeah, I guess for tomorrow, then, is the Department planning to provide revised text based upon feedback today and suggestions that others had or what's sort of the process you envision going forward is- since as you've highlighted, we only have one more day here of discussion?

MS. ABERNATHY: Thank you, Scott. We will be looking at the suggestions that the negotiators- that the nonfederal negotiators have made to us today and put in the chats, and we will be circulating and discussing those changes that we are able to consider, and we will be presenting amendatory- an amended proposed regulatory text to the negotiators as soon as we're able to either get it to you guys sometime this evening or first thing in the morning.

MR. FRANCZAK: And we begin at 10:00 a. m. Eastern Standard tomorrow for our official second day of session four.

MR. FRANCZAK: Brady, Cindy, John, any other wrap-up facilitation wise? Okay. And Tamy, anything final otherwise from the Department?

MS. ABERNATHY: I would simply like to thank everybody, on behalf of the Department for all of the formative conversation, suggestions, support and/or discussion not in support of this proposed rule. It certainly is our privilege to work with you and work alongside you. We look forward to our last day tomorrow and finalizing the negotiations on student debt relief. So, thank you again and have a good evening.

MR. FRANCZAK: Thank you, Tamy. Thank you to the Department. On behalf of the FMCS Facilitation Team, thank you today for all your efforts. We look forward to rejoining you tomorrow for the conclusion of session four. Thank you.

**Zoom Chat Transcript**
**Student Loan Debt Relief Committee - Session 4, Day 1, Afternoon, February 22, 2024**
***Chat was copied as presented, as a result minor typos or grammatical errors may be present.**

From P - Lane Thompson, state officials to Everyone:

+1 to including current students in potential default analysis

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

Definitely recognize the value and importance of allowing for application based forgiveness, but also agree that the more that can be automated, the better.

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

Reacted to "Definitely recognize..." with 👍

From P - Lane Thompson, state officials to Everyone:

Reacted to "Definitely recognize..." with 👍

From A- Susan Teerink 4 year - Private Not for Profit Colleges to Everyone:

Reacted to "Definitely recognize..." with 👍

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "Definitely recognize..." with 👍

From John S. Whitelaw, (he/him) (CLASI) P-Students with Disabilities to Everyone:

Suggested language

In exercising its authority to grant forgiveness under section 30.91, the Department will endeavor to provide relief to eligible borrowers automatically without the need for an application and may explore data sharing agreements with other governmental agencies where the Department determines that such data sharing is reasonable and will assist the Department is determining eligibility

From P-Melissa Kunes-Public 2&4 Yr to Everyone:

In exercising the authority described in paragraph (a) of this section, the Secretary ~~may will rely on data in the Secretary's possession and data which the Secretary can or will obtain or acquired through an application to provide relief based on criteria demonstrating the conditions described in paragraph (a).~~

From P-Melissa Kunes-Public 2&4 Yr to Everyone:

Sorry that did not translate well, try again:

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

+1 again on including Parent Plus borrowers whose dependents received Pell Grants

From P-Melissa Kunes-Public 2&4 Yr to Everyone:

In exercising the authority described in paragraph (a) of this section, the Secretary ~~may~~ will rely on data in the Secretary's possession and data which the Secretary can or will obtain or acquired through an application to provide relief based on criteria demonstrating the conditions described in paragraph (a).

From (P)-Angelika Williams: Private, Nonprofit Institutions to Everyone:

In paragraph b, could we include explicit language mentioning "Natural Disasters," especially considering the numerous victims of wildfires in California who have faced significant losses, ensuring that hardship resulting from such events is duly acknowledged?

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

(d) Process for additional relief. In exercising the authority described in paragraph (a) of this section, the Secretary may rely on data in the Secretary's possession **to provide relief without an application from the borrower or may rely on information** acquired through an application**, or both,** to provide relief based on criteria demonstrating the conditions described in paragraph (a).

From Sarah Butts, P-4-year Borrowers to Everyone:

+1 on Jalil's comments, re: expanding the way the Department considers Pell borrowers. We should also consider borrowers with Parent Plus loans who were themselves Pell grant recipients.

From P- Jalil Mustaffa Bishop - Graduate Student Borrower to Everyone:

Reacted to "+1 on Jalil's commen..." with 👍🏿

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

Reacted to "+1 on Jalil's commen..." with 👍🏿

From Sarah Butts, P-4-year Borrowers to Everyone:

+1 on Lane's comments regarding qualitive data and accounting for multiple hardship factors of a borrower and/or their parent borrowers/family.

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

Stepping in for grad borrowers

From Sarah Butts, P-4-year Borrowers to Everyone:

*correction to my comment above. I meant to type qualitative

From P - Lane Thompson, state officials to Everyone:

+1 to Richard on servicer error - complaint data from ED, CFPB, states, can be used to show where there is larger groups of borrowers whose loan records may be incomplete or incorrect

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

Jalil back in as primary for graduate borrowers

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

Reacted to "+1 to Richard on ser..." with 👍

From P- Jalil Mustaffa Bishop - Graduate Student Borrower to Everyone:

I would encourage the Dept to assess a borrower's hardship, without factoring in their enrollment in SAVE. In other words, the future default-predictive-model should predict likelihood of default without considering SAVE factors (e.g. monthly payment, interest cap, 20-25 yr cancellation clause).

Predict default based on borrowers' hardship factors only and not based on existing relief policies like SAVE, fresh start, ICR, etc.

From P- Jalil Mustaffa Bishop - Graduate Student Borrower to Everyone:

Reacted to "Amendments to Subsection (b) – Consideration of Hardship Factors for Waiving Federal Student Loans.docx" with 👍🏿

From P-Yael Shavit-State AGs to Everyone:

+1 to the critical need to be focused on ensuring equity and preventing bias in the development of predictive models

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

+1, agree with Jalil and Yael

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

Reacted to "+1 to the critical n..." with 👍

From P-Carol Peterson-HBCU to Everyone:

+1 agree with Jalil and Yael

From Edward Boltz to Everyone:

+1 to Dawn for Bankruptcy as hardship factor

From Ashley Pizzuti - P - 2YR Borrowers to Everyone:

Reacted to "+1 to Dawn for Bankr..." with 👍🏻

From P - Lane Thompson, state officials to Everyone:

+1 to using current or previous incarceration as a hardship factor

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 to using current ..." with 👍

From Edward Boltz to Everyone:

Reacted to "+1 to using current ..." with 👍🏻

From P - Lane Thompson, state officials to Everyone:

Reacted to "+1 to Dawn for Bankr..." with 👍

From John S. Whitelaw, (he/him) (CLASI) P-Students with Disabilities to Everyone:

These public comments are devastating and compellingly demonstrate the need for action on hardship

From A- Susan Teerink 4 year - Private Not for Profit Colleges to Everyone:

Reacted to "These public comment..." with 👍

From Sarah Butts, P-4-year Borrowers to Everyone:

Replying to "These public comment..."

Yes, very much so.

From Ashley Pizzuti - P - 2YR Borrowers to Everyone:

Yes

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

Replying to "These public comment..."

It’s amazing how every story is tragic in its own unique way, and yet, they’re all too similar to each other

From Sarah Butts, P-4-year Borrowers to Everyone:

Replying to "These public comment..."

👍

From Ashley Pizzuti - P - 2YR Borrowers to Everyone:

Yes, schools that have a bad track record shouldn’t have to have borrowers jump through hoops to prove they were misled

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

+1 to creating a more fair and equitable society where education is available to all

From Sarah Butts, P-4-year Borrowers to Everyone:

Reacted to "+1 to creating a mor..." with 👍

From Edward Boltz to Everyone:

Reacted to "It’s amazing how eve..." with 👍🏻

From Sarah Butts, P-4-year Borrowers to Everyone:

+1 on public service workers experiencing hardship, including essential frontline healthcare workers.

From John S. Whitelaw, (he/him) (CLASI) P-Students with Disabilities to Everyone:

My apologies but I have to drop for another obligation. See you all tomorrow.

(ED Note: Documents shares in chat are available on the Department of Education’s [2023-2024 Neg Reg website])