



October 10, 2025

Ombudsman
Federal Student Aid
U.S. Department of Education
400 Maryland SW
Washington, DC 20202

Docket ID ED-2025-FSA-0713

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit to the U.S. Department of Education (ED) our comments on its Request for Information (RFI) regarding Developing and Implementing a Common Manual for the Federal Direct Loan Program (Docket ID ED-2025-FSA-0713).

NASFAA represents nearly 29,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

We applaud the Department for taking up this overdue effort. NASFAA¹ has long advocated for the creation of a common manual, which the FFEL program has had for nearly 30 years. A shared guidance document — available not only to servicers but to borrowers, financial aid administrators, advocates, and other interested parties — would assure consistent and accurate application of the most up-to-date interpretations of the Direct Loan program laws, regulations, and guidance across all servicers. Borrowers could rest assured that their loans are managed based on a common set of rules and not on the servicer they've been assigned to. Further, ED would have more tools at its disposal to ensure servicer accountability.

¹<https://www.nasfaa.org/uploads/documents/ektron/5fefffdb-6db6-456f-8c9e-e01896e37c79/e8b2faac5723460bb1cb684c92965d712.pdf>

Direct Loan servicers themselves agree that a common manual would improve program servicing consistency². Congress, as well, issued a mandate in 2017 for ED to “issue a common policies and procedures manual, including voluntary best practices, to help improve the consistency of servicing for student loan borrowers,³” and in the same year⁴ prohibited ED from pursuing a Direct Loan servicing contract with a single servicer on the grounds that, “multiple servicers, utilizing common practices, policies and performance metrics, will promote accountability and incentivize servicers to provide high-quality service to borrowers.⁵”

Despite directives from Congress, the current servicing environment is plagued by errors⁶ that not only cost borrowers time and money, but also erode trust in the student lending system.

A key barrier to servicer accountability is the lack of formal servicing guidance from ED. Unlike Federal Student Aid programs guidance to postsecondary institutions and states, which is issued formally as Electronic Announcements or Dear Colleague Letters, servicing guidance is issued largely via “change requests,” which are sent directly to servicers and are not publicly available. Worse, some guidance is issued via informal channels like email⁷. Such a piecemeal approach means that guidance doesn’t always make its way to every servicer, as one servicer noted in the Government Accountability Office’s 2015 *Federal Student Loans: Key Weaknesses Limit Education’s Management of Contractors* report⁸. When guidance is missed or misinterpreted, borrowers receive disparate treatment.

In a multi-servicer environment where borrowers cannot choose their servicer, it is critical that they receive the same treatment regardless of their assigned servicer. This is not possible without a common manual. Once the common manual is published, servicer contracts should be amended so ED can hold servicers accountable for adherence to this formal guidance as well.

ED should look to the FFEL Common Manual as a template for the DL version. ED should make the manual publicly available in both online and downloadable .pdf format. The manual should contain a searchable index with live links to relevant manual sections. It should also include cross-reference links to relevant guidance, regulations, and legislation; and should clearly delineate which practices are required versus recommended as best practices. Most importantly,

² <https://www.gao.gov/assets/gao-16-196t.pdf>

³ <https://www.congress.gov/committee-report/115th-congress/senate-report/150/1>

⁴ <https://www.congress.gov/bill/115th-congress/senate-bill/1771/text>

⁵ <https://www.congress.gov/committee-report/115th-congress/senate-report/150/1>

⁶ https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf

⁷ https://www.nasfaa.org/protecting_borrowers_advancing_equity

⁸ <https://www.gao.gov/assets/gao-16-196t.pdf>

the manual should be updated any time ED issues a change to servicer guidance, and ED should announce that such a change has been made.

ED should collaborate with servicers in developing the manual to ensure that it is designed in a way that is most useful to them, as its primary users. Engaging servicers will also allow ED to standardize and incorporate individual servicer best practices that fall outside of statute, regulations, and guidance, so borrowers get the consistent, high-quality service Congress intended.

Thank you for this opportunity to comment. A well-designed, common manual with timely updates will help borrowers and the people who advise them understand the intricacies of repayment, ensure consistency of servicing regardless of who the borrower is assigned to, and ensure accountability for servicers who don't follow the rules. Ultimately, service shouldn't be servicer-specific, and a Direct Loan common manual with servicers contractually bound to follow it will ensure that is not the case.

If you have questions regarding these comments, please [contact us](#) or NASFAA's Director of Policy Analysis, [Jill Desjean](#).

Regards,

A handwritten signature in black ink that reads "Melanie E Storey". The signature is written in a cursive style with a large, sweeping "M" and "S".

Melanie Storey
President and CEO, NASFAA