STUDENT BORROWER PROTECTION CENTER

August 22, 2025

Nicholas Kent
Under Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

VIA Regulations.gov

Re: Docket ID ED-2025-OPE-0151

Dear Under Secretary Kent:

The Student Borrower Protection Center (SBPC) urges the U.S. Department of Education (ED) to use the above-referenced rulemaking to maximize borrowers' benefits and opportunities as the Trump Administration works to implement the changes to the federal student loan system pursuant to the "One Big Beautiful Bill Act", Public Law No. 119-21 (OBBBA). The new law makes drastic changes to the financial aid system and creates a borrowing and repayment environment that will make education more expensive and unattainable for millions of Americans, and for those who are already struggling to repay their federal student loans, will make delinquency and default more likely. During this transitional period, ED must take steps to hold borrowers harmless and mitigate unnecessary borrower harm.

First, in implementing the OBBBA's changes, ED must ensure borrowers have access to all existing repayment provisions until July 1, 2028, and may not sunset any options earlier than required by the law. Second, ED should use this rulemaking process as an opportunity to incorporate aspects of the earlier Saving on A Valuable Education (SAVE) Rule (88 FR 43820) that are consistent with the OBBBA but are currently caught up in the SAVE plan litigation. Each of these proposals is discussed below. We also urge ED to take all possible steps to establish critically important guardrails to protect students from low quality, predatory programs as it implements the new Workforce Pell Grant program.

ED must not sunset benefits for current borrowers earlier than required by law.

The OBBBA has fundamentally changed the federal student loan system, but for borrowers who do not take out new loans beginning July 1, 2026, a "current borrower," the law allows them to continue with relatively few changes to their options until July 1, 2028.

Specifically, the HEA now clearly states that borrowers who have not received new loans beginning July 1, 2026, may choose from six repayment plans: 1) the standard plan, 2) the graduated plan; 3) the extended repayment plan; 4) before June 30, 2028, an income contingent repayment (ICR) plan; 5) an income-based repayment (IBR) plan; and 6) beginning

July 1, 2026, the income-based Repayment Assistance Plan (RAP). 20 U.S.C. 1087e(d)(1). The plain text of the HEA therefore makes clear that borrowers can maintain access to ICR plans—such as Paye As You Earn (PAYE), Income-Contingent Repayment (ICR), and SAVE (formerly Revised PAYE, or REPAYE), which are all ICR-based plans, until July 1, 2028.

Additionally, the OBBBA instructs the Secretary "to ensure that before July 1, 2028," any current borrower in an ICR-based plan has selected either IBR, RAP, or one of the other plans listed above. OBBBA, Sec. 82001(a)(1). If there is any ambiguity as to whether "before" allows borrowers to enroll in these plans "until" July 1, Congress also provided that, "[b]eginning July 1, 2028," a current borrower must begin making payments on their new plan, unless the borrower "chooses" to begin repayment before that date. *Id*. at 82001(a)(2). This makes clear that there is no obligation to make payments on a new plan prior to July 1, 2028. Additionally, the OBBBA directs the Secretary to move any current borrower enrolled in an ICR-based plan who has not selected another plan by July 1, 2028, to either the RAP or IBR plans and to require repayment pursuant to those plans "on July 1, 2028." *Id*. at 82001(a)(3). The Secretary is neither instructed nor permitted to move a current borrower before this date.

Taken together, it is clear that Congress permitted a current borrower to remain on an ICR-based plan until July 1, 2028, and that any election of another plan before that date is voluntary. Put differently, a current borrower can only be forced to enroll and begin making payments on IBR or RAP "on" July 1, 2028.

ED must therefore ensure that the ICR-based plans remain available for current borrowers until July 1, 2028, and should therefore not sunset these plans any earlier. The OBBBA also requires ED to allow current borrowers access to the current standard, graduated, and extended repayment plans indefinitely, unless they take out new loans beginning July 1, 2026.

ED should reintroduce aspects of the SAVE Rule that would benefit borrowers under the OBBBA.

In April 2024, a coalition of states sued ED to block the SAVE plan, one of the ICR-based plans. As a result of that ongoing litigation, the entire SAVE Rule that promulgated the SAVE plan has been preliminarily enjoined, including aspects of the rule that are unrelated to the SAVE plan itself, or the aspects of the plan that are being challenged. In the upcoming rulemaking, ED has an opportunity to reintroduce those provisions and make them available, regardless of the ongoing legal challenges or the outcome of the SAVE litigation.

Specifically, the SAVE Rule allowed borrowers to:

- allow defaulted loans to be repaid under IBR (*ee* 88 FR at 43901, amending 34 CFR 685.209(d)(2));
- obtain credit toward IDR cancellation for payments made in bankruptcy (*see id.* at 43903, amending 34 CFR 685.209(k)(4)(iv));
- obtain credit toward IDR cancellation for pre-consolidation qualifying payment (*see id.*);

- obtain credit toward IDR cancellation for payments made through involuntary collections (*see id*, amending 34 CFR 685.209(k)(5));
- make catch-up payments to obtain credit for past ineligible periods of forbearance or deferment (*see id.*, amending 34 CFR 685.209(k)(6));
- automatically recertify income and family size ((*see id.*, amending 34 CFR 685.209(l));
- automatically enroll in an IDR plan delinquent for 75 days (*see id.* at 43904, amending 34 CFR 685.209(m)); and
- enroll in an IDR plan to exit default (*see id.*, amending 34 CFR 685.209(n)).

It is critical for ED to re-promulgate these provisions as soon as possible, since it has already resumed involuntary collections from low-income borrowers in default, seizing their federal benefits and garnishing their paychecks. These collections will push millions further into poverty, especially as over 7 million borrowers currently in delinquency risk defaulting on their loans. The protections above would provide millions of borrowers an essential safety net for borrowers.

The new Workforce Pell Grant program eligibility requirements must protect students against low quality, predatory institutions.

In developing program eligibility requirements for the Workforce Pell Grant program, ED must ensure that participants cannot receive federal funds to attend predatory programs. In particular, online program management companies (OPMs) and short-term bootcamps have a well-established track record of defrauding students and targeting students with high-cost, low-quality programs in order to access their federal financial aid. OPMs are private companies that design, market, and teach courses in the shadows, oftentimes under the brand names of traditional colleges. ED must impose quality controls and assess the programs now eligible for Pell Grants, so it does not open the floodgates to funding a new wave of predatory online degrees.

We urge the Department to pay special attention to the interplay between the Workforce Pell Grant and federal requirements and oversight of accrediting bodies. Many short-term programs that may become eligible for the new grant program have historically been offered by extension schools, divisions of colleges or universities that provide easy access (compared to traditional admissions access) to continuing education, professional development, and training. Extension schools have been overlooked by accreditors and other regulators in the past. In addition, such programs have not been required to provide student outcomes like job placement information in an official, public-sanctioned capacity, and outcomes data collected by private sector initiatives about short-term bootcamps have been historically unreliable. The Department should require the use of reliable, validated, and publicly available data when implementing the accountability provisions for the new Workforce Pell Program.

The Department has broad discretion in its administration of the student loan system, and has the authority to ensure that borrowers are held harmless during this transitional time. We strongly urge the Department to adopt these measures to protect borrowers and students from

preventable financial struggle and predatory actors. Please contact us at winston@protectborrowers.org if you would like to discuss these proposals further.

Sincerely,
Student Borrower Protection Center