# NASFAA “Off The Cuff” – Episode 70 Transcript

Allie: Hi, everyone. Welcome to another episode of “Off The Cuff.” I'm Allie Bidwell, one of our *Today's News* reporters.

Stephen: I'm Stephen Payne, with NASFAA's policy team.

Allie: And I guess Justin and Megan both overslept today. No, no. Justin is out of the office at a daylong meeting, and Megan is traveling. It's that time of year.

Stephen: Yeah. She's in Kentucky at the Kentucky Association Conference, which, this year, I think is right near Louisville. Or how do you say it?

Allie: Louisville.

Stephen: Louisville.

Allie: Not Louisville.

Stephen: Not Louisville. Not Louisville for sure. We know that. Yeah. So last year, I was in Kentucky last spring, and we were in Bowling Green, Kentucky, which I ended up flying into Nashville, which is actually closer.

Allie: Oh.

Stephen: But it was sort of a very rural versus I think being a little more urban where Megan is. But it's nice to have the sort of different experiences when we travel to states. Because states are choosing the locations. Sometimes you're in their capital or another city or sometimes you're in a central location or on one side of the state because they did the state conference on the other side. Versus when you attend national conferences, you end up being in.

Allie: Major.

Stephen: Major.

Allie: Metropolitan cities.

Stephen: Cities. But if you live in that state, you know, going back to Pennsylvania. If I live in central

Pennsylvania, I don't necessarily want to go to Pittsburgh or Philly.

Allie: Right.

Stephen: So.

Allie: Well, anyway, diving right in. More news on the budget. We thought we were going to start moving full speed towards fiscal year 2019, but as we mentioned last week, it looks like there may be some adjustments to fiscal year 18.

Stephen: Yeah. So this has been something that we've been keeping on our eye on for a few weeks now, as there's been some talk around this idea of a rescission and so I think we talked about this on the podcast a few weeks ago, but essentially what this is, is a tool that the president has that has been in place since 1974 that allows a president to propose to Congress rescinding already appropriated dollars, and so in this case, that would mean, for fiscal year 18, the president is planning on submitting a package to Congress in the coming weeks that would rescind anywhere from 30 to 60 billion dollars of previously appropriated dollars.

Allie: So in the context of the overall budget, is that a sizable chunk?

Stephen: It's not necessarily a huge chunk. Because keep in mind that the spending bill was over a trillion dollars. But it is significant because, the way that the spending works out, the programs that will likely be targeted and the way the president's policy priorities shake out, the way the rescissions may be targeted would be on domestic programs. And so, as you're thinking about share of the Federal budget, non-defense discretionary funding makes up only about a little less than a quarter of federal spending, so that domestic piece is actually pretty small in the grand scheme of things, so the $60 billion could make a big difference.

Allie: Yeah.

Stephen: The question is how much this affects student aid. And that's what we're still trying to figure out, and we're still waiting for the president to put forward his package. We could see a few different things. 1, we could see no proposals impacting student aid, which would be good. Sort of the middle of the road potential is that there would be a proposed rescission of the Pell Grant reserves, which wouldn't affect current students if that were to happen, and also it should be noted that, as we're talking about all of this, there's really no appetite in Congress to pass this package. So the third option then, and I'll sort of jump back to that in in a second, this gets pretty wonky pretty quickly, but the third sort of worst case option is that the president would propose to rescind some of the increases that we saw for work study, for SFEOG, and maybe also Pell Grant reserve funding. And so, if that were to happen, the way the mechanism works is that Congress has 45 days to adopt those proposed rescissions from the president, and in the meantime, funding at the agency level that is proposed to be rescinded in that package would be frozen, and so the question is, then, what's the definition of 45 days, and we start getting very, again, even further into the wheat here, but if the 45 days definition, and it's sort of unclear in the rules, includes just legislative days or whether it includes just.

Allie: Weekends.

Stephen: Calendar days and all of that.

Allie: Yeah.

Stephen: Because, when it was originally written, Congress used to sort of operate on its recess calendar a little bit differently than they do now. Now, Congress very rarely actually officially goes into recess. They're sort of in these holding periods. And this is all a result of, if you want in your civics class where the president threw pocket vetoes or pocket vetoes when Congress isn't in session or also make recess appointments. Congress doesn't like when the president makes recess appropriate, so they very rarely.

Allie: So they changed it.

Stephen: No go into recess officially. Even though they're not there.

Allie: Yeah.

Stephen: So you'll see, even all through the summer, they'll have one member come back in a House and say, business is open, and now business is closed.

Allie: Interesting.

Stephen: So all these days, as we're talking about this rescission thing and 45 days. It matters how you define days because, hypothetically, if campus based aid is included in this package, we could see that 45-day number, if they're just going on session days, it could cross over into July 1. And so then you're starting the new award year, and then some of the campus based aid dollars that were appropriated would be frozen, and so how the Department would implement that is a very interesting question.

Because there's not a precedent here so if the president would propose to rescind, let's say the boost to both SEOG and Work Study, which are both about 100 million, those dollars would be frozen, so the Department couldn't necessarily, in good faith, allocate those dollars to schools because hypothetically.

Allie: They could go away.

Stephen: They could go away. So then what do they do? Do they just allocate based on the old numbers and schools receive those allocation levels, or do they sort of preliminarily make allocations and say.

Allie: Or wait and see how everything shakes out.

Stephen: Right. So there's a lot of questions there. Hopefully campus based aid isn't included in this package. And again, I'll just reiterate that we don't expect this package to pass through Congress, largely because there's huge opposition, particularly in the Senate, among Republicans because there was a negotiated agreement on FY18, and you can't really go back a month later and say, actually, no we're going to completely change that agreement. And the big boosts for domestic funding were Democratic priorities, and the big boosts in military spending were Republican priorities. So you can't really go back on your word and change it. So we don't expect it to go through, just this freeze issue is what's problematic.

Allie: And that freeze issue is only if the proposal includes changes to the student aid program, so if they came back with a proposal that was cuts to other programs and waited out the 45 days, it would have no impact, right?

Stephen: Right. And so I sort of laid out the three scenarios. And the reason why just affecting the Pell reserves was sort of the middle of the road scenario was that, if you would freeze whatever the administration would propose to pull out of the Pell reserves, which we have new numbers out of the congressional budget office that show about a $7 billion surplus. Let's say the president proposes rescinding $3 billion out of the Pell surplus. Okay, so you can freeze those $3 billion, but there's significant funding in the program that it wouldn't affect schools or students in any way. So that's why, if that was the only student aid provision in the rescission package, it wouldn't be as big a deal as if we included campus based aid.

Allie: Yeah. So we will see. We will keep you guys updated as usual. On a similar note, hopefully things stay as they were planned for fiscal year 18, and if they do, we push out sort of a call to action to our members to help us in sending out a thank you to Congress for supporting the fight for financial aid. So there's a page on our website. We ran an article in today's news this week where you can go and download a sign that says, ‘Thank You for Joining the Fight4FinAid.’ Or there's another version where there's a space for you to maybe write in your representative's name or your senator's name. So definitely check that out. We've posted it on our social media channels. And look up your personal representative and senators' information and be sure to reach out to them personally.

Stephen: Yeah. It's sort of not something that we do very often, sort of engaging with lawmakers with social media, but it is a good opportunity, we think, for folks to flag why those increases were valuable, to thank them for thinking of financial aid as they're making those increases, and I'll also say, as we're thinking about these rescissions, it's important to come in with a message that says, yeah, we received these increases, they're very important, and we're expecting them.

Allie: Just a little reminder.

Stephen: Yeah. Sort of like a, thank you for these increases. We're very appreciative. I think that message goes a long way with lawmakers who don't hear thank you very often.

Allie: Right.

Stephen: Sometimes for good reason.

Allie: And they definitely do pay attention to their social media channels. I mean, they have dedicated staff who pay attention.

Stephen: Yeah. So as you said, we have digital signs and signs we can write in the name and take your picture or with your staff or with your office. So definitely consider putting that online and obviously always using the hashtag fight for fin aid, so we can.

Allie: We can retweet you. And help spread the message.

Stephen: Yeah. So get on your Twitters.

Allie: Get on your Twitters. Shifting gears a little bit. We've been starting to talk about midterm elections, and there was an interesting report that came out from the Center for American Progress that was looking into shifting demographics in the country and how certain voting blocks would look in future presidential elections. So this was released jointly by the Center for American Progress, the Brookings Institution, the Bipartisan Policy Center, and the Public Religion Research Institute.

Stephen: So that's a broad array of groups.

Allie: Yeah. And views from multiple points of view. This is looking at the next five presidential elections, between 2020 and 2036. So some highlights from the report. One of the first ones was laying out a scenario where the voting patterns of all of the groups from Obama's 2012 win were applied to future, more racially diverse populations is what they say. So in that scenario, that would yield a solid Democratic popular vote and electoral college win for all of the next five presidential elections. They also focus on the turnout of communities of color. That's going to play a big role in the future. College graduates versus non-college educated voting groups will play a big role in the next presidential elections. And I thought that one was interesting because I've read research that says college students and young adults in general are maybe not the most engaged in voting.

Stephen: So I think the report is interesting, in that some of these demographic issues were brought up in particular in response to Mitt Romney's loss. The Republican Party did a postmortem and identified that, in the future, some of these demographic issues are going to be really prevalent for the party. Just interesting that it ended up turning out, though, in the next election, that there was a lot of attention on expanding outreach to these other groups, and ultimately, the Republican nominee ended up being someone who sort of had his message, Donald Trump had his message and was really appealing towards middle America, more than trying to appeal to specific groups, though did some outreach efforts, but I don't think in the way that they were talking in this Romney postmortem. And I think the report there, with all those different groups, sort of underscores the future demographic issues that will play into electoral, into campaigns, and into presidential races, and even to state level races. It's just a matter of what the winning coalition looks like. And so, for Donald Trump, I think he surprised a lot of folks because the models and the assumptions that many were using for a long time ended up not really bearing out exactly the behavior of voters, particularly in these middle America states, Minnesota, Michigan, Wisconsin, Ohio, Pennsylvania, which all were way up in Republican votes, and that may be a candidate issue versus a demographic issue, right? So Donald Trump is different than a lot of Republicans, and so it would be interesting to see how this map would play out with someone like Bernie Sanders, who is different than sort of the mainline Democrats. So, I think there's a lot of demographic issues at play, but obviously, the personality traits of the candidates and who they are can change up some of these formulas a little bit, which is nice.

Allie: Yeah. And just the formulas in general, I think, are kind of interesting. Because they lay out, like, if the Republican party does this and they increase their outreach efforts to certain groups, what would happen? How would other groups react? Would they swing more Democratic or more Republican, depending on the situation. So we'll link to that in resources, but definitely an interesting thing to read with the midterm elections coming up and soon campaigning starting for the next presidential election.

Stephen: Yeah. I feel like immediately after this 2018 election, we'll start to see it. And we've already…

Allie: I mean President Trump is already campaigning. He's been campaigning his entire time in office.

Stephen: Yeah. And you know, I feel like the list of Democratic challengers is going to be very, very long. And folks are already scheduling trips to Iowa and New Hampshire, and so it's kicking off, certainly in earnest, already. I'm not really ready for another presidential election cycle.

Allie: No. You know, it seems like you barely get any breathing room after one ends. And it seems like we were just working on all of the things for 2016. You know, we had our presidential tracker and where they all stood on higher ed issues and financial aid and things like that. And now we're going to have to do it all over again.

Stephen: I can't wait.

Allie: Okay, moving on. Over in the northeast, there was a sit in this week at Yale, in which some students were arrested. So it was a sit in protest over financial aid, and about 20 students were arrested for refusing to leave the financial aid offices. They were protesting this requirement called the Student Effort, where students have to work over the summer and contribute what they make to paying for their tuition and other expenses.

Stephen: Because otherwise they're fully supported. Is that right?

Allie: Yeah. Well, that's what it sounds like. I don't know the specifics. But only students receiving financial aid need to make the contribution, and they say that ranges from $2,800 to $3,350. And so, when I 1st read that, I thought that that's a little strange. Why do only financial aid recipients need to make this contribution, but then, as I thought about it more, I was like, isn't this kind of like work study?

Stephen: Yeah, no, I mean, I think sort of the skin in the game piece on students is important, and it's something that was included even in Hilary Clinton's campaign platform. Her debt free college proposal included a component that, and it was essentially, I think, alluding to work study, but that students would be expected to have a stake in paying for college in some way. And so whether that's some sort of work study job or a summer job, that there would be some sort of skin in the game. On the other side of things, obviously, if you're a very low-income student, and you're at Yale, and you work over the summer, you don't have income the rest of the year, or maybe you hold a part-time job through the year that's very small or something like that. You may be looking for additional resources to support yourself or support your family, even, and so that small contribution can be problematic when you're at an institution that does have a lot of resources financially. So, I can sort of see both sides of it, but what's interesting now is the protest piece of it, where you have students, sort of, this like kind of 'occupy' idea in the financial aid office. Which we really haven't seen.

Allie: You don't see a lot, yeah. And their argument was not so much the cost issue but that these jobs might prevent them from, well, on the academic side, studying or doing other things for their classes or academic work, but also really participating in the full college experience. Which is an interesting point. And I think that people don't always bring that up in the larger scheme of things. I know I could definitely sympathize with that, working and college and having to skip meetings or going to a club event or what have you because you have to work.

Stephen: Right. So I think that, particularly at schools where there are a number of students who come from backgrounds where they don't need to work an extra job, have the ability to fully participate in that college experience, like you said. Being in clubs or hanging out in the student union or what have you. I think there's a lot of value in that, and I think there's a sense, and there's been a lot of coverage of this, too, but students who don't necessarily feel comfortable on campus because of whatever reason or the composition of the student body otherwise may not look like them or may not come from financial backgrounds like them. So these are important conversations to think about.

Allie: Yeah, the whole integration into college life. That's definitely an obstacle for some students.

Stephen: But I do think there is some value in, it's just a personal opinion, in having some sort of stake or skin in the game. Maybe it could be designed in a way where you require the student to participate in either a part time job or a work study job or an unpaid internship even. And that opens up an opportunity, to where it doesn't necessarily have to be a financial contribution, but it's making sure that the student has work experience on their resume.

Allie: Right.

Stephen: Because that can be more valuable.

Allie: And there's been research, too, that has sort of shown that part time work while in school, up to a certain amount, I think it's up to 10 hours a week, can be beneficial and actually can help improve student outcomes, but it's when you go over that it starts becoming a problem.

Stephen: Right. But an interesting trend nonetheless.

Allie: Yeah. Other things going on this week over at the Department of Education. So if you remember, going way back to December, Secretary Betsy DeVos announced that the Department was going to implement a tiered relief system for borrower defense claims moving forward that borrowers had submitted from Corinthian Colleges, and so, depending on their earnings compared to students from passing gainful employment programs, they would have a certain percentage of their debt forgiven. This is different, initially, they were just giving full discharges to Corinthian students. So shortly after that was announced, a group of students filed a class action lawsuit against the Department challenging this system in particular, and this week, the Department filed some court documents sort of laying out their argument to defend the tiered relief system. So, in these documents, the Department of Justice attorneys that are representing the Department said that, because the borrowers, quote, have not shown that they will suffer irreparable injury absent the injunction, nor have they established their entitlement to the extraordinary mandatory injunction they seek, end quote, that the court should deny their request for full relief. And so they're also kind of relying on a nuance in the way that this is written in the regulation, that the Department has the discretion to discharge all or part of a loan in a successful claim, so they're saying that it doesn't actually say in the regulation that they are entitled to a full discharge. And, you know, one the department made this announcement about the tiered relief system, some people were sort of questioning whether this is the best way to go or whether gainful employment data was the best to use, if it was maybe an apples to oranges situation. On the other hand, the borrowers who filed this lawsuit were arguing that it violates their due process rights and it violates the Administrative Procedure Act. And they are hoping for an injunction to the current process and seeking full relief for all Corinthian College borrowers who file their claims.

Stephen: Yeah. This filing was really interesting because it included a number of attachments and exhibits that really dug into the numbers and the details behind the partial relief. And so they had all these tables that were showing, by program and by CIP code, which programs were eligible for 100 percent, 50 percent. There was 20 percent, 30 percent. All very interesting determinations. They had median earnings as they were trying to determine this. On the political side, Republicans on the Hill, I think, are pleased with the administration for this process on borrower defense because they think it costs too much to do this 100 percent forgiveness. Democrats, obviously, are displeased because they agree, in large part, with the Corinthian College students and others who really do feel like they're entitled to the 100 percent.

Allie: Right.

Stephen: So this has turned into a very partisan issue and it gets to cost, but it also gets to questions of, you know, how much value did your program provide? Even if it was a junk program or a program that was fraudulent, should you have 100 percent forgiveness or not? That's one of the arguments the Department makes.

Allie: Yeah. And this was something that was discussed at length during negotiated rule making on borrower defense and, Acting Under Secretary James Manning, actually addressed that specific point and said that the department felt that even if it wasn't super valuable, that they did get some educational value from attending these programs, and that's why full relief was not going to be appropriate in every situation. And in terms of costs, in those court documents, the department showed that it has approved claims for partial relief for nearly 9,000 borrowers. If they were to give those, 8,809 was the specific number, if it were to give all of those borrowers full relief, it would result in more than $70 million in discharged loans, as opposed to $13.4 million in partial relief. And it would subject the Department, they said, to approximately $500,000 in additional administrative costs.

Stephen: Yeah. So that's one of the big pieces of it. So there's sort of a philosophical piece to it, and there's a cost piece to it. So as you're thinking about, because you sat through all those borrower defense Neg Regs, as you're thinking about next steps on borrower defense and this case and the information that we've seen in these documents, how do you see next steps on borrower defense?

Allie: It's just such a complicated web right now, because this tiered relief thing, right, is only for Corinthian borrowers. It's not for other borrowers, and they specified during NEG REG that this wouldn't necessarily be their rationale moving forward. It was just because they had certain earnings data from Corinthian borrowers that they might not have for others in the future. So that's it's own thing. Then, again, during Neg Reg, they did not come to a consensus, so the Department is in the process of writing the regulations itself. Meanwhile, all of these other claims, from any other school maybe, are being handled with the original regulation from the early 90s, which basically defers to state law. So it's hard to say. I mean, who can really predict which way a court is going to swing? But we'll have to wait and see. And who knows? We might have three or four different ways for borrower defense claims being processed coming soon, which would be a mess.

Stephen: Yeah. So we had the first negotiated rule making. When was that?

Allie: 2016.

Stephen: Okay, like two years ago. And then we had the second under the Trump administration. And all of this work and all of this effort and all of this controversy is all just based on an unclear line in HEA.

Allie: Yeah. It's literally, it's one line.

Stephen: Yeah.

Allie: And then these regulations that they come up with. You know, the 2016 Neg Reg also resulted in no consensus, but the department came out with a proposed regulation, took comment, came out with a final regulation that was in the process of being implemented. And they're hundreds of pages long, coming from one clause in the Higher Education Act.

Stephen: Right.

Allie: The story that never ends.

Stephen: Yes. That's right. We're always ready for it, but it never seems like it's tomorrow. Does that make sense?

Allie: Yeah. Does anything make sense?

Stephen: No, no, nothing.

Allie: Okay. One more thing happening in the government this week. The Government Accountability Office, GAO, released a report highlighting demographic characteristics of Grad PLUS Loan borrowers and laid out some potential implications for implementing annual and aggregate loan limits on that program, as proposed in the Prosper Act.

Stephen: Yeah. We saw, out of GAO, as you mentioned, Allie, the Government Accountability Office. And just for background, the GAO is sort of an independent government oversight arm that provides a number of different reports and investigations on activities of executive agencies.

Allie: And a lot of times these reports come in response to requests from Congress.

Stephen: Exactly. So it's important to know, whenever you look at a report, to look who the report is directed to because oftentimes that can tell you a lot about the priorities of whoever requested the report, and so, in this case, as we're thinking about Grad PLUS and potential implications of caps, the requesters were three members of the Joint Economic Committee, and we saw Mike Lee, a Republican from Utah, Bill Cassidy, a Republican from Louisiana, and Tom Cotton, a Republican from Arkansas, all requesting more information on Grad PLUS. And so we've talked for some time, and our grad community, grad professional community, certainly knows that there's a target on the back of Grad PLUS by a number of folks on the Hill, particularly Republicans and I think this underscores that. And so, what we saw on the report were a number of sort of characteristic information that I think really provides a greater understanding exactly of who's participating in Grad PLUS, who is benefiting, who has large debt loads as a part of Grad PLUS. And so what we saw on the report that was particularly notable, from my perspective, was, and I'll just say, we'll put the link to the article, the TN article, in the resources. And if you go to the article and then click on the report.

Allie: The full report will be there.

Stephen: Yeah. The report is interesting because it's a little different than a normal GAO report in that it's essentially a PowerPoint slide deck.

Allie: Right. Normally, you know, these can be 50 pages. They can be 200 pages.

Stephen: Yeah. So we saw essentially a slide deck because these three members, as I said, Senators Lee, Cassidy, and Cotton, requested a briefing and background on the characteristics, so they went up to Capitol Hill and provided a briefing, and then GAO released that PowerPoint to the public, essentially is what happened. But what we saw on the PowerPoint was that they illustrated selected degree programs in which Grad PLUS borrowers were enrolled, and 49 percent of Grad PLUS borrowers were enrolled in master's degree programs, 43 percent in what they called doctoral degree professional practice, and that's medicine, law, and dentistry, and then 4 percent, very, very small percentage, were in doctoral degrees in research scholarship, so, like, your PHDs. So then, when you sort of cross reference that to, later on in the slide deck, they show the number of borrowers with more than $100,000 in Grad PLUS loan debt, and of those who had attained a degree, 96 percent of those received a doctoral professional practice degree. Again, that's medicine, law, dentistry.

Allie: So the people with the highest debt are the ones going into those professions.

Stephen: Exactly. And that's sort of…

Allie: That makes sense.

Stephen: What we know to be true. Those are very expensive programs. But what we also know to be true is that those students are very, very, very likely to pay back their loans. And then sort of drilling down a little bit further, of those borrowers with 100,000 in Grad PLUS loan debt, 77 percent were law students. And so, I think, from a political perspective, you know, you can really get behind doctors, dentists, but I think there's some…

Allie: They have a harder time getting behind.

Stephen: Yeah. There's some opposition in Congress in supporting lawyers. And everyone who's a lawyer has 10 jokes about being a lawyer. There's conversations on Capitol Hill all the time, and we talk about the impact some of these proposals may have on law students, and a lot of times we're met with sort of a shrug. And I think that's important to note, and that's really what the GAO numbers bore out, too, that the folks who have the most debt are law and medicine students, but largely law students.

Allie: Right. But there wasn't information, right, about where those graduates go. So we don't know how many of them go to a high paying law firm and how many of them are working more maybe for the ACLU or for the government and have a lower salary.

Stephen: Right. Though they did show that, across the board for Grad PLUS, that 11 percent of those in repayment status had been certified as eligible for PSLF. And so, that's also an important number as we're thinking about the future of Public Service Loan Forgiveness and Grad PLUS, in that, you know, Grad PLUS is this loan that is essentially unlimited, of course, up to cost of attendance. So it's not truly an unlimited loan, but it's up to cost of attendance. And so folks criticize PSLF because, in Grad PLUS, you could borrow up to cost of attendance, and then all that debt's forgiven on the back end.

Allie: Right.

Stephen: But we're only showing here that 11 percent of borrowers in repayment actually have been certified as eligible for PSLF. So not a huge chunk of folks, either. So all of that was interesting. And I'll say, as we talked about, those with over $100,000 in loan debt were 96 percent in that doctoral degree professional practice. Again, just a reminder, that was only 43 percent of those who took out Grad PLUS loans so 49 percent were master's degree-seeking students, and their loan debt on Grad PLUS was significantly smaller.

Allie: Smaller. Right.

Stephen: So these are all sort of things that you think are pretty intuitive, but it is good to see the numbers. What they also did that was certainly of note in the report was they simulated some loan limits.

Allie: Right. So an annual loan limit of $10,000 and an aggregate loan limit of $50,000. And what that would do.

Stephen: Yeah. So they simulated, those were the low ends of it.

Allie: Right.

Stephen: They also simulated $20,000 annual, $25,000 annual, and then on the aggregate side, 50,000, 100,000, and 125,000.

Allie: How much money would that save the government?

Stephen: Right, exactly. And show what they showed was that, if you put into place, and I would encourage folks who are interested in Grad PLUS to pull up the report and look at the charts, but if you would impose, let's say a $125,000 aggregate lifetime limit on Grad PLUS borrowing, only 5 percent of Grad PLUS borrowers have borrowed above that. So a very, very small number. And then if you go down to 100,000 as an aggregate lifetime limit, 10 percent of borrowers have borrowed above that. And then if you do a $50,000 lifetime limit, only 29 percent of borrowers have borrowed above that. So still pretty small numbers. There's not a whole lot of folks who are really borrowing significantly under Grad PLUS, as we talked about earlier. And then on the annual limit side, you see some much bigger numbers, so if you did a 25,000 annual limit, 37 percent of borrowers have borrowed over 25,000 annually in at least 1 academic year. If you did $20,000, 47 percent of borrowers have borrowed over that in at least 1 academic year. And if you did a $10,000 annual limit, 71 percent of borrowers have borrowed over that in at least 1 year.

Allie: So that makes sense to me, knowing that the majority of them are master's degree students, because you have someone who might go for a one-year program that's very expensive and then be done.

Stephen: Yeah, no, and I think that, then tying back to the work that, last year, we had a Graduate Professional Loan Limits Task Force, so very fitting for some of the results of this report. And I wish we would have had this report as we were working with the task force, but their recommendation was to consolidate into one loan, one graduate loan where there would be a 30,000 base entitlement essentially, and then the rest, up to cost of attendance, would be subject to underwriting. And so that was sort of a middle ground between where we are today and some of the proposals that we've seen before. Which I felt was a reasonable proposal, and so that's sort of still existing out there as a discussion draft, and we still do welcome additional comments and thoughts on that proposal.

Allie: I think that about does it for the Stephen and Allie show this week.

Stephen: Yeah. Thanks for joining.

Allie: Yeah. Thanks for joining us for another episode of “Off the Cuff.” Be sure to subscribe, tell your friends, and we'll talk to you again next week, when everyone is back. Maybe. Probably.

Stephen: Stay tuned.