



October 10, 2023

Manager of the Strategic Collections and Clearance Governance and Strategy Division  
U.S. Department of Education  
400 Maryland Ave. SW  
LBJ, Room 6W203  
Washington, DC 20202–8240

Docket ID ED–2023–SCC–0145

To whom it may concern:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), we respectfully submit to the U.S. Department of Education (ED) our comments on ED’s Income Driven Repayment Plan Request Form for the William D. Ford Federal Direct Loans and Federal Family Education Loan Programs (Docket No.:ED–2023–SCC–0145).

NASFAA’s membership consists of more than 29,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States.

With the imminent resumption of student loan repayment after the three-and-a-half-year pause, easy access to income-driven repayment (IDR) plans is more important than ever for student loan borrowers who cannot afford to repay their loans under the standard terms. ED and its loan servicing contractors should make every effort to widely publicize the availability of these plans and how to apply for them, and to process applications as quickly and seamlessly as possible to ensure a smooth transition back to repayment.

The application process, whether online or by paper form must be clearly worded and easily understood so borrowers understand what they are applying for and what loan repayment terms they are committing to. We offer the following suggestions for improving the proposed form:

## Section 2

- We recommend that ED add introductory language to start before “It is faster and easier...” to explain the purpose of the form, such as, "This is an application to enroll in or switch into an income-driven repayment plan to have your student loan payments calculated based on your earnings instead of based on the amount you borrowed."
- The form advises applicants that they may have to report any loan amount forgiven under an income-driven plan as taxable income when they file their federal and/or state tax returns. We recommend that ED add a link to the relevant IRS publication(s) on the taxability of student loan forgiveness and add language for borrowers to read that information and/or consult a tax professional.
- In item 1, option 1, we suggest changing the language from “I want to enter an income-driven plan” to "I want to enter an income-driven plan for the first time" or "I am not currently enrolled in an IDR plan and want to enter an income-driven plan," both for clarity and to better distinguish between the four options listed in item 1.
- We suggest changing the language in item 1, options 2, 3, and 4, to begin with, "I am already enrolled in an IDR plan and..." for the same reason cited above. This change would also make Section 6 instructions clearer since they refer to a scenario in which a borrower may have indicated in Section 2 that they are already enrolled in an IDR plan, although there currently is no corresponding language in Section 2.
- In item 1, option 4, we recommend adding explanatory language that says, "If you are currently enrolled in the REPAYE plan, you are automatically enrolled in SAVE and do not need to submit this form," to save borrowers from wasting time completing this form when it is unnecessary.
- In item 2, we suggest that ED add language referring borrowers to Section 10 for an explanation of the repayment plans offered in this item, so borrowers understand the terms of each plan before they select one.
- Item 3 should repeat the instructions from above that advise borrowers they can find out if they have multiple loan holders or servicers at StudentAid.gov/login.
- In the “Note” text box for borrowers with FFEL loans, ED should add instructions on how borrowers can find out if they have FFEL loans.

## Section 4

- In 4B, ED should clarify that "your" income refers to the borrower only because borrowers who file tax returns with Married Filing Separately status might consider "their" income to be the combined income of the student and their spouse, whereas this question applies only to the borrower’s income.

- In 4B, item 11 appears to contain an error. If the borrower answers "No" to "Has your income significantly decreased...?," the form instructs the borrower to provide a copy of their most recent federal income tax return or transcript and continue to Section 5A to provide authorization for ED to retrieve federal tax information (FTI) from the IRS. We do not believe the borrower should be instructed to provide a tax transcript when they answer "No" to item 14 because in such a scenario they have not indicated a change to income, so the FTI from the IRS should be sufficient income documentation for IDR purposes, and if they decline to provide consent in Section 5A they are instructed there to proceed to 5B to document their income with a tax return or transcript.
- Section 4C, item 14 appears to contain the same error as above. If the borrower answers "No" to "Has your spouse's income significantly decreased...?" the form instructs the borrower to provide a copy of the borrower's spouse's most recent federal income tax return or transcript and continue to Section 5A to provide authorization for ED to retrieve federal tax information (FTI) from the IRS. We do not believe the borrower's spouse should be instructed to provide a tax transcript when they answer "No" to item 14 because in such a scenario neither the student nor their spouse has indicated a change to income, so the FTI from the IRS should be sufficient income documentation for IDR purposes, and if they decline to provide consent in Section 5A they are instructed there to proceed to 5B to document their income with a tax return or transcript.
- Section 4C, item 16 is confusing if a borrower chooses "No" to the question "Does your spouse currently have taxable income," because a "No" response refers them back to item 15 to determine whether they have to provide documentation of income.
  - We recommend rewriting section 4C altogether to present the following question pathway to borrowers to simplify the questions about borrowers who filed taxes using Married Filing Jointly status:
    - 13. "Did either you or your spouse have a significant decrease in income since you filed your last federal income tax return?"
      - Yes, one or both of us had a significant decrease in income- Skip to item 14
      - No, neither of us had a significant decrease in income- Skip to Section 5A
    - 14. "Do either you or your spouse currently have taxable income?"
      - Yes, one or both of us currently have taxable income- **Skip to Section 5B** and provide documentation of your and your spouse's income as instructed in that section.
      - No, neither of us currently has taxable income- You are not required to provide documentation of your spouse's income. **Skip to Section 6**

## Section 6

- Section 6 language may be confusing for borrowers where it states, "If I am not currently on an income-driven repayment plan, but I did not complete Item 1 or I incorrectly indicated in Item 1 that I was already in an income-driven repayment plan, I request that my loan holder treat my request as if I had indicated in Item 1 that I wanted to enter an income-driven repayment plan." Borrowers might confuse "item 1" with "section 1." We recommend clarifying to refer to Section 2, Item 1 to be clear.
- We recommend ED add clarifying language to the top of page 6 to explain why the borrower may want to request the one-month reduced-payment forbearance since borrowers are unlikely to understand why the form asks this question.
- We also recommend removing the language instructing borrowers to contact their servicer to decline the one-month reduced-payment forbearance since simply not checking the box requesting the forbearance should be adequate documentation to decline the forbearance.

## Section 7

- We recommend that ED repeat in Section 7 the instructions on how borrowers can find and contact their servicer or loan holder.

## Multiple sections

- We recommend that ED remove the Borrower Identifiers in Sections 3, 4C, 5A, 5B, and 6. Borrowers will have already provided this information in Section 1 and should not be asked to re-enter it five additional times.
- We suggest that ED add instructions for obtaining a tax transcript in every place it references tax return transcripts or as a cross-reference to instructions added somewhere else on the form so borrowers do not need to find this information on their own.

## Definitions section

- ED should add a definition for "delinquent/delinquency" since it is referred to in the document and may not be a commonly understood term.

We appreciate this opportunity to comment on this proposed document. Borrowers stand to benefit greatly from the new SAVE repayment plan, and it is critical that they enroll in that plan

or other IDR plans using a form that is easy to understand and complete and that takes minimal time to fill out.

Regards,



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