ticas

THE INSTITUTE FOR COLLEGE
ACCESS & SUCCESS

August 26, 2025

Linda McMahon
Secretary, U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Submitted electronically

Re: Docket ID ED–2025–0151

Dear Secretary McMahon,

The Institute for College Access & Success (TICAS) is a nonprofit, nonpartisan source of research, design, and advocacy for student-centered public policies that promote affordability, accountability, and equity in higher education. As the Department is preparing to convene two negotiating committees to discuss sweeping changes to student loan borrowing, the repayment system, and institutional and programmatic accountability metrics, we at TICAS urge the Department to center the needs of students and borrowers when crafting regulations.

1. <u>The Composition of the Negotiating Committees</u>

We ask that the Department add additional constituency groups to the committees to ensure it has the full feedback and expertise of all affected stakeholders. We believe the Department should create a separate constituency group, in each committee, for civil rights groups that represent students. Combining this constituency with legal assistance organizations and consumer advocates will minimize the voice of the civil rights community who would provide essential input on how proposed regulations will impact students and the Department's compliance with civil rights laws. There is precedent from the first Trump administration for having more than one seat for student-related advocacy organizations. In the 2017-2018 negotiated rulemaking committees convened under the leadership of Secretary DeVos, the Department had separate constituency groups for consumer advocacy organizations and for legal assistance organizations. Should all negotiators approve the addition of a separate

constituency group to represent civil rights organizations, we urge the Department to accept this decision.

2. Issues Related to the RISE Committee

The Department has a significant task before it that will directly affect the financial lives of tens of millions of American households. Trust in the federal student loan repayment system is at an all-time low and many borrowers continue to face unresolved account issues and experience long wait times to speak to servicers, who often provide conflicting or inaccurate advice. The Department has also repeatedly removed resources for borrowers without providing a clear timeline for restoration. This includes the removal of the IDR payment count tracker, the erroneous addition of accrued interest for borrowers in non-interest-bearing forbearances, and the recent pause on processing IBR discharges for borrowers who have completed their required number of payments.

Borrowers need clear, timely, and actionable information about what to expect and how to navigate these repayment changes. The changes stemming from the reconciliation law will be especially confusing for borrowers, and we urge the Department to communicate proactively about repayment options, the timeline for implementation, and how to find help navigating the recent changes. In implementing these changes, the Department must prioritize clarity and must ensure servicers are properly equipped to support borrowers through this transition.

We also urge the Department to carefully consider its implementation of new limits on graduate and parent borrowing, and to ensure minimal disruption for those who are currently enrolled in a program. The Department is also responsible for defining which programs are "graduate" programs versus "professional" programs as it implements new borrowing limits that differ between program types. These definitions, which will likely have significant impacts on enrollment decisions and completion rates, must be made in adherence with existing statute and applied clearly and consistently across programs and institutions.

3. Issues Related to the AHEAD Committee

We urge the Department to take great caution in how it implements the Workforce Pell Grant program to ensure that students are not harmed and that billions of dollars from the Pell Grant program are not wasted.

The Department should lay out a clear system to ensure that schools are meeting all requirements in the legislation before allowing them to obtain Pell Grants. Schools should not be granted waivers or provided with ways to expedite or avoid the clear statutory directive of Congress. Doing so could create legal risks for the existence of the programs. For example, if a program has not already existed for one year, it should not be granted a waiver. If a school cannot prove, with evidence, documentation, and certifications by school officials, that the program has the necessary 70% completion and job placement rate and that it meets the

value-added test for the entire look-back period, it should not be permitted to participate in the program.

The Department should also consider hiring additional staff to conduct reviews of Workforce Pell programs. If the Department has insufficient staff to perform a thorough review for each program, it should only approve the programs for which a review is completed, and all requirements are documented. Although Workforce Pell funds are set to become available July 1, 2026, we encourage the Department to take a measured approach to program approval. Rushing this approval process could lead to wasted taxpayer funds and students enrolling in poor quality programs.

We ask the Department to also consider regulatory provisions to ensure that Pell Grant funds are not subject to fraud, waste, or abuse. For instance, Congress made clear that these funds should not go to schools that are not accredited or Pell Grant-eligible. To effectuate Congress' clear intent, the Department should make clear that schools may not outsource instruction of workforce programs to unaccredited entities, as that would clearly violate the spirit of the legislation and likely lead to programs of low quality and wasted federal money.

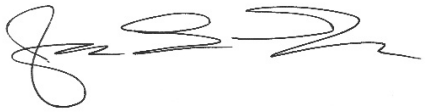
We urge the Department to maintain and implement a version of the Gainful Employment (GE) and Financial Value Transparency Rule in addition to the provision in the legislation causing a loss of Direct Loan eligibility for certain programs with low earnings outcomes. This is particularly important because the new low earnings metric included in H.R. 1 does not apply to certificate programs. Students taking out Direct Loans and grants to cover their tuition at certificate and career education programs should be protected from waste, fraud, and abuse. They should make enough money to be able to pay back the loans they took out to cover these programs. The debt-to-earnings metric in the GE Rule is an effective cost-controller and applies to certificate programs offered by all schools regardless of sector. If it is fair to expect degree programs to "do no harm" to students, then it is also fair to expect that from certificate programs. The GE rule's debt-to-earnings metric offers the most reasonable and time-tested way to ensure programs can only charge high tuition if the earnings of its graduates are sufficient to repay their debt.

We ask that the Department also continue to implement a debt-to-earnings test and Financial Value Transparency reporting for degree programs. As the data has shown, the earnings metric alone does not sufficiently protect students or the taxpayer investment in the Title IV program from expensive programs with low earnings that will cause students to have significant problems repaying debt and potentially fall into default. Only a debt-to-earnings metric can ensure that the federal investment in students' education is not being wasted by the schools that fail to provide an education with the necessary earning power to repay the debt in full. Further, that Rule provides protection for the Pell Grant program if a program fails, which ensures that federal grant money is not being disbursed to a program that fails the earnings metric in the legislation. We urge the Department to continue to implement the Gainful Employment and Financial Value Transparency Rule, so students are aware if their colleges are keeping tuition

high for a program that does not provide a good enough return on their investment. Because schools are already reporting data for the existing GE/FVT Rule, they can use the same data collection processes to calculate earnings for the earnings threshold in H.R.1. This approach minimizes the additional burden on institutions.

We appreciate the opportunity to provide comments on behalf of TICAS related to these negotiations that will significantly impact students and borrowers.

Sincerely,



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