



[PAM MORAN:] My name is Pam Moran and my colleague here is Nikki Harris, and we're both with the Office of Postsecondary Education at the Department. We have responsibility for regulatory matters, developing Dear Colleague letters, proposing legislation, monitoring legislation, interpreting legislation for you. We do those kinds of activities. Today, we're going to cover with a particular focus on the new Income-Based Repayment Plan and also Public Service Loan Forgiveness. We'll sort of drill into that, but we sort of wanted to provide you with a little bit of an overview, put some things in context for you. There are some additional changes affecting both the FFEL and Direct Loan Programs coming out of the HEOA, so we'll try to provide as much information on repayment in Direct Loan and FFEL in terms of the repayment plans that are currently available and also what is called Loan Forgiveness in FFEL and Direct Loan, and also discharges, because we have both in those programs. And, one thing, you can sit back here and take in as much information; this is important information for you and your borrowers, especially in light of current economic conditions, and it will probably be so for the next few years; however, this is something that you are not personally responsible for. So, sigh of relief. Financial aid administrators are not personally responsible for this, okay?

First, we'll start out with the fact that the Public Service Loan Forgiveness Program, which is only offered through the Direct Loan Program, and the Income-Based Repayment Plan, which is the new repayment plan in both FFEL and Direct Loan, were brought about through what's called the CCRAA, the College Cost Reduction and Access Act of 2007. It was enacted as Public Law 110-84 in 2007, and we do have final regulations, implementing regulations, for Public Service and IBR, and those were published on October 23, 2008. Also, we had, as you're aware, the HEOA, the reauthorization of the Higher Education Act, that's Public Law 110-315; that was enacted in August of 2008. There are two things that we want to cover briefly with you, changes that affect either forgiveness or repayment. There is a teacher loan forgiveness change for full-time teachers employed by an educational service agency that's new, and we also include new eligibility standards for one of the discharges that affects basically all the Title IV student loan programs: Perkins, FFEL and Direct Loan. So, these are the two changes from the HEOA that we will quickly run through, but, again, our focus will be on Public Service and Income-Based Repayment. Final regs, implementing regs, that would include these two changes were published on November 29, 2009, and then I've given you the site where you can find these documents.

Turning to Forgiveness. Okay, this is FFEL and Direct Loan. Remember, same terms and conditions primarily in both programs. We have, under the forgiveness category, Teacher Loan Forgiveness providing after 5 full-time years of teaching, consecutive years of teaching at a low-income designated, low-income school. You have to be a qualified teacher. It's up to \$5,000 or if you're teaching in certain specialties, it's up to \$17,500; that has not changed under the HEOA, but we do now have these new ESAs where you can be doing your teaching or doing your teaching through an ESA and now qualify.



Public Service Loan Forgiveness, which Nikki will go through in a fair amount of detail. We also have, and I've listed these because these were part of the HEOA legislation, these were new forgiveness categories that are in the law, in the Higher Education Act; however, they are subject to appropriations and I don't know if you remember, I've been around since sort of the earth cooled, but there was, way back when, supposed to be forgiveness for nurses and some other categories and that also was subject to appropriation. The Congress never appropriated any money, so those were never operative and so I'm listing these, but these require appropriation and we don't expect any appropriation given the situation that the government currently finds itself in, so we would need special appropriation from the U.S. Congress, monies specifically for these forgiveness programs. The good thing is that many of the borrowers who might be covered by these would also be if they're working in not-for-profit public service organizations would qualify potentially under the Public Service Loan Forgiveness. So, all is not lost for the categories of borrowers that would have otherwise been covered under these forgiveness, but I just wanted to make you aware that if anybody comes up to you and says, "Well, what about that forgiveness for national need?" It really is not operative; we haven't regulated it; it's in the Higher Education Act as a result of the HEOA, but unless there are appropriations from the Congress specifically for these forgiveness programs, they will never exist.

Discharges: So, we have forgiveness and we have discharges. Nothing really new here. Well, there is an HEOA change in Total and Permanent Disability, which I'll quickly go over, but we have the Death Discharge if the borrower dies or if it's a Parent PLUS borrower if the dependent for whom they borrowed died, there is a discharge available with the use of a certified or a copy of the death certificate or under exceptional circumstances, the chief operating officer of either the guarantee agency in the FFEL program or the Direct Loan program can authorize that discharge. Total and Permanent Disability: That has changed and we'll go over that in a little bit more detail, but that also is a discharge that is available to borrowers, both parent and student borrowers. Bankruptcy: Bankruptcy is a discharge only if you have an undue hardship. This new standard for bankruptcy discharge came about with the 1998 Higher Education Act amendments. You have to have undue hardship, you have to file an adversarial proceeding with the bankruptcy court; it's a separate proceeding from just filing for bankruptcy and the bankruptcy court has to determine that you have undue hardship; otherwise, your student loan, your federal loans, and I believe this also governs, right now, private educational loans cannot be discharged. Also in FFEL and Direct Loan, we have a closed-school discharge. These are not new. These exist. I just want to give you sort of an overview. Closed-school discharge: If you are enrolled in a school that closes and you're unable to complete your program of study or you were enrolled within 90 days of the school closing and you are unable to complete your program of study, there is a discharge that is called a Closed-School Discharge in FFEL and Direct Loan. Unpaid Refund: If a school has not paid a Title IV refund on behalf of a borrower and the school is either still open, or it could be closed, there is a discharge that is called the Unpaid Refund Discharge in FFEL and Direct Loan. Fault Certification: Fault Certification could be either a school-based fault certification. There is a category where the loan was made without the borrower's initiation of such a loan, perhaps



without the borrower's knowledge. If it's school-based, that means that a school employee colluded to generate this loan and disperse this loan without the borrower's knowledge or approval or initiation; there's a discharge for that. There's also Identity Theft Discharge, and that relates to there having been some other individual that actually perpetrated the crime of identity theft against an individual and a court has deemed that there was a criminal act of identity theft. So, there has to be a court determination that identity theft took place, but if that determination is made, then there will be a discharge of that loan based on identity theft. So, those are your discharges.

Teacher Loan Forgiveness changes: These are the HEOA changes. As I mentioned, nothing has really changed in terms of who qualifies, except you can now be a full-time teacher either employed through or by what's called an Educational Service Agency or ESA. From what we've determined, there are several of these ESAs, in each state there ESAs. Some of them are devoted to different things. Not all of them are actually putting teachers out in the field or are running facilities where active full-time teaching is taking place, but should that be the case at a particular ESA, then someone who is teaching full-time for that ESA, employed as a full-time employee, puts in 5 consecutive years, they now also would qualify for Teacher Loan Forgiveness. The states, as with the low-income designated schools, will have to identify to us which ESAs in their state have this designation, and so they will be included in the directory of designated low-income schools and there was an effective date for this particular ESA addition to eligibility and we tried to provide as generous as possible regulation to implement this. So, we are saying, because some teachers could have taught at a public school, let's say, or not-for-profit private, and then started teaching at an ESA, so they have combined teaching, their 5 years is sort of a combination of teaching in various eligible settings, what we did is we said that the 5 consecutive years, a borrower could qualify and their ESA service would have to, at least one of the years, would have to postdate the 2007–2008 academic year, even if their overall 5 years of service began prior to that date. So, we're trying to give them the benefit of a look-back feature, but the ESA-to-ESA teaching has to be performed after the 2007–2008 academic year.

For the discharge for Total and Permanent Disability, there were significant changes and for the first time we now have statutorily mandated eligibility criteria. Prior to this, it was purely regulatory. It was purely regulations as developed by the Secretary. HEOA implemented new statutory standards and this only applies; one of the new standards is for certain veterans and these are veterans who are determined by the Department of Veterans Affairs to be totally unemployable due to a service-connected disability. Now, some veterans are determined to be unemployable, but it's not a service-connected disability. So, the correspondence or record from the Department of Veterans Affairs has to say it's a service-connected disability, but if in fact they have that and can document it, then their loans, both FFEL and Direct Loan, can be discharged. Now, that was effective on date of enactment of the HEOA. Once those loans are discharged on that basis for that category of veteran, then there is no reinstatement possibility, but you'll see for all other borrowers, so for other veterans that don't have 100% unemployability due to service-connected disability or for all other borrowers who are not veterans, also a new statutory eligibility standard, they have to be unable to engage in



any substantial gainful activity by reason of a medical condition. It can be physical or mental impairment which is expected to result in death, has lasted for a continuous period of 60 months, or at least of not less than 60 months, or can be expected to last for a continuous period of not less than 60 months. This will apply to total and permanent disability applications that we receive on or after July 1, 2010, or that a FFEL lender could receive or FFEL servicer guarantee agency, if the loan is already in default at the time the borrower applies or on the Direct Loan side it could be a defaulted loan held by our Division of Collections. So, Direct Loan servicer, FFEL servicer or lender, guarantee agency if it's in default, or our Debt Collection Service if it's held by the department. For all of these borrowers under this new standard, basically what will happen is the determination will be made of their eligibility. If they're determined to be eligible, then their loan will be discharged, but then there is the potential that within 3 years of the date of discharge, if a borrower receives another Title IV loan, except for a consolidation which is effectively just a refinancing of existing loans, or they receive income, making income above 100% of the HHS Poverty Guidelines for a family of 2, then their loan that has been discharged under TPD can be reinstated. The prior process was you got a conditional discharge, we monitored you for 3 years, if nothing went awry in the 3-year period, it became final. Now, we have a statutory standard that's slightly different that we have regulated, incorporated into regs. You get the discharge first, you're monitored for 3 years; if you get a loan, if you have income above a certain threshold, or you fail to repay a loan or a teach-grant disbursement and that loan was awarded to you and disbursed to you after the discharge, this would have to be a new loan that was somehow in play or a teach grant that you received, then that loan that was discharged will be reinstated. So, it sort of flipped it a little bit, but in a new statutory based eligibility standard, but this coming out of the HEOA.

And now, I'll turn it over to Nikki and she'll go over the details of the new Public Service Loan Forgiveness.

[NIKKI HARRIS:] Thank you, Pam. First, the Public Service Loan Forgiveness Program is intended to encourage individuals to enter and continue in full-time public service employment by forgiving the remaining balance of a Direct Loan after the borrower has satisfied the Public Service Loan repayment requirement. The regulations governing the Public Service Loan Forgiveness generally parallel the statute and can be found in Section 685.219 of the Direct Loan Program regulations. Public Service Loan Forgiveness: The Secretary forgives outstanding balances on any eligible Direct Loan if the borrower is 1) not in default; 2) makes 120 payments, separate full monthly payments, within 15 days of the due date after October 1, 2007. That means any payments made prior to that do not count towards the forgiveness under one or more specific repayment plans. Also, they have to be employed in a public service position at the time the loan is forgiven and the request is made and granted during the period the borrower makes the required 120 payments. Now, the 120 payments do not have to be consecutive. The approach accommodates periods for forbearance, deferment and other situations such as delinquencies and loan rehabilitation. Also, we can apply unique treatment to the awards earned by the borrower in the Peace Corps and in the AmeriCorps Programs, on which I will go into more detail shortly. In Section 455(m) of



the HEA, it defines eligible Federal Direct Loan for the purpose of Public Service Loan Forgiveness. Eligible loans include the Federal Direct Unsubsidized Stafford Loan, Federal Direct Subsidized Stafford Loans, Federal Direct PLUS Loans for parents and for grad and professional students, and Federal Direct Consolidation Loans. Note that to qualify for the Public Service Loan Forgiveness on a Parent PLUS Loan, the parent borrower, not the student from which the loan is taken out on the behalf of that student, has to qualify and be employed in a public service position.

Loans eligible for Public Service Loan Forgiveness: If you are not a Direct Loan borrower but have borrowed under the FFEL, the Perkins, or Health Profession and Nursing Loan Programs, you can consolidate your loans into the Direct Loan Program in order to take advantage of the Public Service Loan Forgiveness. To consolidate a Perkins or Health Profession and Nursing Loan, a borrower must have consolidated at least one FFEL or Direct Loan Program loan. There is one exception to the other federal loans that may qualify for Public Service Loan Forgiveness by consolidating into the DL Program. Joint FFEL consolidation loans, the authority to make the new joint consolidation loans in either FFEL or Direct, has been eliminated. So, if you have a spousal or joint consolidation, that does not count; you're not going to qualify for the program. In a joint consolidation, both borrowers have to be jointly and severally liable for the full amount of the loan. There is no statutory authority to allow one of the borrowers to somehow separate the joint consolidation into two loans or to allow one borrower to assume the entire joint consolidation debt. Therefore, borrowers with the joint FFEL Consolidation Loan cannot be eligible for the Public Service Loan Forgiveness Program.

Repayment plans under which the 120 payments must be made: In discussing the repayment plans under which a borrower is likely to qualify for Public Service Loan Forgiveness, it's pretty safe to say that the borrower will have to repay his or her loan under either the Income-Based Repayment or the Income-Contingent Repayment Plan, or some combination of the plans that includes the IBR and the ICR. This is because the borrower has to make 120 payments on the loan, a full 10 years' worth of payments, and have a remaining balance that's left for forgiveness. So, in all cases everyone is not going to benefit from the program. A borrower who started out repayment after October 1, 2007, and then utilizes the Income-Based Repayment Plan as of July 1, 2009, is a good example of how the combination of the repayment plans may come into play in order for the borrower to receive the forgiveness.

Eligible Public Service Loan jobs for the Loan Forgiveness Program: Public service organizations, AmeriCorps positions and Peace Corps positions, and full-time are defined terms of Public Service Loan Forgiveness. The term employee or employed means an individual who is hired and paid by a public service organization. This term would not include individuals who are contracted to work for an organization or an individual who has been hired by a for-profit company that has a contract with the public service organization.



Definition of public service organization: Any job held under any of these public service organizations qualifies the borrower for Public Service Loan Forgiveness. The definition of public service organization is derived from the statutory definition of public service job and is intended to identify the broad categories of eligible jobs rather than define specific jobs under those categories. As you know, it's very difficult to name every job in the public service sector. We couldn't possibly remember or name them all to include everyone, so we left it as broad as possible. Any job held by a Direct Loan borrower in the federal, state, local, tribal government or organization, agency or entity, with the exception of a member of Congress, is eligible for Public Service Loan purposes. An intergovernmental or public regional agency would be encompassed under the federal, state or local, or tribal government organization, agency or entity dependent on its governance and the funding source for salaries. Employees of the public and private nonprofit elementary, secondary and postsecondary schools would be covered either as employees of the governmental organization, agency or an entity, or of a private organization that provides public education. Any job in the public, child, or family services agency qualifies as a borrower for the Public Service Loan Forgiveness purposes. These agencies are generally social service agencies staffed by social workers. Any job in a nonprofit organization under Section 501(c)(3) of the IRS Code that is exempt from taxation under Section 501(a) of the Internal Revenue Code is in a qualifying position for the Public Service Loan Forgiveness purposes. That means, in a broad sense, you can have any position. We're not saying that you can't be the secretary, you can't be the janitor, you can't be the president; any position that falls under that category qualifies. We're not trying to disqualify anyone. We're trying to make sure that everyone is covered. Any job in the tribal college or university is a qualifying position for the purpose of public service as well. A basic question that a borrower should be asking us is, "Am I employed by one of these organizations?" If the answer is yes and the borrower is not in default in making payments under the Direct Loan Program, then they qualify. That's the biggest key; they have to be in the Direct Loan Program. They can't be in the FFEL Program. A lot of the times, I get phone calls or Pam gets calls or e-mails, "Well, I've been making payments." Who you are making your payments to is the biggest thing. We can't track the payments or give you the Forgiveness if we don't have the information. That does include consolidated loans.

If you could be so kind to hold the questions until the end of the presentation; we will be glad to answer all questions. Thank you.

The definition of public service organizations: Now, a public service organization is also defined as a private organization that provides public service. Military service for uniformed members of the U.S. Armed Forces or the National Guard means active-duty service or full-time National Guard duty as defined under the U.S. code, but does not include active duty for the training and attendance at a service school. For civilians, military service means service on behalf of the U.S. Armed Forces or the National Guard performed by an employee of a public service agency. Law enforcement is defined as a service performed by an employee of a public service organization that is publically funded and whose principal activities pertain to the crime prevention, control and reduction of crime or the enforcement of criminal law. Public interest law refers to



legal services provided by the public service organizations that are funded in whole or in part by the local, state, federal or tribal government. Reauthorization also amended the HEA to specify that for the purpose of the job in public interest law, legal advocacy may be provided on behalf of low-income communities at a nonprofit organization rather than strictly in low-income communities at a nonprofit organization. Changes that made the Higher Education Act through reauthorization amended the Public Service Loan Forgiveness provisions to list early childhood education as a separate job category, distinct from public education, and specified that early childhood education includes licensed and regulated health care, Head Start and state-funded prekindergarten programs. Reauthorization also specified that jobs in public health care includes nurses, nurse practitioners, nurses in a clinical setting, any full-time professionals engaged in health care practitioner occupations such as terms as defined by the Bureau of Labor Statistics. Public service organizations in a public organization that provides public services include public education, the library services, school libraries and other school-based services. Private organizations must also be not-for-profit organizations. This would mean that the organization has a designation under the Section 501(c) of the Internal Revenue Code other than paragraph 3. There are actually 28 separate paragraphs under Section 501(c) that provide tax-exempt statuses to various organizations. The 501(c)(3) are simply the most common designations for nonprofits. Just as a side note, labor unions are not included because they engage in partisan political activities. AmeriCorps positions and Peace Corps positions mean the regulations on the Public Service Loan Forgiveness acknowledge full-time service in the AmeriCorps and Peace Corps positions as equivalent to employment in a public service position. We added the Peace Corps position as a result of the comments we received on the MPRN. The commenter stated that even though individuals who serve in the Peace Corps are not considered federal government employees, they are treated as such in certain purposes such as retirement and under the Federal Employees Compensation Act. We agree that the individuals serving in the Peace Corps perform valuable public service on behalf of their fellow citizens and that they should be treated like borrowers serving in AmeriCorps. However, under the HEA, to qualify for forgiveness, the borrower must be making payments while performing the public service. Unlike a borrower serving in a full-time AmeriCorps position, a borrower serving full-time in the Peace Corps is eligible for an economic hardship deferment for the entire period of the borrower's Peace Corps service and has no obligation to make payments. Additionally, the Peace Corps does not provide an educational benefit to the borrower so that the borrower can choose to use to repay the Title IV student loans as the AmeriCorps program does, but instead provides an individual leaving Peace Corps service with a lump sum transition allowance. We decided that the individual serving in the Peace Corps may meet the loan forgiveness payment requirements in one or two ways: One, by declining the economic hardship and making scheduled payments during the service period; or 2, by making a lump sum payment on the loan for the Peace Corps transition allowance no later than 6 months after the borrower's receipt of those funds. The lump sum payment would be treated like the payments were made for the AmeriCorps borrower's Segal Education Award in determining the number of borrower's qualifying payments.



Let's see in more detail how the AmeriCorps and the Peace Corps lump sum payments would be treated for the purpose of Public Service Loan Forgiveness. AmeriCorps members, as an example, receive an education award of \$4,725. The borrower's loan payment is approximately \$500 per month; \$4,725 divided by the \$500 is roughly 9-1/2 payments. The borrower would receive a credit for the 9 monthly payments with any amount over that going to reduce the principal of the loan. The borrower can instruct AmeriCorps to send any of the portion of his or her award that will satisfy the 12 monthly payments if the calculation yields a payment number higher than the 12 months. For example, if an AmeriCorps member's loan payment is \$200 a month, the borrower may wish to instruct AmeriCorps to send only \$2,400 of his or her award to the department to receive credit for the 12 monthly payments and to use the rest of the award as another educational expense, unless the borrower wants the department to apply the rest to the principal of the loan; it's their option. We give them choices, so they can make the decisions. You know, a lot of the times people call us and say, "What do I do?" Well, these are your options. Of course, you know we can't make the decision for you, but we can give you the best advice possible.

Definition of full-time for qualifying employment: Several commenters on the MPRN requested that the reference to employers' full-time employment standard in the definition of full-time be eliminated because it penalized the borrowers whose employers require more than 30 hours per week. Commenters also, when asked to define full-time employment so that the individuals would be able to count multiple eligible part-time public service jobs toward the full-time requirement and eliminate any conflict that may arise, if any, for the part-time employers that use different full-time standards. While we understood that some borrowers whose employers had a standard for full-time employment greater than the 30 hours a week, we were not persuaded to make that change. The forgiveness benefit is intended to acknowledge full-time employment and we think it's appropriate to use the employer's standard when the employer has one. We agreed with the second commenter that the borrower working part-time in more than one eligible public service position should not be held to more than one full-time standard in fulfilling the full-time requirement. There is another change that we made in the final regulations on the definition of full-time. We had a commenter ask that the definition be amended to specify that the leave taken under a condition covered by the Family Medical Leave Act of 1993 does not constitute a break or an effort of reducing the borrower's annual average to below 30 hours a week or below the employer's full-time status. Now, borrowers request loan forgiveness after making 120 qualifying payments, generally the borrower is repaying under the IBR or the ICR, will have an outstanding balance left to forgive after the 120 qualifying payments. ED will determine the borrower's eligibility and notify the borrower accordingly.

From here, we're going to turn it over to the different types of payment plans for Direct and FFEL, and I'm going to leave you with Pam.

[MORAN:] Okay, moving on to overall repayment plans. Just to give you some context before we sort of go in a little bit more detail on Income-Based Repayment, and if you notice this morning, and this happens fairly frequently, from Secretary Duncan's



presentation, he sort of tied the Income-Based Repayment and the Public Service Loan Forgiveness Program together. Well, there is an overlap there, a very definite overlap that Nikki covered and I'll try to reemphasize, but there also are differences because you may have borrowers who have no interest in Public Service Loan Forgiveness. They have available to them the potential, if they qualify, of Income-Based Repayment under either FFEL or Direct Loan. So, that is a repayment plan that's offered under either FFEL or the Direct Loan Program. To get the Public Service Loan Forgiveness benefit, that is only offered through the Direct Loan Program. So, a borrower would have to come over to the Direct Loan Program for the FFEL Program if they were interested in Public Service Loan Forgiveness. The other overlap is for borrowers who want Public Service Loan Forgiveness and come over through consolidation from FFEL to Direct Loan, or let's say they're already in Direct Loan, to have an outstanding balance on your loan after 120 qualifying payments, which is basically 10 years of repayments, you basically have to be paying under either the Income-Based Repayment Plan or the Income-Contingent Repayment Plan which is available in Direct Loan. The other two repayment options in the statute for Public Service Loan Forgiveness are paying the loan in an amount that is the payment amount you would pay under a 10-year standard repayment plan; well, if you pay an amount that's equivalent to the 10-year standard repayment plan, you have no outstanding balance after 10 years. The other category, if you pay under any other repayment plan but you pay an amount that is equivalent to what you would pay under a 10-year standard repayment plan. So, there is the option for Public Service Loan Forgiveness of paying under IBR, ICR, 10-year standard repayment or an amount that's equivalent to 10-year standard repayment, but only if you pay under IBR or ICR are you likely to have a balance that is to be forgiven after the 10 years or 120 qualifying payments. So, that's your overlap, that's your overlap. But, otherwise, if someone is not interested in Public Service Loan Forgiveness, Income-Based Repayment Plan as a repayment plan is available both in the FFEL Program through your FFEL lender or servicer, and in the Direct Loan Program through the Direct Loan servicer. So, let's be clear, that's your overlap. So, Income-Based Repayment is a separate standing repayment plan that has been added and here are your repayment plans. The HEOA legislation, which seems like years and years and years ago, basically dictated that the same repayment plans would be available in both the FFEL and Direct Loan Program with the exception of the Income-Contingent Repayment which is unique to the Direct Loan Program, and that was before the Income-Based Repayment Plan was introduced in both programs. So, where does that leave us? Well, in terms of repayment plans that are available for FFEL and Direct Loan programs currently, we have a standard repayment plan that has a statutory limit of 10 years and you basically pay a fixed amount every month, that's your standard repayment plan. Extended repayment plan is only available if you have more than \$30,000 of outstanding eligible loans for repayment, and that can be repaid up to 25 years. But, the other thing to note is under standard repayment plan, your payment amount must be at least the accruing interest, there can be no negative amortization under a standard repayment plan. Also, under extended repayment, there is no negative amortization. It has to be a payment of at least the accruing interest. The regulations also provide in the statute as well that you have to pay at least \$600 annually, which is equivalent to \$50 monthly. So, you put these things together;



extended repayment plan only available for greater than \$30,000 can go out to 25 years, but you've got to meet those annual minimums, okay, and chances are extended repayment will be a fixed payment amount going out over that time, depending upon what the outstanding indebtedness is of the borrower when they request that extended repayment. Graduated repayment can differ on the FFEL side amongst lenders. In Direct Loan, I believe it's a fixed rate that steps up every 2 years. In FFEL, you may find something slightly different than that, but basically the other bottom line is it's a 10-year statutory maximum. So, you've got to work within those confines in establishing whatever those reduced graduated payments might be up front because there is a 10-year overall limitation. Now, there is another provision in the regs that if in fact, because of the change of variable interest rate or income sensitivity, a lender can grant forbearance and sort of extend the overall repayment from 10 to 15 years, but that's through the use of forbearance. The statute basically says the maximum is 10 years. Then, you have the new Income-Based Repayment Plan that's available in both programs and that provides for payments; the payments can be zero, can be a calculated payment, it clearly can be less than the accruing interest on the loan. Income-sensitive repayment, which is only available in the FFEL Program, is very lender-specific, but, again, outside of the consolidation program is within a 10-year timeframe. Maximum statutory timeframe with the possibility of forbearance granted that might extend it up to as much as 15 years, but those are the constraints that a lender has to work within in establishing those sensitive payments and those income-sensitive payments look at the monthly gross income and the overall indebtedness of the borrower, and the HHS Poverty Guidelines similar to what you're going to see with the IBR repayment. And then, finally, the Income-Contingent Repayment Plan which is only available through the Direct Loan, but, again, looks at income-to-debt kinds of situations, also income-based. So, that's sort of the overview.

Moving on to the specifics of the new repayment plan that has joined this group, this is a repayment plan like Income-Contingent in the Direct Loan Program that allows for payment amounts that are less than accruing interest and provides forgiveness after 25 years of payment, which is also what ICR does in the Direct Loan Program. You'll find I've provided the regulatory sites where you'll find it both in the FFEL regs and in the Direct Loan regs, and these were regs, again, I mentioned were published October 23, 2008, in final. This new repayment plan of IBR is available for borrowers who begin repayment on July 1, 2009, and it was available for borrowers who either begin repayment or might have already been in repayment and were having some difficulties and wanted to request IBR repayment. And this program basically caps the monthly payments on eligible loans to an affordable amount based on income and family size, very similar to what happens under the ICR Program that was preexisting in the Direct Loan Program. The loans that are eligible for IBR, either FFEL or Direct, are Stafford Loans, both sub and un-sub; Grad PLUS Loans, but not Parent PLUS Loans; consolidation loans, but not consolidation loans that include a Parent PLUS Loan; and the loans must not be in default. Let me take you back one more time to the overlap between IBR and Public Service Loan Forgiveness. For Public Service Loan Forgiveness, if you're in FFEL, you have to come into Direct Loan; you might already be in Direct Loan; okay, that's fine; you have to pay under certain repayment plans. The



two repayment plans that you're likely to have an outstanding balance for forgiveness are IBR and ICR. You cannot pay a Parent PLUS Loan or consolidation loan that includes a Parent PLUS Loan under either IBR or ICR. So, if someone is interested in Public Service Loan Forgiveness, they should not include their Parent PLUS Loan in a consolidation loan, either in the Direct Loan Program, if their goal is Public Service Loan Forgiveness because they are not going to be able to request the IBR or ICR repayment that would likely leave them with an outstanding balance that could be forgiven after 120 monthly payments while they do qualifying service. So, again, there are these overlaps and things to be aware of. IBR is not available for Parent PLUS borrowers either within a consolidation loan or outside of a consolidation loan. Borrower eligibility for IBR is determined by comparing what the monthly payment amount would be on the borrower's eligible loans under a 10-year standard repayment plan to the calculated IBR payment amount, so it's a comparison. If the IBR payment amount is less than the standard repayment, then the borrower is basically going to be determined to be eligible or has what is called in IBR a partial financial hardship. To qualify for IBR, you have to have a partial financial hardship established, and then you can choose to make your payments under the IBR repayment plan. Annual IBR payments is 15% of the difference between the borrower's income, that's adjusted gross income most recently filed with the IRS and 150% of the HHS Poverty Guidelines adjusted for family size, so it's based on family size, and state of residence and I think, as was mentioned previously, we publish the HHS Poverty Guidelines annually and you'll find them on our IFAP. So, this is the part of the calculation of calculating the IBR payment. In calculating the payment, we look at the borrower's adjusted gross income as reported to the IRS. It's independently verified income. If the individual is married and they file a joint return, then the combined AGI is used as the borrower's AGI for determining the IBR calculation. Right now, even if both individuals had outstanding eligible student loans, you would use the combined AGI to determine eligibility for IBR for both of those individuals. We did make a change in the most recent regs that we just published on October 29th that would provide that effective July 1, 2010, if you have individuals that have filed a joint return with the IRS but both have eligible student loans, we have a different treatment now that will divide the income in the consideration and calculation of that individual borrower's IBR eligibility, but that will not be effective until July 1, 2010. If there is a joint AGI and only one of the individuals has eligible student loans, the view is that the overall resources of that family could be potentially used to repay that student loan, so that's why the overall joint AGI would be used in determining eligibility. Also, the regs provide a lender the authority or the Direct Loan servicer the authority to use other documented proof of current income if in fact the borrower's AGI is not readily available through the IRS for some reason or the AGI report does not necessarily reflect or reasonably reflect the borrower's current income. So, the borrower certainly can point that out. We have a lot of change situations; we have layoffs with loss of job, reduced circumstances, loss of overtime, all kinds of things going on. So, in fact, the most recently filed AGI may not be a reflection of the current financial status. Borrowers are free in requesting IBR to make that known to their lender or to the Direct Loan servicer, but it is the lender's option, it is authority to the lender as to whether or not they use alternative documentation or not. We are encouraging that, but it is up to the lender. Even in cases where a lender may use alternative documentation, they may



still, they will and we encourage them to collect the consent form for the IRS so that they receive some kind of verification just to check that in fact what the borrower is documenting as alternative income is in fact accurate. In terms of the IBR payment, the income amounts are based on family size and state of residence. As I mentioned, they're published annually in the Federal Register. We also post them on IFAP. In calculating family size, we define this in the regulations. It includes the borrower and the borrower's spouse, it includes the borrower's children who receive more than one half of their support from the borrower, and that includes children that are expected to be born in the year that the borrower certifies to their family size. So, they come forward, they request IBR, they certify what their family size is and if there is a child expected at that time, then they can include that unborn child. It also can include other individuals who live with and receive more than half their support from the borrower and that should be sort of very familiar to you folks in terms of the family size definition; I wonder where we got that. Special rules in calculating the IBR payment amount; if what we end up calculating based on looking at the family size and the adjusted gross income and the educational debt of the borrower at the time they request IBR, if the calculated IBR payment amount is less than \$5, then their calculated IBR payment is zero. So, you can have a calculated zero payment. If the calculated IBR payment falls to something greater than \$5 but less than \$10, then we set the monthly payment amount in the regulations as \$10. Calculating the 10-year standard repayment, because, again, to determine whether you have a partial financial hardship and are eligible for IBR, we are comparing what your 10-year standard repayment amount would be to what your IBR calculated payment amount is. Based on a standard 10-year repayment is taking the 10-year repayment of aggregate amounts of IBR eligible loans that were outstanding at the time the borrower first entered repayment, which can be different than the point the borrower requests IBR for borrowers who have been already in repayment. That's the way the current reg reads based on the statutory language, but we did see some flexibility there, so in regs that we just published on October 29, effective July 1, 2010, we will use the greater of the eligible loans that were outstanding at the point of the initial repayment or at the time the borrower requests IBR. So, if somebody's been in repayment, having difficulties and because of forbearance and capitalized interest the debt has actually grown over time from the point where they first entered repayment, we will use the greater of in the calculation, but that's effective July 1, 2010. Right now, the way the reg reads for IBR for determining the standard repayment amount that we are going to compare for purposes of determining whether you have a partial financial hardship and you're eligible for IBR, we're going to look at the 10-year repayment of the aggregate amount of IBR-eligible loans that were outstanding at the point you entered repayment. If the monthly amount calculated under the 10-year standard repayment plan is less than the IBR monthly amount that we've calculated, the borrower is not eligible for IBR. So, here there's a test for eligibility; not everybody is eligible for IBR. So, if the monthly amount calculated under the 10-year standard repayment plan, based on what we just covered in the preceding slide, is less than the IBR amount, then the borrower is not eligible for IBR, because you'd want to go with the standard repayment amount. If the monthly amount calculated under 10-year standard repayment plan is more than IBR monthly amount, then the borrower is deemed to have a partial financial hardship and is eligible for IBR



to repay under IBR. We do have calculator help on-line for borrowers. We've given you the website and if they have some question as to whether or not which of their loans are federal, which of their loans are going to be potentially eligible, then they can go to NSLDS and find their personal portfolio; and as long as they remember that PLUS loans don't qualify for IBR, they can determine what their eligible loan portfolio is, their personal portfolio. Borrowers, in terms of the process of applying for IBR, they have to annually provide the loan holder, either the Direct Loan servicer or the FFEL lender or servicer, with information needed to determine their eligibility and calculate their IBR payment amount, which is the family size information, which is the consent for the IRS information, the AGI information from IRS. Proof of the AGI, the borrower has to either authorize IRS verification of AGI or the alternative documentation is required if AGI does not reflect current income. If the borrower requests IBR from a loan holder, all loans held by that entity must be repaid under IBR. So, the borrower cannot pick and choose which loans they want to pay under IBR if they're eligible. All eligible loans held by that loan holder would have to be repaid under IBR. Unless the borrower specifically requests otherwise, and they can do that but basically the view is, and the regs read, that if they request it on one, it would apply to all unless the borrower specifically requests otherwise. If there're multiple loan holders, the borrower is required, if they're interested in IBR for all of their loans and their loans are held by let's say by multiple FFEL loan holders, they would have to request IBR from each of those holders and to ensure that a borrower is not overbilled, then there is a provision in the regs for determining a pro-rata payment amount for an individual loan holder so that the combined total through all the borrower's loan holders that they've requested IBR for doesn't exceed what their IBR calculated IBR payment should be. So, there's a pro-rata approach if there are multiple loan holders and there's consideration of IBR on those multiple loans held by multiple holders. Borrowers can continue to stay in IBR if they have a partial financial hardship, and that has to be calculated on an annual basis; however, because there is a reevaluation annually, the IBR payment amount, even if they continue to show a partial financial hardship, could be adjusted annually because you're reevaluating annually. If the borrower is in IBR, they've had a partial financial hardship and because their income has grown, hopefully, we hope for that over a period of time, it could be that on one of the annual evaluations that no longer show a partial financial hardship. That borrower can choose to stay under what we describe as the umbrella of IBR if they want to, but their payment amount has to be recalculated on a 10-year standard repayment amount, or the borrower can choose to no longer make the calculated IBR payment amounts, they want to stay in IBR perhaps because of Public Service Loan Forgiveness, but they don't want to continue to make the IBR payment that's calculated for them, then, again, a recalculation is required and it's a recalculation that's basically based on a standard repayment plan amount owed at the point the borrower initially started IBR, and this includes consolidation borrowers. So, if a borrower consolidates over into Direct Loan because they want Public Service Loan Forgiveness, or maybe they don't want Public Service Loan Forgiveness but they consolidate over into Direct Loan, or I suppose it could be a consolidation in the FFEL Program as well. They start payment, they qualify, they have a partial financial hardship, they're paying under IBR, they fall out of eligibility, they no longer have a partial financial hardship; the requirement is, and this is in the regs, that there is a



recalculated repayment that's based on a 10-year standard repayment amount. That applies to consolidation borrowers as well. So, as long as they are under the umbrella of Income-Based Repayment, even if they no longer show a partial financial hardship, that is the recalculated payment amount and whatever their consolidation loan payment amount was originally, that is substituted for with the standard repayment calculation that's required under the regulations if they no longer show a partial financial hardship or they want to stop making IBR payments but stay under the umbrella of IBR. If they do that, they are under the umbrella of IBR, the repayment period may exceed 10 years, because you don't know how long they've been in repayment, where they had a partial financial hardship that could have gone on for a good number of years and then they no longer have that partial financial hardship or they say 'I know my IBR payment is this, but I want to start making payments that are higher, but I don't want to leave IBR,' which is their choice, but they do get a recalculated payment amount and it's acknowledged that their overall repayment period can exceed 10 years. So, even though it's a standard repayment amount calculation, they're not governed by the 10-year statutory maximum that they otherwise might be under standard repayment. Any borrower who totally leaves IBR, the regs require that they be placed on a standard repayment, and actually that's statutorily-based, that's in the HEA. If a borrower totally leaves IBR, totally, not under the umbrella of IBR, totally leaves IBR at the borrower's request, which they can do at any time, they are required to repay the loan based on a standard repayment. For non-consolidation borrowers, that is recalculated under a 10-year standard repayment plan based on the time repayment at time remaining that they have on a 10-year standard repayment and the time they've been in IBR counts against that, or if they're a consolidation borrower, they get the time remaining on their original consolidation repayment period. So, there's a different treatment if the borrower stays under what I describe as the umbrella of IBR but no longer wants to make IBR payments or no longer has a partial financial hardship versus the borrower who comes forward and says, "I want out of IBR totally; I do not want to pay under IBR at all; I want to leave that repayment plan," and if they leave that repayment plan, their payment is calculated under a 10-year standard repayment, but they only get the remaining, if it's a non-consolidation loan, they only get the time remaining on 10 years, and there may be no time remaining which means the full amount would be due and payable, or they would stay under the umbrella of IBR. You know, if this is something they're electing to do and they realize what the consequences are. If it's a consolidation borrower and they still have 10 years, 15, 20 years remaining on what was their original consolidation standard repayment, then they can have, they can pay the remaining amount of the consolidation loan on what's left of that original repayment for consolidation once they leave IBR totally. So, there's different treatment if the borrower stays under what I describe as the umbrella of IBR versus the borrower who chooses to leave totally.

Interest capitalization: Interest is capitalized if a borrower is no longer eligible for partial financial hardship or what we call here the reduced IBR payment. So, if a borrower no longer shows a partial financial hardship under the IBR repayment plan or if the borrower chooses to leave IBR, then any interest that has accrued that is unpaid by the borrower is capitalized at that point and then is added, of course, to the principal of the debt. So, even if they're in a deferment or forbearance and they have a partial financial



hardship, interest on an unsubsidized loan wouldn't capitalize at the end of the deferment or forbearance period; it would not capitalize until they no longer showed a partial financial hardship or they decided to leave IBR. If the borrower has a partial financial hardship, so they're eligible for IBR because they've demonstrated partial financial hardship, and the amount their calculated IBR payment amount is less than the accruing interest on the loan, then the government will pay, this is on a subsidized Stafford Loan only, will pay the difference so the borrower is not falling further behind. You know, this is a situation where the borrower's calculated IBR payment amount may be zero or may be something less than the accruing interest; we will pay the difference. Now, that is for a period of up to 3 consecutive years from the repayment period start date, the IBR repayment period start date, and it is a consecutive period. So, if a borrower requests a deferment or forbearance, unless it's an economic hardship deferment which is provided separate treatment, the 3-year consecutive clock continues to run, but it is an added benefit for borrowers who have extremely low calculated IBR payment amounts that would not normally cover accruing interest. The amount of the accrued interest and principal remaining after the borrower makes the equivalent of 25 years of payments through a combination of eligible monthly payments or economic hardship deferment, because that period counts toward this 25 years of repayment. After that period, then the borrower's outstanding balance on the loan will be forgiven in the same way that it's slated to be forgiven under ICR. The eligible payments that are counted toward the 25 years, so it's not actually 25 years of actual payments necessarily because the period of economic hardship deferment can count; it's 25 years of repayment. Monthly reduced payments under IBR count toward the 25 years, monthly reduced payments capped at the maximum payment under a 10-year repayment based on repayment of loans outstanding at the time the borrower entered IBR, those are eligible payments. Monthly payments under ICR count for the 25-year repayment period and monthly payments under any other repayment plan if the amount is not less than a 10-year standard repayment based on loans outstanding at the initial repayment of the loan. So, there's quite a complicated statutory requirement around what are eligible payments that can be counted under this 25-year repayment period that will lead to forgiveness at the end of that 25-year period, but there has to be an outstanding balance, that's the primary benefit after 25 years of repayment. If a borrower shows partial financial hardship for a significant period of the 25-year period, then I think the government is basically saying, the statute is saying, as we did in ICR, that the borrower has acknowledged the loan sufficiently and the balance of it will be forgiven.

Advantages of IBR: I'm down to the last two slides. I'm sure, I know this is complicated. Affordable payments include zero, so you could have a zero payment under IBR. If the borrower's calculated IBR payment does not cover the monthly accrued interest, we pay for at least that 3 consecutive years on subsidized loans. Remaining principal and interest is forgiven after 25 years of payments or of repayment, and IBR payments will count for Public Service Loan Forgiveness and you're likely to have an outstanding balance left at that time, more likely under that repayment plan than any of the others.



Disadvantages of IBR, because, again, borrowers should be looking at all, we started out with here are the repayment plans that are available. People should be looking at all of the repayment plans available and examining what is best for them. IBR disadvantages; you're going to pay, if you pay over, you know, if you're going to pay over a longer period of time, you're going to pay more interest over a period of time. Your repayment period will be more than 10 years and you will be subject to the annual evaluation whereby you have to provide consent for us to secure information of your AGI through IRS, you have to recertify to your family size, so there's that ongoing requirement for us to continue to determine that you are eligible. And, with that, I'll close and we'll take questions.

Please come to the mic to pose your questions.

[AUDIENCE:] Hi, I'm Leslie from Indiana University and if you are a public service employee and you go under the program and sometime during the program's repayment period you cease being a public service employee due to retirement, losing your job, medical disability; are you ineligible then, or what happens?

[MORAN:] Do you want to take that?

[HARRIS:] Leslie?

[AUDIENCE:] Yes.

[HARRIS:] Is there a break in service, which means, you said retired and maybe you go back to work? You have to be in a public service position while you're paying and granted the forgiveness.

[AUDIENCE:] For the entire repayment period up to 25 years?

[HARRIS:] Up to...Yes, it's 10 years. It's 120 payments; it's 10 years.

[AUDIENCE:] Okay.

[MORAN:] For Public Service...

[HARRIS:] For Public Service Loan Forgiveness.

[MORAN:] [inaudible]

[AUDIENCE:] So, my question is also with regard to Public Service Loan Forgiveness. At the time of forgiveness, how are borrowers expected to show (a) that they've worked full-time and (b) show that they've worked in a qualifying job and, in general, what kind of documents and documentation are you encouraging seekers of Public Service Loan Forgiveness to keep?



[HARRIS:] Well, as of yet, because the first forgiveness won't happen until 2017, we have not decided as yet what we're going to collect, but some of the things that are in the air could be your tax forms, your W-2s will show your employment, we could get, we could request information from your employers. When I get calls like that, I tell them if you think you're going to leave an employment, get some type of documentation that we could use to represent if that is the case.

[AUDIENCE:] Patrick Gorman from LSU Health Science Center. I have a couple of questions regarding IBR. Um, one is if a borrower gets out from under the IBR umbrella for whatever reason, can they then consolidate their loans and get repayment options associated with consolidation of that balance? The other is, um, I understood that the Department is having some issues with their website and it's a little bit more difficult than maybe it ought to be for borrowers to be able to apply for IBR and I wanted to get an update as to when the website will be improved to facilitate efficient application for IBR.

[MORAN:] Um, first to your question about someone who's repaying loans not in consolidated loans, let's say, ah, under IBR, and then they decide to leave IBR totally, is that, that's the scenario?

[AUDIENCE:] For whatever reason they...

[MORAN:] For whatever reason, right. Um, the statute requires that those non-consolidated loans be paid off using a standard repayment plan, 10-year standard repayment plan, and the time available is, is based on what the remainder is of the 10-year standard repayment plan. So, that's the treatment for a non-consolidated loan when the borrower totally leaves IBR.

[AUDIENCE:] So, they're taking...

[MORAN:] And that's in statute.

[AUDIENCE:] So, they're taking a risk then if they have a huge balance because, um, you know I think about some of our health profession borrowers with 6-figure balances, if they got out of IBR, they might be in a pretty tight spot if they couldn't consolidate and get back onto, you know, like a 20- or 30-year repayment.

[MORAN:] That's correct. Even if, and if they already have a consolidation loan they're, they're going to get the balance at least of whatever the original consolidation payment was, or payment period was. But, ah, you know, the other thing that we did point out in the, um, in the preamble to the final regulations is that borrowers come out and they are subject to this requirement of paying under a 10-year standard repayment, but all borrowers, including these borrowers, are free to request a change of repayment plan; however, any change of repayment plan, um, would require them to repay within the 10-year standard, the 10-year period. So, it doesn't gain them anything to request another repayment plan.



[AUDIENCE:] The other question was about the website.

[MORAN:] Oh, about the website. I'm sorry. Um, they are working in terms of the Direct Loan servicing website to better reflect IBR as a repayment choice. They also are working, I believe on, there's a difficulty specifically with borrowers who are coming over and consolidating, well, who are either doing Direct Loan consolidation because they're already Direct Loan borrowers, or coming over from FFEL and are requesting that they, when they consolidate that they want to pay under IBR. Um, there is an operational issue that they are trying to work on between the Direct Consolidation website and the Direct Loan servicing website, because once a Direct consolidation loan is made, it is then transferred to the Direct Loan servicing website. Under ICR, the regs provide, and remember this is, ICR is purely regulatory as opposed to being statutory. There is a provision that allows for a borrower to be put into it at the time they request Income-Contingent Repayment. They can originally, they can immediately be put in a forbearance and it's a forbearance where there is no capitalization of interest while the documentation necessary is collected to determine their eligibility for ICR. Under IBR, when you request IBR as a repayment plan, there is no such provision. The default is to standard repayment. So, what, so there is an operational issue between Direct Loan Consolidation talking to the Direct Loan servicing side in terms of a smooth and effective choice of IBR as a payment plan. But the other thing to be aware of on a consolidation loan is that a borrower may be better off initially being placed in ICR until their documentation that can support their eligibility for IBR is collected and they can be determined to be eligible, because there is the automatic forbearance where they don't, they're not required to make any payments and interest is not capped. It's a 60-day period, I believe up to 60 days. And so, there is a glitch. The treatment that borrowers have been afforded is to put them in ICR with this immediate forbearance that actually protects them and provides them with a better treatment than what is provided for under IBR during that same period of time. So, yes, we are working on those operational website issues, but to be quite frank with you, what we're doing now in the treatment of borrowers who are on the Direct Loan consolidation website want IBR but aren't really able to directly request IBR because of the operational issues that we're dealing with are being placed in ICR, immediately into forbearance, no payment due, no capitalization of interest. Their treatment is better than defaulting to standard repayment until the documentation and eligibility can be determined. So, that's sort of the background; that's what's going on. But, in answer to your basic question, yes, we're working on both the Direct Loan servicing site and Direct Loan Consolidation to work out some of these issues, but that's what we're dealing, that's what we're doing for borrowers on the Direct Loan Consolidation side that is basically providing a more beneficial treatment until we can get some of these issues worked out.

[AUDIENCE:] Thank you.

[AUDIENCE:] Good afternoon, Steven Brown from Fordham Law School in New York. Ah, this also pertains to the Public Service Loan Forgiveness. I've been doing a lot of presentations actually for the past 3 years and change with students and other financial



aid administrators, and since the October 2008 regs came out where the Department had chosen not to include eligibility for this in the promissory note, there've been a lot of questions from students, especially law students, as you might understand, that this is statutory and there could come some time in the next 10 years of their lives when Congress decides this is not a priority and does away with this program. Is there anything you can tell me that I can offer that to them in terms of good news that if a student gets into this program, a graduate gets into IBR because they've chosen a public service career, that 10 years from now their loans will be forgiven.

[MORAN:] Nikki is letting me take this one. Um, there's no absolute guarantee on any term and condition in the loan programs that the Congress won't change the terms and conditions of the loan program. Generally, that does not happen. I have worked with student loans my entire professional career and with the government for 22 years and I have not seen a benefit taken away from a borrower. It may have been phased in based on borrowers entering repayment in a certain period of time. There's no absolute guarantee we can, I can give you. The Congress disposes, they do the legislation, they can change terms and conditions if they want to. Um, but generally speaking, we do not see them changing a benefit like that except in sort of an orderly manner, so to speak, with a prospective application or effective date. So, I don't anticipate. Number one, we don't, given, given what's on, given the predisposition of the Congress at the current time and the economy, we don't see any likelihood of them taking this away, but, you know, we see the possibility perhaps that they'll even add to it, but, um, you know, there, there are no absolute guarantees, you know, and there is some reference, there is a reference, I should mention, because you mentioned about the promissory note, there is, we have incorporated references to Income-Based Repayment and to Public Service Loan Forgiveness in general in the promissory notes, right. So, that is there. Um, but does that, but you notice in the intro to the master promissory note, and this is not new, there's general language saying 'subject to applicable laws and regulations.' So, if, and many, there have been many cases; you've seen us roll out addendums to the master promissory note because of all of the legislative changes we've seen over the last few years. There's nothing that guarantees that subject to applicable laws and regulations is not going to be some change in the law that discontinues a particular program benefit. Ah, but again, generally I have not seen any inclination of the Congress to do it in a way that harms people that have been working under certain expectations. The other thing, in response to another earlier question about what are people to be collecting, we're going to be working on an application. We're taking that up. You know, there have been a lot of things, um, that have gotten in the way of this and things that we had to roll out immediately. Um, but we are going to be going to working on a Public Service Loan Forgiveness application. As part of that application, and this is not new with discharges and forgiveness, we will have a certification section for an employer. We have and we will probably counsel borrowers that they can collect that from an employer on an annual basis and keep that. That's their support. Plus, their paystubs, their information on the organization they worked for because they might not stay with the same organization for 10 years. So, they collect information from off the website or from their personnel office that shows we're a 501C3 organization or with this, or with that. So, we're encouraging them to collect whatever they can that supports



their eligibility, you know, their qualifying service in a public service organization, but we think that when we have the application out there and, again, nobody can apply, as Nikki pointed out, until 2017, but there's no reason once we have that application out there and it will specify all of the criteria, all the eligibility criteria and will provide for a certification section that a borrower can't do that annually with their employer and present to us 10 years of certified statements about the period of employment, the organization, the authorized official certifying that, yes, this person was a full-time employee. So, it can be used in that fashion and we think, that's what we'd recommend at the current time.

[HARRIS:] I hate to do this. Unfortunately, we've been told that we have to vacate, but if you have questions, you can e-mail us or see us and we'll definitely try to answer the questions for you. Thank you.