

October 9, 2012

U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202-4537  
(sent via email to [icdocketmgr@ed.gov](mailto:icdocketmgr@ed.gov))

These comments are in response to the August 8, 2012 *Federal Register* notice ([77 FR 47374](#)) seeking public input on the draft “Income-Based/Income-Contingent Repayment Plan Request” form for Direct Loan (DL) and Federal Family Education Loan (FFEL) borrowers (OMB Control Number 1845–0102).

The Institute for College Access & Success (TICAS) is a national nonprofit, nonpartisan research and policy organization working to make higher education more available and affordable for people of all backgrounds. Our work focuses primarily on financial aid issues, including how communication and processes at every stage – from early awareness through loan repayment – can better support both enrollment and completion. Our initiatives include the Project on Student Debt, which developed the policy framework that formed the basis of Income-Based Repayment (IBR) and works to increase awareness of and access to IBR and related repayment programs. (See, for example, [www.IBRinfo.org](http://www.IBRinfo.org), and our detailed [comments](#) on the Notice of Proposed Rulemaking for the student loan rulemaking process begun in 2011.)

We are very pleased that this draft form provides an integrated application process for borrowers seeking loan payments based on their income. In particular:

- Borrowers can select IBR or either of the income contingent repayment plans (the anticipated ICR-A, otherwise known as “Pay As You Earn,” and ICR-B, which is the current ICR plan). Or they can ask their lender to enroll them in whichever of these plans would result in the lowest monthly payment. This is especially important given the complexity of these plans.
- It is designed to work for borrowers regardless of whether they have Direct Loans, FFEL loans, or both.
- It lets borrowers provide alternative documentation of income when necessary, eliminating the need for a separate form.

Combining all of these elements into one form will make it easier for borrowers to enroll in repayment plans that can keep payments manageable and help prevent default.

The online calculator mentioned in the draft form is described as covering IBR, ICR-A, and ICR-B. This could greatly help borrowers understand their likely eligibility and estimated monthly payments under these different repayment plans. We urge the Department of Education (the

Department) to ensure that this calculator will provide estimates for all three plans at once, and to make it available by the time borrowers can enroll in the ICR-A plan. Currently, there are separate calculators for the income-based repayment plan and the income-contingent repayment plan, creating an extra hurdle for borrowers trying to compare their repayment options.

We also recommend three general improvements to increase the form's effectiveness:

1. Develop more user-friendly names for the ICR-A and ICR-B repayment plans. It is our understanding that the names "Income-Contingent Repayment Plan A" and "Income-Contingent Repayment Plan B" (as written in section 8 of the draft form) are merely placeholders for their final names. It is important to develop more consumer-friendly names, particularly since ICR-A is more similar to IBR than it is to ICR-B. Given the large amount of publicity around "Pay As You Earn," it may be helpful to incorporate the name in some way.
2. Encourage borrowers who are applying for IBR or currently paying under the IBR plan, and who do not need to provide alternative documentation of income, to use the new online application process instead of this paper form. The online IBR application streamlines the income confirmation process for borrowers by letting them electronically transfer their IRS data into the IBR form.
3. More clearly delineate which repayment plans are available for FFEL program loans and DL program loans. For example, we understand that the Student Loan Servicing Alliance (SLSA) has developed a table that would help clarify which loans qualify for each of these plans.

In addition, we recommend the following specific changes:

1. In section 2, last sentence, replace "(if your loan holder requires)" with "(if applicable)." Borrowers can submit alternative documentation of income even when their loan holder does not *require* it -- if their AGI as reflected in their most recently filed federal tax return does not reasonably reflect their current income.
2. In question 2, replace "Federal" with "FFEL." Both Direct Consolidation Loans and FFEL Consolidation Loans are "Federal" Consolidation Loans.
3. In Section 5, first paragraph, add a line that clarifies the types of taxable income borrowers must report. The current [Alternative Documentation of Income form](#) lists "income from employment, unemployment income, dividend income, interest income, tips, alimony."
4. In section 5 and the last bullet point in section 9, clarify that "Copies of the original documentation are acceptable." Otherwise, it is not clear whether borrowers have to submit original documentation. It is far less burdensome on borrowers to be able to submit copies of their income documentation.
5. In section 7, first bullet point, replace the reference to box "15a" with "16a."
6. In section 8, "Alternative Documentation of Income," remove the line "except for documentation of your Adjusted Gross Income." Section 9 already explains the

circumstances under which borrowers should provide alternative documentation of income, so this reference under the definitions may be confusing for borrowers.

7. In section 8, “Eligible loans for the ICR-B plan,” replace both references to “ICR” with “ICR-B” or its more consumer friendly equivalent.
8. In section 9 (page 5), under “You may provide alternative documentation of your income if,” add “of” before “the loss.”
9. In section 9 (page 5), under “You are not required to provide alternative documentation of your income if,” add “and your AGI, as reported on your most recently filed federal tax return, reasonably reflects your current income.”

Thank you for the opportunity to comment on this draft form. If you have any questions or concerns regarding our comments, please do not hesitate to contact me by phone at (510) 318-7900, or via email at [ljasher@ticas.org](mailto:ljasher@ticas.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'Lauren Asher', with a stylized flourish at the end.

Lauren Asher  
President  
The Institute for College Access & Success