

On October 1, 2023, the Department of Education (the Department) convened a negotiated rulemaking committee, the Student Debt Relief Committee, to consider proposed regulations for the Federal Student Aid programs authorized under title IV of the Higher Education Act of 1965, as amended, (HEA). Through the Notice of Proposed Rulemaking (NPRM), (docket number ED-2023-OPE-0123, published April 17, 2024) the Secretary proposes to amend the regulations to provide for the waiver of certain student loan debts.

The Department proposes to amend 34 CFR 682 by adding a new § 682.403. The Department proposed regulations in the NPRM would, in accordance with the Secretary’s authority to waive repayment of a loan provided by the HEA, provide targeted debt relief as part of efforts to address the burden of student loan debt. The proposed regulations would allow the Secretary to waive specific Federal Family Education Loan (FFEL) Program loans held by private lenders or managed by guaranty agencies.

In the case of FFEL Program loans held by a private loan holder or a guaranty agency, under proposed § 682.403(a) the Secretary may waive the outstanding balance of a FFEL Program loan when a loan first entered into repayment on or before July 1, 2000; when the borrower is otherwise eligible for, but has not successfully applied for, a closed school discharge; or when the borrower attended an institution that lost its title IV eligibility due to a high CDR, if the borrower was included in the cohort whose debt was used to calculate the CDR or rates that were the basis for the institution’s loss of eligibility. If the Secretary exercises his discretion under this section, the Secretary would notify the lender that a loan qualifies for a waiver and the lender would be instructed to submit a claim to the guaranty agency. The guaranty agency would pay the claim, be reimbursed by the Secretary, and assign the loan to the Secretary. After the loan is assigned, the Secretary would grant the waiver.

The proposed regulations in §§ 682.403(d)(2), (3), and (4) *Claim Procedures* would require affected lenders to submit claims to the guaranty agencies based on the notification received from the Department as established in § 682.403(c) within seventy-five days of receiving the notification. The documentation includes the original or a true and exact copy of the promissory note, and the notification received from the Department. If a lender does not have the original or true and exact copy of the promissory note, it may submit alternate documentation acceptable to the Secretary.

We are estimating that each of the 268 for-profit lenders would require three hours per borrower to gather the required documentation together and prepare to submit the documentation to the appropriate guaranty agency for a total of 1,530,000 hours (510,000 borrowers x 3 hours).

#### TOTALS

Responses	510,000
Respondents	268
Burden Hours	1,530,000