

May 5, 2025

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The Honorable Linda E. McMahon
Secretary of Education
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Re: Docket ID ED-2025-OPE-0016 Negotiated Rulemaking – Proposed Regulations: Title IV Programs of the Higher Education Act of 1965

Dear Secretary McMahon:

The Center for Responsible Lending (CRL) appreciates the opportunity to provide input on the U.S. Department of Education's forthcoming negotiated rulemaking concerning Title IV programs under the Higher Education Act. CRL is a nonpartisan, nonprofit organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices.¹ We focus on ensuring that student loan repayment programs and federal aid policies foster equitable access to higher education and economic opportunity, particularly for first generation and underrepresented students.

1. Streamlining Title IV Regulations to Reduce Barriers and Promote Innovation

CRL supports efforts to eliminate outdated or duplicative regulatory requirements that create administrative burdens for institutions without protecting students. However, such streamlining must prioritize safeguarding the rights and financial security of borrowers. In particular, we urge the Department to:

- **Ensure that any reductions in red tape do not diminish consumer protections,** accountability standards for institutions, or oversight of for-profit colleges.
- **Invest in technology upgrades and data-sharing protocols** to reduce compliance burdens while improving transparency and access to information for borrowers and institutions.

¹ CRL's views on student lending are informed by its affiliation with Self-Help, one of the nation's largest nonprofit community development financial institutions. Self-Help has provided \$6 billion in financing to 70,000 homebuyers, small businesses and nonprofits and serves more than 80,000 mostly low-income families through 30 retail credit union branches in North Carolina, California, and Chicago.

2. Improving the Public Service Loan Forgiveness (PSLF) Program

Despite its intent, PSLF has been plagued by mismanagement and misinformation. To better serve public service workers and ensure that PSLF fulfills its promise, CRL recommends:

- **Making permanent the reforms enacted through the Temporary Expanded PSLF (TEPSLF)**, including broader definitions of qualifying employment and payments.
- **Automating the employment certification and payment tracking processes** by leveraging IRS and employer-reported data.
- **Providing robust borrower outreach and technical assistance**, especially for workers in nonprofit and frontline service jobs who may be unaware of their eligibility.

3. Strengthening Income-Driven Repayment (IDR) Plans: PAYE and ICR

Income-driven repayment plans remain a critical tool in managing student loan debt, particularly for low-income borrowers. CRL encourages the Department to:

- **Simplify and harmonize existing IDR plans**, especially PAYE and ICR, to reduce borrower confusion and administrative complexity.
- **Cap monthly payments at a more affordable percentage of discretionary income** and offer automatic enrollment for delinquent borrowers.
- **Ensure that borrowers receive clear, consistent information** about loan forgiveness timelines, interest accrual, and annual recertification processes.

Conclusion

The Department's commitment to reforming Title IV programs presents a historic opportunity to reshape the federal student aid system into one that is more equitable, efficient, and effective. CRL stands ready to support this process and urges the Department to center the needs of students—especially those that are first generational and underrepresented—in all forthcoming regulatory proposals.

Respectfully submitted,

Center for Responsible Lending