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Office of Postsecondary Education
June 23rd Public Hearing

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Jennifer Hong: Good morning everybody. Thank you for joining us at our virtual public hearing today, my name is Jennifer Hong, and I am the director of policy coordination in the Office of Postsecondary Education here at the Department. I'm very pleased to welcome you to today's public hearing. This is day two of three public hearings that we are convening this week. Our purpose is to gather input regarding regulations that govern programs authorized under Title IV of the Higher Education Act of 1965 as amended. I am joined on camera by two other Department officials: Raziya Brumfield from the office of General Counsel and Rich Williams from the Office of Postsecondary Education.

So, with respect to the logistics for today's hearings I will call your name to present when it is time for you to speak. We ask that speakers limit their remarks to five minutes. If you get to the end of your 5 minutes, I will ask you to wrap up and ask that you do so within 15 seconds. If you exceed your time, you may be muted. Speakers have the option to turn on their cameras while presenting, but it is not required.

In consideration of others, we ask speakers to please silence your cell phones and to be in an area free from background noise while presenting as much as you can. Perhaps most importantly, we ask the speakers remain on mute before being called and after presenting and we're going to ask that you leave the Microsoft Teams meeting and join the public Microsoft Teams Live meeting.

If you are a speaker and do not mute yourself when not presenting or speak when it is not your turn, we will administratively mute you from the Microsoft Teams meeting and we may remove you from the speaker line. You can always join the Microsoft Teams Live meeting as an attendee where you can listen to the hearing.

When you are called to speak, please provide your name and affiliation. This hearing is being transcribed and the transcription will be posted to our website in the next few weeks. The Department will also post a recording of the hearings with audio and video. This is a public hearing, and it is possible that a member of the public may record your remarks and post edited clips of them before or after the Department posts the full unedited hearing. Please note close captioning is also available in real time during the hearing. To use live captions in a meeting, go to your meeting controls and select more options then.

If you are submitting written comments, we encourage you to do so through the regulations.gov website. You may also submit comments through postal mail commercial delivery, or hand delivery. Due to the Covid- 19 pandemic, if you wish to hand deliver your comments, please email Vanessa Gomez at vanessa.gomez@ed.gov. She will coordinate with front desk staff in the lobby at the Department of Education Building at 400 Maryland Ave SW in Washington, DC so that you can leave your comment there. We will not accept comments by fax. To ensure that we don't receive duplicate copies, please send your comments only once.

In addition, please indicate the docket ID number, which is ED-2021-OPE-0077 top of your comments. You will also use that number to quickly access the place to submit your comments using the regulations.gov website.

Finally, please note that we are extending today's sessions by 30 minutes each 30 minutes in the morning and 30 minutes in the afternoon. So, for this morning session we will conclude at 12:30 which will allow us some time to hear from individuals on our wait list which we are interested in hearing from as many people as possible.

So, without further ado, we will move on to the first person on our sign up here.

And we have Robert Gerl. As a reminder, please reintroduce yourself after I call your name and also, who you're representing. Robert Gerl, you're on. Whenever you're ready.

Robert Gerl: Yes, I'm here. OK sorry about that.

Jennifer Hong: Whenever you're ready you have 5 minutes.

Robert Gerl: Hello, my name is Robert Gerl. I've worked for a public university for over a decade, and I will have made 120 monthly payments on my student loans as of December 2010. In his years of service and these payments do not count for the Public Service Loan Forgiveness program. This is because I'm making payments on Federal Family Education Loan program loans. The FFEL program was discontinued in 2010. It was a primary, federally sponsored loan program for decades so if you attended higher education prior to 2010, you were most likely offered FFEL loans. Any loan forgiveness program that applies to direct loans but not to FPL loans makes it difficult for people who went to school prior to 2010. It is true that the PSL program allows FFEL loans to be consolidated into direct loans, but any prior years of service and a number of payments do not count. So, if you are someone who already worked in years in public service and 10 years of payments on your loans, you have to start over again with an additional 10 years. On our President's campaign website, he said that he would secure passage of the What You Can Do for Your Country Act of 2019. The What You Can Do for Your Country Act includes a series of reforms to the Public Service Loan Forgiveness program. Similar reforms can be found in a letter sent by members of Congress to Secretary Cardona on May 5th, 2021. Some of these are allowing all federal loans, including FFEL loans and all payment plans to count towards the 120 qualify monthly payments. PSLF could be simplified: if you've worked 10 years in public service and you've made ten years of payments on your loans then you should be eligible for Public Service Loan Forgiveness.

Secondly, I'm aware that the Department of Education and the Department of Justice are currently reviewing whether the executive branch has the authority to provide broad student debt relief. If it is determined that the executive branch does have this authority and decides to pursue it, I strongly urge you to include provisions for people with FFEL loans such as allowing FFEL loans to be consolidated into direct loans and then qualifying for any broad debt relief decided upon. However, my main purpose today is the reform of the PSLF, a program I ask that you please allow all payments made on FFEL loans to count towards the 120 qualifying monthly payments. I worked over 10 years in public service, and I will admit in years of payments on my loans please count these years of service. Please count these payments. Thank you for your time.

Jennifer Hong: Thank you so much for your comment. Next, we have Neil Heller, Neil Heller please don't forget to take yourself off mute.

Neil Heller: Thank you for that reminder. Good morning everybody. My name is Neil Heller, and I am the owner and CEO of Hollywood Institute and Cortiva Institute a group of schools primarily operating in the state of Florida. We teach programs in the beauty, health, and wellness professions. I also serve as a member of the American Association of Cosmetology Schools, Board of Directors, and I am the Government Relations Committee chairman for the association. Thank you for allowing me to speak here today.

The American Association of Cosmetology Schools represents beauty and wellness schools throughout the United States. Our schools teach program such as cosmetology, barbering, skin care, massage therapy, nail technology, etc. These programs are mandated by the states they operate in and lead to a state license based upon completion. Our schools are different. We are non-degree granting institutions teaching programs, specifically, those for gaining entry into a recognized beauty related profession. These programs are typically short in duration and allow the graduate to enter the workforce quickly.

As a negotiator in the last round of gainful employment rule making Sessions, I believe this process to be of great significance. I hope that as we move into negotiated rulemaking on a variety of subjects, that the Department will reserve a seat at the table for AACS member schools. It is imperative for small schools like ours to be represented throughout this process. We are different from larger for-profit institutions.

We are non-degree granting, predominantly mom and pop family owned, campus-based and our issues are different too. For instance, in 2016 ACSS file suit against the Department of Education based upon the way compensation for our graduates was being calculated and the onerous nature of the appeals process. The federal court ruled in our favor and viewing non-reported income as a legitimate concern and the appeals process being unfair. Patently unfair.

We would urge Department to take heed of the Court's decision when writing the next gainful employment rule. We would also ask the Department to look at its own words in the preamble of the last. rule where in the Department acknowledged that unreported income such as gratuities in the beauty industry remains a valid concern. We urge the Department to address that concern in its final rule this time around. We would also strongly request that the borrower’s defense to repayment rule, be crafted in a way that more closely resembles today's version rather than the 2000 rule that essentially allowed for a free pass to student loan relief without allowing schools to defend their position. We would also ask the financial responsibility and BDR be treated separately at the negotiating table.

Other issues, such as access for ability to benefit students being made easier, change of ownership restrictions and loan repayment plans are also of great concern to us. We would ask any rules implemented should be done in a fair manner.

And across the board as a standard for all institutions of higher education, we should all be treated the same based on benchmarks that should be achieved by all programs at all institutions. Finally, I again urged the Department to reserve a seat at the table for AACS schools as we must be able to tell our story in a way that only we can tell. Thank you very much for your time here today.

Jennifer Hong: Thank you so much for your comment. Next, we have Bethany Lily. As a reminder, don't forget to take yourself off mute. You can also take put yourself on camera if you like. It is your choice.

Bethany Lily: Thank you. Great to be with you today and then gave promoting you. My name Bethany Lily and I'm the senior director of income policy at the Arc of the United States. I am commenting on behalf of the Consortium for Citizens with Disabilities, Financial security, and Poverty Task Force. The consortium is the largest coalition of national organizations working together to advocate for federal public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society. The Department has begun negotiated rulemaking process because the current regulations on the Total and Permanent Disability Discharge Program do not meet the needs of people with disabilities that we represent. This can be seen in the hundreds of thousands of Social Security disability insurance and supplemental security income beneficiaries who are eligible for relief but continue to have student loan debt. Some have their social Security benefits offset because of this debt, leaving them with less to live on the federal poverty level.

Unfortunately, this isn't too surprising given that there was not a representative from the disability community on the previous negotiation panel and we hope that the Department would ensure comprehensive representation this time. Specifically, we believe that it is absolutely crucial to have a disability advocate with expertise in Social Security, SSI and the TPD program. Because these programs are complex and the negotiations must be informed by someone who understands these complexities, and potential interactions between these programs. We are also particularly glad that the government is required to have a legal services negotiator because we work very closely with those advocates and think that expertise is also crucial since legal services organizations are often the only source of help with this issue around the Total and Permanent Discharge program for people with disabilities. Before I touched on the substance recommendations we have, I wanted to raise one additional issue.

Sorry I have been coming down from a cold. We are grateful that the current emergency protection is preventing social security disability beneficiaries from having their benefits offset, but we are extremely concerned about what is going to happen when these Covid protections expire. It is not possible to live on $750 a month in this country, and if benefits can go back to being offset, we really are concerned about our constituency and their financial security. We would urge the Department to use any type of authority that they have to prevent offsets reinstated for TPD eligible disability beneficiaries going forward.

We are submitting written comments detailing our substantive recommendations and we had communicated many of our top priorities to the Department in letters before, but I will briefly summarize them for you today. We believe the Department should make three major reforms to the TPD program. First, that eligibility for TPD should be revised to reflect the statute encounter congressional intent. Second, that the program should be automated and simplified as much as possible, and third, that the monitoring period should be illuminated to go into a little bit more detail about this on the eligibility point.

The current eligibility is based on SSA, Medicaid or medical diary categories and that does not reflect the statute or congressional intent. The statute has always been clear that as long as somebody meets the Social Security disability standard for five years, they're eligible for TPD discharge using the diary categories which SSA uses to determine when to review a case file is a very limited proxy for determining those who have been or would be eligible for five years. We would instead recommend that the Department extend the proxies that they used to also include people have a sunset date, disability date of at least five years ago, beneficiaries on the compassionate allowance list, all disability beneficiaries currently receiving retirement benefits who were receiving disability benefits when they transition to retirement benefits, older disability beneficiaries who will not have their disability status reviewed again, and certain working disability beneficiaries for the Automation Department has already automated disability discharge for many veterans, Those with service-connected disabilities. There are many people with disabilities who are veterans who do not have service-related disabilities who would be eligible for TPD discharge. We would like those programs to overlap as much as possible when we think the automation and the veterans program worked very well and we'd like to see the same type of setup for the TPD program. We know that ED and SSA data-share extensively now, and we think that it would be very possible for both agencies to share data and eliminate a lot of the paperwork burden that is placed on the beneficiaries that we're talking about in this picture.

In addition, we really think that the monitoring period should be eliminated for anyone who is on social security disability or SSI. There are very strict income rules that tends to be what the Department is attempting to verify, and so we think that much of that verification can be done electronically. If a person, however, has been on the program for five years already, we do not think the monitoring period would be necessary. Thank you for the opportunity to comment. We look forward to working closely with the Department going forward and good luck for the rest of the day.

Jennifer Hong: Thank you, we appreciate your comments.

Jennifer Hong: Next, we have Maureen Hoyler. Don't forget to take yourself off of mute and you may turn on your camera if you so wish.

Maureen Hoyler: Good morning and thanks for the opportunity to speak with you today. The Council for Opportunity in Education, of which I'm President, represents about 1,000 colleges and universities which sponsor college access and success programs. The largest single group of such programs are the federal TRIO programs and we come to you today to ask the Department to include in its process for updating Title IV regulations the inclusion of TRIO regulations as one of its targets.

Its TRIO programs provide information, counseling, mentoring, academic support and advising to low-income students, students in the first generation of their family to attend college, and students with disabilities. We serve more than 800,000 students annually. To date, TRIO programs have more than 6 million alums who are college graduates.

The Council is recommending three top areas in terms of regulatory reform and will believe that if these changes are made, that the Department's goal of reducing gaps in postsecondary outcomes such as retention and completion and loan repayment for particular groups of individuals, will be advanced. So that by making these TRIO reforms your overall goals for the college, for Title IV programs and for the Department will be furthered.

So, our first recommendation is that citizenship requirement in the TRIO programs be eliminated. There has never been a citizenship requirement in the TRIO chapter of the Higher Education Act. It is not there now, and it's never been there. However, in 1986 the Higher Education Act was amended in a regular re-authorization to eliminate non SSJ for eligibility for grants and loans. As a result of that change, the regulations for TRIO were amended to place a citizenship requirement or being in the country for other than a non-permanent, other than a permanent basis in the TRIO regulations. And so, we're asking that requirement be illuminated as it is not required by law.

We know the Biden-Harris Administration recognizes the potential of Dreamers and others who have been educated in the country, who are noncitizens. We know that 19 states presently allowed such individuals, such students to get in state tuition and we know the Supreme Court has required elementary and secondary schools to provide equal access to what they offer to dream to students who are noncitizens and so consistent with this, we believe it is important to eliminate the citizenship requirement in TRIO.

It also will assist in better aligning our programs with the congressional intent that underlies them. As an example, the outreach programs allow targeted services, but allows a third of the students who are clients who were served by those programs, talent search and educational opportunities centers, not to meet income and eligibility income, and parents' education requirements. The reason for that is that they want to spread a wide net that is targeted. And not to have to stand at the door and say: "What is your parents' income? What is your mother's education?" but this citizenship requirement, it places that same burden because you have to stand at the door of services that are provided in groups to ask this question.

Our second recommendation is that those application requirements that are outlined in regulations so the point counts for how institutions, and agencies get funded outlined in regulation and they are built on a model that goes back to the 1970s when a very small percentage of students that were attending. colleges. So, on the one hand, these regulations disadvantage institutions that have high concentrations of low-income students. My final recommendation is that in your inclusion of recommendations in procedures and regulations for the Public Service Loan Forgiveness program that TRIO educators be included. Thanks so much for this opportunity to testify.

Jennifer Hong: Thank you very much for your comment. Next, we have Ray Motameni. Ray Motameni, please don't forget to take yourself off mute and turn on your camera if you like.

Ray Motameni: Good morning and thank you for the opportunity to participate in today's public hearing. My name is Ray Motameni and I'm a managing member of Aveda Institute Portland in Portland, OR and also a licensed hairstylist for the last 30 years. We are very proud of our outcomes, an opportunity for us to. change our students lives. As you're looking at gainful employment, we believe all institutions should be held to the same standards, and not any creating any additional regulations. exclusively for proprietary school. On an income side, many of our students and graduates are independent contractors and earn anywhere between 15 to 20% of their income through tips which does not always shows up in any other reporting. We urge the Department to make sure all income is used for the purpose of gainful employment. Thank you for your opportunity to comment in today's public hearing.

Jennifer Hong: Thank you very much. Next is Kevin Luing.

Kevin Luing: Good morning. My name is Kevin Luing and I'm the chairman of the Board of trustees of Berkeley College. I have over 34 years of experience in proprietary college education, including ten years as a college president. Thank you for providing this opportunity to testify. Topics I'd like to include are student debt and gainful employment. Operating in New Jersey in New York, Berkeley College is celebrating its 90th anniversary this year. It is a family-owned institution, first by the Brick family for the first 34 years and then by the Looming family for the past 56 years.

Education is the key to a better life and has been one of our core family values for generations. Berkeley College has been accredited by the Middle States Commission on Higher Education since 1983 under the exact same standards and criteria as Columbia, Princeton, and NYU. Berkeley College has a long-term perspective and a hyper focus on student success. We operate under the mantra the student always comes first. A college education continues to be the greatest driver of socioeconomic mobility in America. In 2017 Berkeley College New York was recognized in the New York Times is being in the top colleges across the nation to provide students the opportunity to move up two or more income quintiles. You can find our more than 65,000 graduates throughout the ranks of the federal, state, and local. governments and in careers across the nonprofit and private sectors. Berkeley College is a member of the Association of Proprietary Colleges. APC Colleges, most of which are family owned, are degree-granting. middle states accredited colleges, educating students. There are many more multi-generational family-owned colleges across the United States. Their longevity and success tend to be overlooked when one evaluates the proprietary sector. Instead, we are defined more principally by our tax status. Public and private nonprofits are more principally differentiated based on their mission and offerings. Institutions should be evaluated on their student mission and focus without regard to their tax status. Outcome metrics to cover all students and in the case of graduation rates, not just Full-Time, First-Time students. Most proprietary colleges have students that are over the age of 22. Many have attended a nonprofit college before coming to Berkeley College.

If gainful employment regulations are to be appropriate and meaningful then they must apply to all sectors equally with no intended or unintended biases. The vast majority of college students attend a public or private nonprofit college. To purposely exclude these institutions indicates that lower outcomes and poor returns on educational investment are unimportant for students in the same type of degree program at nonprofit colleges. It says that these institutions don't need to be held accountable for results that don't lead to gainful employment. For example, an accounting degree prepares one for a career in accounting, regardless of whether that degree is earned at a nonprofit college, or proprietary college. Despite having a similar curriculum and in many cases, specialized accreditation should not be held to a higher standard under any gainful employment regulations. Metrics should take into account that many fields are investments in the future. For example, if it applies to all doctors, who have large debt, and low-income internships. Income cannot be appropriately and meaningfully measured one, two, three and four years out of school to fairly. It is important to determine the outcomes besides graduation employment. Berkeley College is focused on reducing student debt, according to federal regulation. We cannot limit the amount that a student borrows yet we are held accountable for debt repayment. Student debt that can be reduced and managed through stackable credentials for students can first earn a certificate, then an associate degree, and then a bachelor’s degree. Students who take out loans for one or two years can graduate with the certificate, or an associate degree get a job and earn a salary where they can begin to pay back their loans. Further education for a bachelor or master’s degree can be funded by their employer either by tuition reimbursement or other means.

Additionally, there should be incentives for employers to participate in the further education of their employees through tax incentives for tuition reimbursement or other creative programs for repayment through wages.

Jennifer Hong: You have 15 seconds to wrap up.

Kevin Luing: In conclusion if one believes in success for every student, their regulations must absolutely focus on student outcomes from all sectors of higher education. I thank you for your time and consideration.

Jennifer Hong: Thank you for your comment. Next, Connie Murphy. Connie Murphy don't forget to take yourself off mute and you may turn on your camera if you so wish.

Connie Murphy: Is my audio, OK?

Jennifer Hong: Of course.

Connie Murphy: OK. Hi, my name is Connie Murphy. And I would like to tell you a little bit about myself. I am just representing myself. I'm a federal employee. I find it offensive of the comments that are heard in the media about people in repayment who are trying to shirk their responsibility to pay their loans back. That's not me. I'm going to tell you a little bit about me. First, I was a single mom with sole responsibility for raising my child. I spent 20 years working towards my bachelor's degree while I worked full time. I was laid off four times in four years due to the telecom downturn in the early 2000s. I struggled to support myself and my son, but we made it through without bankruptcy or bad debt. I graduated with my bachelor's degree in 2000 when my son graduated from high school. Got a week apart.

I had a goal to work in the Federal service where I would have stability and security and to work for a mission-oriented agency. At age 48, I quit my job and I moved to Atlanta to attend Emory University's Public Health program full time. I did not have another 20 years to get a master's degree. I also continued to help my son financially while he was in college. It was very tough for me economically, but I had a goal to become self-supporting with the idea that someday I could give. I paid off my student loans from undergrad while I worked, so when I started grad school, I had a 0 balance. During graduate school under the federal loan program, I borrowed about $75,000 in total to pay for my education, and I didn't take any private loans. I only borrowed what I was entitled to borrow under that program. Upon graduation, I was hired by the VA, where I've worked for the past 10 years. I had to consolidate my loans into the 10-year income-based repayment program to be eligible for the Public Service Loan Forgiveness program. I lost my 3% interest rate and was reset to about 6.5% ten years ago.

Over the past ten years I've paid back at least $40,000 of that $75,000. I went into forbearance a few times. I was trying to get on my feet. Never I was in repayment. I was never late. There were two years where I paid the full amount under the 10-year repayment plan. I was also caring for my dying mom, and I forgot to recertify, so there's about $24,000 in payments that I don't get credit for under the PSLF program. Today after 10 years and original loan amount of about $75,000 payments totaling about $40,000 my current loan balance is $150,000. In any other scenario, this will be considered usury.

The problem with the loan program is not whether we should cancel the debt. In my opinion, it's the interest rates and the way these loans are serviced. There are no incentives to pay your loan early and the interest rates fluctuate and continue to climb. Even if you cancel the debt today, tomorrow we wake up with the exact same problem. We must come up with a better way to service these loans, so I have five ideas that might make things better for people in a similar situation.

One, cancel the interest. It's not real. What's happening is not even real. Reset the interest on loans to small servicing fee 2 to 3% as a onetime cancel calculation and eliminate fluctuating interest rates. I would be proud to pay off my loan balance.

Two, do not re-capitalize loans if they go into forbearance. Come up with a different way to allow people to get on their feet without becoming an indentured servant for the rest of their life.

Three, count all the payments that are made especially if they were for the full amount.

Four, offer incentives for people to pay their loans back early by discounting the loans. The amount the government would save by discounting loans would be far greater than the amount that is now being written off.

Five, offer credit for time served in civil service. No other program requires 10 years of repayment to be eligible forgiveness. I think I heard President Biden suggest a credit for each year of service, and I like that idea. Set it up so we get an annual credit that eliminates the loan balance at 10 years. If you leave civil service, you owe the remaining balance with that servicing fee. Not only does this motivate people to serve in government and nonprofits, but it also allows people to leave to do other things with their career and lower the total benefit costs to the government.

That's those are my ideas and I just want to say thank you for giving me an opportunity to have a voice on this matter.

Jennifer Hong: Thank you, thank you very much for your comment. Next, John Whitelaw. John Whitelaw don't forget to take yourself off mute.

John Whitelaw: There we go, I assume you can hear me at this point.

Jennifer Hong: Yes.

John Whitelaw: I have successfully overcome technology. I should quit for the day. Good morning. My name is John Whitelaw. I am a legal aid attorney and have been a legal aid attorney for more than 30 years practicing in Minnesota, West Virginia, and Pennsylvania. For the last three years I have been the advocacy director at Community Legal Aid in Delaware. Our mission is to combat injustice through creative and persistent advocacy on behalf of vulnerable and low-income Delawareans. We're also Delaware's protection, an advocacy agency for individuals with disabilities.

First, I'd like to direct your attention and to a paper that was written by an earlier testifier Bethany Lillian, entitled "Delivering on Debt Relief." That contains insignificant detail, both the recommendations that she has made today, and the ones that I will reiterate. I thank you for the opportunity to comment today. I am, however, significantly disappointed that the Department of Education has failed to take meaningful action to provide relief to tens of thousands of borrowers with disabilities that the Department knows are absolutely eligible for loan forgiveness. The Department has failed to exercise its authority to provide. automated relief for borrowers it has previously identified as being eligible. And in addition to Leanne the current time, the Department of Education has taken an unnecessarily cramped and narrow view of who qualifies for discharge of loans based upon disability.

For example, and I am personally aware of some of these individuals, there are individuals. who have been receiving social security payments for decades and have not and are not determined automatically eligible or eligible for loans because they are not coded in the proper way by the Social Security Administration. In addition, the process for physicians to certify a qualifying disability is too cumbersome. Forms are confusing and the processes. The time for bold, meaningful action is now, not next year, not tomorrow, not the winter, but right now. As we sit here today at the beginning of the summer of 2021. I urge the Department to take the following actions.

One, cease all collection efforts on every single person whose income does not allow them to live below poverty. Taking Social Security benefits from individuals with. disabilities whose income is less than $800 a month is unconscionable. That the Department of Education has the statutory authority to attach social security payments in this amount does not mean that it should.

The Student Legal Defense Network have asked for in our petition for rulemaking. The Department of Education should automate discharge for individuals already identified by the Department of Education through the match with the Social Security Administration as being eligible. Of course, there should be an opt out, but there's no reason that this process should not be automated.

Two, immediately begin the rulemaking process to include as eligible for automatic discharge the groups of Social Security recipients identified and described in the paper that Ms. Lillian and I wrote. These folks are unquestionably covered under the statute, but not identified in the regulations. Let me give you just two of the several examples that we mentioned. One, anyone who is this has been at risk for saving social security for five years since the onset date meets the statutory definition of disability to have their loans discharged yet they are not included in the current set of individuals who will get that this group as easily as they can be. There can absolutely be data matching to find these folks. It is not that difficult.

Second, Social Security has a process to identify what it calls compassionate allowances. These are individuals with such severe disabilities that they are expected to pass away and to be terminal. There is no reason that these folks should have student loans hanging over their head.

Three, eliminate the monitoring period. It is not statutorily required and has been a total disaster.

Finally, I want to repeat Ms. Lilly's point that it is incredibly important that into the negotiated rulemaking process advocates from the disability community be at the table, they were not at the table in 2013, when the previous rule was enacted and that is one of the major reasons, we believe that it was not an adequate room. Advocates for the people with for people with disabilities need to be at the table during this process.

Again, I thank you for allowing me to testify today and urge the Department to take these actions. Thank you.

Jennifer Hong: Thank you, thank you very much for your comment. Next, we will go to Regan Fitzgerald. Regan, Fitzgerald.

Regan Fitzgerald: Thank you, I'm Regan Fitzgerald from the Pew Charitable Trust project and here to speak on borrower defense. We encourage the Department to include income driven loan repayment plans among the many important issues in the upcoming higher education negotiated. With making these plans can provide borrowers with more affordable, monthly payments based on income and the possibility of loan forgiveness. It has been demonstrated that income driven plans can help borrowers avoid delinquency and default research has shown that borrowers of color, particularly African Americans and first generation, students face default at a higher rate than their peers, but income-based plans need to be updated and improved.

Provide increased access to borrowers who are most likely to face repayment difficulty. Administrative and other barriers can prevent borrowers at risk of delinquency and default, who often have lower incomes from enrolling. or staying in income driven plans. Pew has conducted an extensive review of the current research on income driven plans and it reached several conclusions about both the advantages and drawbacks of the current programs, including that income driven plans generally make repayment more affordable, but some borrowers still find payments unsustainable because of their particular. economic circumstances, such as incomes that vary sharply from month to month or high expenses such as from childcare and health care. Borrowers on income driven plans often experience balance growth, take longer to pay down principle and pay more over the life of their loans. About half of our income. driven plans qualify for $0.00 monthly payments, but the lowest income bars are less likely to enroll an income driven plans and moderate-income borrowers despite being likely to fall behind on payments and many income borrowers encounter administrative barriers to accessing and maintaining affordable payments and income driven plans. So just confusing. and complex. Application and recertification processes that these barriers not only prevent or delay enrollment, but can cause delay in re-certification, which often results in an increase in the borrowers' principle.

During his campaign, President Biden laid out parameters for a new income driven plan that focuses on making payments more affordable for borrowers. Pew believes crafting changes to these programs to. assist borrowers who struggle to repay their loans is key to effective reform of income driven plans. Excuse me, we have identified a research-based policy framework for these borrowers as the focus which includes first increasing enrollment of at-risk borrower's income driven plans. To achieve this, we strongly recommend that the Negotiated Rulemaking Committee examines streamlining existing, income driven plans to reduce confusion. We also recommend that all borrowers. with defaulted loans be allowed to directly enroll in an income driven plan without needing to first exit default through rehabilitation or consolidation. To help them access affordable payments without having to first navigate the complex administrative process of exiting default second ensures that income driven payments are affordable, especially for at risk borrowers. While our work has found that additional research is required to determine exactly which changes would best meet the needs of these borrowers, we know that some borrowers still report that income driven payments are unaffordable and some still do become delinquent and default. There are pros and cons to both reducing monthly payments and including additional expenses in the calculation of discretionary income as proposed in the Biden plan.

Third. reducing the rate of balance growth. Some research, including focus groups conducted by Pew, demonstrate that balance growth during repayment can have a negative psychological impact on borrowers, demotivating them from continuing to pay down their loans because they don't see the effect on their balance. The committee should consider ways to minimize or limit interest, accrual, or capitalization to prevent balances from ballooning under income driven plans which has bipartisan support. The Biden plan proposes no interest accrual for those who pay $0.00 monthly to specifically help low-income borrowers. Other policies would affect the wider spectrum of borrowers to encourage repayment.

Fourth, making it easier for borrowers to enroll and remain on income driven plans, revising the current income driven application form to make it easier, to make it more user friendly may help more borrowers enroll and stay enrolled in income driven plans. The best way to accomplish this goal is to vigorously work with the IRS to implement the Futures Act as soon as possible. I would like to thank the Department for considering loan repayment plans for this rulemaking. It is important to craft an income driven approach that works for borrowers, especially those most likely to run into repayment trouble.

To this end, our final recommendation is that the Department consider including a researcher or a research organization that can provide analysis of available quantitative and qualitative data on income driven plans as a category which the Department will seek nominations for this committee. Thank you.

Jennifer Hong: Thank you very much for that comment. Next, we will go to Sean Pica. I'm sorry, let's go to Cheryl Oberlin first. Cheryl Oberlin. And then followed by Sean Pica.

Cheryl Oberlin: OK. Ready.

Jennifer Hong: Yeah, go right ahead.

Cheryl Oberlin: Sure, alright awesome. Mr. Secretary and Honored Committee members and guests. Thank you for allowing me to share my story today and hopes of advocating for change and successful learning experiences in higher education. I received a letter that said thank you for spending $480,000 at Wright State University over the last 21 years we love our alumni and former employees so much that. you'll find an invoice enclosed for $10,000. Yes, we return over $2,000,000 to the Department of Education and $10,000 of those monies are from your student loans. We admit that over $6,000 return due to blatant errors made by our employees regarding your class attendance, but we write with really good news. The amount reduces your student loans and now you owe Wright State these monies instead of the Department of Education. You have 30 days to pay the balance, or you'll be turned over to. collections.

Not sure why this is not working. There with me in there. Let's put it over here. My goodness, it's just not letting me move anything at all. OK, sorry. I'll give you the short version, basically.

Let me just say that there is not a lot of accountability for taking attendance and online classes. If a professor takes your attendance on the 60th day and you drop after that day, so Professor takes you off the roster. Therefore, when he submits to final grades, it shows that you've never taken the class. I had actually special insight to obtaining enrollment reports because I worked as the director of online marketing for the College of Engineering and Computer Sciences, so I was able to obtain my own online attendance reports within an hour of trying to start the search, I produced my attendance for ¾ of the classes in question and proved my attendance. Basically, I was told, too bad we already had returned the money. I appealed it to the MSA and was told too bad the school returned it. So now you have to talk to the school and the school said again, too bad if you don't pay it, we're going to turn you over to the attorney general so basically, they talked me into taking an additional degree. That's 5 degrees. To use the money to repay this bill at the time I was so stressed, my father was ill. I did it so I took on an additional amount of money. I now owe them or 480,000 in student loans, but that’s a totally different story.

But my plea for you is that you create some rules and some accountability and some processes where they have to take attendance for every single class, and it doesn't matter if somebody drops the class. They still have to know that Professor still has to report it to enrollment that somebody was physically in this class, because my concern is out of that $2,000,000 that Wright State returned, how many students were like me that knew they went to a class but couldn't prove it but an unlike me could make some phone calls internally at Wright State, find the report they needed and produced the result showing attendance within an hour, but I can imagine were able to do what I what I was doing, proving the attendance, but I do suspect many were, like me, and attended the class.

My apologies for the errors with the screen. As my kids would say I'm not completely tech savvy so I do appreciate your tolerance there. But again, my plea is just to create some accountability, some authenticity. I'm not blaming Wright State for this, they did not know how to get the reports. The people I'd actually work within enrollment, so this is not a bash Wright State Day. This is just, please create some accountability among everybody involved so that the students are protected, and they can experience a great education without the extra stress being added on to them for money. Thank you.

Jennifer Hong: Thank you for your comment, thank you. And next, we'll go to Sean Pica. Sean Pica.

Sean Pica: Good morning. My name is Sean. I'm the executive director of Hudson Link for Higher. Education in Prison. We coordinate nine different college partners in six prisons in New York. We have about 680 men and women attending credit bearing college courses and they have degree granting in all six sites. We do pre-College two year and four-year programming. We are specifically asking to have more interest involved in how the Pell programming will now be implemented in 2023 and specific concern for us is wrapped around in-person teaching. Site coordination. So, each of these sites has a dedicated site coordinator. We have access to train financial aid advisors for each of the students. That the reentry programming is part of the college programming. These men and women that are incarcerated, that are going through these programs need to be connected directly with services on the outside as well. Otherwise, the college work is not working well. I bring to this discussion the fact that I too was in the programs in the 80's when Pell was operating in many programs around the country. I lived in nine different maximum-security prisons over 16 and a half years. I did my time in New York and when I was arrested at the age of 16, I was only in 9th grade. I had not graduated from high school, so while I was inside it was able to go to college and when I was released, I had a college degree, but only because of these opportunities to Hudson Link, who are operators of third-party facilitator with these other college partners, denying what we have. Our interest is specifically that the students are at the forefront of our planning at the considerations and evaluations all wrapped around the student's interests. We would like thoughtful, comprehensive, student centered evaluation plans for the entire population that we are serving. Thank you.

Jennifer Hong: Thank you so much for your comment. Before we move on to the next comment, I just wanted to remind folks, especially if you're just tuning in, that we are extending the session today by half an hour and a half an hour in the afternoon so we will wait till 12:30 before concluding so we can accommodate more people on our waitlist that have signed up. So again, we're going to go on till 12:30 and our next commenter is Emeka Oguh. Emeka Oguh, please take yourself off mute and turn on your camera feel like.

Emeka Oguh: Hi good morning my name is Emeka Oguh and I'm the founder and CEO of PeopleJoy. I want to thank the Department for allowing me the opportunity to comment on the proposed federal student aid rulemaking topics. PeopleJoy has been helping employers attract and retain talent using student loan benefits since 2016. Our services include student loan repayment assistance, tuition reimbursement and student loan counseling. We are a certified minority owned business based in Philadelphia, PA. I started PeopleJoy after my wife and I graduated with a combined income to get loans, I'm very encouraged by President Biden's plan to secure passage of the *What Can You Do for Your Country Act of 2019*. The Act will close loopholes in the PSLF program, allowing borrowers with both direct loans and loans from the Federal Family Education Loan program to qualify for forgiveness and allow borrowers to consolidate their loans without losing credit toward forgiveness.

Currently, borrowers must either be employed full time or work part time for two or more government or nonprofit organizations to receive credit toward PSLF. This rule unfairly penalizes for work they might be working part time due to family or health reasons or because full time work simply isn't available. I would ask the Department to consider allowing borrowers working part time to receive partial credit for PSLF. With this change, an employee that works part time for an entire year, for example, would still receive six months of credit towards PSLF. I'm also very encouraged by President Biden's proposal to reduce the number of income-driven repayment plans from four to one. His proposal would factor in cost-of-living expenses such as housing and food into the discretionary income formula used to calculate IDR payments. The current formula does not factor in cost of living, further increasing the inequity among borrowers. I believe the Department should take this a step further and also factor in the cost of paying off private student loans.

While President Biden's proposal goes a long way towards simplifying IDR plans, it only pertains to undergraduate debt. I ask the Department to include cost of living expenses and private student loan payments with calculating IDR payments for graduate school debt as well. Another suggested area of improvement is third party payments to federal loan servicers. Today, if I want to assist a borrower with a payment on student loan as a third party, I'm forced to mail in a paper check or call their loan servicer. This is not a scalable solution and complicates the process for companies looking to help solve the student loan crisis. With student loan repayment assistance just the company's people, join allies and make it mandatory for federal loan servicers to provide fully electronic systems. and API access for third party student loan repayment assistance. In addition to collecting payments on behalf of the Department of Education, the role of the services to help borrowers access all available repayment options, understand the payment options available within their loan and offer income-based forbearance options in times of need. Unfortunately, due to human error this is not always carried out the way it should be, and the benefits, terms, and rules of particular loan program set by the federal government are not always clearly articulated by services to borrowers. For example, my wife forfeited over $50,000 in interest subsidy payments and four years of credit to her loan forgiveness because a loan agent advised her to go into forbearance during her medical residency, instead of explaining the value of enrolling into an IDR program in PSL.

The implementation and execution of these federal programs rely on the student loan system, that is flooring to entrepreneurs like myself who are frustrated with the flawed system and the hurdles borrowers must go through had decided to do something about it and are providing borrowers with coaching and additional resources to make the best decisions on student loans. Student loan advisory companies that charge a fee for providing this value are sometimes criticized, however, student loan advisors should be allowed to charge a fee for helping to solve a major problem in the same way that accounts are allowed to charge a fee. But having to prepare and file taxes and industry, accreditation standards help maintain the quality of profession, weeds out bad actors while keeping the cost affordable for the borrower is absolutely necessary. We built tech enabled student loan advisory services to assist borrowers with making the best decisions on this student loans. I would respectfully ask the Department and federal loan servicers to work with PeopleJoy and other entrepreneurs in the tech community to assist with solving the problem and thank you so much for the opportunity to speak today.

Jennifer Hong: Thank you. Next, we have Dr. Tara Jabbaar-Gyambrah. Pardon me if I mispronounce…Dr. Tara Jabbaar-Gyambrah.

Dr. Tara Jabbaar-Gyambrah: You did it perfectly. Good morning and thank you so much for allowing me to share my thoughts with you today. My name is Dr. Tara Jabbaar-Gyambrah, and I've served in higher education for over 17 years. I've seen the internal and external factors that have impacted student success starting from working with students on a one-on-one basis that are high performing and have been enrolled in student success programs such as the Ronald McNair scholars, student support services. And they all have one thing in common: they came to college or university to get an education in hopes that they would obtain a good job or sustaining lifelong career. They are dream seekers and thrivers. On the other side, what makes each one of them stand out is the unique talents and gifts that they bring to the table. The teacher driven to ignite the flame stories are important as they framed the work, and they help us to understand how students are supported and navigate in higher education. My story quickly…I grew up in a small town called Champion, Ohio because my parents believed that education was very important to our family. My father was a veteran of the Navy who worked in the kitchen and repaired the ships as they sailed on while my mom stayed at home until we could walk and talk. They were ecstatic when I was accepted to a large public university, but they did not know how to help me navigate the intricate systems of higher education, especially the financial piece. I tried on my journey. Of course, there were challenges and there were goals along the way that that have helped me and offered assistance to find support financially. But if there's one thing for sure, I could not escape student loans while I earned my undergraduate and graduate degrees. In short, I ended up with hundreds of thousands of dollars of debt of student loans, and I'm not the only one. There are trillions of dollars in student loan debt that loom over the heads of people. We look at the intricate details of students and financial aid and we look at students experiences and challenges, and those that do not earn the allotted credit hours for financial aid. What happens? Students end up with loans if they end up failing. They sit there and there are no second chances. We need more flexibility in continuing aid when students. We are moving forward but not yet have met that benchmark. Student loans need to be forgiven and we need to get back to meeting the benchmark. Absolutely, because we believe in second chances. Financial aid is a big source of funding that helps students to persist from semester, semester to graduation which, in turn, keeps the economy flowing. So, I challenge everyone to look at the big picture, the impact that policy set forth, the impact of students at the micro and macro level. Many say college is a big business, but I say we must be about the business of moving the needle forward for a sustainable future for generations after this. We can do this by eliminating student debt, by offering programs that help borrowers to sustain their standard of living, to increasing financial aid parameters to include exceptions beyond the four years of college because students change their major up to seven times which may cause them to lose their lose their aid or to have an increase their student loan debt. The impact of debt has on the economy in the perspective of student is important. As is the bar for training and equipping students with financial coaches to work with borrowers to effectively. assess their payment options and balance with the cost of living that is ever rising. And finally, include a professional in higher education that understands the micro and macro levels of students who take out loans in their finances from a diverse group of students. Thank you so much for your time. Have a great day.

Jennifer Hong: Thank you very much for your comments. Next, we have Wesley Wilson. Wesley Wilson, if he could take yourself off of mute.

Wesley Wilson: Good morning, thank you for allowing me to provide comment here today. I'm Wesley Wilson. I'm a current student veteran, I represent High Ground Veterans Advocacy. At 17, I joined the Army to earn educational benefits after losing my father, a Navy veteran, to suicide and my mother in a head-on collision car accident. Today, I'm proudly an alumnus of two of the most prestigious universities in the country, Fordham University, and the Maxwell School at Syracuse. I've successfully navigated the military to civilian transition. I have a great job, and I feel miles away from the foster care hearing I attended 11 years ago. The kindness of others, Student veterans support organizations and the G.I. Bill had blessed me with the opportunity to advance personally and professionally.

Unfortunately, determining the education outcomes of students like me is near impossible because existing regulations do not require institutions to comprehensively report student veteran data. Under the Higher Education Authorization Act participating aid-eligible institutions must report a plethora of information from employment outcomes to student loan, default, and graduation rates, disaggregated by race, gender, and aid status. Why not collect some student veteran data? They generally do not distinguish student veterans from civilian students. The VA collects and publishes some outcome data, such as retention, persistence, and graduation rates. However, data is incomplete because reporting is optional. For example, the VA has specific retention and persistence rates for only 222 schools compared to the roughly 300 schools that reported the same metric, which is compromised of traditional students.

The lack of accurate student veteran performance data is clearly documented. In 2017, Student Veterans of America. Published groundbreaking research where they outlined the difficulties in collecting, analyzing and interpreting student veteran academic outcomes due to poor collection methods, narrow inclusion criteria, and errors in identifying student veterans.

In 2000, the Congressional Budget Office published reports citing their struggles in differentiating GI Bill beneficiaries from active-duty military students and in January of this year. They stated a need for more comprehensive performance data to evaluate programs designed to serve disadvantaged students including veterans. Student veterans continually bear the brunt of deceptive advertising and fraud from bad actors and schools seeking to exploit them for their hard-earned GI Bill benefits. Regulations like the gainful employment rule helped abuse by ensuring that student veterans are gainfully employed and financially able to repay their student loans after graduation. The rule required institutions to report outcome metrics such as student debt, income ratios and employment rates it saved ED billions in taxpayer money wasted on poor performance diploma mills producing useless degrees. Unfortunately, despite its overwhelming support by 34 of the largest veteran service organizations, the gainful employment rule was repealed.

Access to accurate student veteran performance data is the linchpin of protections like the gainful employment rule. Without it, advocates and researchers will be unable to ensure student veterans are not crippled with loan debt or identify bad actor schools. This is a crucial step because similar to 62%. of student veterans, I'm a first-generation college student. We do not have the privilege of calling our family for advice or help in navigating higher education because we're doing this for the first time. Therefore, new regulations on the Higher Education Authorization Act should require colleges and universities to differentiate GI Bill's beneficiaries from the traditional student population in all data reporting. Should data collection overlaps exist? Department of Education should develop data sharing agreements to better consolidate and published publicly these data where researchers and advocates can access it easily. The deliberate identification of veterans in data reporting will increase transparency and how the government spends taxpayer dollars, ensure adequate protections for student veterans, and hold accountable the organizations that receive billions every year in GI Bill funding. We can safeguard our student veterans preserve the GI Bill's legacy and assist more students and climbing the social ladder. With a price tag of roughly $12 billion a year, the post 9/11 GI Bill is the most expensive educational program accounting for nearly 20% of all federal higher education spending.

The American people deserve access to comprehensive student veteran outcome data and the Department of Education is uniquely positioned to provide it. Yesterday marked the 77th anniversary of the GI Bill. What role will the Department of Education play in the GI Bill's continued legacy? That choice is yours. Thank you for allowing me to speak here today in. Please let me know if I can ever be of service.

Jennifer Hong: Thank you very much for your comment. Next, we have Bill Caruso, Bill Caruso, you are on.

Bill Caruso: Hello, good morning and thank you for the opportunity to come out. today. My name is Bill Caruso. I'm General counsel secretary. and VP of Regulatory affairs of DeVry University. DeVry University which was founded in Chicago in 1931 and is celebrating its 90th anniversary this year. DeVry currently serves more than 25,000 undergraduate and graduate learners across 45 campus locations in 17 states via online or hybrid courses in all 50 states, regionally accredited by the Higher Learning Commission since 1997 and offers academic programs in technology, business and healthcare or across a wide range of certificate associate, bachelors and master's degree programs.

Throughout its history, DeVry has been on the leading edge of innovation and distance learning and serving adult continuing learners formerly considered nontraditional students, but now the majority of learners and higher education in the United States. We urge policymakers and other stakeholders to remember that the best interests of students should be the core focus of negotiated rulemaking. The mission of the Department of Education is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. In that spirit, special. attention should be given today's learners population that is changed efficiently in recent years across all sectors of higher education but who regrettably are often an afterthought in policy discussions as a nation. We must continue to invest in higher education and its vast potential is a liberating and equalizing force in society, and we urge the Department to use this rulemaking process to advance equitable access in attainment for all learners. To achieve this, we must acknowledge the impact of technology on the workforce and that yesterday's nontraditional learners. Processes must be updated and upgraded to ensure all learners can thrive in the emerging digital economy. Indeed, technology presents many challenges, it also presents opportunities. Now more than ever America's higher education system must rise to meet these challenges and prepare learners to maintain competitiveness in the global marketplace. DeVry University works closely with a network of more than 900 employer partners throughout the country to prepare learners for success in the digital economy, and we must work just as hard to ensure the Title IV federal student aid programs are aligned with this challenge. Federal student aid program regulation should empower students as learners, each with a unique path and personal goals, and each with their own challenges to overcome. This means institutions, regulatory agencies, policy makers, creditors, and other stakeholders should endeavor to address the greatest needs of today's student, learners, whomever or wherever they may be. Learners who are juggling, raising a family, and career while studying, or those who choose to learn virtually leverage emerging educational models or even forge their own unique learning paths.

But it must not be left out of this dialogue. All learners deserve equal protection, access and oversight. This means accountability must be comprehensive in parity, across geography, modality, sector and segment to ensure all students receive equitable treatment and, importantly, to avoid unintentionally harming underserved students. To this end, we urge the Department to appoint negotiators representing institutions and organizations focused on educating today's new traditional students. And preparing them for tomorrow's economy. It is also important to include potential employers as their perspectives on the skills and competencies learners will need to thrive in the future workforce are vital to the dialogue. Given the evolution of higher education, what is often viewed as the traditional brick and mortar college experience should not be overrepresented in the policy making process. As our nation's learners continue to become more geographically dispersed, career oriented, older, and more diverse, it is critical to hear their voice and the perspectives of the institutions dedicated to serving them.

DeVry University believes earnestly negotiated common sense rules, foster durable consistent, and more effective regulatory oversight particularly in the absence of broad legislative action. And the other hand, regulatory uncertainty and inconsistency often driven by partisanship, create confusion and consumes significant institutional resources and energy which ultimately harms all institutions in the learners they serve. Thank you again for the opportunity to comment. We look forward to continuing to partner with learners, the Department of Education and other stakeholders throughout the negotiated rulemaking process.

Jennifer Hong: Thank you so much for your comment. Next, we have Joy Sorensen Navarre. Joy Sorensen Navarre, take yourself off mute.

Joy Sorensen Navarre: Good morning, good morning. Thank you, I'm Joy Sorensen Navarre and I am president of Navigate Student Loan. For a business that has helped over has helped thousands of physicians and other health care providers with their student loan repayment options and we regularly help our clients contact their loan servicing companies to correct errors.

The reason for my testimony this morning is to urge the Department of Education to issue regulations that reflect the congressional intent and protect the integrity of Public Service Loan Forgiveness. We are members of the Public Service Loan Forgiveness coalition, an alliance of more than 90 organizations committed to preserving PSLF because we believe it is of vital importance for the being of communities across the country. PSLF allows public service professionals for use their passion for service professionally, even when they have student debt. Over 75% of the clients our business serves use Public Service Loan Forgiveness as a part of their student loan strategy. In the face of COVID-19, we recognize that many who have been on the front lines to protect and serve our communities are public service professionals. They're working in public health, public safety, public education and they include healthcare workers who are our primary client base. We're very thankful. I want to make sure to make this clear to the Department of Education. The much-improved studentaid.gov website, especially the banner and the updates on the COVID-19 that are continuously happening and dropping in that communication, has been so clear and so appreciated, and I believe should serve as a template for future conversations between the Department and its borrowers defense rule, thankful for new tools that have come up through, Servicing especially, the new processes for employers to be able to call in to correct employment verification form problems.

So here are some of the issues that we would ask that you would consider for corrections. First of all, it is noted in the current regulations Public Service Loan Forgiveness is intended to encourage individuals to enter and continue in full-time public service by forgiving the remaining balance of their student loans after making and meeting that criterion. The critical tool for the healthcare section especially for recruiting and retaining members in multiple fields that are highly competitive and, in many cases, there is a lack of people to fill the open positions. Unfortunately, as we all know only a fraction of borrowers have been able to achieve acceptance into the Public Service Loan Forgiveness at the end, and what's happening is that's creating doubt in other folks that would be eligible. Yes, they see the headlines and the reporting that shows that less than 2% of folks that have applied have actually received the forgiveness. So, we really need a PSLF program that works and that can meet the needs of our communities. And I'm speaking specifically to PSLF, but also to the temporary expanded PSLF. So here are some things in my experience that I believe would be helpful to fix.

First of all. I think the secretary can make some significant changes outside of the current rulemaking actions that we're taking so our coalition, PSLF Coalition has requested an opportunity to meet with the Secretary to make the immediate improvements and we're looking forward to the opportunity to do so. So, the second point, current SPFL regulations are often implemented narrowly, and seemed to be very arbitrary. The Department of Education should issue revised regulations that are consistent with the Congressional intent which establishes PSLF is a broad-based program for service and loan forgiveness. We would request that they would issue a revised regulation and remove barriers that would prevent many of our public service borrowers from achieving forgiveness, including the following. In my experience, it seems that there is a lack of oversight between the Department of Education and the loan servicing companies. We would like to see additional fairness during repayment. We would like the Department to hold them more accountable or to their service agreements especially to the promises that are made to borrowers in the contracts they have. Come find through their loan agreements. One of the biggest issues right now is the manual review of employment certification forms is taking over six months.

Jennifer Hong: You have 15 seconds to wrap up.

Joy Sorensen Navarre: Thanks for letting me know. And then special problem is our words with two part time PSLF employers. The system is not set up to understand that they're sending in two separate application forms and so we have our words that are getting denied because of the two separate forms showing that each of the employer is not a full-time employer, and we know that is an eligible situation to have two part time qualifying employers. I appreciate the time. I would have more to say, and I'll submit my thoughts in writing. Thank you.

Jennifer Hong: Thank you so much. Next, we have Don Scholis. Don Scholis, if you could please take yourself off of mute, you may turn on your camera if you so wish.

Don Scholis: Thank you. My name is Don Scholis, and I'm an independent researcher in higher education. I'd first like to thank the people at the US Department of Education and RTI for their assistance to me and for keeping the College Scorecard, College Navigator on iPads working well. The Department of Education and Congress have made helpful consumer reforms in the last few years, with the College Scorecard edits added program data for median salary and institutional data for eight student loan repayment categories, including the percentage of people in default not making progress and the percentage that are delinquent in addition to College Scorecard improvements. Congress closed the 90/10 loophole, so service members and veterans would be less of a target for subprime colleges. I suggest three additional reforms to increase transparency and accountability for consumers so Pell grants, federal student loans, and taxpayer funds are spent wisely.

Number one the Department of education should restore Obama-era regulations on gainful employment to stabilize the floor of higher education. There are too many vocational programs that put working families into unmanageable debt rather than onto a path of upward social mobility. The Florida Higher Education Accountability Project has identified hundreds of vocational programs. where median salary after attending is $20,000 or less and if these low wage vocations have high out of pocket costs, as is the case with some for profit, nonprofit and public schools, consumers can be stuck in debt they can never repay and it hurts their opportunities for buying a car or house, getting a job, or even starting a family. Restoring gainful employment regulations will not destroy for profit education or community colleges. Programs with greater value will survive these regulations. Programs that provide negative returns will not within three years of student loan default rates, the College Scorecard should include a five- or seven-year default rate for each school at the viability of a feedback system for the College. Scorecard, with information for every school, much like the Department of Veterans Affairs, GI Bill comparison tool. The VA website displays cautionary warnings for institution with it, with accreditation problems, and as categories of student complaints: financial issues, quality of education refund issues, recruiting, and marketing practices, accreditation, change in degree plan requirements, student loans, grade policy transfer of credits, post-graduation job opportunities, and release of transcripts. Having this feature in the college scorecard would increase transparency and accountability- arming consumers. With knowledge they need to make good decisions. Consumers should have information about problems they might encounter if they attend a particular school and existing students should be able to get their issues resolved within a reasonable period. Thank you for your time.

Jennifer Hong: Thank you very much for your comment at this. point in time we will move on to our next comment or Randi Weingarten. Randi Weingarten you are on.

Randi Weingarten: Can you see and hear me now?

Jennifer Hong: Yes, we can.

Randi Weingarten: Fantastic. My name is Randi Weingarten, and I am the President of the American. Federation of Teachers and I am honored to testify on behalf of our 1.7 million members and all of the students and communities that we are involved in, that we teach, in that we represent. Our union represents teachers and nurses and other professionals, higher education faculty and staff, public employees. In other words, we are the ones who actually work in professions that make a difference in the lives of others. And frankly, virtually all the professions that we work in require college degrees, and we're seeing increasingly burdensome college debt. Most of members should qualify for Public Service Loan Forgiveness, but for far too many of them PSLF is a broken promise. While some of the 40. items suggested for negotiated rulemaking require a lengthy rulemaking process. Public Service Loan Forgiveness can and should be fixed now. The Education Department can restore, right now, the promise of PSLF with a combination of administrative action and improved borrower communication. We urge you to act immediately before student loan payments resume this September to order swift review of Public Service Loan Forgiveness applications, and to immediately discharge for all borrowers who have completed at least a decade of public service while paying their federal student loans. Let me give you an example.

Doctor Jessica Saint Paul, physician’s assistant, an adjunct professor who did her research on the Public Service Loan Forgiveness program, made eight years of payments. Her loan servicer told her that forgiveness was just around the corner. However, at an AFP student debt clinic. she learned that she was not close to forget this because the payment was on FFEL loans, FFEL loans as opposed to the other loans that should have qualified her service or misled her. Doctor Saint Paul is now on track for forgiveness, but what was supposed to be 10 years is now going to be 18 years and she's now on track only because of the work that we did. She's not alone. Some 4 of 10 borrowers seeking. PSLF have had their ten-year clock reset absolutely because of no fault on their own because their loan didn't qualify because many were told that they didn't qualify only after making extraordinary work, an extraordinary effort to make PSLF work, walking our members through loan types, payment plans, employment certification, hours, and now, we've had to deliver this news to people that they are not going to be qualified. We need to fix this now and in fact the investigation of the Public Service Loan Forgiveness program that we did with the Student Borrower Protection Center uncovered millions of errors. Public servants should not be held responsible for contractor mismanagement, yet they are. These borrowers need to be made whole.

Now there's another two pieces that I would like to get to. At the need for immediate assistance is important. Right now. we are about to hit this cliff of having people…having to pay their student loans we need to have $50,000 of debt per borrower forgiven. The debt burden is growing, median black student debt has increased by 41% from 2016 to 2019, while average student debt for black households has tripled in 12 years. But administrative action without rulemaking can help close this racial wealth gap and make meaningful improvements in people's lives, 90% of the lowest income black households with student debt with experience total student debt relief with $50,000 in cancellation, that's why doing this right now before the moratorium ends in terms of student debt relief is so important. Borrowers face an imminent fiscal cliff of payments starting this fall. We should make and fix this before the student loan system starts again, so there's all sorts of other things that I can talk about including dealing with the gainful employment rule. We need to do everything in our power to bring back gainful employment. The gainful employment rule to protect students from poor performing programs and predatory actors. And finally, we need to make the rulemaking process equitable and to achieve strong protections through rulemaking. and making sure there's a real voice. For students and borrowers, they have to be robustly represented on the rule making panel you can't have the regulated entities outnumber the more than 45 million Americans with student debt. As negotiators on the rulemaking panel, I welcome the administration's recognition of just how important it is to deal with student debt and to deal with making sure that our young people can actually start with college degrees in a way that they can thrive, but we need to do this in an equitable way. Thank you very much.

Jennifer Hong: Thank you very much for comment. Next, David Cohen.

David Cohen: Good morning, can you hear me?

Jennifer Hong: Yes, we can.

David Cohen: Good morning, thank you for providing me with an opportunity to comment today. My name is David Cohen and I'm the proud president of Five Towns College located in Suffolk County, New York. I've served in higher education for more than 30 years. Five Towns College awards master's and doctoral degrees in music, media, and the performing arts. We are an arts-oriented STEAM college that embeds technology into everything we do. Five Towns is also school of education, preparing licensed teachers to serve in New York public schools. We're a small college with just one campus serving about 700 students. Five Towns holds an absolute charter granted by the New York State Board of Regents. In 1972 the college was institutionally accredited by the Middle States Commission, and it has earned programmatic accreditation NASM and CAEP. Our business school has recently achieved candidacy status from a CBSP. According to the White House scorecard, the aggregated graduation rate is 39%. However, the rate had been rising prior to Covid and according to the most recent IPEDS, it is now approximately 40. According to NCES, that is 13 points higher than the national average for all open enrollment institutions. We have also worked hard to increase our freshman to sophomore retention. rates and according to IPEDS it has risen by more than 10 points over the rate on the scorecard and is now 77. Most recent CDR is 8.7% an hour, 90/10 ratio is about 50.5. The average annual cost is under $20,000 a year- 30 to 50% lower than most of our programmatic peer institutions because we take student loan borrowing very seriously. Not only did Five Towns withdraw from the private loan market, but we also provide full need packaging to all zero EFC index students so that our most needy students do not have to borrow at all. Racially and ethnically, we proudly reflect the great diversity of our region with approximately 25 % of our students identifying as black and 17 % identifying as Hispanic.

We are champions of the New York State Board of Regents' major goal of assuring equity and access to higher education for all. We are very proud to consistently be ranked by US News and World Report as a top performer in the category of social mobility. They have a really good chance of graduating from our institution. I tell you these things because some people here have no idea who we are, how we serve our community and how we contribute to American competitiveness. Once they learn that we are also proprietary, nothing else seems to matter. Because of that lack of understanding, 5 Towns College and the students it serves have been targeted and forced to fight for its very survival over and over again. So, I'm here to urge you to learn more about some of the really great proprietary colleges, particularly those in New York. We have twelve outstanding colleges that formed the Association of Proprietary Colleges, of which I'm also proud to serve as the current. rotating chair. Time and again legislation and rules are advanced in the halls of government that seek to punish our school, not because of our strong outcomes, but because we pay taxes instead of consuming them. Just recently, amendments were proposed to funding legislation that would have eliminated the ability of our students to participate solely because of our institutional tax status and for no other reason. I recognize it in this world there are good and bad actors, and it is the role of government to protect and regulate. But as decision makers I want to use my time to respectfully suggest that if you truly are serious about making American higher education, competitive, focus on student and learning achievement outcomes, set clear and reasonable standards for every institution, and hold every sector accountable regardless of their tax status. When you do this, you will finally begin the hard work of really assuring quality for all. When you look at outcomes for colleges and universities, I am confident that you will find there are great institutions across this nation, some of which just happen to pay a fair share of taxes. Thank you.

Jennifer Hong: Thank you for your comment. Next, we will go to Alan Collinge. If you could take yourself off of mute, you're on mute Allen.

Alan Collinge: OK, thank you. So, I'm going to present to you today five facts and I urge in fact, I challenge everyone out there to vet these claims. I'm about to make.

Number one: impact age. There are more people over the age of 35 than under the age of 35 with federal student loans and they owe far more. There are more people over the age of 50 than under the age of 20 with federal student loans and, again, they owe far more despite having borrowed far, far less.

Fact #2 Impact by location. It turns out that in over 1/3 of US states, the people of those states owe more than the entire total state budget in federal and private student loan debt. Now, these states tend to be southern, historically red states. We're talking Georgia number one state. The budget of Georgia is $48 billion. The people of Georgia, which was founded as a refuge for imprisoned debtors by the way. Student loan debt in the state of Georgia is $82 billion. It's enough money to buy every farm in Georgia twice and have $15 billion leftover. It is not just Georgia, it's Texas. It's Florida, it's Tennessee, it's North and South Carolina, it's Missouri, Ohio. Please vet these facts.

Fact #3 We know that, and previous speaker covered this, but we know that the rejection rate for Public Service Loan Forgiveness is 98 points, let's say 4%. We also know, as of 2014, that 63% of the people in IBR had been kicked out of those programs for one reason or another. We also know, and this is something that Randi didn't mention, that the people at Department of Education and the experts, so-called experts in and around the Department of Education, had 10 years. That nobody was going to get this forgiveness. So, what does that tell you? What that tells me, by the way, all of the other cancellation programs income contingent reprograms Income contingent repayment programs 99 percent of borrowers never got those. So, what's the conclusion here? The conclusion is that the Department of Education and his contractors. never had any desire, do not now have any desire or intentions of cancelling any loans. That's kind of an obvious conclusion to draw, I think.

Fact #4. We, at Brookings, found that the default rate for 2004 students, which was 40% and by the way that survey was done by voluntary survey data, is voluntary, so I suspect strongly the true default rate is far higher than, but it was a big study…millions of people. 2004 students were only borrowing 1/3 of what students are borrowing today. So, what do you think the default rate is for more recent students is 50%-60%? We don't know.

Also Fact #5 pre pandemic. Wayne Johnson told me, and Secretary Devos acknowledged that 75% of all borrowers were either unable to pay or they were paying, but their balance was going up before the pandemic. Wayne Johnson who ran FSA, told me that was closer to 80% just before COVID hit.

So, folks, I don't have much time left, but what do you call this? I called this not an issue, not a crisis-that was ten years ago. This is now a catastrophically failed lending system by all rational metrics or measures. Two things need to happen #1 bankruptcy has got to be returned to these lines. The founders called for bankruptcy ahead of the power to declare war, ahead of the power to raise an army, and that's the one thing that's gone uniquely from student loans got to be returned. In fact, Biden could do it tomorrow. He could order the Department to stop opposing student loan borrowers in bankruptcy court tomorrow. We need Congress to repeal the US code. There is no doubt, but Biden can do what he can fix what he broke starting back in the 70s and he could do it tomorrow. The least you could do for folks just learning system is sorry this one is system is done, its toast. There is no saving it. Best thing to do during this pandemic is simply cancel the loans and get a fresh start. Remake how we fund colleges in this country. This lending system is vanishing into a mist of illegitimacy and you people, the Department of Education, and the experts and around and the Department had better inculcate that fact. Or else your careers are going to similarly dissolve into a mist of illegitimacy. Get with the people. Thank you.

Jennifer Hong: Thank you for your comment. Next, we have Regina Suitt, Regina, Suitt.

Regina Suitt: Hello can you see me, hear me?

Jennifer Hong: Yes, we can hear you. We don't see you.

Regina Suitt: I'm turning my camera on, so I'm not sure exactly what's wrong. but I'll just go ahead and speak to you if that's OK.

Jennifer Hong: Yes, that's perfectly fine. We hear you.

Regina Suitt: Alright, so thank you for the opportunity to discuss the ability to benefit provision of the Higher Education Act. My name is Regina Suitt and I worked in the adult education field for over 30 years. I was a Vice President at Pima Community College in Tucson, AZ and was responsible for adult education, developmental education, and transition programs in college wide assessment. I retired in 2019 and now volunteer on the boards of the Coalition for Adult Basic Ed and the National Coalition for Literacy. So, I'd like to tell you our ATB story at Pima. After reading about the accelerating opportunities of this initiative and its success, we decided to implement it at our college in 2015. We could clearly see that it was a successful model with high student outcomes. We wanted that for our students, and we knew that receiving a Pell Grant opened up college for students who didn't know completing college was even possible. We were fully aware of all the challenges getting support from our leadership, convincing college faculty. We knew that recruiting would be difficult, but surprisingly the biggest hurdle that could have prevented us from even getting started was just getting our colleagues to believe ATB existed. Even though ATB was partially restored in 2015 and then fully reinstated in 2016, we had to convince our internal financial aid professionals that it was real. You found trainings, policy regulations, even emails from the feds that it wasn't allowable, but their financial aid colleagues in both Arizona and around the country kept telling them it had been discontinued, we kept at it and recently Pima Community College was recognized nationally. Even today, Adult Education programs face the challenge of convincing their colleges that ATB exists for their adult students.

That one hurdle stops many colleges adult ed programs from ever getting started. Many of Arizona's community colleges still do not have an ATB process in place. So why is it still so hard? Just recently in a political weekly education online article from June 1st outlined ED's plans to write regulations. I quote, the Department is also planning new rules governing a path for would-be students without a high school diploma or GED to receive federal financial aid for college. Congress cut that program, known as ability to benefit in 2012, but partially restored it in 2015. End quote. So, you can see there is still confusion even after years of awareness building, advocates been working hard to publicize this underutilized financial aid option. They had trainings, sent policy memos along with other organizations, holding trainings, webinars and writing white papers national organizations have worked with states and the federal administration to raise awareness of ATB as a viable funding strategy. Connecting it to the work that many states are already doing in the K through 12 dual enrollment space. Making what could be called adult dual enrollment possible we should be making college just as easy for adults as we do for high school juniors and seniors. In November 2020, a one-day symposium was held. Experts from around the country, including the chancellor from Pima presented ATB information to over 140 registered college and adult ed leaders from every state and over 200 views have access to sessions even after the symposium. So why are colleges are adding equity goals into their missions and strategic plans? Why isn't ATB being added when colleges are creating entire departments since tapping and laws state laws for dual enrollment? Why aren't they doing the same for adult students? What it took to move forward at my college was a supportive chancellor and, from what I've heard from other states and institutions, the leadership at the top, prioritizing ATB is what helped move it forward for them as well. There isn't a state college regulatory system in Arizona to submit a state-defined option, so to move the state board requires flexibility of one institution being able to initiate its own state-defined process. And when I retired that work was just beginning in Arizona, so having chancellors, presidents, and governors make ATB a priority especially as part of their equity agenda is critical to making sure ATP is utilized more fully across the nation. But your adult learners have to hope they live in a community or a state that has support for ATB. Shouldn't all adults have the same opportunities?

So, my first recommendation would be to increase the awareness-building activities about ATB, perhaps even incentivizing it at the federal level, or providing grant or pilot opportunities for states or community colleges to implement it and sustain it. My second request is please don't change it too much. Don't make it harder by introducing new regulations and don't make it too easy for bad actors. The career pathways definition is the guardrail we have, that we have that alignment. We have three options for ATB. Let's clarify. And lastly, on the test option, do continue to add and accept new tests, especially those that would help align Wioa title and clarify that test given as part of the adult education program can be used for ATB qualification. We don't want to make it harder than it has to be or require more than we do for any person coming into college off the streets. Thank you so much for your time and consideration, and please don't hesitate to contact me for any clarification questions.

Jennifer Hong: Thank you, thank you so much for your comment. Next, we are going to go to Mark Vogt. Mark Vogt if you could take yourself off of mute, Mark.

Mark Vogt: Can you hear me?

Jennifer Hong: Yes, we can see you, yes, we can.

Mark Vogt: Thank you first of all, thank you for the opportunity to come speak to you this morning. I'm Mark Vogt and I am the President, CEO of Galen College of Nursing. We're a nursing institution, serving a very diverse student population with about half of our students who are Pell eligible, and about 50% of our students who are classified as ethnically diverse. My comments here really are focused on closed school discharge a very difficult time, not only for the students, but also for the Department working through very difficult, challenging times in no-win situation. Currently the regulation has students wishing to have their loans discharged are unable to transfer any course credit to another institution in a related field. No, if the student wants any relief, but they must begin a program from scratch and due to their inability to complete their current coursework of a closed school, which is going to result in a longer time for them to complete their work. On the other hand, if they would wish to transfer any of their academic credit to another institution in a similar field of study, they lose all eligibility for loan discharge. The current regulations provide for much needed, but it does not take into consideration any of the time that the students have put forth. We have been witness to this for a number of years and save these students faced with some very difficult challenges and offer our requests that the Department take in consideration of a new approach. These same students who are requesting debt relief will likely incur additional charges to repeat coursework that could have transferred in many instances. We would have accepted transfer credit from these students and a number of their courses, but if they requested debt relief, they couldn't transfer any other credits. So, I request is in the future we would like to see a system put in place that allow students to transfer credits from their closed institution and allow those that are willing to accept those institutions, so they don't have to repeat that coursework. The Department can reduce or prorate the amount of student loan debt relief that would be these charges based on the credits transferred. So, thank you for your time this morning. I really appreciate the opportunity to speak, speak regarding this very difficult situation for students our country. Thank you.

Jennifer Hong: Thank you, thank you very much for your comments. And at this point in time, we are going to individuals on our waitlist. Please note that in order to accommodate more people we are asking that you limit your comments to 3 minutes. Again, for those commenters on the waitlist you will have 3 minutes to provide your comments, and I will let when you're 3 minutes are up so you can wrap up your comments within 15 seconds again. As a reminder, please do take yourself off mute. You have the option to put your camera on and do reintroduce yourself and your affiliation after I've stated your name. So, we will go ahead and move on to the first person on our waitlist, and that individual is Eliza Warren. Eliza, if you're on, you can go ahead and re-introduce yourself, and don't forget to take yourself off of mute, Ms. Warren. OK, we'll come back to you, Ms. Warren. Maybe you're having some tech issues and we will go to Cyndie Shadow next, Cyndie Shadow if you want if you could take yourself off mute and turn on your camera if you so wish.

Cyndie Shadow: Good morning. Thank you for the opportunity to speak today. I'm Doctor Cyndie Shadow and I serve as the president of Fortis College, located in Landover, Maryland which is a part of a school group headquartered in White Marsh, Maryland. Our school group education affiliates operate in 16 states and manages more than nursing, dental hygiene, and radiologic technology, skilled trades such as HVAC in commercial driving and other skill focus, bachelor, associate, and certificate level programs. Our schools provide postsecondary career education to both traditional and nontraditional students through a variety of certificate and degree programs that assist adult students enhancing their career opportunities and improving problem solving abilities. Our schools drive to develop within their students the desire for lifelong continued education. The staff at our schools believe that they make an important contribution to the economic growth and social being of the areas in which they operate. Our schools educate their students to help meet the economic needs of their communities and entry-level positions. The educational process is a change-oriented approach to education that provides each community with graduates who possess the skills and knowledge needed to succeed in existing and emerging operations.

As a member of the Education Affiliates campus leadership team, I can speak to our continuous focus to the students and the community, as well as delivering outcomes that will make a difference in the lives of the students. We are happy to share outcomes and make necessary adjustments to keep them above define state and accreditation benchmarks. What we would like to request is a part of the negotiated rulemaking to add parity and equity to any rules, requirements or benchmarks that are adopted. While we understand that for profit schools in general had been placed under extreme scrutiny, because of the bad acts of some former members of our sector, we also would like to note that the schools remaining in the sector have learned from those errors and are eager to avoid any future outcomes that could have a negative impact on the students and communities. The rules that have been applied to schools with the for-profit tax designation are not equally applied to schools with nonprofit tax designations, but the outcomes of for-profit schools like mine are generally more positive for student graduates in the community.

In an effort to demonstrate how the transfer and graduation outcomes compared between for profit and local nonprofit colleges, I would like to offer the following. comparison based on 2016/2017 IPEDs state of institutions in the geographical area where my college prepares individuals to enter the workforce. The combined first time, full time graduation and transfer rates within wanted to have times the length of the program ranges between 37 and 47% at the nonprofit colleges support that by geographical location, while that same rate at my for-profit colleges schools are held by their creditors to a standard of placing a minimum of 70% of their graduates in the field for which they studied within a maximum time of 12 months after the graduation date. Even with those requirements in place, the gainful employment rule only applied to for-profit institutions is under consideration as a part of this, negotiating will make it a rulemaking effort.

Nonprofit private schools are not held to this standard. They do not typically have placement rates at the 70% mark within a year of graduation, yet schools like mine already have outcomes exceeding placement expectations for for-profit colleges and careers. Schools often provide services being selective service to members of underserved populations and our schools are focused on assisting working adults who need a pathway such as women of color, veterans, and generally people of color. We would just like to ask that all schools, regardless of their tax designation, be given the same rules and requirements by which to operate so that each student can select the educational pathway that suits their needs best without obstacles caused by additional occasionally onerous requirements on the institutions that they choose. Thank you so much for your time and attention today.

Jennifer Hong: Thank you very much for your comment. Next, we will try Eliza Warren again.

Eliza Warren: Good morning, good morning. Can you hear me?

Jennifer Hong: Yes. We can hear you.

Eliza Warren: Hi. Thank you I'm sorry about that. Hello everyone. Thank you so much for giving me the opportunity to speak, my name is Eliza Warren. I am an adjunct professor at the University of Maryland. Global campus. I'm going to just share an email that I recently sent to someone. I've been paying since 2007. Specifically, when the program began when I sent my final form to HR where I'm employed, they wrote in on lines 76, 7 and 8 specifically that my work week is 9.9 hours a week. That form was to cover all 10 years of my working toward Public Student Loan Forgiveness. Today I'm an adjunct professor, but here's the kicker in 2007, PSLF asked us to and work all 10 years, then send in the final employment verification after the end of 10 years I have worked both as an adjunct and in a full-time capacity for the same universities since 2001, and many years my adjunct load was upward of 30 semester hours. Still, my employer applies the ACA formula for contact hours to the PSLF employment certification form. The instructions on the employment certification form clearly state an annual average of 30 hours worked per week, but HR does not understand because they continue to apply the ACA formula. Don't I work more than 30 hours a week if I'm teaching 7, 8 or 10 classes a year? Apparently, my HR feels fearsome of government repercussion because the form is ill fitted. I have since 2000. definitely worked an annual average of 30 hours per week. Much like all my adjunct peers in the United States of America there are thousands of us. During my 22-year career and since 2007 I have also taught as an adjunct and as a visiting professor at other universities. I've written zillions of emails to the United States government Department of Education. I have several hundred pages of information and so on. Currently my student loans with interest, are around $97,000. When I completed graduate school, my loans were $72,000. I finished graduate school in 1990. ACS was my former servicer. Until I went for forgiveness, my loans were turned over to Fed Loan. Everyone here is probably familiar with the broken promises document about ACS has failure. I'm sorry, but the PSLF employment certification form does not fit for those of us who have taught college, public service our entire careers. My employer and myself, we work mostly with active-duty military, and I have taught United States active-duty soldiers on US. military installations overseas including Qatar, South Korea, Afghanistan and I was overseas for five years teaching active-duty military. I've made my payments. I've stayed in public service. I teach at a State College. My students are mostly military, and I have the right kind of loan, still I cannot reach forgiveness. Please help us. Please help the adjuncts who have dedicated their careers to public service. Thank you.

Jennifer Hong: Thank you, thank you very much for your comment. Next, we are going to go to Cheryl Armstrong. Cheryl Armstrong If you could take yourself off mute and reintroduce yourself.

Cheryl Armstrong: Good morning, can you hear me?

Jennifer Hong: Yes, we can. We do see you as well. Thank you.

Cheryl Armstrong: Thank you for your time this morning. I was asked to speak to you on behalf of Adams State University in Alamosa, Colorado. I was recently released from prison. I spent from the age of 16 to 42. When I was in my early 20s, I had the opportunity to start taking some college classes. A man named Jim Bullington was the head of the college prison program for Adams State University, and I took a number of college courses in the prison. I only would have been able to have taken my education so far, had it not been for print based correspondence courses, and so that's what I wanted to speak with you about today to be an advocate to continue to have them accessible inside prisons across the country. When I got finished with the classes I was able to take from the teachers that had come into the facility, I needed about five more classes to obtain my Associate of Arts degree and thankfully I had some help from family in the community who helped him pay for my education back then, this was in the early 2000s. So, I obtained my AA degree and from there through print-based correspondence courses. Solely through those I was able to go on an receive my Bachelor of Arts degree and then in 2016 my Master of Arts from California State University at Dominguez Hills out of Carson, California. Of course, I dealt with those and there's been a lot of issues with them, and I wouldn't be the person that I am today.

I had the opportunity to actually get out of prison early and my education transformed my entire life and I think that it's just a big deal for me to be able to be a voice for those who are still inside to advocate for the continuance of print based correspondence courses in the prisons, because I think that it's going to open up so many possibilities, opportunities for me now that I am out in the community, and just to be able to make a good life for myself once I came back into the community. Thank you.

Jennifer Hong: Great, thank you so much for your comments. Next commenter is Samantha Farish. Samantha Farish if you could. There you go.

Samantha Farish: Hi can you hear me now?

Jennifer Hong: Yeah, we can see you and hear you.

Samantha Farish: Hi my name is Samantha Farish. I am an attorney currently serving as an Equal Justice Works fellow at a nonprofit that provides free legal services to veterans. I'm here testifying today to urge the Department of Education to issue regulation that reflect congressional intent and specifically protect the integrity of Public Service Loan Forgiveness or PSLF. Equal Justice Works is a member of the PSLF coalition which is an alliance of more than 90 organizations committed to preserving PSLF. The reason it is so important is that it allows public service professionals to pursue their passion for service even if they have student debt. I personally am relying on PSLF because my passion in life is serving those with limited access to justice. Unfortunately, the salaries for jobs that allow me to do that cannot possibly compete with the price of law school. To give you an example of the work that PSLF allows me to do in my current job, I recently assisted the widow of a veteran who committed suicide due to the stressors of military service. As a result of the pro bono legal services that I was able to provide, she just received around $140,000 in back owed benefits from the Department of Veterans Affairs. To put it simply, PSLF means that the price of a degree does not have to be a deterrent to using that degree to positively impact American communities. Unfortunately, only a small percentage of borrowers who have completed their ten years of service who have made the necessary loan repayments have been found eligible for loan discharge. This affects our ability to use the promise of PSLF as an effective way to recruit those with the education and passion to serve where they're needed the most. According to the most recent report from FSA, approximately 98% of all borrowers that applied for PSLF between November 9th, 2020, and April 30th, 2021, were rejected. Current regulations are often implemented narrowly and arbitrarily. The Department of Education should issue revised regulations that are consistent with Congress's intent to establish PSLF as a broad-based program for service and loan forgiveness.

I'd like to highlight the following four recommendations. First, I urge the Department to ensure that individuals working at veteran-serving nonprofit organizations are allowed to access PSLF. Second, The Department should establish a straightforward appeals process that all borrowers and organizations can access so there is recourse when a public service organization is rejected. Third, the Department should ensure that servicers other than FedLoan servicing, which is the designated PSLF servicer are not steering borrowers away from enrolling in PSLF and align incentives to ensure that servicers are helping. borrowers to enroll in PSLF. And, finally, the Department should amend the regulations to establish a fair, consistent, and transparent appeals process when it is determined that the borrower does not meet the eligibility requirements. Thank you for allowing me the opportunity to share my thoughts today. It is my sincere hope that the Department is able to make these necessary improvements so that PSLF can work the way it was intended to.

Jennifer Hong: Thank you so much for your comments. Next individual is William Buchanan, William Buchanan.

William Buchanan: Good afternoon, I'm Doctor William Buchanan, service-connected, disabled veteran and 1st Generation college graduate. I'm here today to discuss the total and permanent disability. discharge process with you. For those who aren't aware, the process of obtaining a disability rating from the US Department of Veterans Affairs can be long and arduous, to say the least. I was discharged in June of 2009 and I'm still working through appeals related to the most disabling condition that I have. In January of 2021, the VA determined that my combined disability was 100%. This only happened this quickly because I had sufficient awareness and understanding of the disability system to file supplemental claims related to additional disabling conditions that are direct result of narcolepsy and the medication, I must take daily just to do something that everyone takes for granted: staying awake. Not every case is like mine, but the number of appeals at the VA, the Court of Appeals for Veterans Claims, the Federal Circuit Court of Appeals, and even the US Supreme Court has before them is consistently growing. This will only get worse as more OIF and OEF service members navigate through the disability compensation system at the VA. Along the way, disabled veterans face the additional burden of the FSA's determination of what constitutes disposable income for the purpose of any income-driven repayment programs. For example, when my wife lost her job and that reduced our household income, my monthly student loan payments increased from approximately $700 to roughly $950 each month. For clarification only, I have any student loans. It didn't matter that I had private student loans that I was also obligated to pay or that there are other expenses of living that make the FSA's determination of disposable income absurd, and unstable.

Finally, when the VA granted a rating, but they should have granted back in 2009 by then experience how FSA fails to follow the rules that it writes for the Total and Permanent Disability Discharge Program. Within a few days of receiving my award letter from the VA I created Nelnet account, submitted a copy of the award letter along with the application and called in periodically to ask about the status of my request and would be told that was in the process. After 125 days I was told that Nelnet was directed to halt processing of requests submitted by veterans directly by FSA. I requested a written copy of this directive, or at least where I can locate the appropriate statutory or regulatory reference so I could read them for myself, and none was provided. I emailed the IG or Ombudsman at FSA to request the same. After I called to FSA also failed to surface any information. I still have yet to receive any of that guidance was provided. I am aware of, however, the executive order that established the mandate for computer matching agreement between VA and the Department of Education. However, nothing in that executive order prohibits FSA from following their regulatory obligations to process the request when the required information is provided by the veteran. Disabled veterans have already had to deal with more than enough in their lives; we shouldn't have to deal with additional bureaucratic proxies that blatantly violate your own rules, and I hope that the rulemaking will resolve this to ensure requests from veteran are not treated systematically differently from all other disability discharge requests. Thank you for your time.

Jennifer Hong: Thank you, thank you very much for your comment. Next, we have Bobby Matson. Bobby Matson, if you could take yourself off mute Bobby and turn on your camera if you so wish.

Bobby Matson: Hello. Hey, thanks for having me here today. My name is Bobby Matson and I'm the CEO. at Pay it Off. So, at Pay it Off, we are technology-provider automating student loan repayment for fintechs workplace providers and financial institutions in a way that produces better financials. And I started paying off many years ago, about 6-7 years ago. My wife and I realized that our six-figure student debt was really keeping us from making important decisions, like having a family or owning a home, and we very much have lived the repayment experience. And our backgrounds were in technology, scaling apps like Groupon, Stitchfix, Fandango and it just felt so odd that it was so easy to buy insurance on Lemonade, but so hard to decide how to best repay our student loans. So, I really started Pay It Off to help make these really complex decisions much more easily accessible through advanced technology. So, one of our products, automated enrollment in income driven plans and we stay over 10 million to date through partners licensing that technology. And the way we do it is we're codifying every regulation related to student loans to ensure that it is it is processed in a way that is up to ED standards. Income- driven plans in general are extremely useful, repayments will be helping millions better repay their debts, there's no question of that, but obviously, as many have stated, it can be very complex. But if we were to take the best parts of each plan to help improve on the standards already set by ED. There is a possibility for a much more powerful income-driven plan, a new income driven plan.

So, we proposed the following policy design for any sort of proposals for new income-driven repayment opportunities. The first is to enforce a cap that is equal to the standard monthly payments. Similar to what you see in pay as you earn, this monthly payment cap is very useful because it helps with borrowers who are recently married and didn't realize their payments would skyrocket because of the jump in income. Borrowers on repay, especially doctors, have trouble because they don't realize how heavy the payment will be and how quickly it will rise. So, taking learnings from IBR and pays you aren't specifically in terms of enforcing a monthly payment cap will help borrowers better, control their monthly payments, interest subsidies that match repay. So, covering both unsubsidized and subsidized loans for borrowers is a negative amortization. Situations are very, very, very powerful and very much helps borrowers through a process whether they're recently unemployed or whether their income is so much far below or even a doctor in the residency who is making very little money relative to their debt, so interest subsidy should be a very big focal point of any proposals that move forward. We also propose no more interest capitalization events except in a discharge or an annual forgiveness event. Interest capitalization leads to compounding interest on interest, and this greatly harms borrowers over time, and they often don't know it's happening. It's how we keep hearing about these ballooning balances. We do agree with the Biden Administration’s proposal for 5% discretionary income, we would just suggest that not just making it a continental US when you're looking at the poverty level, so look at a borrower’s region or they're actually living and what their actual expenses are when determining what is discretionary income. We also propose any federal loan, regardless of loan type, should be eligible. It's a very big problem we see where borrowers have a lot of fellows, myself included where you're trying to decide whether direct. consolidation will make sense, that has its own ramifications because it resets the forgiveness clock in this and other considerations to take as a borrower, and it’s a really complex decision to make. We suggest that any federal loan, and this typically happens with people are repaying, we just suggest that any federal loan, regardless of loan type, be eligible so that borrowers don't have to have an additional layer that they have to decide on top of just being in the plan. We also suggest making it the default plan out of school. Thank you most borrowers see that payment and they are much more likely to go delinquent once the standard payment is all they’re seeing. So yeah, I just want to say thank you for the time today. We will submit written comments with each of these detailing data to back them up and how they're improving financial outcomes for borrowers. Thank you everybody for listening today.

Jennifer Hong: Thank you, thank you so much for your comment. Our next and final speaker of the morning will be Alannah Doak.

Alannah Doak: Good morning. Afternoon here, but yeah, so I'm speaking as an AmeriCorps Vista alumni as well as a current public servant, and I just wanted to point out a new topic that many people may not be aware of. It is that you can have two people serve as AmericaCorp volunteers and one person choose an income driven-repayment plan, make 0 payments and have their service year count towards PSLF, and then the other person choosing deferment or forbearance and then not have that service year count, but then both going into a career that would count towards PSLF, both received their Segal Education Award, but only the member who received the income-driven repayment plan during their service year have more qualified payments toward PSLF than the person who chose deferment or forbearance where both were not making payments on during their service here.

So, I just wanted to point that out and some people might think it's an automatic $0 payment on income driven while you're in AmeriCorps Vista; however, when I served, my monthly stipend was only $800 and to think that there's a possibility of having to make continued payments on an income driven-repayment plan, on top of all my monthly expenses on that stipend. So, I just wanted to point that out and hope that maybe there's some changes moving forward where no matter if you choose a deferment or forbearance or income-driven repayment plan, that your entire service year would count towards the Public Service Loan Forgiveness. So, thank you for allowing me to comment today, and have a great day.

Jennifer Hong: Thank you for your comments and I just want to take the time to thank every everybody that commented today. Thank you for sharing your thoughts and your ideas. Thank you for joining us for this important session. We are going to conclude this morning session at this point in time, but we will reconvene this afternoon at 2PM Eastern time, so we look forward to welcoming you back at that point in time. Thank you very much.

<BREAK>

Jennifer Hong: OK, good afternoon. Welcome back. Thank you for joining us at our virtual public hearing today. My name again is Jennifer Hong. I'm the director of policy coordination in the Office of Postsecondary Education here at the Department. I'm very pleased to welcome you to this portion of today's public hearing. This is day two of three public hearings that we are convening this week and our purpose is to gather input regarding regulations that govern programs authorized under Title IV of the Higher Education Act of 1965, as amended.

I am joined on camera by two other Department officials. We have Hannah Hodel from the Office of General Counsel, as well as Clare McCann from the Office of the Under Secretary. With respect to the logistics for today's hearing, I will call your name to present when it is time to speak. We are going to ask speakers to limit their remarks to five minutes. When it gets to the end of your five minutes, I will ask you to wrap up and ask that you do so within 15 seconds. If you exceed your time, you may be muted. Speakers do have the option to turn on their cameras while presenting, but it is not required. In consideration of others, we do ask speakers to please silence your cell phones and to be in an area free from background noise while presenting as much as you can. Perhaps most importantly, we ask that speakers remain on mute before being called, and after presenting we ask that speakers leave the Microsoft Teams meeting and join the public Microsoft Teams Live meeting. If you are a speaker and do not mute yourself when you're not presenting or speak when it is not your turn, we will administratively mute you from the Microsoft Teams meeting and may remove you from the speaker line. You can always join the Microsoft Teams Live meeting as an attendee, where you can listen to the hearing. When you are called to speak, please provide your name and affiliation.

This hearing is being transcribed, and the transcription will be posted to our website in the next few weeks. The Department will also post a recording of the hearings with audio and video. This is a public hearing. and it is possible that a member of the public may record your remarks and post edited clips of them before or after the Department posts the full, unedited hearing. Closed captioning is also available in real time during the hearing. To use live captions in a meeting, go to your meeting controls and select “more options,” then turn on live captions. If you are submitting written comments, we encourage you to do so through the regulations.gov website. You may also submit comments through postal mail, commercial delivery, or hand delivery. Due to the COVID-19 pandemic, if you wish to hand deliver comments, please do email Vanessa Gomez at vanessa.gomez@ed.gov. She will coordinate with front desk staff in the lobby at the US Department of Education Building at 400 Maryland Ave Southwest in Washington, DC so that you can leave your comment there. We will not accept comments by fax. To ensure that we don't receive duplicate copies, please submit your comments only once, and in addition, please include the docket ID number which is ED-2021-OPE-0077 at the top of your comments. You will also use that number to quickly access the place to submit your comments using the regulations.gov website.

Finally, please note that we are extending today’s session by 30 minutes which will allow us some time to hear from individuals on our waitlist. We are interested in accommodating and hearing from as many people as possible on these important issues. So, without further ado, we will get to our first speaker. of the afternoon. And that will be Representative Mark Takano. Representative Mark Takano. If you could please unmute yourself and you may turn on your camera if you so wish and please also reintroduce yourselves. And again, that's Representative Mark Takano if you are. If I see you here, if you can unmute. So, I think we just lost you, so we are…we will come back to Representative Takano. And we will go on to Chris Baker. There you are. If you could unmute yourself and you can turn on your camera if you so wish. We could start off with your comment.

Chris Baker: Can you hear me?

Jennifer Hong: Yes, good afternoon.

Chris Baker: Thank you for allowing me to be part of this. As a previous stakeholder in the previous administration for four years, I'm glad we're talking about this. My concern would be the student loan forgiveness issue that we were discussing for four years. I think that we should take a look at that real deeply and see where we need to consider student loan forgiveness: all, some, little, or a lot because in my area here in Sacramento, California, it's devastating a lot of kids that have went to school and now they're getting all these garnishments against their parents and all these things because they took out loans to get a better education and it's really affecting them and we need to look at how can we forgive some of that loan or all of it, or who can pay what, who can pay a little and do it that way because it's affected a lot of the minority communities and we're pushing them to go to college but they did not get an understanding of those loans that are given and these loan places are really…I won't say attacking them in a negative way, but attacking them until the point where here get this loan and you can better your education and no one's really holding them stricter and accountable to not do these kids like this. And, like I said, now parents are getting letters of garnishment against their bank accounts, their jobs, their taxes based on the paperwork, so I would like to see us do something about that and really work on. And I'm willing to help you here in California. As to before I was on the stakeholders committee for your previous administration for four years and we were discussing this, and I guess they didn't get any further so we're here now and I'm willing to help. You can call me at any time, and I can discuss what you what's going on here in California. Thank you for the time and I hope we have success in this.

Jennifer Hong: Thank you, thank you for your comment. And next commenter is Yolanda Watson Spiva. Ms. Yolanda Watson Spiva. If you could take yourself off mute and you turn on your camera if you so wish.

Yolanda Watson Spiva: Hello, how are you? Can you see me?

Jennifer Hong: Yes, we do. We see you, and we hear you.

Yolanda Watson Spiva: Wonderful thank you so much to the Department for this time today, and to the esteemed colleagues and guests, my name is Doctor Yolanda Watson Spiva, and I serve as the President of Complete College America. I'm here to speak in favor of federal regulations that promote college completion in programs of economic value. Economic value, of course, includes the bolstering of gainful employment. It includes the maintenance of ability to benefit, and the expansion of Pell Grant eligibility for prison programs. We work with a group of states, and we help colleges with the elimination of structural barriers to college completion. These include eliminating institutional performance gaps that get in the way of college completion for minoritized families that mitigate against college completion for low-income families and that make college a challenge for first generation students and for working learners. Our student success reforms emphasize, not just college completion, but the value of college credentials. To that end, gainful employment should be bolstered both in terms of visibility. Given that many students attend college to meet work and familial object obligations alongside educational opportunities, it is of the utmost importance that students can complete any short-term non-degree programs quickly and that those programs have economic value. Not only should all academic programs have earnings potential, but there should be consideration for the value that credentials for non-degrees certificates are able to stack into this onramp offramp nature. It is intrinsic to certificate programs and their value in this regard is what assures that education is not a dead end or an onramp to a very specific job that could disappear during times of economic upheaval such as what we saw during the pandemic. Short term credentials must lead to economic gain, and they must also lead to prospects for continued education and lifelong learning. The more that regulatory criteria track attributes on such stackability into degree programming, the better students will be served. This requires coverage of such attributes in more detail in certification procedures for academic programs. These regulations must also be visible in places where students will read them, such as an online application to college, where students choose programs, and in individualized academic programs such as those required on the satisfactory academic progress or SAP regulations for financial aid. All such programs should extend the ability to benefit and ability to benefit should be explicit in acceptance of work-based learning many students accrue learning on the job commensurate to college credit-based student learning outcomes. These credits should, as applicable satisfy eligibility criteria for funding for students without a diploma, a GED or equivalent.

Further, prison education program should receive better benefits to help determine recidivism and to bolster local labor economies, according to federal data. Nearly one in three adults have criminal records and there are high rejection rates to college for students with felony records. This phenomenon occurs despite survey data showing high readiness, and enthusiasm among the incarcerated population to earn a college credential. Research, time and again, proves that ex-offenders with career paths are far more likely to contribute to local communities and economies, and far less likely to reoffend. It is far past time to remove financial an admissions barriers and stigmas, for ex-offenders. For all of this to work, federal financial aid should also require colleges to make sure all students plan for careers and that all students register semester by semester academic plans by the end of the first year of study. Underpinning all of this, swift passage of legislation that allows for tracking student unit record level data will be imperative. It's imperative to understanding the problems we face and imperative to developing the best regulations that work for the most students. Strong data access is essential to iterate, and perfect postsecondary rules and regulations and we stand behind all efforts to responsibly expand availability of such student-level information. Thank you for this opportunity to speak on these issues, all of which make information on careers and financial resources readily available to all students. This empowers them to make career decisions to meet their own skills their own aptitudes and fulfill their own aspirations. Thank you again for your time.

Jennifer Hong: Thank you so much for your comment. We will go back to Representative Mark Takano. I believe he's on now. If you can take yourself off mute and turn on your camera.

Representative Takano: I thank you very much, I'm congressman Mark Takano and I represent California's 41st district and I'm here today to discuss the borrow defense to repayment rule as I've been a staunch advocate for full debt forgiveness for borrowers for many years. Before coming to Congress, I was a public-school teacher for 24 years and a community college trustee for more than two decades. In the classroom, I witnessed how hard students worked as they attempted to climb the ladder of success, but while they were working to turn their dreams into reality, I also saw the astronomical rise of for-profit colleges that targeted my students with flashy commercials on television and billboards selling false promises. Rather than helping them fulfill their dreams, the for-profit business has become a nightmare for many of my students. Over the past decade alone, more than 100 for-profit colleges have closed their doors leaving thousands of students with debt and unfinished degrees. These students have lost not only a future that they were misled to believe was once brimming with endless possibilities, but a hefty tab as well. As chairman of the House Committee on Veterans Affairs, I've also become keenly attuned to the shady practices these schools engage in to cheat veterans out of their earned benefits and provide them with a low-quality education. They see student veterans and their benefits as dollar signs that can be a boost to their bottom line. Institutions such as Corinthian Colleges and ITT Technical Institute were notorious for attracting students with alluring false promises of a good education and guaranteed an unrealistic employment prospect.

While the Department has made great strides in going after some of the largest corporations, more for profit, predatory colleges remain that lead students deep in the depths under the higher tax. Student borrowers who were defrauded by their college have access to relief from their loans. The borrower defense rule, which was finalized in 2016, ensured that students would not be held responsible for paying back the loans they took out to attend fraudulent schools. The intent behind borrow defense to repayment was to provide full student loan forgiveness to defrauded students who were preyed upon by for-profit colleges. Now, under the leadership of former Secretary Betsy DeVos the Department of Education failed to put students first and hold predatory for-profit colleges accountable. At her direction, the Department significantly rolled back protections for students who were defrauded. Secretary DeVos made it nearly impossible for students to prove that they were defrauded and failed to provide students with the full credit, with a full student loan debt relief they were legally entitled to. Critical protections for students who were defrauded were essentially erased under her leadership. Ms. DeVos and The Department failed to faithfully implement the borrower defense rule created by the Obama administration and when she took reins of the Department there were roughly 54,000 borrower defense claims awaiting action from the Department of Education. That number skyrocketed, skyrocketed during her tenure more than threefold. Unfortunately, in my home state of California, these borrowers are represented most the most in the country.

Now, I applaud the Biden-Harris administration for taking decisive action for student borrowers that have been defrauded and crushed by student debt by rescinding the harmful, partial relief policy of the Trump administration and approving older claims by loan borrowers that were defrauded and deceived by Corinthian colleges and ITT Technical Institute have received some long overdue relief under this current administration, but despite the approximately 90,000 students that have had their loans forgiven thousands more remain. As the Department continues to process claims and identifies additional ways to provide relief, I strongly encourage this Department to pursue additional actions such as new rulemaking, to provide complete relief for the defrauded borrowers. We have an historic opportunity to deliver justice for student borrowers. The Department of Education must return to its core mission of protecting students and ensuring that everyone has access to an affordable, high quality education. Thank you very much for allowing me time to give my testimony before this rulemaking body. Thank you very much.

Jennifer Hong: Thank you so much for your comment. Next, we have Kathryn Grody Kathryn…OK, we are going to move on to Bernie Salazar. To see Bernie Salazar. If you could take yourself off mute and you can turn on your video if you so wish.

Bernie Salazar: Good afternoon and thank you for giving me the opportunity to share my story here. Today I am a physician for the Veterans Health Administration. I've been providing primary care to our nation's heroes since 2007. I've been a public servant for many years, and I recently submitted my Public Service Loan Forgiveness form, only to be told that the payments that I made from 2006 to 2013 did not qualify because they were consolidated under an FFEL loan, which is the federal family loan program. And I'm here today to request that the FFEL loans are included in the Public Service Loan Forgiveness, and I will share my story and tell you why I feel this way.

As I stated earlier, I was denied credit for those payments, and I took it upon myself to do some research and find. out how this happened. I am very meticulous, and I keep copies of all my important documents. On March 27 of 2006, I consolidated my student loans with direct loans. I have a copy of that form, I sent it via overnight mail I have the receipt of the amount that I pay on the following day to have this delivered to the proper Department. I have those documents in my hand. And on May 2nd of 2006 I received a letter from direct loans stating that my loans were consolidated, and I started making payments. During that time my loans were serviced by ACS which later became the Conduent and eventually Conduent was vanished, I believe September of 2019, the federal government did not renew their contract because of their fraudulent practices. I am sure many of you are aware of the thousands of lawsuits against the servicing company and I think I became one of their victims. So, as I stated, I was able to reach Conduent and I received the copy of the payments that I made for that period of time, and I also request that the promissory note for those payments. Well to my shock, they send me a copy of a FFEL consolidation form that I never completed. I had never seen that form in my life as I looked through the form the addresses on that form are wrong. OK? Secondly the amount of consolidation on that loan is incorrect. Lastly, the form does not contain my wet signature, it just has my name typed and even more shocking the date that is next to my signature is March 27, 2006, which is the exact date that I completed the direct loan. consolidation. Now I know for a fact there is no way I completed 2 forms on the same day, so I can only conclude that someone from ACS servicing completed this FFEL form without my consent. And as a result, here I am losing credit for all those payments.

I have written to the Department of Education about this case. I have submitted all the documents that prove that this FFEL alone, in my opinion, is fraudulent. I am waiting to hear from them, and I want to thank you for allowing me to share my story and I am sure there's many other victims like myself that have fallen into the hands of the unscrupulous servicing agencies, so I hope I want to thank you and I hope that all these proper changes are made. I also want to a strongly encourage Dr. Cardona to invoke the Heroes Act during this period of national emergency to make the proper changes to the Public Service Loan Forgiveness, and to include all federal loans regardless of the type of loan forgiveness. So, thank you and I hope Dr. Cardona is hearing this, and I just want to say to him. "Si tu Puedes." Yes, you can do it. Thank you.

Jennifer Hong: Thank you very much for your comment. Next, we go to Justin Hauschild.

Justin Hauschild: Hey folks, can you hear me?

Jennifer Hong: Yes.

Justin Hauschild: Excellent. Good afternoon. My name is Justin Hauschild. I'm the legal fellow with Student Veterans of America. On behalf of the roughly 1,500 chapters in all 50 states, thanks the Department for the opportunity to provide comment on the topics for negotiated rulemaking. The mission of Student Veterans of America is to act as a catalyst for student veterans' success by providing resources, network support, and advocacy throughout their higher education journeys. Research shows student veterans are incredibly successful in higher education, but like all students they need a fair shot to succeed. We hope this serves as a guiding principle for the Department throughout this upcoming process. SVA supports the ambitious set of topics proposed by the Department for Rulemaking. We'll comment briefly on four topics we believe are particularly important for student veterans: Borrower defense; gainful employment; Public Service Loan Forgiveness; and change in institution, ownership and control.

We’ll begin by addressing borrower defense to repayment more than 2,000 service members hold upwards of $2.9 billion in collective student debt. The borrower defense rule provides critical financial relief to students by canceling loan debt if they've been defrauded by their schools. The need for the rule became evident several years ago after a series of high-profile proprietary school closures. These schools were mired in allegations of fraud, and after they closed many students, including thousands of student veterans and service members, were left with massive loan debt, credits that did not transfer, and worthless degrees if they had graduated. Veterans at these schools often took out federal student loans in addition to depleting their valuable earned education benefits gained from the Department of Veterans Affairs. These abuses no doubt illustrate the need for borrower defense, but while promising in principle the rule has recently undergone significant changes that impact its overall utility. The Department must update the rule to ensure it adequately serves defrauded borrowers.

Next, an alternative gainful employment critical safety measure ensures value in career education programs across the higher education spectrum. Thousands of student veterans and service members have been enticed into enrolling in career education programs with poor outcomes. The priority. employment rule was designed to root out these bad programs, and make sure students have the information they needed to decide what vocational programs were worth their time and money. Not perfect, the gainful employment rule was effective with the Department's own data, showing it forced institutions to either fix low quality programs or shutter them and the rules also expected to save billions in taxpayer dollars. Despite early indications of success, the rule was rescinded in 2019. We ask that the Department revisit gainful employment to better protect students against low quality poor education programs.

Next, we turn to Public Service Loan Forgiveness. Student veterans have demonstrated propensity for service, and many seek to translate this into public service roles in the civilian sector. In theory, PSLF should help these students afford the education they need to achieve their public service aspirations. Unfortunately, that has not been the case. Despite the seemingly straightforward goal of forgiving federal student loans for borrowers who spend decades in public service, the program has failed to meet expectations. This is due in large part to mismanagement by the federal government, lack of clear guidance for student borrowers, a cumbersome application process and large processing backlogs are all problems that have plagued the program despite reforms. New data from the Department show problems persist with many borrowers continuing to be denied forgiveness based on consolidation technicalities and a current backlog of more than 145,000 applications A recent report from the Government Accountability Office suggests there are also serious barriers to program for service members specifically with the Department having denied more than 94% of applications for Department of Defense personnel. The Department must address PSLF to remedy these systemic issues and the resulting unfairness to borrowers that currently part of the program.

Lastly, I'll addressed the topic of changing institutional ownership control is related to conversions, bad actor proprietary schools, and higher education are under increasing scrutiny as these schools face growing attention from legislators, regulators, and law enforcement. There's been a corresponding increase in the number of schools converting to nonprofit status. And being acquired by or re-branding under the umbrella of public institutions. The overarching concern is that a proprietary school may not sufficiently untangle itself from its former profit driven model. This means students, including veterans who enroll at these institutions at disproportionate rates, run the risk of assuming these converted schools are dedicated to a public or nonprofit mission, when in reality, schools may still be prioritizing profits over student outcomes. Improper conversions pose substantial risk to students, including veterans and service members that should be addressed in this rulemaking. Finally, as a procedural matter, SVA asks that the Department ensure students in consumer rights organizations are afforded adequate representation throughout this rulemaking. Like many others, the student veteran voice deserves special consideration in the upcoming negotiations, and SVA looks forward to working with the Department to ensure that it is heard. We encourage the Department to review or written comment for additional details on the topics that we covered here today, and we thank you for your time and for your devotion to veterans in higher education. Thank you.

Jennifer Hong: Thank you, thank you so much for your comment. Next, we have David Czuba. Hello Mr Czuba.

David Czuba: Thank you for having me. I don't see my picture, but I'm sure that you guys can see it.

Jennifer Hong: We can see you, but your mic is a little bit low. I don't know if you can speak up a little bit.

David Czuba: OK, I'll speak a little louder. Is that better?

Jennifer Hong: That's much better.

<u>David Czuba:</u> Thank you. And again, thank you for this public hearing and for allowing me to speak at it. I work as an instructor for Job Corps; it's a federal program, and as an instructor, I'm teaching those age 16 through 24 and so the program overlaps with K through 12 boundary and teaches trade skills for entry in the workforce at this center that I work at is in Washington state. I have held this position for nearly three years. Because the campus operator is considered a federal contractor, instructors are not currently eligible for Public Service Loan Forgiveness, and this is what I'd like to address. I believe it must change. And from what I know, the other guests who've given their opinion and from research that I've done, even so, the Public Service Loan Forgiveness program has had, according to CBS, a 99% rejection rate. And so that's another thing that needs to be addressed that the previous administration's Department of Education did not. I previously worked for years at a career college which was a private for-profit college. It wasn't on the list of those that were deemed unscrupulous like, say Corinthian College; however, I did witness the same kind of tactics that the previous guest was talking about, that these for-profit colleges use. Basically, people that are wishing to improve their circumstances or add to their knowledge or change careers to obtain a degree that may or may not apply to the industry that they go into at the end. And these are also, institutions that are ineligible for Public Service Loan Forgiveness even though they do the technical training of the workforce. And so that's yet another thing that I feel needs to change. I want to point out that President Biden has made some comments regarding a student loan forgiveness that use basically a false narrative of suggesting that it would help out those in the Ivy leagues, and this detracts from the lion's share of those who carry the weight of student loans who did not attend Ivy League schools but who attended two-year institutions or institutions like this one to further their careers. Considering that property tax is the main vehicle by which we citizens fund K through 12 public educations, it's a big deal. It's a big-ticket item that we're funding nationwide. The education of people who obtained degrees to obtain skills to further their careers. And so, the growth of student loan debt has become a crisis, and it is time to address this kind of crisis either through real relief through changing the Public Service Loan Forgiveness program to accept more applicants, or to reset totally and clearly slate and give partial relief to those who are, who carry a lot of debt, for instance. It's been reported that there's an average debt load of about $24,000 per student.

<u>Jennifer Hong:</u> You have 15 seconds to wrap up.

<u>David Czuba:</u> And I appreciate your time. Thank you,

<u>Jennifer Hong</u>: Thank you so much for your comment. Welcome back to Katherine Brodie. Katherine Brodie, if you could take yourself off of mute, please.

Edward Cramp: Good afternoon, my name is Edward Cramp. I'm a law partner of Katherine she had an unexpected emergency, so I apologize, I'm standing in for her if that's OK. I'm a partner in the Duane Morris law firm and in the higher education practice. I'm also the general counsel for the American Association of Cosmetology Schools, and I've been in that role for more than 10 years. AACS represents roughly 600 privately own beauty and wellness schools across the United States. Our schools are different from other parts of higher education. We provide education to prepare graduates for employment in the field of beauty and wellness. Our schools are small, mostly, family owned and usually only have one or two programs. Cosmetology programs are non-degree and clock-hour based, and the program outcomes are 100% licensed, really high rates of self-employment, and also tipped income. AACS has been an important voice during the negotiated rulemaking process. We've always been in favor of common-sense regulation and institutional accountability, so long as those rules do not unfairly limit our students access to FSA programs. We have previously raised concerns about both gainful employment and the borrower defense to repayment rules, and we've reminded the Department that increasingly complicated regulations disproportionately burden our small schools by diverting resources away from education. We remain concerned about these areas today.

In 2017, AACS reluctantly brought a lawsuit against the Department to enjoin the implementation of the 2016 gainful employment rule. We did so on narrow grounds relating to the unfairness of using IRS reported income to establish graduate wages. On June 28, 2017, District Judge Rudy Contreras of the DC District Court issued a 40-page ruling granting AACS a motion for summary judgment on its claims. Among other things, Judge Contreras found that first, it is well established that graduates of our member schools are highly likely to underreport their income because they either accept tips or self-employed Second, while the Department could use IRS income data to establish reported income reliably, it was not an accurate indicator of graduate's actual income. Third, the Department acknowledged that the IRS income data was a flawed source for establishing actual income describing the Department's use of that data as both wooden and flawed. Fourth, the Department's use of earnings and earnings appeals process did not cure the reliance on that flawed data. And finally, that the Department therefore acted arbitrarily and capriciously with regard to graduate earnings underreporting issue. While the judge's order compelled the Department to grant limited release to our members. If formed, the then Secretary of Education's decision not to enforce and later to repeal and remake the 2016 gainful employment rule. The shortcomings of the GE earnings metric identified by AACS during the rulemaking process and accepted by Judge Contreras remain true today. Graduates of our members' program schools' programs are largely paid in tips and are self-employed, and it's well established, and the judge's opinion cites to ample evidence of this, that the employees who make tips and were self-employed dramatically underreport income to the IRS. According to some accounts, income is under reported by these individuals by 60%.

Furthermore, we ask that to the extent that Department fashions a metric of programmatic or institutional quality accountability, or success that it takes into account the unique challenges of our member institutions specifically with respect to the issue of income reporting. We also asked it to the extent the Department fashions an appeal from a programable earnings termination that the appeal process people be reasonable and achievable. And finally, we ask that the Department consider that other indicators of programmatic quality might be a better fit for ACS member schools, or other programs that have similar income issues. Other alternatives might be, for example, high completion, placement and licensure rates, or satisfactory earnings as reflected in the Bureau of Labor Statistics data. Lastly, we ask that with respect to the negotiated rulemaking process that the Department conduct that process in person and not via virtual or web-based modalities. We think that if Department does so, it will hinder the ability of negotiators to work collaboratively towards a solution and will restrict the ability of the public to have visibility into the process, limit transparency and reduce the overall effectiveness of the negotiated rulemaking process and frankly, given the state of the pandemic at this stage and where it will be later this year, and the access of all to vaccines, a virtual negotiated rulemaking is simply not necessary and would fail to affect the intent of Congress in mandating this important process in order to reach rules for higher education. Thank you very much for your time and careful consideration of our concerns.

Jennifer Hong: Thank you very much for your comment. Next, we will go on to Matthew Targa. Matthew Targa, if you could take yourself off mute, and turn on your camera if you wish.

Matthew Targa: Good afternoon everyone. First off, thank you for allowing me to speak at this hearing. Some aren't able speak on this timely manner, so I'm Matthew Targa. I'm a graduate of a private university in Cincinnati, Ohio. When I graduated from college, private loans issued through Sallie Mae that I had, they were about 130% of the interest on the principal that I was going to be paying. So, my payment monthly was going to be more than an average mortgage nationwide. The average mortgage right now is only running at 90%. I tell you this to give you background about today's graduate, because it's a dire one. When we look at tackling the issue of student debt, I believe the first key question we need to answer is: Why do students assume more debt for college than prior generations, and what is causing us first and foremost, federal against have kept relatively stagnant since the mid-1970s by the mid 19 by the 2019 school year, Pell Grants were covering 20% of the college costs, whereas they used to cover about 80%. As times have gone on, there is little oversight in the lending sphere to students. We have a myriad of highly complex and dangerous student debt mechanisms that are arising. Student loans are paid monthly, but the accrue interest daily unlike a mortgage which would accrue interest monthly and be paid monthly. What ends up happening is the interest is accruing on top of the interest and not just the principal, resulting in a higher annual interest payment. On top of this, student loan organizations are having students refinance unpaid debt ingenuine debt to adjust it on their books, which creates a snowball effect on the whole situation. On top of all of this, student loan organizations are permitted to create SLABS, or Student Loan Asset Backed Securities, which are structured similarly to the product that failed in 2008, really becoming loansharking for students in tandem competition for among schools. For staff, lots of bloated administrative organizations and lots of heavy government compliance is adding to the cost with little offset from state and federal governments, but in all this heightened competitiveness in academia between institutions to attract the best candidates there is salary bidding going on, and this ultimately gets passed along to students in some manner.

And in 2014 multi-institutional study done by Vanderbilt found that between 3 and 11% of a school's budget is used for government compliance of some sort. Nonacademic staff has more than doubled leading to student tuition and fees being paid an overwhelming proportion. Everything else other than the learning the ratio of staff to students has increased, all productivity has declined coming from colleges and so have outcomes. Students who pursue higher education be it liberal arts or technical in nature and use financing port need to be paying for their education and not for assistance. As we saw in 2020 with the COVID-19 crisis, spending on behalf of the federal government is not entirely a concern. And if we don't want to slip behind our foreign adversaries in terms of higher education outcomes, we need to begin to increase the funding of our colleges to offset the impact that students feel by absorbing all these costs disproportionately through their tuition and their fees and reducing compliance costs. They believe this is solution to right size student debt, leaner universities and promote higher education for everyone. Also lies in the interest being charged to students in both federal and private loan programs. Currently federal student loans are benchmark to the 10-year treasury rate in May at the time, with the margin set by Congress. Private loans are Benchmark to the LIBOR rate, which is the London Interbank Offered Rate plus some percentage over that, based upon either the students' or the parents' credit score determined by credit agencies since the time that it takes students to graduate, has steadily increased a little over five years. I believe that the benchmarks for interest calculations showed as well reduce student interest burdens. Organizations should use a five-year Treasury note rate with no more than 1% interest on top of that, limiting the interest that's charged on student loans aligns colleges, students, lending institutions, and shareholders of firms like Sallie Mae, Navient, Great Lakes and others to create a win-win scenario. Just as we saw in 2020 through the CARES Act, the ability for a firm to contribute up to five towards the students existing loan should also be continued. This was a very overlooked portion of the CARES Act that allowed these payments made tax free for educational assistance. It should be permanently become a tool available to employers as fewer than 10% of employers took advantage of it in utilized in a greater proportion than before. And initiatives such as this could drive us to a full unhealthy unemployment rate while also tackling the student debt crisis. Today's students are tomorrow's doctors, lawyers, diplomats, inventors, artists and creators. We can't be. We have to take care of them and look after them. I know I'm running out of time here, so again I appreciate the time to speak in front of the hearing this afternoon and look forward to seeing student loan reform.

Jennifer Hong: Thank you very much for your comment. Next, we have Kirsten Weinmeister. Kirsten Weinmeister are you on?

Kirsten Weinmeister: Hi can you hear me, OK?

Jennifer Hong: Yes, we can we see, and we hear you.

Kirsten Weinmeister: OK thank you so much for inviting me to speak today. I'm speaking on behalf of myself and others with student loan debt. Back in 2009 and 2010, there was a large media promotion for women to go back to college and get their degree, and I had an associate of arts degree, and it was my dream to get my masters, so I planned that a loan of $50,000 would obtain me my master's degree. I had to get my four-year degree first; however. I was able to come in as a junior with my previous education I went to school for. I submitted my application for the master's degree, which of course you need two endorsements from the professors, which I submitted for two years in a row that I had gone. I was working as an intern and would check in with the director whether or not I got in the master's program. Anyway, the director said he was going out. There was new director coming in, and I fell through the cracks. She did not allow me in for two years in a row based on a personal bias. Although I had met all the statistical. Credits. And the Recorders office did offer to process my certificate during the summer, but she did not allow me in the program, so my $50,000 loan debt is now $80,000. I have no hope of paying that off in the future. I have been with public service for 25, 30 years. I have worked in public service. I probably have a year of student loan debt forgiveness forms to you under my belt. And also, I don't I agree with gainful employment however, I don't believe that information sharing names and Social Security numbers is appropriate until the government and state governments put cybersecurity as a priority, and so that these programs which are constantly hacked information and do the employment security. Cyber security is put as a priority, I would not endorse sharing out information. I also don't believe that the student loans interest rate should be increased for our children. And also, the president, who ran on a platform of forgiving student loan forgiveness, I believe the minimum of $50,000 should be forgiven if not entire amounts of student debt. I don't believe that our children should finance the $30 trillion of government debt that has just exploded during COVID, and also, I think that consideration should be given for educational programs for prisoners and also other college completion programs and military programs, and that's all I have to say. Thank you.

Jennifer Hong: Great, thank you so much for your comments. Next, we have Lori Cartwright. Lori Cartwright if you could take yourself off mute and turn on your camera if you like.

Lori Cartwright: Good afternoon, can you hear me?

Jennifer Hong: Yes, we see, and we hear you.

Lori Cartwright: OK, I have about four areas that I'd like to bring up regarding this and I really appreciate the time. The first one is the public student loan forgiveness I pretty much concentrated on avenues of maybe where it might lessen the burden for those enrolled who have continued to pay during COVID. I submit a request to consider that these individuals are credited the time off at the end of their year's commitment. In other words, the months that were paid during COVID when the payments were in forbearance are taken off the back end. So, someone has six years left and it needed to continue to pay through the COVID forbearance the time in which they paid. Here's the thing, there's no money loss to the government. The specific individuals were part of the borrowers that were actually in the forbearance and supposedly didn't have to pay, so they paid up front. It's a very real struggle to fight the continued balance increase, the compounding interest. Matt said before very well is that people are giving up. They just give up. I've met so many people that have had $80,000 worth of debt, that turns into $140,000 when they're ready to pay and they just say, why bother?

The next is accepted payoff. Is there a possibility of accepting, say 65 to 75% of the balance because it's only going to go up and it's only going to compound? People have had people just stop. It's futile. The interest keeps compounding, and all you're doing is metaphorically throwing sand against the tide to build the dam. If a payoff option is available, then many might see their way forward to restructure their debts and figure out how to pay it off.

The income driven repayment plan: I'd like to bring your attention to the fact that the application and determination requires the income of the borrower on the loan and the current spouse. That's to be expected, except the current spouse, even if the married couple has separate finances and files to the IRS separately, that spouse is the basis of the income driven sum. Many are second marriages and are not apparent on the Parent Plus loans, so if the payment does reflect the sum but both the payment do reflect some of both parties and comes this doesn't work in the current world as where there may be a spouse that may have alimony or child support not captured. The other spouse may have medical requirements or more children. In this day and age, the assumption of income does not correct for many cannot handle these payments even with their net income. Frankly, if this Department is going to look at the current spouse, they would do well to request the stipulation settlement in divorce is attached along to the court order responsible party instead of the current spouse, but what I'm getting at is there's very many real-life situations that don't match up. Situations like an income-driven repayment plan and people end up defaulting because they just can't do it.

The next one is disability. I really appreciate this one. I request consideration to provide financial assistance to siblings and parents of the extremely disabled. I'm talking about a very specific population which is identifiable and quantifiable. They can be identified and validated by the submission of health services declarations to the fragile and disabled child or sibling guardianship papers declaring the guardianship for the parent or that sibling. Frankly, scholarships and opportunities are only available if you have the means to apply oneself. In the loan in the student loans, you have to be the disabled person, but what really happens is siblings and parents of this medically fragile population forgo and are denied opportunities in life that many take for granted. The hospitalizations, the expenses, the inability to grasp career opportunities, and the lack of choices what really, their lives, become their opportunities are traded for the care of their sibling and their child there. Undue hardships that are not recognized. Ironically. Executive Order 13152 revised work discrimination for the guardian or of the disabled individual in the federal government. And you're bound by this child I referenced the National Institute of Health 2005, Anderson Dumanis who described many models for conceptualizing the financial toll on these families. The end product being that these siblings are denied opportunities because of finances, time, and overall burden, they then assume the guardianship and care for their adult siblings. I submit the idea of creating a disability forgiveness program for those who cannot provide alternate guardianship, legal oversight, and medical insurance proof, or create grants, including retroactive for those paying now. This population of students and parents reduces the burden for society because of their own selflessness. One example is that they financially reduce the healthcare burden by providing private healthcare. The cost saved on average is between $175,000 and $400,000 annually off Medicaid, off public services and this is going to continue for them. This is what happens. Thank you for this time. I would like you to consider my comments, and I would be happy to join any committee or do anything to further these ideas. Thank you.

Jennifer Hong: Alright. Thank you so much for your comment. Next, we have Julia Barnard. Julia Barnard.

<u>Julia Barnard</u>: Good afternoon. Hi. I'm Julia Barnard. I'm a researcher and the student loan team lead at the Center for Responsible Lending, a national advocacy organization focused on fighting predatory lending, and I'm here to deliver a statement on behalf of the Center for Responsible Lending, or CRL. Even before COVID-19, student loan borrowers struggled under the weight of more than $1.6 trillion in debt. One in four borrowers was in default or serious delinquency, and many worried about their ability to make payments while covering other basic needs. Millions of lives were already stymied by student loan debt before the public health crisis. Extensive research has established that black and other borrowers of color tend to have more difficulty in student loan repayment than their white peers because of past and ongoing racial discrimination, and they are also among the communities hit hardest by the current pandemic and its effects. By executive order, President Biden can and should enact broad universal debt cancellation for all. Cancellation should be provided for all federal student loan borrowers, including Plus Loan borrowers and those with commercially or institutionally held loans prior to rule making so that the benefits of cancellation can reach the most vulnerable borrowers as soon as possible.

Once across the board, cancellation has relieved millions of borrowers of their entire student loan burdens we can turn our focus to the existing discharge and income driven repayment opportunities and the accountability framework with the Department. The Department has outlined several issues that it hopes to address in the coming months, underscoring just how deeply broken and mismanaged our system has been for years. Given all of this, it's imperative that the Department extend the current student loan payment pause while it undergoes the time and resource intensive task of reforming the system. We urge you not to restart payments until you have cancelled debt and provided a real, manageable path forward for the borrowers that remain. Americans and the economy deserve nothing less. We have specific recommendations and priorities for all of the issues outlined in the Department's notice. Due to time constraints our focus is on a few here today. Strengthening existing discharge. opportunities, streamlining income driven repayment plans, and ensuring that predatory programs are held accountable.

First, current discharge opportunities must be a priority for reform options such as Public Service Loan Forgiveness, Total and Permanent Disability discharge, and discharges that occur after decades of repayment. In IDR plans are underutilized and rife with servicing issues. These programs must be automated, expanded, and reformed to include all eligible borrowers and ensure that they experience minimal delay when they become eligible for discharge. Many issues with these programs could be fixed immediately and without a rulemaking process, and many borrowers with outstanding discharge applications could be served now. Income-driven repayment plans must be improved, simplified, and automated. IDR is supposed to help borrowers successfully navigate repayment by keeping payments affordable, however, the burdensome processes to get and stay enrolled, servicer error, and the sheer complexity of the system often make repayment anything but easy. All borrowers on an IDR plan at the end of the COVID pandemic should be auto enrolled into a new and single IDR plan that sets monthly payments to no more than 8% of discretionary income above 250% of the poverty line. In addition, all borrowers who are more than 30 days delinquent including those in default, should be automatically enrolled. This plan should provide tax-free loan forgiveness and discharge of debt after the borrower has made income-based payments for 15 years including payments made on any IDR plan prior to the pandemic and of course, including the time spent in the payment pause. Moving forward all existing IDR plans should be replaced with one simplified plan and all federal student loans should be eligible for participation. Furthermore, moving borrowers into the new plan should not restart the clock for PSLF, or other forgiveness programs that rely on borrowers having made a certain number of qualifying payments.

Lastly, existing structures protecting students from predatory programs and institutions must also be strengthened and enforced. We're eager to see the gainful employment rule restored and strengthened, and to improve the mechanisms that ensure quality when institutions undergo changes of ownership or are flagged for heightened financial risk. We also urge the Department to promulgate a revised borrower defense to repayment rule that ensures all harmed students can access relief and that institutions are held accountable for misconduct. We urge the Department to ensure that any and all negotiated. rulemaking committees include members that reflect the diversity of the nation as well as individuals directly impacted by the crisis.

We will submit more detailed recommendations and supporting research for the record, and we thank you for the opportunity to participate in the process. Thanks.

Jennifer Hong: Thank you. Thank you very much for your comment. Next, we have Ethan Featherstone. Ethan Featherstone.

Ethan Featherstone: You can hear me?

Jennifer Hong: Yes, we both see you and hear you clearly.

Ethan Featherstone: I'm an attorney in Las Vegas, Nevada employed at Ballard Spahr law firm, a law firm that provides bankruptcy services to debtors and mostly consumer cases. I practiced in bankruptcy for the majority of my legal career since 2009. Since at least 2017, our law firm has filed more bankruptcy cases each year than any other law firm in Nevada. In fact, by the number of bankruptcy cases, our law firm has been in the top 10 in the country since at least 2017 and 2019. Our firm has the most in the country, 1456 cases I've probably met with 30% to 40% of all these clients, plus many more who did not end up filing bankruptcy with a law firm. I tell you this to give your perspective. I have only filed two adversary proceeding cases so you can discharge student loan debt in bankruptcy. Both involved the Department of Education. To my knowledge, no one else at any of the firms I've worked for has done any such cases. I'm on the board of a local bankruptcy association, and I've met with very few attorneys who have even tried a student loan adversary case, let alone had any success. I did for almost every client or potential client from seeking a student loan discharge and I have a conversation with multiple clients per week about their student loan debt. What is the main reason you ask that it does not make sense for bankrupt debtors to seek student loan discharges? I submit my opinion that the reason is cost. The bankruptcy code has set the standard high, and the student loan lenders work to prop up the standard to maintain its height. The standard is that debtors must prove undue hardship to get a student loan discharge which is sometimes distinguished slightly from being just above a certainty of hopelessness which does not lend itself to compliance. The very people who are the very best candidates for student loans and loan discharge can never afford to pay an attorney to litigate. I assume that all major student lenders know this, including the Department of Education which is why they litigate aggressively. They act aggressive to be effective. The resources of well-funded lenders and federal government are substantially greater than bankrupt debtors. Litigation in an adversary proceeding requires debtors to prove their case. As in any lawsuit it includes meeting and conferring with counsel. It includes attending. hearings with judges. I just lost my place. Okay. Respond to detailed written discovery requests for interrogatories request for production addressing, pretrial motions, attempting to settle, and ultimately trial. And my first case, which started as a paying client but quickly turned pro bono the Department of Education apparently disabled person who was an adult living with her mother and making less than $1000 per month all the way to pretrial before settling. At least the settlement was less than the amount of the cost of paying her own doctor to appear and testify at trial. For such a person this should never have happened.

My second case was dismissed by motion from the Department of Education, where the debtor, who is 72 years old and has over $200,000 of loans to that debt, and all that was over 25 years old. This case is likely to be refiled after some changes are made the complaint, but the motion to dismiss by the Department of Education against a very eligible deter shows the lengths the Department of Education goes.

I request a reconsideration of Department of Education 's internal regulations and policies toward debtors seeking bankruptcy discharge. Why should the Department of Education care about improving better chances at a discharge in bankruptcy you may ask? The Department of Education states on its website that its mission to promote student achievement in preparation for global competitiveness by fostering educational excellence and ensuring equal access. There are two main reasons that I can think of the Department of Education's unwillingness to ease up on bankruptcy discharges are inconsistent with its mission. First, student borrowing is reported in the news to be at level of crisis. We've all heard of this failing to act whether the Department of Education may result in the pendulum swinging too far through legislative changes to the bankruptcy code, thus increasing the ease of discharging student loans, which may result in a tightening of the loan market, eliminating more people from attending higher education. There are already bills in the legislature that have been recently introduced to change the student loan discharge Second, the long term non-dischargeable student loan debts are likely to have generational impacts. I regularly speak with debtors who deeply regret attending school because of the lingering debt that feels like a never-ending weight on their shoulders. Many speak about this. So far, these individuals are filing bankruptcy and not getting rid of student loans, and there are almost certainly passing on negative sentiments to their children about the lack of benefits of higher education and the associated debt to get there.

I was able to attend law school through the use of much needed federal loans, and I hope others will be able to do so as well. Americans need access to borrowing so that everyone is afforded the chance to increase their knowledge through education and so we can be competitive globally as stated in the Department of Education’s mission, but a part of education policies towards student loan discharges are in the long term most likely discouraging equal access to people who are making a below median income from seeking higher education. The Department of Education has the ability and the control to make changes now, so that they can potentially be used as a framework to changes to the bankruptcy code. I've only discussed the why the change is. If there's interest in change, I hope that the Department of Education does it.

Jennifer Hong: Thank you, we appreciate your comment. Next, we have Amiee Eubanks Davis. Amiee Eubanks Davis, do you want to take yourself off mute?

Amiee Eubanks Davis: Hi; hello. Can you hear me?

Jennifer Hong: Yes; we can hear you.

Amiee Eubanks Davis: Awesome. My name is Amiee Eubanks Davis, and I'm delighted to be here today because I think it is super important for us to revisit Title IV and the regulations addressing the gap in postsecondary outcomes such as retention completion, loan repayment, and student loan default by race, ethnicity, gender, and other key student characteristics. I'm here to testify regarding student loans longer payment on the founder and CEO of a national nonprofit with a mission to empower undergraduates from humble beginnings or who are underrepresented in the professional workforce to obtain strong economic opportunities within six months of college graduation, whether that be a strong job, or strong launch into graduate school. As a former teacher and a current talent Nerd, I started Braven when I saw my former students from humble beginnings not be able to get a strong first job after college. They had done everything right. Why is this important? It's not just due to the lack of talent; they simply lack the professional networks, the internship experiences, and the job search preparation that many from privileged backgrounds take for granted.

Over 3,000 students at San Jose State University, Rutgers-Newark, Lehman College in the CUNY system, and National Louis University in Chicago have taken Braven’s credit bearing course that seeks to bridge this gap. My testimony is based on the fact that we have learned from these students, and the data, that these significant gaps in postsecondary outcomes related to career and earnings, which of course effects one’s ability to pay and repay back loans. The factors can contribute to and one of them is not having a strong per stop, but a highly relevant job upon graduation and launching strong into the economy can actually have long-lasting impacts for not only the students, but also their families. At Braven we just describe a strong first job is one that requires a bachelor’s degree and is full time as well as has a combination of some sort of promotion over time in terms of pathways, employee benefits and market-competitive salary. We share this with our undergrads so that they can understand the types of jobs that they've earned the right to have. We also do not expect our education majors to earn as much as our engineering majors, but they all should be able to earn competitive wages in their fields and in their local contexts. While the US is a country where education has the potential to be a great equalizer there about one point every year who won't emerge strong into the labor market. In addition, the Brookings Institute has studied and found that they often earned $0.66 on the dollar to their higher income peers, which just seems simply unsatisfactory when it comes to what they have been able to do so far and what they should be able to do in terms of the future alongside equitable loan repayment policies. We must include career outcomes to ensure you didn't success similar to Braven’s strong first job definition in higher education. We encourage the Department to also create a metric specifically for four-year college graduates which captures both attainment of the job that required their degree as well as average or above average earnings in their field so that we can see how students can then go forth and repay loans.

We recommend that the Department establish such measures so that outcomes are looked at as closely as we're looking at other important elements of student success in higher education such as college access and completion. Thank you so much for having me.

Jennifer Hong: Thank you so much for sharing your comments. Next, we will go to Marshall Anthony, Jr. Marshall Anthony, Jr.

Marshall Anthony, Jr: Thank you for the opportunity to comment on the Department's intent to establish negotiated rulemaking committees. I am Doctor Marshall Anthony, Jr., and today I speak on behalf of the Center for American Progress’s higher education team. I intend to comment today on accountability and racial equity. On the accountability front, we are excited that borrower defense to repayment and gainful employment are under the proposed agenda and strongly support restoring regulations overturned by the last administration.

I will focus instead on accreditation while it does not appear on the list of suggested topics for negotiated rulemaking, the Department has significant opportunity to improve outcomes for students and taxpayers by reforming accreditation accreditors are tasked with protecting students and taxpayers from low quality institutions. The federal government can trust accrediting agencies with verifying that colleges are of high enough quality for their students to receive federal grants and loans, but the accrediting system needs much improvement, and the Trump administration made this troubled system even worse. To improve its oversight of accreditors the Department should take the following six actions. Implement a more rigorous process of accreditor recognition and more rigorous periodic reviews. Increase the expectations for how accrediting agencies approve review and monitor colleges, including when they change ownership or tax status. Require accreditors to act sooner when identifying problems at postsecondary institutions. Remove the option for alternative standards, so accreditors are not able to allow underperforming institutions to set lower standards and remain accredited. Ensure adequate representation of public interest within accrediting bodies, such as making accreditors more transparent. And lastly, ensure regulations require colleges to disaggregate student outcomes data by demographic groups such as race, ethnicity, income, and gender.

Now I would like to move on to talk about racial equity. We applaud the Department's commitment to advancing equitable outcomes for all students where, for the first time ever, half of the young adults in the country have earned a college degree, which is good news. But there has not been a great deal of progress in closing large and persistent racial equity gaps. Black, Latino and Native American students and adults have far lower attainment rates than their white peers. As the Department works to build a more college educated population any measures to improve degree attainment should be designed, above all, to improve equity. That means targeting race and gender gaps, as well as re-engaging the millions of students who have left college without a degree. Specifically, the Department should use federal student aid programs reviews of college is to conduct equity audits to identify barriers to retention and completion at the institutional level as well as ways that colleges can improve outcomes. for racially underrepresented students. The Department's Office for Civil Rights can also take a more proactive approach to rooting out inequitable practices on college campuses that affect retention, completion and student debt, which could include practices and admissions, financial aid advising, and more. Strengthening accreditation and closing racial equity gaps in degree attainment are effective ways to help meet the administration's promise to build back better. For all these reasons and more, we believe the Department should include these two topics on the agenda for negotiated rulemaking. Thank you for your time.

Jennifer Hong: Thank you so much for your thoughts. Next, we have Jerry Lopez. Jerry Lopez if you could take yourself off of mute.

Jerry Lopez: Hello can you hear me?

Jennifer Hong: Yes, we hear you.

Jerry Lopez: Alright, thank you. Good afternoon. My name is Jerry Lopez, and I am the director of student financial aid at the University of California, San Francisco, otherwise known as UCSF. UCSF is a public non-profit health professions campus with graduate and professional programs that include medicine, dentistry, pharmacy, nursing, physical therapy, graduate research and more. UCSF enrolls over 300 graduate and professional students each year and typically ranks top five or higher nationally in most of its programs, and in the financial aid office at UCSF, our federal direct loan default rate has been less than 1%. Thank you for this opportunity to speak on gainful employment. I appreciate your time and the work that you do. Specific to UCSF, previous gainful employment regulations apply to students in our orthodontic, pediatric, periodontology, nursing post-masters and post-bac certificate. Programs. Again, these are all graduate or postgraduate advanced degree programs. In the years that I was required to report on these certificate programs to the Department of Education. Our graduates always far exceeded the gainful employment standards of being able to afford to repay the federal student loans they borrowed it. Additionally, gainful employment rules required UCSF to disclose income and debt information about our graduates on our website. However, due to the small sizes of these classes, which are typically ten students or fewer our posted disclosures needed to be blank as to not to reveal any individual information on a particular graduate student. Posting blank disclosures created confusion and frustrations to those who were interested in this information. It is for these reasons that I am here to ask that gainful employment be reevaluated and not to be required for schools and programs like UCSF.

Furthermore, I would like to offer my observations and reconsideration of gainful employment that the following might be considered from the perspective of UCSF. Number one, UCSF provides highly sought after and nationally needed health professions and graduate certificate degrees which inherently promote students to a higher level of education and a higher income level. These jobs are needed, available, and are well paid, 98% of our students earn their certificate degrees and our withdrawal rate is less than 22% in any of our programs. UCSF keeps and graduates their students with specialized certificate degree programs. The UCSF student loan default rate has been 1% or less for the past 30 years. Low default rates normally measure the program's integrity and the affordability of student loans.

Four, UCSF has a robust financial aid literacy program with a dedicated loan resource advisor who provides one-on-one sessions around student loan borrowing and repayment. Five, UCSF Office of Career and Professional Development meets with students individually to provide them advanced services in the creation of their resumes, curriculum vitae, including skills on how to apply for and interview for jobs. Six, and finally, UCSF reporting burdens were significant around gainful employment and as students often take leaves of absences to do research or simultaneously work on another degree, the reporting of their loans only for their certificate portion of the program versus loans they might have received for their undergraduate degree, master's degree, or advanced degree was very tedious and time-consuming. As I understand it and appreciate it gainful employment regulations were created out of a concern that a significant number of certificate programs were not providing students the skills needed to gain employment in the occupation for which the program was designed further. There was a concern that the employment achieved was low paying and not worth the expense of their education leaving graduates with debt on which they often defaulted. UCSF graduate certificate programs are the antithesis of these ideals, so I am here today to request that gainful employment be reexamined to exclude or opt out schools like UCSF that might meet even higher standards of educational excellence. Thank you for this opportunity to provide testimony and I would be happy to answer any questions in the future you might have.

Jennifer Hong: Great, thank you so much for your comments. Thank you. Next, we have Mike McGuirk.

Mike McGuirk: Hello, good afternoon. Hello Mike McGuirk and I am a member of student loan justice and the organization Debt Collective. These are the largest grassroots organizations fighting for the rights of student borrowers. I am also a producer of Scared to Death, a documentary that has researched and detailed the harmful impacts of our present student lending system. I am also the subject in that documentary. I represent millions of borrowers who find themselves with little resources who endlessly navigate a system that has worked against them for too long. I'm here today is someone who finds themselves trapped in the cycles of debt created by our institutions originally meant to uplift us. As a child I was diagnosed with dyslexia, which impacted and determined where and how I would go to college. While I was in high school my father served this country, deployed in the Middle East following 9/11. My mom worked several jobs to keep our family going and provided us the means to survive. During that time, my sisters and I had to figure out how we could continue our education and pursue our careers. We took out loans so we could go to college. I graduated from Columbia College Chicago in 2000, and in the midst of the financial crisis. I was $128,000 in student loan debt at the time, both federal and private loans. This was the sole option available to me. I did not have a choice what my tuition would be when. I first signed on those loans at 17 years of age. Today, after making any payment possible for the past 13 years, I am now $175,000 in private student debt held by Navient and $93,000 in federal student loan debt.

Many children who are disabled have learning disabilities. Children from challenging socioeconomic backgrounds, children from poor black communities, first generation college students do not have a choice in the tuition they must pay to go to college. We must challenge universities to do more for their communities and I quote, “Prejudice is a burden that confuses the past, threatens the future, and renders the present inaccessible.” Maya Angelou. Like so many, I was forced to make payments when it was impossible, at times forced to use credit cards and many other means just to get by when the work was not coming in. Like so many I faced challenges receiving business loans or housing, all because we chose to go to college. As cosigners, my loans are now taking away from my parents’ retirement, social security and our families well-being. From my 5 nieces and nephews many of us have heard these countless stories that keep growing the systemic issues. This very Department of education. contributed to creating point to one thing: this system only benefits the creditor. This was evident when bankruptcy protections were removed from student loans. The sheer amount of problems illustrated in these hearings are a watershed moment in American education, and I quote, “When you trap people in student debt in a system of depth, they can't afford the time to think. By the time students graduate they're not only loaded with debt, but they have internalized a disciplinarian culture, making them. efficient components of the consumer economy.” Chomsky.

The misleading practices by creditors and endless phone calls and their predatory nature further perpetuate a harmful debt cycle. This year, it was reported 30 borrowers enrolled in income-based repayment plans were eligible for loan forgiveness. Thirty-two, there are 45 million student borrowers in America. How is this motivating any American student to educate themselves and participate in our country's economic future? Right now, we hold back generations of Americans from pursuing some of the most fundamental principles of life we hold true as Americans. We have the means to fix this. We need to restore integrity to our Department of Education. I must urge the Department to request from President Biden old cancellation of these of the loans. but that negatively impact us. We must act. swiftly and act upon our experience in testimony. Let us create a system so we may feel dignified and go boldly into the future where the fruits of our knowledge are worth more than what we paid for. I would like to thank all those who have spoken at this hearing, who have dedicated themselves to improving. American education, and I thank the Department of Education for having me here today.

Jennifer Hong: Thank you, thank you for your comment. Next, we have Mike Williams. Mike Williams, are you on?

Mike Williams: Yes. I am. Can you hear me?

Jennifer Hong: Yes; we can hear you.

Mike Williams: Good afternoon and thank you for the opportunity to discuss the ability to benefit provision of the Higher Education Act. My name is Mike Williams, and I'm an education program. consultant with the Iowa Department of Education. I, along with our state director Alex Harris are very proud to be one of the states that have been approved for the state process for ability to benefit. We are excited to bring our state process for ability to benefit each of our community colleges in Iowa to build greater opportunities for education and employment for those with the greatest barriers. I was currently in the pilot stage for our state process. We have currently identified three community colleges who are ready to assist in piloting our state process in three different regions of our state. Our challenge has continued to be similar to other state programs, including getting full support from our leadership, bringing all the community college faculty and staff together to build an infrastructure that meets the needs of the student, and the requirements of federal regulations…and that recruiting for our programs can be somewhat difficult. Also, interestingly none of the Iowa community colleges have ever or have rarely utilized the available ability to benefit options and only a few have shown enthusiasm for our new process. As we move forward with our pilot Ability-to-Benefit project, we hope all of our community colleges will make our state process available to those students who are eligible.

So, a few comments that I think can assist all of us with our Ability-to-Benefit programming. More publicity for states to create their own plans so that this underutilized federal aid option can have greater impact…including this more targeted trainings, use of clearer policy memos, webinars, along with the use of national trainings that can raise awareness of the Ability-to-Benefit as a real and practical funding source. Also, find ways to incentivize Ability-to-Benefit at the community college level by providing grants and pilot opportunities so leadership and faculty can process and progress their programs at scale. A concern among our pilot project colleagues continues to exist regarding data reporting and the ability to provide the required numbers, so finding a way to address this more directly through better dialogue, through better training, or other types of outcomes or finding other types of outcomes that show progress would be welcome. So, as we think about Ability-to-Benefit as a vehicle for broader equity in access, I believe more training and dialogue across the board can assist us in bringing this excellent benefit to those who present the greatest barriers to education and employment. Thank you very much for your time today.

Jennifer Hong: Thank you. Thank you very much for your comments. Next, we have William Durden. William Durden, if you could take yourself off of mute.

William Durden: Good afternoon, can you hear me?

Jennifer Hong: Yes, we can hear you

William Durden: Wonderful. My name is William Durden, and I am the director of Basic Education for Adults with the state board for community and technical colleges in the state of Washington. We are proud, just like our friends in Iowa, to be one of only a few state solutions with an approved state process for the Ability-to-Benefit provision of the Higher Education Act and we support other comments designed to simplify and amplify that process. Thank you for the opportunity to share how we use this provision to fuel economic growth and productivity and how some additional clarification would improve results.

Ability-to-Benefit has been a front burner issue since I began doing this work in 2014 to an environment where ATB had been cut out of the picture. In our efforts to help returning adults complete secondary and postsecondary credentials at the same time, innovative career pathway programs like our I-BEST program save working age adults. They acquired the skills and credentials needed for success in the labor market. Pell grants are investments in these proven, integrated education in training strategies that teach literacy and other critical skills in the context of industry driven training programs. We were thrilled with the reinstatement and full funding of 80 by 2016. That restored ability to benefit came with new requirements designed to ensure that ATB would only be applied to quality career pathways aligned to real labor market needs as established by the career pathway program and the amended Higher Education Act. We affirm and support this guardrail that protects both student and taxpayer investments. Where we need additional clarity is in what can constitute ineligible career pathway and our implementation work on ability to benefit, we have found that many college stakeholders interpret the concept of the career pathway to mean workforce certificates and degrees and not transfer degrees, yet we know that many high wage, high demand jobs for example in STEM-related fields require a four year degree and in these instances the transfer degree at the community college is very much a part of the students career pathway. As such, career pathways with a transfer degree component can be critical avenues for historically underrepresented students to advance into higher demand, higher wage fields. So, to incentive the development of equitable career pathway programs that explicitly include transfer degree programs, we propose some revision to that career pathway definition to include transfer degrees, A proposed revision to explicitly include workforce in transfer degrees still requires the programs meet the definition of an eligible career pathway program. It simply clarifies with explicit language, what the full range of post-secondary education options can include. So, with respect with this hearing is about proposing regulatory changes and which changes to the definition in statute. We would be satisfied with a clarifying regulatory update or a dear colleague letter to accomplish the same intent. Thank you again for this opportunity to provide comment.

Jennifer Hong: Thank you so much for your comment. Next, we have our next speaker, Samantha Carlo. Samantha Carlo, if you could take yourself off of mute.

Commenter: Hi everybody, I'm Samantha Carlo and I have my colleague here, Doctor, Minke Davis Brantley we were told we can make comments together. Can you hear us?

Jennifer Hong: Yes, we can hear you and we see you.

Samantha Carlo: Thank you so much. So, I'll start off by saying that we were lucky enough to be designated as a second-chance Pell site back in April 2020, and we were the second in Florida…and although recruiting students and beginning this project process could be very arduous, we took it on anyway. But the largest burden that we've endured is establishing residency for our students. It's become a great burden on our constituency, and which includes our higher-level staff members our faculty, the family members of our students, and their loved ones. Our higher-level staff has spent nearly 18 months attempting to establish residency for just 20 students in the state of Florida, and that leads to a lot of disparities and what we can offer our students and the type of quality education that we can offer our students. For instance, we like to give you an example.

We have a student and will call him Michael. Michael was incarcerated at the age of 16 back in 1992. He is now 40 years old, and when second chance Pell came became available, Michael decided that he wanted to spend his last three years of incarceration bettering himself and getting an education to increase the chances of work and just to make him a more contributing citizen, but during this time, Michael has endured quite a few problems. So, once Michael applied to the college, he was accepted. and then he had the burden of trying to establish residency so that he could have the same provisions in the ability to pay for tuition. The way the students outside are able to do that. So, he's now attempting to establish residency, and in order to do that in the state of Florida, Michael was incarcerated in 1992, so he has to go back to 1991 to establish residency but don't forget, guess what? Michael's parents were also deceased since that time, and so it's very difficult for him to acquire the resources in order to establish residency, which means he has to either and I would like you all to know that Michael in 1992 didn't have any property at 16 years old, and it's probably very difficult for him to find the old McDonald's manager that he worked with to prove that he was a resident of the state of Florida. So, as you can imagine, it's been a long 19 months, and all Michael wants to do is be able to earn an AA degree so that he can improve his occupational options as he graduates. And, just to delve down, so the issue with residency is Michael's tuition is three times the amount of a student who does have documentation to establish Florida residency which means the Pell Grant that we would get on his behalf doesn't cover his entire semester and won't cover his courses that a student sitting next to him who has the benefit of family, who can help obtain documentation to establish residency. And the other issue…this is obviously a state policy, a state rule, but we think that college is receiving Pell grants for individuals who are incarcerated. We think that there can be some federal policy that preempts state law in this instance because it causes a display. There's inequities we also have private schools that have been granted a second chance Pell designation. But of Florida who can come into Florida and offer whatever tuition rate they want. And Pell will cover their tuition, but because we're a state college, we can't get around that residency requirement, so it makes it really challenging. Like Minkus said, we've been working on establishing residency for our first cohort of 20 students. We've established residency for 15; it took finding family that they haven't spoken to in decades. Like to try and get documentation if they have the documentation. So, our biggest ask here not that we can ask the biggest solution is colleges who are designated as second chance Pell sites or colleges in the future who have full Pell restoration for students who are incarcerated. There are some of the kinds of intricate little policies that make it really challenging for this student to collect the Pell Grant that will cover the tuition at the same rate as someone who could establish residency or who goes to a different type of private university who can waive some fees and stuff like that. So, we're just here to fight for our students like Michael, who wants an education, who wants to leave prison more educated, better than when they came in and who are so intelligent, and hungry to learn and just want the opportunity to do so. Thank you so much for listening.

Jennifer Hong: Thank you so much for your comment. Sandra Bruce. Next commenter is Sandra Bruce, and we're just moving right along here so that we can fit in some waitlist commentors after 4.

<u>Sandra Bruce</u>: Good afternoon. Thank you for allowing me the opportunity to speak today. I'm Sandra Bruce, vice president and general manager of Milady, a part of Cengage Learning. I've been with Cengage for more than 20 years. Cengage is the largest US based education publisher with 100 years of experience, serving learners from kindergarten through higher education. Milady is a beauty education provider for learners pursuing occupations in the beauty industry. As a participant in the higher education landscape, we are keenly interested in promoting strong student results and strong student outcomes. Our mission is to drive careers success by inspiring the pursuit of knowledge through innovative solutions. Since 1927 we have worked to meet the needs of learners, educators, and employers by developing coursework that maintains pace with industry changes. We pride ourselves on providing students cutting edge resources. Today there are more than 185,000 learners a year using Milady textbooks or digital courseware. Those learners are educated in high schools. So, community colleges, correctional facilities, career colleges, and for-profit, beauty schools. Students pursuing careers in beauty occupations have rigorous curriculum that includes anatomy and physiology, chemistry, electricity, and financial literacy as well as practical training for procedures related to their field of specialty. They learn professionalism and communication skills as the foundation for a successful career. Most students pursuing a career in the health and beauty industry, in fact, nearly 2/3 of students do so at a for-profit beauty school. The vast majority of these beauty schools are small businesses with an average of 25 to 50 students a year. They're generally accredited, state authorized and approved by the Department of Education to offer Title IV. The average student in a beauty related program is a creative and not typically a traditional learner. 38% of the students are under 25 years old and 73% are under 35 years old. Do you think students are seeking a focused education that will lead them to the marketplace with lifelong skills in a career they love. Student outcomes for graduation, licensure, and job placement are not only state mandated, as beauty schools must be licensed to operate in their state, they are also mandated by accrediting bodies for the school to qualify to offer Title IV funding to perspective students. Occupations in beauty such as cosmetologist, barber, nail technician, and esthetician, are licensed occupations regulated by each and every state. For a student to graduate, that student must complete a state mandated number of hours. Those hours are measured in clock hours not credit hours like traditional higher ed. To be placed after graduation, a student must first pass their state's licensing exam. Graduates must be licensed to work legally in beauty occupations. My concern shared by beauty schools and beauty professionals alike, is that a rewrite of the gainful employment rule will fail to properly account for the earnings challenges created by the cash nature of the industry and will force good schools with strong student outcomes out of business.

For this reason, I emphasize my request that any gainful employment rule properly account for the earnings issues that are present in this industry. I also request that the regulations are applied equitably and do not limit student choice. Thank you again to the Department of Education for allowing me the opportunity to speak on behalf of learners pursuing successful careers in beauty occupations.

<u>Jennifer Hong</u>: Thank you, thank you for your comment. Our next speaker is Kim Tran. Kim Tran, if you could take off, take yourself off mute.

<u>Kim Tran</u>: Can you see me?

<u>Jennifer Hong</u>: We can't see you yet, but we can hear you alright.

Kim Tran: Amazing. Hello and thank you for having me. My name is Kim Tran, and like countless other students, I ended up in debt after attending a for-profit school that fleeced me out of tens of thousands of dollars for a substandard education. I attended the New England Institute of Art, a school run by the EDMC, called The Education Management Corporation. Most students who went to EDMC schools were lured in by a massive and compelling ad campaign. Their recruiters promise an abundance of cutting-edge resources, industry-leading faculty, internships, and incredible job placement numbers. But these were gross misrepresentations at best, and blatant lies at worst. None of this is a revelation now. It's old news. I manage a support group on Facebook called *I am AI* where I and my fellow classmates have shared our experiences. The stories about how we were misled, fleeced, and pressured into loans are well documented. Yet we aren't the only ones who have documented this. The EDMC went bankrupt after multiple whistleblower lawsuits for fraud, illegal incentives for high pressure enrollment tactics, and countless other shady practices that victimized students and faculty for profit. Their actions and the reasons for our debt are crystal clear. What was not clear or consistent is how we all qualify for or receive assistance from the borrower's defense for payment.

Putting students in debt for a substandard education should be a crime with serious consequences, that for the victims are debilitating and life altering. It's bad enough that most of the perpetrators have made off with their millions while we are saddled with debt. We need to be able to move on with our lives. We need debt relief. We need justice. The borrowers defense to repayment is the only substantial justice we've been offered. And yet we're still waiting around, as if nobody knows what that is. I think I speak for all of us when I asked why does this need to be so complicated and what are we waiting for besides having victims of these predatory schools? What else do we need to do to qualify for loan forgiveness? Instead, it only gets costlier the longer we are forced to wait. We all realize that as the administration changes, so do standards, but we all like to know that Department of Education follows the letter of the law and sticks to their word. Under the last administration there were blanket denials of applicants without any explanation. Can we expect that under the current administration, the Department will abide by its obligations?

Furthermore, as of today, the schools are still aggressively recruiting students to enroll and take out more loans. I would also really like know if the DOE has any intention of protecting future generations. from these predatory for-profit schools. The debts they create are a burden for all taxpayers. Thank you for your time.

Jennifer Hong: Thank you; thank you very much for your comments. Our next speaker is Doctor Naomi Castro. Doctor Naomi Castro. Are you there? If you could take yourself off of mute and turn on your camera if you would like.

<u>Dr. Naomi Castro</u>: Thank you. I see it says only I can see this. It doesn't look like it's letting me to turn my camera on. OK. Thank you. So, good afternoon I'm doctor Naomi Castro. I am a senior director with the nonprofit Career Ladders Project. Thank you very much for this opportunity to discuss regulatory fixes. I'm actually, going to be focusing in on the Ability-to-Benefit provision of the Higher Education Act. So, our organization believes that community colleges are an important lever in the alleviation of poverty in the state of California and this actually has some significance for the entire country because currently one in four community college students in the United States is in a California Community college and we have a lot of students here. It's awesome. The great and over 5,000,000 Californians are adults who do not have a high school diploma and they could earn that diploma or equivalency while they're taking college classes and those college classes can earn them certificates, credentials, degrees that lead to improved wages, and career opportunities. And so, for this particular group of students, ability to benefit or ATB could be the ticket to college completion because with the Pell grant, ATB allows for students without a high school diploma. A Pell Grant was a Pell grant. they could afford stable childcare housing and food stability, more reliable transportation. All those kinds of things that for students on the economic margins make the difference between completion and not. Yet, between the years 2015 and 2018, only 2020 residents in California. In our community colleges had actually utilized ATB for Pell grants, so why? That's crazy. We have so many students, we have such a huge state, and it's really because ATB is very poorly understood by our institutions. It's almost unknown to our students, and there's a history to that, which I believe other colleagues of mine have gone into, so I won't go into that.

And there's three ways that you can access ATB. One, is they can earn a certain cut score on a standardized test to they can successfully complete six units of college credit in their career pathway and three states like California can advance their own state-defined option. This is a really exciting option for California, who has been moving away from standardized testing from ACT and SAT and placement tests for math and English in favor of more holistic placements. California is not excited with the large about standardized tests option. Two can be a little problematic because students have to find their own way to finance the six units while they're still navigating the financial challenges that a Pell grant could solve for, so this just really prolongs their stay in college instead of acting as a momentum to keep them in college, but the third option, the state defined option, is where I'd like to offer some revisions, and we've learned a lot about this process from what our colleagues in other states have gone through the state-defined option process, so revisiting section 668.156, which is state approved process regulation revisiting that could really help more states build equitable career pathways. Strategies that accelerate both secondary completion and postsecondary completion for our adult learners and by extension, help folks to lift themselves out of poverty.

So, I have three areas of revision. One, a simple update in the language would be really helpful, so that the state define option is listed as an alternative to the test option, but it doesn't really talk about the six-credit option, which is more widely used, so just updating that would provide some clarity. Two, there is a requirement in this state application for outcome data, and this requirement is really unreasonable so first of all like the state needs a data system that can, right? So that's a big assumption. California's data system is getting worked on. It's getting better, but it is still a pretty heavy lift. But the application is asking for outcome data, for interventions. That has been tried without the benefit of a Pell grant, so it's kind of circular, right? So, you have to provide historical… like you say, we want to do intervention X, and that's what makes our state defined option. And here's the outcome data, where we've done intervention X, but all that historical data is without the aid of Pell grants, so the data would look completely different if those students had Pell grants. The completion assumingly would be much higher, so it's circular. That needs to be revised.

And then finally, section six really needs revisiting the six services detailed under sections. They're just standard services that are available to all students already and we as systems can be much more intentional in our design, especially when we work together across systems and institutions to support our students. So, the approved state process regulations should be changed to more clearly connect adult career pathways as are already defined in wioa Perkins 5 The Higher Ed Act. To just clearly connect all of those, and we owe a Perkins 5 state and local thank you. So these revisions would go a long way in helping students to access Pell grants.

Jennifer Hong: Thank you, thank you so much for your comment. I just want to go to one other speaker. right now, Ryan Funai are you here? Ryan Funai.

Ryan Funai: Hi, yes, I am here.

Jennifer Hong: So, you are here. OK, great you can go ahead with your comment.

Ryan Funai: OK. So good afternoon, my name is Ryan Funai, and I am president of the American Optometric Student Association. Our association represents nearly 7,000 students who are pursuing an education in optometry. I'm truly grateful to have this opportunity to make a few comments and appreciate the Department of Education calling this hearing to seek feedback on student loan debt.

My fellow students and I have been called to serve the needs of our communities by providing comprehensive eye care. Whatever motivation, we're pursuing these careers to serve a need in society and, with the average optometry student loans, debt at graduation, being close to $200,000, not including undergrad loans, nearly all of us are taking on a tremendous burden in order to answer the call, Sir. That's on behalf of the current optometry students and doctors have up etry across the country. I'm here to request that the Department of Education, along with the Health Resources and Services Administration, initiate rulemaking to address a long-standing issue with the National Health Service Corp. Under the current program, Doctor of Optometry are not eligible to apply and to potentially receive loan forgiveness for caring for patients in underserved areas. If we are to build a more inclusive and accessible health care system that employs individuals with a wide range of socioeconomic and racial backgrounds, action must be taken to reduce student debt and increase loan forgiveness opportunities through the National Health Services Corp. Doctor of Optometry are the frontline primary care providers across the nation. However, though Doctor of Optometry were originally included in the National Health Services Corp at its inception, today they are not eligible to receive loan repayment or scholarships through this program. But National Health Services Corp is a powerful recruiting tool for health centers, and it's been shown to be successful in both recruiting and retaining providers to care for patients in underserved communities.

For over a decade, the American Optometric Association and other organizations have been urging HRSA to reevaluate Doctor of Optometry eligibility for the Corp in the National Rural Health Associated issued a policy brief that advocated for increased efforts to incentivize optometrists to practice in rural areas, and also highlighted that funding for the NHSC would be necessary to achieve this goal. Additionally, the American Public Health Association recommended that Congress improved access to primary eye and vision care in medically underserved communities by reinstating Doctor of Optometry and the National Health Service Corp, and by including optometry as a named primary health care discipline in community health centers.

For personal background, for the past month and a half I've been working in Atwater, CA at one of the few community health centers that have an optometric clinic and have firsthand seen the impact an eye doctor can have providing care for underserved community. I've seen young children become more confident in themselves as we provide vision therapy to fix their lazy eyes. I've seen young adults my age be provided their first pair of glasses so they could finally drive themselves safety on the roads, and I've seen the elderly preserve enough vision from glaucoma, diabetes, macular degeneration and other common eye diseases to enjoy a good quality of life during their retirement. As a young optometry student, I don't fully understand the reason why optometrists were taken off the NHSC list of practitioners and not incentivized to help these communities. Just last week our clinic administration emailed all the employees to apply for the NHSC loan forgiveness program. Everyone, from the primary care positions, the dentist, the physician assistants, pharmacists, nurse practitioners, and counselors at my community health center were allowed to apply, while the only practitioners not allowed to apply were Doctors of Optometry.

We finally support the ongoing efforts which we fully support the ongoing efforts to develop long term solutions to student debt hardship. This is critical in the wake of the COVID-19 pandemic which has led to a disrupted education and uncertain job market and delays in optometry school graduates' ability of practice during this time of crisis, it has been made especially clear that a strong and well-trained primary health care workforce is critical for our country's success. A long-term solution to student debt is essential, and we believe that expanding eligibility and the NHSC to include doctors of the optometry is a way to address student debt and also to continue to work towards improving health care access across our country. We are also concerned about the documented racial disparities in student borrowing and default, as well as evidence that racial gaps in total debt are far larger now than in the past. Studies have shown that black students hold substantially more debt by age 25 compared to their white peers. These loan trends contribute to a young workforce where only certain demographics are free to make financial decisions like buying a home, saving for retirement, investing, moving to more expensive cities with lucrative career prospects, starting a family, or investing in a graduate education. These are forced to work multiple jobs, postpone graduate school or abandoned genuine career interest in pursuit of a paycheck. Vision and eyecare are important components of primary care, and we're specifically requesting that Department of Education take swift action to include Doctor of Optometry in the National Health Services Corp in order to open additional opportunities for loan forgiveness in return for public service and increase access to needed care for patients, thank you.

Jennifer Hong: Thank you very much for your comments. At this point in time. We're going to move on to our waitlist, but before doing that, we're going to shift around some chairs a little bit. Clare McCann will be leaving us, and in her staid is Rich Williams. Rich Williams is from our Office of Postsecondary Education. Welcome to Rich, you'll be staying here for the remainder of the session. And I will go ahead and move on to our waitlist. Please note that in order to accommodate more people, we are asking that you limit your comments to three minutes. Again, for those commenters on the wait list you will have three minutes to provide your comments. I will let when your three minutes is up so you can wrap up your comments. But that being said, we will go to the first person on our wait list who is Alexis Goldstein. Alexis Goldstein, if you could take yourself off of mute.

Alexis Goldstein: Hi thank you. My name is Alexis Goldstein can I go ahead?

Jennifer Hong: Please go right ahead.

Alexis Goldstein: Great my name is Alexis Goldstein. I'm a senior policy analyst with Americans for Financial Reform, and I want to start by saying that I appreciate the steps that the Department has taken already to discharge debts to which borrowers are already entitled to under the law. The Department can and must do more, however. Any Department of Education Negotiated Rulemaking must work together with and not as a replacement for broad-based administrative debt cancellation. The Department has a once in a generation opportunity right now with the Federal student loan collection machine turned off to address problems that have plagued us for decades. There are over 4.4 million borrowers who have been in repayment for more than 20 years and in the 25 years that income driven repayment plans have existed in one form or another, only 32 borrowers have had their loans cancelled. These are some of the failures of the current system. There are myriad other problems from the broken Public Service Loan Forgiveness program to issues with closed school, borrower defense, and false certification discharges, and I'm grateful that the Department wants to undertake negotiated rulemakings to tackle some of these problems. But the quickest, most pragmatic way to make progress and bring immediate relief to the millions left out of the K-shaped recovery where the gains have largely gone to the wealthy, is to clear out federal loan debt through broad based cancellation by administrative action. And a recent Roosevelt Institute paper has shown that when you look accurately at what federal student debt cancellation does, when you look at assets, when you look at race, when you include wealthy people who do not have student debt, and they did. When you exclude federal student loans it is very clear that federal student loan cancellation will benefit those in the lower levels of the tax brackets far more than people on the upper end of the wealth spectrum. We've been back to them in that, Greg. It is critically important that the Department had inclusive, negotiated rulemaking to table disability advocates must be included. The Trump administration doubled the number of for-profit college representatives around the table. The Department should not only reverse this change, it should ensure that policy is not just being set by wonks but by those with real lived experience of what it's like to live with student debt in a modern post-pandemic age. Many recent grads are at risk of suffering permanent, scarring effects to their earnings simply due to having bad luck and graduating in the middle of a pandemic. So, to address this, the Department should double the student negotiator representation and include a student loan borrower negotiator as well. The Department must also include defaulted borrowers in its Neg Reg topics. These are the borrowers most likely to still be struggling with the effects of the pandemic effects of garnishments and offsets and they have to be included. And lastly, I would just encourage the Department to remember that we can never again talk about student debt policy without centering race. There are so many unequal outcomes for students at that when it comes to race. Other commenters have mentioned these black and brown borrowers must achieve higher educational credentials while they often pursue that by taking out more debt than white borrowers, because they don't have intergenerational family wealth in many cases and they have to do this just to level the playing field because due to centuries of systemic discrimination, and the racial wealth gap. White high school dropouts have a higher median net worth than black and brown college graduates. So, the Department must please be thinking about and addressing the disparate impact of student loan borrowing on black and brown Americans when it considers any new policy making and I thank you for your time.

Jennifer Hong: Thank you, thank you so much for your comments. Our next speaker is Jarome Bell. Jarome Bell, if you could take yourself off of mute.

Jarome Bell: I think I'm off mute now. OK, thank you for having me. Thanks for allowing me to speak today. I'm a congressional candidate for 15 years Virginia's 2nd district. But most of all I'm a veteran and I'm here today to speak on behalf of veterans. As a retired Navy chief petty officer who spent 27 years teaching leadership skills, which prepared thousands of young men and women for their future, I'm outraged that career *politicians* are brazenly working to steal educational and career opportunities for the courageous men and women who wear and wore the uniform of our nation, but here we are again. Yet another summer at sponsored Bill that would essentially deny borrowers opportunity to use their GI Bill tuition assistance at an education establishment of their choice. Their plan turns the 90/10 funding rule that applies solely to the roughly 260 private career-oriented colleges offer attended by veterans and adult learners. The 90/10 rule is already a restriction on career training institutions and limits the percentage of tuition that they can accept with federal student loans to deny GI Bill assistance to count towards this formula before it's many of these institutions to close, leaving veterans, and other adult learner learners back at square one.

Let's turn slowly, remind them, can push his change their GI. Bill Twin sisters is not an entitlement like a. guaranteed loan, but the benefit earned through service, blood, sweat, tears, and unfortunately, lives… and it represents a promise that America made to our veterans through the GI Bill of Rights. Unfortunately, to politicians like the bill sponsored by Representative Shalala, promises to voters are just not important. Ms. Shalala, of course, is the former university president of a school that would be exempt from the law changes she proposes, which is precisely the point. Democrats have gone into cahoots with the educational establishments made up a solution, private schools in taxpayer-funded state university who don't want competition that will undermine their power base or challenge this truck trailer. Hold on education funding, they have a list in front. groups and their efforts such as Better Education success. We just sat with Democratic operative former Obama White House officials. Let's make no mistake. The mission isn't success for veterans with total victory for the training education establishment. But this power play comes if real people who suffer and lose the opportunity to earn a valuable degree course in new career. Traditional, four-year colleges are far too expensive and inconvenient for nontraditional students seeking to earn degrees in a specialized field, learners such as working adults with families, minority students with limited options and of course our banners will pay the heaviest price by removing career Oregon schools from the equation, and this is an attempt to secretory in colleges would hurt our nation beyond Stevens. being denied education. Though we are still in the midst of an economic turn down with COVID, America has a long-term sort of million. He's amid workers in areas of our economy. including industries such as nursing, construction network, security, hospitality lab technicians, limit machine operators, cosmetology, and many others that offer good paying careers. An opportunity for advancement reoriented schools greatly benefits our entire nation by helping fill employer demands for jobs critical to economic growth. Mr. Layla, her crowd always seemed to always playing these bills to protect students from sharing institutions, but this is a lie. Congress has a myriad of ways to text. Do this across the board of every institution including career-oriented colleges. COVID-19 is going to start combining that with doing things no longer work for the mass majority of today's learners, as teleconferencing and using it are now more firmly ingrained into our economy. Why should additional schools race to catch up with the flimsy substitute such as Zoom? OK, the top dog just finished with the top-down approach. May work in military, but then the field of education, the future is greater competition and tenure, innovation, and consumer empowerment. Now is time to end the nonsense to expanding educational choice for those who have earned the right to achieve a better future and deliver on our promise for every student. Thank you for letting me speak today.

Jennifer Hong: Thank you; thank you very much for your comment. Our next speaker is Elizabeth Tang, Elizabeth Tang. If you could take yourself off of mute. You can turn on your camera if you wish.

Elizabeth Tang: Can you hear me? Hi, can you hear me?

Jennifer Hong: Yes

Elizabeth Tang: OK, great, thank you. Hi, my name is Elizabeth Tang, and I'm commenting on behalf of the National Women's Law Center. We urge the Department to advance gender equity in post-secondary education by taking the following three steps. Number one, restore and strengthen Title IX protections against sexual harassment. One in four women for transgender and non-binary students and one in 15 men are sexually assaulted during their time in college but only one in ten survivors report these incidents to their school. When they do ask for help, many survivors are ignored or blamed for their abuse, retaliated against, and even suspended or expelled. This is especially common for survivors for women of color particularly black women, LGBTQ students, pregnant and parenting students, and disabled students. When postsecondary schools fail to support survivors, they're forced to drop classes, change majors, drop to part time enrollment, or an associate’s degree, pay to retake courses, graduate late, transfer to another school, or drop out altogether. Lower grades, lost scholarships, and lost degrees make it even harder for survivors to repay their student loans. To address these gaps, the Department should restore and strengthen protections against sexual harassment. We urge you to look for more detailed recommendations and our Title IX comments regarding forthcoming postsecondary comments. Strengthen protections and accommodations for pregnant and parenting students. Parenting students make up one in four undergraduates and a face unique barrier. Often, they must work full time on navigating classes, caregiving, and a lack of affordable childcare which results in lower levels of degree attainment. COVID has only amplified these barriers for parenting students, most of whom are women of color, are also often told that being a parent is incompatible with pursuing higher education. Lactating students are often denied time and access to appropriate spaces to express breast milk, putting their health at risk. Pregnant students are also illegally denied other opportunities, like the opportunity to make up missed work for childbirth or prenatal and postpartum appointments. To address these gaps in postsecondary outcomes, the Department should clarify that schools have an obligation to accommodate lactation, medical appointments, and other pregnancy related conditions. Issue guidance to help standardize parental leave policies across schools, while reserving academic progress and federal student aid eligibility and look for flexibility in higher education law to expand childcare access and affordability. Three, tackle the student debt crisis. Women hold 2/3 of US student debt because of the wealth gap and wage gap in women's overrepresentation in low wage jobs. Women take more time to pay off their debt. Women and people of color are also more likely to be targeted by for-profit colleges which use deceptive recruitment practices, failed to prepare students for gainful employment and saddle them with insurmountable debt. Because COVID-related unemployment has made the student debt crisis even worse, the Department should cancel up to $50,000 in outstanding student loans per borrower and reinstate regulations to protect vulnerable students from predatory for-profit schools. Thank you for your time today.

Jennifer Hong: Thank you for your comments. Our next speaker John Patrick Hunt. John Patrick Hunt. If you could take yourself off of mute. There you are. We're having trouble hearing you. We see you on camera. Sorry, it does appear that you're off of mute. Will check back in with John Patrick later on. I have reached the end of our waitlist, scheduled waitlist. If we could just take a pause. Just bear with me right now. If we can add any others we are going to do so. Ok. We have Rebecca Pringle. Rebecca Pringle you are on if you can take yourself off of mute. Turn on your camera if you wish.

Rebecca Pringle: Hi can you hear me?

Jennifer Hong: Yes, we can hear you. We see you as well.

Rebecca Pringle: Great. Thank you for the opportunity to talk with you this afternoon. As president of the National Education Association, I am honored to represent more than 3,000,000 educators and to fight for the students we serve. The Department has many higher education problems to address. Today I will focus on student debt. Let me be clear, the Department student loans system has failed educators. While it steers billions to servicers, it leaves borrows borrowers crushed by debt. Forty-five percent of educators had to take out loans. On average they have 50,000, 14% more than 100 and $5000 for young educators, it's worse. Two thirds of educators under 35 took out student loans. Four in 10 owe more than $65,000 and black educators are disproportionately harmed. Structural racism's compounding inequities in housing, education, credit employment and more, mean that black families have much less family wealth, so black aspiring educators, the average black educator with student debt, owes more than $70,000. One in five more than $100,000. Student debt even harms our Mid and late career educators. One in 10 has more than $100,000. This keeps many talented people out of the profession and pushes out far too many who enter it.

What happened to the promise of the Public Service Loan Forgiveness program? It hasn't been kept; 98% of applicants who have been denied, and at least half of those applicants would be eligible, but for service or malfeasance or needless technicalities. I am proud that NEA has helped educators navigate this unfair system and some have obtained forgiveness, including one where we help to music teacher John Mains recover over $100,000, but it took a US Senator and many NEA lawyers. That's not right. Most others have received nothing despite our best efforts. That is why NEA has led a coalition of millions urging the Department to cancel the debt. A public service worker with ten years of experience. No technicalities. No loopholes. Just cancel it. So, let me be clear about what our educators need and deserve. First, the payment pause must continue until PSLF reform occurs. Second, the PSLF reform must include administrative debt cancellation for all public service workers who have served for 10 years, and third after cancellation regulatory reforms must ensure that PSLF keeps its promise. As NEA President, I am eager to assist you in the vital work before us. Thank you.

Jennifer Hong: Thank you so much for your comment. Next, we have Kami Peer. Kami Peer if you could take yourself off of mute.

Kami Peer: Hello. Thank you for the opportunity to speak today. My name is Kami Peer, and I am a policy fellow at NextGen Policy, a nonprofit organization based in California. We fight for progressive policy changes to address environmental, social, racial, and economic inequities in California through justice centered legislative advocacy, grassroots, partnerships, and democratic civic engagement. So today, we'll be talking about student debt and millions of Americans are bearing the weight of the student debt crisis and disproportionately women and borrowers of color are bearing this burden.

Last year, more than 1,000,000 borrowers defaulted on student loans, adding to the 1,000,000 more who are currently unable to afford their payments. That means many of us, including me, are struggling to save for retirement, unable to purchase a home, harassed by debt collectors, and have our entire livelihoods denied by wage garnishments and Social Security offsets. The Biden administration now has a chance to repair the damage caused by decades of government mismanagement and industry abuses. The president ran on the promise that this administration would reform the student debt, student loan system to ensure that student debt would not be a lifelong burden and the student loan payments would be affordable for those in repayment. The president also promised to cancel a significant amount of student debt, including broad based cancellation for all borrowers. So, we want to thank the work the administration is done so and far and urge further action to ensure no student borrowers are left behind. So, we recommend three areas of much needed reforms.

First, the administration should deliver on promises for student loan borrowers before being thrown back into the badly broken student loan system. The administration should use existing authority to provide as much relief as possible by canceling student debt for millions. Cancellation would and will provide a much-needed economic stimulus and many other financial and social benefits.

Secondly, there is a broad consensus among borrowers, advocates, industry regulators, etc. that the current system is fundamentally broken and now, with payments set to resume on October 1st, borrowers are facing a reality in which they will be thrown back into programs that are meant to help are failing. The Education Department must deliver on the president's promise to make sure student loan payments are affordable for all student loan borrowers, particularly low-income borrowers. By creating a low, excuse me, an income-driven repayment plan that does not suffer from its predecessors' deep flaws, and grapples with the fact that more than 4,000,000 people continued to repay student debt that is more than two decades old, so income-driven repayment plans must present borrowers with the single option that address for each shortcoming of the current crop of options. A clear alternative with no tricks, traps, or tradeoffs, will allow borrowers to step away from legacy options and dramatically reduce complexity in student loan system. So, beyond IDR, it's also critically important that the Department address the serious flaws in the Total and Permanent Disability discharge program, creating a functioning pipeline to grant debt cancellation for borrowers defrauded by schools in the future and fix the administrative flaws in the PSLF program.

So finally, industry oversight and servicer accountability, are the most basic reforms expected to improve results for borrowers and the Department should explore all possible avenues here. Thank you so much for your time.

Jennifer Hong: Thank you; thank you for your comment. Our final speaker of the day is Elizabeth. McNeil. Elizabeth McNeil, if you could take yourself off of mute.

Elizabeth McNeil: Hello, sorry to keep you so long today, but thank you for hearing from me. I'm Elizabeth McNeil with the California Medical Association, and I'm speaking today on behalf of the California Medical Association, the California Hospital Association, the Texas Medical Association, and the Texas Hospital Association. So, we represent 100,000 physicians and hundreds of hospitals, and I wanted to raise an issue with the Department and all of you today about the Public Service Loan Forgiveness program. Because of the way the implementing regulation was written, most California and Texas physicians cannot participate in the program. So, for the last 12 years, I want to emphasize we've been locked out of the program. When Congress passed a law in 2007, they intended for physicians in all 50 states to be able to participate. The statute says that physicians may receive loan forgiveness if they work for a nonprofit organization which in our instance would be a hospital or clinic. However, the implementing regulation was severely narrowed from the statute, and it says the physician must be hired and paid by the nonprofit hospital, but in California and Texas most physicians are prohibited by state law from being directly hired and paid by non-profit hospitals. So, we raise the issue with the Department.

In 2015, the staff were surprised to learn of the problem, and said it was not the intent, but it remains, unfortunately, unresolved today; and I just want to say that is, that we would say that we've been mistakenly excluded from the program and it's harming access to health care and California and Texas are experiencing difficulties now recruiting and retaining the medical students that we train or having difficulty recruiting other physicians because they can't get loan forgiveness in our states for their $250,000 medical student loans. California and Texas are also two states that are going to have the largest physician shortages over the next decade. There are new studies showing part of this is because physicians can't get loan forgiveness here, so they're practicing elsewhere. So, I just wanted to urge the Department as part of the negotiated rulemaking to please address this issue to clarify the regulation, ensure it is consistent with the statute, and that will very much help improve access to care for patients in California and Texas--particularly in our rural hospitals, our children's hospitals, and our community hospitals. So, I want to thank you for your time today and also wanted to thank Amy Wilson for her help. Thank you.

Jennifer Hong: Great, thank you so much for your comments. And that concludes our hearing for today. I want to thank each and every one of the speakers for sharing your thoughts and comments with us. We are listening. We have staff diligently taking notes on all of your issues, and we do look forward to hearing more of your comments when we resume our public hearing tomorrow at 10:00 AM. Thank you very much. Thank you to staff and have a wonderful rest of your day.