Borrower Defense to Repayment Application
Response to Comments from Vol.

Docket Number	Name of Commenter	Excerpt of Comment	Department Response
ED-2026-SCC-1651	**Andrew Linn**	S**mart Logic:** Please enforce some kind of smart logic to this form so that if someone says they have suffered monetary loss, but enters $0 or nothing and then submits, route the form to trash.	The Department appreciates this comment but under the current applicable regulations, the Department must adjudicate all borrower claims.
ED-2026-SCC-1651	**Andrew Linn**	Borrowers are using these forms to avoid repayment of their legally borrowed student loans. Institutions are spending countless hours reviewing and responding to what effectively never should've seen the light of day. It is hard to respond effectively to comments that contradict each other or do not provide sufficient information to form a response. In a nutshell, ED needs to either 1) start vetting these for quality OR 2) implement sufficient logic such that forms submitted without appropriate information are automatically denied.	The Department appreciates this comment. Schools have no obligation to respond to borrower applications. Under the current applicable regulations, the Department must adjudicate all borrower claims.
ED-2026-SCC-1651	**Lisa Martin, Baylor University**	**Improvements for schools:** The application imposes a burden on the schools, especially if there is a high volume of claims. The application should require more structured and specific allegations, including dates, program details, and identification of alleged institutional statements or materials.	The Department appreciates this comment. The current application does ask for dates, program details, and evidence of alleged statements by the school.
ED-2026-SCC-1651	**Lisa Martin, Baylor University**	**Improvements for schools (2):** Second, the Department should implement an initial completeness or screening threshold to ensure only sufficiently detailed claims	The Department appreciates this comment. However, this comment is not related to the application. The three

		proceed to full institutional response.	currently applicable regulations do not require a screening for completeness.
ED-2026-SCC-1651	**Lisa Martin, Baylor University**	**Improvements for schools (3):** Finally, standardized response templates or a secure submission portal for institutional documentation would improve consistency and reduce duplicative effort across cases**.**	The Department appreciates this comment however it is not related to the application. Schools are not required to respond to borrower claims and are welcome to create a standardized template if they choose to respond. The Department is updating the portal for school responses to Partner Connect.
ED-2026-SCC-1651	**Sandra Acuna**	When a borrower submits supporting documentation in regard to their borrower defense claim it should be made available to the school. No matter what version of the form is being submitted. How is a school going to know if the claim is valid? What if a borrower submitted some AI created doc that did not come from the school, but the school doesn't know that because they are not provided with a copy and therefore cannot defend themselves. Also, when a borrower files a claim it should not take 3+ years for the school to be contacted about that claim. The Department of Ed should be able to review and process claims in a timely manner	The Department appreciates this comment, however it is not related to the application. The school is not required to respond to borrower claims. The Department does review all evidence provided by the borrower to ensure it is valid. Schools are not a party to the process which ED uses to resolve claims made to ED in pending borrower defense applications. If an application is approved and ED seeks recoupment, the school will be a party to the recoupment process and will be notified with the borrower’s application and all supporting documentation submitted by the borrower. The

			school will then have an opportunity to respond.
ED-2026-SCC-1651	**Anonymous**	**Direct vs. Indirect Costs (1)** When considering whether to cancel loans due to a Borrower Defense claim, you should determine the amount of loans used for direct cost vs those used for indirect cost. This is important because particularly in the case of distance education, the indirect cost has nothing to do with the institution and institutions have no say over what students do with their loan stipends	The Department appreciates this comment however it is not related to the application.
ED-2026-SCC-1651	**Anonymous**	**Direct vs. Indirect Costs (2):** If a student’s tuition is fully covered by grants, scholarships or other government benefits such as VA benefits for example, then all loan proceeds essentially go straight in the student’s pocket for any purpose they wish (although indirect costs are described in regulation, institutions have no way of monitoring what students do with them). That’s a problem if they are claiming a borrower defense. Those loans should be excluded from the claim, since they weren't used to pay the institution.	The Department appreciates this comment, however it is not related to the application.
ED-2026-SCC-1651	**Anonymous**	**Direct vs Indirect Costs (3):** This is not to say schools with poor outcomes shouldn’t be held accountable. When a student receives a sub-par education, there are often many warning signs that the average consumer would consider a red flag. These include but are not limited to lack of meaningful admission standards (almost everyone is admitted), getting into classes through a rushed process, bare bones participation	The Department appreciates this comment, however it is not related to the application.

		requirements, admissions and financial aid working closely together without a meaningful division of duties, minimal rigor for receiving passing grades, clearly illiterate students in classes who cannot write a coherent sentence, low graduation rates and poor loan repayment rates ("making progress" per college scorecard, and similar measures). These shortcomings should be addressed through gainful employment, do no harm or administrative capability standards. For schools with a large volume of borrower defense claims, you should be looking at their loan repayment rates, job placement rates and graduation rates to determine if this is a systemic issue or not, then taking the appropriate action based on that. As you are starting to do now, you should also warn students in advance if any of these measures are low. In short, a borrower should not be able to claim a defense of their entire loan if a large part of it was sent to them as a stipend for indirect cost.	