



March 2, 2026

The Honorable Nicholas Kent
Under Secretary of Education
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

Tamy Abernathy
Office of Postsecondary Education
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

Re: Notice of Proposed Rulemaking Docket ID ED-2025-OPE-0944

Dear Under Secretary Kent and Director Abernathy:

Protect Borrowers, a national nonprofit advocacy, policy, research, and litigation organization working to build an economy where debt does not limit opportunity, submits this comment in response to the U.S. Department of Education’s (the Department) Notice of Proposed Rulemaking (NPRM) published in the Federal Register on January 30, 2026.¹ This comment responds to the Department’s request for feedback on its proposed rules to implement unprecedented changes to the federal student loan programs and federal student loan repayment system pursuant to the “One Big Beautiful Bill Act,” Public Law No. 119-21 (OBBBA).

Amidst an unprecedented affordability crisis where millions of Americans are struggling to keep up with the rising costs of everyday essentials, more working families are also seeing the costs of critical hallmarks of the American Dream—homeownership, a secure retirement, and a higher education—pushed further out of reach. Unfortunately, the OBBBA signed by President Trump and supported by his allies in Congress cuts over \$300 billion from higher education, including federal financial aid programs that students and families rely on to pay for college and the critical student loan safety net that borrowers utilize when experiencing financial hardship. These unprecedented cuts to the higher education system were made in order to bankroll \$4 trillion in tax cuts for billionaires and the biggest corporations. This could not come at a worse time for students and families.

As a result of the OBBBA, students will now have less access to critical federal financing to help pay for college and more families will be pushed into the private market to fill these financing gaps.² The new law eliminates the Graduate PLUS loan program and sets new lending caps for students and parents. For future borrowers and millions of current student loan borrowers already struggling to repay their federal student loans, the new law will make monthly student loan costs

¹ Notice of Proposed Rulemaking, Reimagining and Improving Student Education, 91 Fed. Reg. 4251 (Jan. 30, 2026), <https://www.federalregister.gov/documents/2026/01/30/2026-01912/reimagining-and-improving-student-education>.

² Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers, (Sep. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

more expensive and delinquency and default more likely.³ Making matters even worse, the Department's proposed rule exacerbates these harms imposed by the OBBBA and risks pushing even more borrowers and their families further into private loans or out of higher education altogether.

Below are our detailed comments in response to the draft regulations released by the Department:

Secretary McMahon must implement the SAVE plan in light of the federal court order formally ending the SAVE injunction.

Last Friday, a federal judge dismissed *Missouri v. Trump* and refused to grant plaintiffs' and the Trump Administration's request to vacate the Saving on A Valuable Education (SAVE) rule, formally ending the injunction on the SAVE repayment plan⁴. As a result, millions of borrowers are now entitled to the benefits of the SAVE plan. Accordingly, we call on Secretary McMahon to implement the SAVE plan to ensure that borrowers entitled to SAVE cancellation get necessary relief and that borrowers are able to access more affordable payments. For too long, 7 million borrowers have been caught in limbo as a result of legal challenges led by right-wing Attorneys General. Making matters worse, the Department voluntarily entered into a settlement agreement to formally wind down the SAVE plan two years earlier than required by the OBBBA. This would force 7 million borrowers to take action in the near future in order to remain in an IDR plan. Pushing SAVE borrowers out of SAVE earlier than absolutely necessary under the OBBBA will exacerbate the chaos already prevalent within the student loan repayment system and further increase the inexcusable delays and wait times that borrowers are experiencing as they attempt to access IDR plans.

Recommendation: The Department should implement the SAVE plan as required by law and process the cancellation of all borrowers who qualify for relief under the SAVE rule and provide affordable payments to millions of borrowers.

The Department must take steps to hold borrowers harmless and mitigate unnecessary borrower harm while the student loan system is in this unprecedented transitional period.

The student loan system is already experiencing unprecedented levels of chaos, disruption, and borrower distress and the implementation of the OBBBA is likely to make things even worse. In

³ Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers, (Sep. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

⁴ Adam Minsky, *6 Key Points For Student Loans After Shock Court Decision Preserves Repayment Plan, For Now*, Forbes, (Mar. 2, 2026), <https://www.forbes.com/sites/adamminsky/2026/03/02/6-key-points-for-student-loans-after-shock-court-decision-upends-education-departments-plans/>.

early 2025, the Department chose to remove the online Income Driven Repayment (IDR) application, removing access to affordable repayment options for millions of borrowers.⁵ Only after the Department faced legal action by AFT did it restore access to IDR options.⁶ Unfortunately, in the months following, borrowers have been forced to wait as an unprecedented IDR application backlog reached nearly 2 million applications in May of 2025.⁷ As of February 2026, the backlog stands at more than 600,000 applications from borrowers desperately seeking affordable monthly payments.⁸

In August of 2025, Protect Borrowers, then formally known as the Student Borrower Protection Center, urged the Department to take steps to ensure borrowers are held harmless and mitigate unnecessary borrower harm as such unprecedented changes take place within the student loan system.⁹ We continue to call on the Department to ensure that this period of transition does not push borrowers further into the red while they wait to access repayment options guaranteed to them by federal law. Further, current borrowers enrolled in IDR and Income Contingent Repayment (ICR) plans set to sunset by July 1, 2028, should be held harmless in the case that servicing errors or delays prevent the borrower from successfully enrolling in the new Repayment Assistance Plan (RAP) plan prior to the deadline.

For borrowers expected to take action by a certain deadline—for example, Parent PLUS borrowers are required to consolidate prior to July 1, 2026, in order to preserve access to an IDR option—the Department must ensure that servicing errors and delays do not prevent borrowers from accessing these critical benefits. We also urge the Department to consider ways to streamline the process required for current Parent PLUS borrowers to consolidate and eventually enroll in Income Based Repayment (IBR). Currently, the Department’s proposed rule requires borrowers to consolidate their loans prior to July 1, 2026, enroll in ICR, and then make one payment before applying to enroll in IBR. This complicated process makes borrowers have to wait even longer in order to access the more affordable payments in IBR and increases the likelihood of servicing delays and errors standing in the way.

⁵ Adam Minsky, *Department of Education Takes Down Key Student Loan Forgiveness and Repayment Applications*, Forbes, (Feb. 24, 2025), <https://www.forbes.com/sites/adamminsky/2025/02/24/departments-of-education-takes-down-key-student-loan-forgiveness-and-repayment-applications/>.

⁶ *AFT v. ED Update: Under Pressure, ED Will Restore IDR Application Tomorrow But Will Not Immediately Resume IDR Paperwork Processing*, Protect Borrowers, (Mar. 25, 2025), <https://protectborrowers.org/update-under-pressure-ed-will-restore-idr-app-but-not-immediately-resume-processing/>.

⁷ *New Court Filing Reveals Backlog of Nearly 2 Million Student Loan Borrower Payment Plan Applications*, Protect Borrowers, (May 16, 2025), <https://protectborrowers.org/new-court-filing-reveals-backlog-of-2-million-borrower-payment-plan-applications/>.

⁸ Status Report, Dkt No. 61, *AFT v. McMahon* (Feb. 13, 2026, D. Mass.), <https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.61.0.pdf>.

⁹ *Comment in Response to The Department of Education’s Intent to Establish Negotiated Rulemaking Committees*, Student Borrower Protection Center, (Aug. 22, 2025), <https://protectborrowers.org/resource/letter-to-ed-on-rise-ahead-negotiated-rulemakings/>.

Recommendation: ED should ensure that no borrower loses out on benefits over the crucial OBBBA implementation period due to servicing errors, administrative backlogs, and delays, by 1) using the date the borrower applies for consolidation or a repayment plan instead of the date the Department processes the application as the effective date, and 2) streamlining the process in which Parent PLUS borrowers can apply for IBR to ensure that borrowers have access to the most affordable monthly payment possible as quickly and efficiently as possible.

OBBBA’s changes to student loan repayment options for new borrowers will make student loan costs more expensive and make delinquency and default more likely.

For new borrowers, the OBBBA eliminates all current IDR plans and replaces them with a single income-cognizant plan as well as a new Tiered Standard Repayment Plan. The RAP plan forces borrowers to make more expensive monthly payments than almost every current IDR plan that it replaces.¹⁰ Under the plan, enrolled borrowers would pay between one to 10 percent of their adjusted gross income, borrowers would be required to make a minimum monthly payment of \$10 (regardless of whether a borrower is significantly low-income or unemployed), and the plan only reduces the monthly payment by \$50 per dependent child. Making matters even worse, under the RAP plan borrowers will see steep payment hikes whenever their income surpasses certain arbitrary thresholds—punishing borrowers for even small cost-of-living raises. Estimates show that a typical single borrower with a bachelor’s degree would pay \$4,168 *more* per year compared to what they would have paid under the SAVE Plan.¹¹

In addition to creating the RAP plan, the OBBBA establishes a new Tiered Standard Repayment Plan (Tiered Standard Plan). Under the new Tiered Standard Repayment Plan, a borrower’s payments will be calculated based upon the borrower’s loan balance and a predetermined, fixed repayment term. Those borrowing up to \$25,000 will have 10 years; between \$25,000 to \$50,000 have 15 years; \$50,000 to \$100,000 have 20 years; and over \$100,000 have 25 years to repay. Under the Department’s proposed rule, borrowers repaying under the Tiered Standard Plan would be required to pay a minimum payment of \$50. Under the new law, the Tiered Standard Plan would also be ineligible for Public Service Loan Forgiveness and be the default option for borrowers unless they proactively enroll in the RAP plan.

Taken together, RAP’s higher monthly payments along with the elimination of \$0 dollar payments for the lowest income borrowers, as well as the new \$50 minimum payment requirement for borrowers enrolled in the new Tiered Standard Plan, will likely increase the number of borrowers falling into delinquency and default on their student loans. Amidst a

¹⁰ Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers, (Sep. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

¹¹ *Id.*

growing affordability crisis, these changes come at the worst time for borrowers who may already be struggling to afford rising costs of everyday essentials. An unprecedented number of borrowers are currently in default or severely behind on their student loans. Currently, more than nine million borrowers are in default. Over the first year of the Trump Administration, one new borrower fell into default every nine seconds.¹² One in four student loan borrowers are now in delinquency on their student loans.¹³ In response to the unprecedented default crisis and pressure from borrowers and advocates, the Trump Administration announced a temporary pause on all forced collections.¹⁴ While this announcement was certainly welcome news for the nine million borrowers at risk of seeing their hard earned wages garnished and precious tax refunds offset, the upcoming changes in the OBBBA threaten to exacerbate the delinquency and default crisis.

While we acknowledge that rescinding OBBBA's harmful provisions is beyond ED's rulemaking authority, we urge ED to do all it can to cushion the impact of these changes on borrowers. While we continue to urge Congress to reconsider repealing the harmful provisions of the OBBBA that will make student loan costs so much more expensive for borrowers, ED can and should work administratively to ensure that these plans are as affordable as possible and that borrowers are provided information on the terms of these plans including whether or not they are PSLF eligible. Further, it is critical that the Department extend the current pause on forced collections for borrowers facing default.

Recommendation: ED should work to ensure that the new repayment plans created by the OBBBA are as affordable as possible, that borrowers are clear on which plans are eligible for PSLF debt relief, and extend protections from forced collections in light of the unprecedented default crisis.

The harms of OBBBA's elimination of the Graduate PLUS loan program and strict new lending limits will be exacerbated by the Department's narrow definition of "professional" degree programs which will force students pursuing postbaccalaureate degrees in fields like education, nursing, social work to have to take on risky private student loans in order to finance their ongoing education.

¹² *New Analysis Finds That a Student Loan Borrower Defaulted Every Nine Seconds in 2025, as Trump Restarts Wage Garnishment*, Protect Borrowers, (Jan. 7, 2026), <https://protectborrowers.org/new-analysis-finds-that-a-student-loan-borrower-defaulted-every-nine-seconds-in-2025-as-trump-restarts-wage-garnishment/>.

¹³ Peter Granville, Eduard Nilaj, Jennifer Zhang & Aissa Canchola Bañez, *Trump's Student Loan Delinquency Crisis, Unmasked*, Protect Borrowers and The Century Foundation, (Feb. 20, 2026), <https://protectborrowers.org/release-student-loan-delinquency-spikes-to-record-25-percent-under-trump-destroying-credit-scores-and-locking-millions-out-of-economy/>.

¹⁴ *U.S. Department of Education Delays Involuntary Collections Amid Ongoing Student Loan Repayment Improvements*, Department of Education, (Jan. 16, 2026), <https://www.ed.gov/about/news/press-release/us-department-of-education-delays-involuntary-collections-amid-ongoing-student-loan-repayment-improvements>.

The many unprecedented cuts to higher education within the OBBBA include the elimination of the Graduate PLUS loan program and strict new lending limits for new students and parents taking on Federal Direct Loans after July 1, 2026. The Graduate PLUS loan program allowed eligible graduate and professional students to borrow up to the full cost of attendance for their advanced degree. The elimination of this program, along with new lending limits for students pursuing graduate level education and parents hoping to help their children pay for their undergraduate education, will make it more expensive and risky to finance a higher education.¹⁵ For degree-holders who relied on Graduate PLUS loans in the 2023-2024 award year, these loans made up nearly half (47 percent) of the typical graduate borrower’s loan package. Given the elimination of the Grad PLUS loan program, these borrowers will have to seek out options in a much more expensive and exclusive private market. According to our analysis, the average Graduate PLUS borrower who replaces their entire loan with a private market option would pay an additional \$10,885 in interest alone, generously assuming that they repay the full balance in 10 years.¹⁶ Additionally, borrowers who have to take on both unsubsidized loans while also replacing their Graduate PLUS borrowing with a private loan would be forced to make two types of payments each month and see their total monthly student loan costs skyrocket. This would cost the typical such borrower at least an additional \$755 and up to \$1,034 more each month, totaling between \$9,055 to \$12,407 more per year.¹⁷

In addition to the added costs borrowers would have to take on in the private student loan market as a result of the elimination of Graduate PLUS loans, the new lending caps will also push students and families to resort to private student loans to fill gaps in financial aid. Beginning on July 1, 2026, new students pursuing post-baccalaureate degrees in “professional degree” programs will be eligible for \$50,000 annually and \$200,000 in aggregate in federal student loans, while new students pursuing post-baccalaureate degrees in “graduate degree” programs will be eligible for only half this amount, \$20,500 per year and \$100,000 in aggregate. Research has found that the new lending limits would result in over \$8 billion in federal loans being “capped” and no longer available to students—leaving students and families on the hook and at the whims of the private market to make up the difference or out of higher education altogether.¹⁸

¹⁵ Mark Huelsman & Aissa Canchola Bañez, *Eliminating Grad PLUS Loans Without Making Higher Education More Affordable Would Be a Disaster for Students and Borrowers*, Protect Borrowers, (Apr. 25, 2026), <https://protectborrowers.org/eliminating-grad-plus-loans-without-making-higher-education-more-affordable-would-be-a-disaster-for-students-and-borrowers/>.

¹⁶ Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers, (Sep. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

¹⁷ *Id.*

¹⁸ Jordan Matsudaira, Tia Caldwell, Meredith Welch & Maria Luisa Vasquez, *How Will Graduate Student and Parent Borrowing be Affected by New Federal Loan Limits*, Peer Center, (Oct. 2025), <https://www.peer-center.org/research/grad-parent-borrowing-loan-limits>.

Making matters worse, the Department made the unusual step of defining a “professional degree” by using an existing regulation which included a non-exhaustive list of programs that qualify. Instead of keeping this definition open ended, the Department proposed making a finite list of degree programs which include: Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), Clinical Psychology (PsyD or PhD) and Theology (M.Div., or M.H.L.) as well any other program that would meet a three part test.¹⁹ Taken together, the Department’s definition further limits the universe of programs that would qualify for the higher lending amounts and will exacerbate the challenges that students will face in securing financing to pay for college.

The Department’s proposed “professional degree” definition will exclude critical degrees in essential fields like education, nursing, counseling and social work and have a disproportionate effect on women and students of color.²⁰ Women account for more than 70 percent of graduates in programs that would be excluded from the higher lending limits and many excluded programs, such as public health, social work and registered nursing, have some of the highest shares of graduates of color.²¹ Further, less than five percent of graduates in the most awarded advanced degree fields would be eligible for the “professional degree” loan caps as proposed by the Department’s NPRM.²²

The Department’s proposed definition of eligible degrees for the higher lending limits will result in women and Black and brown students hitting their lending limits before they have completed their programs and push them into the private loan market, where they could face a harder time accessing financing. Unlike federal student loans, private lenders use an array of underwriting factors such as a students’ income, assets, and credit score to determine how much to lend to a student and under what terms. Due to ongoing racial and gender disparities in credit scores, credit reports, and the share of borrowers known as “credit invisibles,” women and students of color may have a much harder time securing private loan financing.²³ Alternatively, students struggling to secure financing from traditional private student lenders, could be pushed into riskier financing products proliferating in the shadow student loan market where products are

¹⁹ According to the Department’s NPRM, programs in addition to those listed in the professional degree definition would include a program that: is in the same four-digit Classification of Instructional Programs (CIP) code as those 11 fields explicitly listed; **and** at the doctoral level, requiring 6 years of higher education, including at least two at the post-baccalaureate level; and requires professional licensure. This three-part test would make the universe of programs eligible for the “professional degree” lending caps even smaller.

²⁰ Sandra Perez & Brianna Huynh, *How the Elimination of Grad PLUS Loans and Classification of Professional Degrees Harm Women and Students of Color*, Ed Trust (Dec. 16, 2025), <https://edtrust.org/rfi/eliminating-grad-plus-loans-professional-degrees-harms-women-students-of-color/>.

²¹ *Id.*

²² *Id.*

²³ Peter Granville, *The FICO Factor: GOP Megabill Will Limit Who Gets to Access College*, The Century Foundation, (Jul. 21, 2025), <https://tcf.org/content/report/the-fico-factor-gop-megabill-will-limit-who-gets-to-access-college/#easy-footnote-bottom-31-61979>.

more likely to have sky-high interest rates, and lenders have been found to engage in predatory and abusive servicing and collections tactics.²⁴

Proponents of the OBBBA claimed that these new lending limits would pressure schools to reduce their costs. Unfortunately, we have yet to see this reality unfold. Instead, due to the massive cuts to healthcare and other safety net programs included in the OBBBA, many states are now considering having to further increase tuition costs in order to balance budget deficits.²⁵ Instead of lowering costs, states are announcing efforts to create state-based lending programs—many of which do not guarantee affordable repayment options or cancellation pathways like PSLF and discharge due to death and permanent disability—simply to fill in gaps created by the OBBBA.²⁶ Now, the Department’s proposed rule will increase the universe of students and families that will desperately resort to the private market to finance their dreams of a higher education.

While we acknowledge the fact that President Trump and his allies in Congress are responsible for the new lending limits that will drastically reduce access to federal lending and will push students and families into the private market or out of higher education altogether, the Department must ensure that its work to implement the OBBBA does not further limit access more than what Congress required.

Recommendation: We strongly encourage the Department to reconsider its proposed definition of “professional degree” and expand its definition so that students pursuing graduate level degrees in critical fields are not unnecessarily forced into the private student loan market in order to pursue their higher education dreams.

The Department’s decision to immediately phase in pro-rated lending limits and programmatic loan limits set by institutions will harm students—disproportionately student parents—and needlessly throw a wrench into their education plans.

The OBBBA also required the pro-ration of loan limits for students enrolled in undergraduate or graduate level programs less than full-time and also allowed institutions to set lower programmatic lending limits beginning on July 1, 2026. By reducing access to aid for part-time students, whose non-tuition costs often rival—or even exceed—students attending full-time, this policy will prevent millions of students from meeting their needs, and force many to find

²⁴ *Shadow Student Debt*, Protect Borrowers (Jul. 2020), <https://protectborrowers.org/wp-content/uploads/2020/12/Shadow-Student-Debt.pdf>.

²⁵ John Marcus, *After Years of Quietly Falling, College Tuition is on the Rise Again*, The Hechinger Report, (Oct. 13, 2025), <https://hechingerreport.org/after-years-of-quietly-falling-college-tuition-is-on-the-rise-again/>.

²⁶ Natasha Sokoloff, *Connecticut officials propose new student loan program in response to Trump changes: 'Ready to lead'*, CT Insider, (Jan. 6, 2026), <https://www.ctinsider.com/news/education/article/ct-new-student-loan-proposal-trump-federal-changes-21279353.php>.

alternative financing or end their education all together. The Department has chosen not to include any additional protections in the NPRM that would ensure students are properly informed of the new limits and their options if they are forced to reduce their intensity to less-than-full-time. The NPRM also does not establish guardrails that could guide institutional decision-making for program-level limits and ensure students have a clear understanding of their ability to appeal any decision that lowers their access to federal student loans. Finally, by implementing two different lending limit regimes for students currently enrolled in programs, the Department is increasing the risk for further complexity and confusion among students and financial aid officers charged with explaining these details.

Recommendation: The Department should align the phase in for the pro-rated lending limits for students attending less than full-time as well as the institutionally set programmatic loan limits with the same phase in time period for all other currently enrolled full-time students. Doing so will allow students to plan accordingly and make necessary adjustments to their coursework in order to finish their programs before losing access to critical financial aid resources.

The Department’s interpretation of the OBBBA’s requirement of an “on-time payment” within the RAP plan to exclude payments through the Public Service Loan Forgiveness Program reconsideration period will unnecessarily push critical benefits and relief further out of reach.

The Department’s decision to change the way it defines “on-time payment” for the purposes of the RAP plan as only payments “received on or before the due date of the current month, but after the due date for the previous month” would mean that borrowers who use certain periods of deferments and forbearances would be unable to later “buy back” this time as otherwise permitted by the PSLF regulations. The student loan servicing industry has a long documented history of servicing abuses, and, in particular, forbearance steering, which has denied millions of borrowers access to critical relief. We do not interpret Congress’ use of “on-time” to preclude the ability to “buy back” the time if the payment amount is equal to or greater than the amount the borrower would have paid at the time, rather to encourage borrowers who ARE enrolled in RAP to make their payment in a timely manner.

Recommendation: The Department should ensure that borrowers seeking Public Service Loan Forgiveness can “buy back” time by making payments equal to or greater than the amount they would have paid on RAP.

In light of the Federal court order which ended the SAVE injunction, ED must ensure that critical rules included in the SAVE regulations are available to borrowers.

Now that the injunction blocking access to the SAVE plan as well as regulations included within the original SAVE rule is now over, it is critical for ED to ensure that these important features remain available to borrowers immediately. In particular, the Department’s proposed rule failed to adopt the provision of SAVE that would have allowed defaulted borrowers to enroll in an IDR plan to exit default. Consolidation and rehabilitation pose significant hurdles for many borrowers in default, especially those

who have exhausted their consolidation or rehabilitation option. We urge the Department to ensure that any future regulation continues to include this option.

Amidst the ongoing affordability crisis, the Department's proposed rule exacerbates these harms imposed by the OBBBA and risks pushing even more borrowers and their families further into financial distress. We urge the Department to take these recommendations in order to protect the financial well-being of all students, borrowers, and families.

Thank you for your consideration.

Sincerely,

Protect Borrowers