the institute for
college access & success
405 14th Street
Suite 1100
Oakland, CA 94612
510.318.7900
www.ticas.org

November 18, 2013

Director of the Information Collection Clearance Division
U.S. Department of Education
400 Maryland Avenue SW, LBJ, Room 2E103
Washington, DC 20202–4537
(submitted electronically via: www.regulations.gov)

Re: Docket ID ED–2013–ICCD–0099

Dear Director,

In response to the Federal Register notice published on October 3, 2013, I am writing to comment on the proposed Direct Loan Repayment Plan Selection Form.

The Institute for College Access & Success (TICAS) is an independent, non-profit organization that works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to reduce the risks and burdens of student debt and raise awareness of how rising debt levels can affect outcomes for our nation's students, economy, and society.

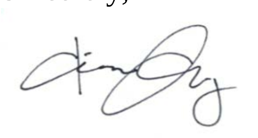
We write to express our general support for the changes to this form and to recommend one specific improvement. We appreciate that this proposed form is much more readable and easy to understand than the current version. In particular, the revised Section 2 more clearly allows borrowers to indicate whether they would like to select a plan for all their Direct Loans, or only those Direct Loans that are not eligible for an income-driven repayment plan (Income-Based Repayment, Pay As You Earn, or Income-Contingent Repayment). It is especially helpful that the proposed form provides information about how to apply for an income-driven repayment plan and sample payment amounts under those plans.

However, **we recommend revising the calculation of total payment amounts under the income-driven repayment plans (Section 7) to more accurately reflect projected increases in the U.S. Department of Health and Human Services (HHS) Poverty Guidelines over time**. Specifically, the calculations for these tables should base the estimated annual increase in HHS Poverty Guidelines on projected increases in the Consumer Price Index (CPI-U). Projected increases in the CPI-U are the best proxy for future poverty guidelines. It appears that the proposed form instead uses a historical average rate of poverty guideline increases (3.30%). HHS annual poverty guidelines are calculated based primarily on the CPI-U. In its projections of the CPI-U, the Congressional Budget Office (CBO) assumes that the Federal Reserve will, on average, succeed in keeping inflation at its inflation target. This approach is better than relying on historical data for poverty guidelines or the CPI-U, which may be distorted by abnormally high or low rates during periods of recession or other economic events, or when the Federal Reserve allowed for higher rates in the past. This adjustment would more accurately estimate the total amount borrowers are likely to pay over their entire repayment period under IBR, Pay As You Earn, and ICR.

To ensure consistency across Department of Education materials, we urge that this change be reflected in all Department forms and online resources, especially the online repayment estimator on StudentLoans.gov, as quickly and simultaneously as possible.

Thank you for the opportunity to comment on this proposed form. If you have any questions about our comments, please feel free to contact me at (510) 318-7900 or dcheng@ticas.org

Sincerely,



Diane Cheng
Research Analyst