



June 8, 2026

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

Dear Ms. Carolyn Rose,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our 3,000 member institutions, we respectfully submit the following comments in response to the U.S. Department of Education's Federal Register Notice ED-2026-SCC-1255-0001 proposing a revised Joint Consolidation Loan Separation Application to implement the One Big Beautiful Bill Act (OBBBA).

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 United States.

The Joint Consolidation Loan Separation Application is a form designed for borrowers navigating complex and consequential loan decisions. Its disclosures must be accurate, clear, and helpful. The Department's proposal to revise this form to reflect changes enacted by the One Big Beautiful Bill Act presents both an opportunity and a responsibility to provide information that helps borrowers make informed decisions. NASFAA offers the following comments in that spirit.

We find the proposed new disclaimer stating the Department of Education “does not guarantee or endorse the quality of academic programs provided by schools that participate in federal student financial aid programs” inappropriate to be included on the Master Promissory Note, a legal contract for a federal loan, not a consumer disclosure vehicle for institutional quality. Further, this broad disclaimer is of limited value to borrowers without accompanying guidance directing them to reliable resources for evaluating the quality and outcomes of a particular institution or program. We would encourage the Department to remove it entirely.

Additionally, we have concerns that this language could have a chilling effect on borrower defense to repayment (BDR) applications. A student who has signed a document stating that the Department makes no quality guarantees may reasonably, and incorrectly, conclude that they have no recourse if their school defrauds them. When ED has not yet identified a ‘bad actor’, it is critical that borrowers retain the ability and confidence to pursue BDR.

If the Department believes borrowers benefit from information about school quality before borrowing, we recommend instead directing borrowers to the College Scorecard or comparable resources, with language such as: “Before borrowing, we encourage you to research your school’s outcomes at collegescorecard.ed.gov.”

The proposed revision to Section 14, Item 10, removes language that alerts borrowers that automatic placement in the Standard Repayment Plan “may require you to make a higher monthly payment than other repayment plans.” The proposed form replaces this with a statement that borrowers who do not select a plan will be placed on the Tiered Standard Plan, with no comparative information about what that automatic placement means for their monthly payment obligation. Eliminating this language removes a meaningful consumer protection signal at the moment when borrowers are making a consequential financial decision. For some borrowers, particularly those with lower incomes or significant debt, automatic placement on the Tiered Standard Plan could result in unaffordable monthly payments, with serious consequences for their financial stability. We recommend that the Department retain it in Section 14, Item 10.

The same concern applies to Section 11, which currently contains no automatic repayment plan placement language. The proposed revision adds automatic placement language to Section 11 without any comparative context. ED should include language in Section 11 noting that borrowers placed on the Tiered Standard Plan by default may face a higher monthly payment than they would under the Repayment Assistance Plan, directing them to review their repayment options, and reminding borrowers that actively selecting a repayment plan is an important decision with real financial consequences. We recommend that the Department include language in both sections, as they serve different purposes and reach borrowers at different moments.

We appreciate the Department's efforts to update the Joint Consolidation Loan Separation Application to reflect changes enacted by the OBBBA. We urge the Department to remove the program quality disclaimer and strengthen repayment plan disclosures in both Section 11 and Section 14, Item 10, so that borrowers who do not actively select a plan are fully informed of the consequences of being automatically placed in a Standard plan. These changes are achievable within the current framework and would meaningfully improve the information borrowers receive before entering repayment.

We appreciate the opportunity to comment on the U.S. Department of Education’s Federal Register Notice ED-2026-SCC-1255-0001 proposed revision to the Joint Consolidation Loan Separation Application. If you have any questions regarding these comments, please contact us or NASFAA’s Senior Policy Analyst, Megan Walter, walterm@nasfaa.org.

Regards,



Melanie Storey
President and CEO, NASFAA