



May 12, 2025

The Office of Management and Budget  
Information and Regulatory Affairs  
725 17th Street NW  
Washington, DC 20503

Docket ID: OMB-2025-0003-0001

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 these comments in response to the Office of Management and Budget's (OMB) Request for Information (RFI) seeking ideas for deregulation (Docket ID: OMB-2025-0003-0001).

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 across the country.

We appreciate this opportunity to identify specific federal regulations that could be streamlined or reformed to reduce burden and enhance efficiency. Our comments focus on regulations administered by the U.S. Department of Education (ED) under Title IV of the Higher Education Act. NASFAA supports the goal of streamlining Title IV regulations to reduce administrative burden and promote innovation, provided key safeguards for students and taxpayers are maintained.

We believe deregulatory efforts would be most impactful if focused on the areas detailed below, where current regulatory complexity imposes significant burdens that often outweigh the intended benefits.

**Gainful Employment (GE)/Financial Value Transparency (FVT)**

The Department of Education could significantly reduce the administrative burden associated with the GE/FVT regulations — without sacrificing transparency — by aligning the FVT reporting requirements with the scope discussed during the negotiated rulemaking sessions, which focused on program-level reporting. We continue to have substantial concerns regarding the final FVT regulations. Specifically, we question the statutory authority for the extensive student-level data collection mandated, particularly given statutory prohibitions against creating new databases of personally-identifiable information beyond essential program operations. Furthermore, the Department failed to adequately engage stakeholders on the expanded FVT framework through the negotiated rulemaking process.

Despite the committee's failure to reach consensus, allowing ED regulatory latitude, most

elements within the final regulations were not introduced during negotiations or the Request for Information (RFI), and bypassed crucial stakeholder feedback on requirements, imposing a substantial reporting burden.

The current FVT regulations require vast, annual student-level data reporting for both GE and non-GE programs, covering costs, aid, residency, housing, various grants, private loans, and detailed withdrawal/completion data (total private loans, institutional debt, tuition/fees, supplies). This represents a major expansion beyond the limited program-level disclosures discussed during GE negotiations.

It is inappropriate to apply short-term GE metrics to non-GE programs (like liberal arts) with different, often longer-term return on investment (ROI) profiles. Comparing fundamentally dissimilar GE and non-GE programs using these metrics offers little value. We urge that the FVT regulations be revisited to ensure the burden and implications of this expanded framework, which was not adequately vetted during the original process, are properly considered and potentially reduced. Limiting FVT reporting to the program-level scope originally discussed would represent a significant and meaningful reduction in regulatory burden.

### **Return of Title IV Funds**

The complexity of the Return of Title IV funds (R2T4) process remains a major source of administrative burden for institutions. While attempts to lessen R2T4 burden for schools are appreciated, such as the 2025 regulatory updates that included generous refund policies and changes to R2T4 for Prison Education Program students, these efforts ultimately compounded an already excessively burdensome system. The sheer volume of governing text (nearly 200 regulatory paragraphs, 150 handbook pages), extensive supplemental guidance (ED's 63-question Q&A, NASFAA's 275+ specific articles), its status as the most-cited area needing regulatory relief, and its consistent presence among top audit findings underscore this excessive complexity. This situation makes compliance extraordinarily difficult and errors "virtually inevitable" — stemming from confusion, not fraud — while adding undue stress to students and severely straining financial aid offices that are facing historic staffing shortages. We strongly advocate for a fundamental overhaul of R2T4, prioritizing radical simplification. This requires a willingness to sacrifice undue precision — the source of much complexity — wherever possible without compromising core program integrity, thereby alleviating critical administrative burden and allowing staff to better serve students.

### **Licensure Requirements**

Another area where Title IV regulations could be effectively streamlined to reduce administrative burden is the Program Participation Agreement requirements under CFR 668.14(b)(32) regarding state licensure determination. The current regulation mandates that institutions definitively determine and document that programs meet licensure requirements in every state where enrolled distance education students are located. This necessitates navigating complex, changing, varied, and often unclear state-level rules, creating significant operational complexity and administrative burden. Additionally, determining and documenting the student's location for online courses adds another level of complexity and confusion. Streamlining this requirement by reverting to the previous standard — where institutions disclose whether a program meets requirements or if a determination cannot be made, coupled with student

acknowledgement — would achieve the necessary transparency for students while substantially reducing the institutional burden associated with tracking and interpreting a multitude of state regulations. This simplification would free up valuable institutional resources currently consumed by this complex compliance task.

### **Conclusion**

We believe the regulatory areas outlined above represent prime opportunities for deregulation efforts focused on reducing administrative burden with the Department of Education. We encourage OMB to consider these areas as examples where regulatory complexity imposes operational challenges that outweigh the benefits of the current intricate requirements. Streamlining these regulations, as suggested, would improve overall efficiency for institutions and reduce burden without creating new risks for students or taxpayers.

We appreciate the opportunity to comment on the Office of Management and Budget’s request for information regarding ideas for deregulation. If you have any questions regarding these comments, please [contact us](#) or NASFAA’s Senior Policy Analyst, [Megan Walter](#).

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