OMB Number 1845-0182 – Joint Consolidation Loan Separation Application
(60D) Comment Response Table

Comment #	Commenter Name	Comment	FSA Response	Change to ICR or Form
004	NCHER	On behalf of the National Council of Higher Education Resources (NCHER), thank you for the opportunity to provide comments on the consolidation LVC and application. ED is proposing changing the interest rate from "rate in effect" to "statutory rate" on the LVC. If this change is made, there needs to also be a corresponding change to the SCRA 6% borrower benefit (discount) information included in the consolidation loan application (p. 20). An appropriate change will need to be made to disclosure regarding the 6% interest rate is used to determine the fixed weighted average. Thank you	The change from using the “rate in effect” to the “statutory rate” on the LVC was made to ensure the interest rate for the resulting Direct Consolidation Loan is not inappropriately calculated to be based on a temporary or situational interest rate. Any temporary or situational interest rate the borrower remains eligible for could be reapplied for by the borrower on the new Consolidation Loan if the borrower remains eligible for such a benefit on the Direct Consolidation Loan. We do not believe this change necessitates a revision of the SCRA provisions in the promissory note since only loans made prior to the military service qualify for the benefit. So, a borrower who is actively serving such that they would qualify for this rate cap would no longer qualify for such a cap on the resulting Direct Consolidation Loan being made as it would be disbursed after the period of military service the borrower is currently serving began. A borrower may have the SCRA interest rate provision applied at a future date if the borrower becomes eligible again.	No change
005	NASFAA	We find the proposed new disclaimer stating the Department of Education “does not guarantee or endorse the quality of academic programs provided by schools that participate in federal student financial aid programs” inappropriate to be included on the Master Promissory Note, which is a legal contract for a federal loan, not a consumer disclosure vehicle for	Thank you for your comment. While we understand your concerns, we disagree that the promissory note is an inappropriate vehicle for such information.	No change

		institutional quality. Further, this broad disclaimer is of limited value to borrowers without accompanying guidance directing them to reliable resources for evaluating the quality and outcomes of a particular institution or program. We would encourage the Department to remove it entirely. While we understand the intent behind adding the explicit prohibitions on the use of federal loan funds to the MPN, we are not persuaded that the MPN is the appropriate vehicle for that disclosure.		
		The proposed revision to Section 14, Item 10, removes language that alerts borrowers that automatic placement in the Standard Repayment Plan "may require you to make a higher monthly payment than other repayment plans," and replaces it with a statement that borrowers who do not select a plan will be placed on the Tiered Standard Plan, with no comparative information about what that automatic placement means for their monthly payment obligation. Eliminating this language removes a meaningful consumer protection signal at the moment when borrowers are making a consequential financial decision. For some borrowers, particularly those with lower incomes or significant debt, automatic placement on the Tiered Standard Plan could result in unaffordable monthly	Thank you for your comment. However, because the Tiered Standard and Repayment Assistance plans include multiple borrower specific variables, we cannot generically conclude that one plan is more beneficial than the other to borrowers with respect to their monthly payment amount.	No change

		payments, with serious consequences for their financial stability. We recommend that the Department retain it in Section 14, Item 10.		
		The same concern applies to Section 11. While the current version does not contain language regarding automatic repayment plan placement, the proposed revision would add such language without providing comparative context about available repayment options. ED should include language in Section 11 noting that borrowers placed on the Tiered Standard Plan by default may face a higher monthly payment than they would under the Repayment Assistance Plan, directing them to review their repayment options, and reminding borrowers that actively selecting a repayment plan is an important decision with real financial consequences. We recommend that the Department include language in both sections, as they serve different purposes and reach borrowers at different moments.	Thank you for your comment. Because a general comparison between the monthly payment amount in each plan is borrower specific, we have added a reminder that borrowers who are placed in the Tiered Standard Plan in this scenario can use the Repayment Calculator to determine the plan that may best meet their needs once their Direct Consolidation Loan has been disbursed.	change
006	Anonymous	There are only about 770 remaining JSCL loans. Even if every loan has two co-borrowers applying separately, that is fewer than 1600 people maximum. So where does 37,000 come from? ED acknowledges, "The total number of borrowers with outstanding joint consolidation loans is relatively small, and not all of those borrowers will apply to	Thank you for your comment. The Department estimated the number of respondents who could apply to separate their Joint Consolidation Loans (JCLs) when the Combined Application to Separate a Joint Consolidation Loan and Direct Consolidation Loan Promissory Note was initially published. The Department surveyed the FFEL loan holders, and as of June 2026, there are approximately 39,000 JCLs remaining and approximately 45,000 JCL borrowers. Since the	Change to burden (not form content)

		separate their joint consolidation loans." Thus, ED is using the small population as justification for offering only a paper application rather than building an electronic system but then estimates 37,000 applicants. This contradiction is not explained. The same "37,000" respondents figure was used in the public notice for the original separation application. It appeared to be wrong and arbitrary then just as it is arbitrary now. Under federal law, a federal agency is to respond to significant comments and to explain its bases. ED needs to explain how it arrived at the purported 37,000 respondents figure not once but twice. And assuming the original 37,000 figure was correct, how is it that ED expects 37,000 respondents again when this is an updated form only for those Joint Spousal Consolidation Loan borrowers who have not yet applied to separate their loans. And by the way, ED still has not fully implemented the letter or spirit of the Joint Spousal Loan Consolidation Act. This attempt to "follow the OBBBA" is another example of ED's foot dragging when it comes to providing meaningful relief to this small group of borrowers. Ridiculous.	Department began processing JCL separations, 12,719 JCL separations have been completed. The Department initially estimated 37,000 separations would be completed based on the expressed interest from the public. The actual number of applications has been less than expected, and therefore, we have adjusted the number of respondents to 10,337 and made the modifications to the burden calculations accordingly.	