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Agency Information Collection Activities; Comment Request; Reaffirmation Agreement

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Submitter Information

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General Comment

It is not clear what a reaffirmation is attesting to when it comes to larger debtors, who disproportionately rely on subsidized IDR plans. When someone pays through IDR, they are not really paying off what they owe, so any “Promise to Repay” is a symbolic gesture without any significance.

Therefore, I recommend that for students with more than \$31,000 in loans, smaller overpayments, e.g. less than \$500 require actual repayments, and larger overpayments require return of funds from the school. Reestablishing eligibility through a reaffirmation should only apply to borrowers with low debts and low overpayments.

Otherwise, there’s no consequence for going well over a statutory limit. Anyone can “promise to repay” then qualify for de minimis payments if they already hold more debt than they can afford.

FSA Response:

Thank you for your comment regarding this information collection. However, the revisions suggested would require changes to the Higher Education Act of 1965, as amended, and/or negotiated rulemaking and therefore cannot be incorporated into this collection.