



December 16, 2024

U.S. Department of Education
Office of Postsecondary Education
400 Maryland Avenue, SW, 5th floor
Washington, DC 20202

Docket ID ED–2024–OPE–0135

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 Income Contingent Repayment Plan Options (Docket ID ED–2024–OPE–0135).

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.

The ongoing litigation with the Saving on a Valuable Education (SAVE) Plan has thrown the student loan repayment system into chaos and left borrowers more confused than ever about their repayment options, future debt forgiveness under the Public Service Loan Forgiveness (PSLF) program, and time-based forgiveness provisions associated with various student loan repayment plans.

NASFAA has long advocated for simplifying student loan repayment options, and we appreciated ED’s efforts to do that by sunsetting the Income Contingent Repayment (ICR) and Pay as You Earn (PAYE) plans when the SAVE plan became effective last July. Unfortunately, the injunction on the SAVE plan has resulted in the ICR and PAYE plans being unavailable, meaning that the only income driven repayment (IDR) plans currently available are SAVE, whose future is uncertain and where loans will remain in forbearance for at least the next several months, and Income Based Repayment (IBR). As such, borrowers looking to make progress toward repaying their loans, especially those who work in public service fields, may not have a practical IDR option given, for example, that monthly payments are higher under IBR than they would be under PAYE.

While ED noted the impetus behind the interim final rule is to comply with the Higher Education Act of 1965, as amended (HEA) that requires the Secretary to offer student loan borrowers an ICR plan. It is also the right thing to do to help borrowers enroll in the best repayment plan for their circumstances during this challenging time.

With adverse credit reporting consequences about to set in after the one-year on-ramp to repayment following the Covid-19 payment pause, it is more important than ever for borrowers to have a variety of IDR options available to them.

Understanding the coding and development work this will require, we urge ED to work as quickly as possible to offer a version of SAVE that complies with the court's injunction as they indicated in the Interim Final Rule (IFR) was their plan. While we are pleased to see ICR and PAYE temporarily restored as IDR options, many borrowers would benefit more from the provisions of the 2015 REPAYE plan. Offering just one plan when that option was the SAVE plan made sense because it was the most generous option for most borrowers. However, there are enough differences between the other IDR plans that they all should be available, including one that includes the 2015 terms of the REPAYE plan, until the courts issue a final decision on the SAVE plan.

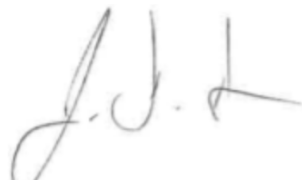
While the current circumstances fall outside of ED's control, borrowers are understandably losing trust in the student loan repayment system. We urge ED to be clear and transparent about these changes, as well as all future action on IDR plans, to borrowers and to financial aid administrators. This involves ensuring all relevant ED websites are up to date. Individual borrowers should receive targeted, direct outreach from ED informing them of their current repayment plan and status, and the options available to them.

We appreciate the opportunity to comment on this interim final rule. If you have any questions regarding these comments, please contact me or NASFAA Director of Policy Analysis Jill Desjean at desjeanj@nasfaa.org.

Sincerely,



Beth Maglione
Interim President and CEO



Jill Desjean
Director of Policy Analysis