

To: RISE Negotiated Rulemaking Committee

From: Tamar Hoffman and Ashley Naporlee, Negotiators on behalf of Legal Aid, Civil Rights, and Consumer Rights Advocates

Date: November 5, 2025

Re: **ED's Nov. 4 (PM) Proposed Changes to Limit PSLF Qualifying Time**

Issue: Late in the day on November 4, 2025, the Department of Education proposed new regulatory language for 685.219 amending the PSLF regulations to impose the following new limits on PSLF qualifying time for borrowers in the RAP plan:

1. **Paid ahead status:** Borrowers in RAP who pay extra and are thus placed into paid ahead status would not earn PSLF qualifying time for their paid ahead months, despite making full and indeed early payments for those months, unlike borrowers in existing IDR plans who would earn PSLF qualifying time for such paid ahead months up until their next IDR recertification deadline. (Changes to § 685.219 (c)(2)(iii), and corresponding § 685.209)
2. **Deferments and Forbearances:** Borrowers in RAP will not get PSLF credit for time in specified types of forbearances and deferment statuses that would be eligible for PSLF if the borrower were enrolled in other IDR plans. This includes time in military service and national guard duty deferments, economic hardship deferments, unemployment deferments, and IDR processing forbearances. (Changes to § 685.219 (c)(2)(v))
3. **PSLF Buyback:** Borrowers in RAP will not be eligible to use the PSLF buyback to make back payments and earn PSLF credits for periods that they were in non-PSLF qualifying deferments or forbearances while enrolled in RAP. (Changes to § 685.219 (g)(6))

Our concerns: These proposed limitations would impose new barriers to succeeding in the PSLF program, would punish people for processing delays that are outside of their control, would make it harder for servicemembers to succeed in PSLF, would punish people who make extra payments or who want to make up for payments deferred or forborne during prior periods of economic distress, and would complicate the student loan program and worsen borrower distrust and frustration.

Fortunately, most if not all of these negative impacts are not required by OB3. In OB3, Congress did not impose new restrictions on PSLF, and the only change to PSLF included in OB3 is to broaden PSLF by adding RAP as an additional qualifying plan for PSLF purposes. We therefore see no statutory basis in OB3 to limit the PSLF buyback program or to limit PSLF credit for any IDR payments in paid ahead status.

However, we recognize that OB3 may be read to limit the definition of qualifying monthly payments in the RAP plan to exclude some periods of forbearances and deferments after July

5, 2025 (see 20 USC 1087e(q)(1)(F)(vii)), and that ED may apply this limit to carry over to borrowers in RAP pursuing PSLF. Even if so, OB3 continues to explicitly define months in economic hardship deferments as qualifying monthly payments in RAP (see 20 USC 1087e(q)(1)(F)(vi)), and thus there is no basis for the Department to withhold PSLF qualifying time for borrowers in RAP during periods of economic hardship deferments.

Proposal: We therefore propose striking all of the changes to § 685.219 and § 685.209 included in the Department's draft dated Nov. 4 / Day 2 (PM).

If the Department believes that some of the restrictions on qualifying periods of deferment and forbearance under § 685.219 (c)(2)(v) are required by OBBB's language defining qualifying payments in RAP, then we propose striking all changes from yesterday's draft **except** for the changes to § 685.219 (c)(2)(v), and amending § 685.219 (c)(2) as follows to make clear that time in economic hardship deferments is PSLF qualifying even for borrowers in RAP:

§ 685.219(c)(2)

...

(v): **Except during periods a borrower is enrolled in the Repayment Assistance Plan under § 685.209,** receiving one of the following deferments or forbearances for the month:

- (A) Cancer treatment deferment under section 455(f)(3) of the Act;
- (B) Economic hardship deferment under § 685.204(g);
- (C) Military service deferment under § 685.204(h);
- (D) Post-active-duty student deferment under § 685.204(i);
- (E) AmeriCorps forbearance under § 685.205(a)(4);
- (F) National Guard Duty forbearance under § 685.205(a)(7);
- (G) U.S. Department of Defense Student Loan Repayment Program forbearance under § 685.205(a)(9);
- (H) Administrative forbearance or mandatory administrative forbearance under § 685.205(b)(8) or (9);

(vi) During periods a borrower is enrolled in the Repayment Assistance Plan under § 685.209, receiving an economic hardship deferment under § 685.204(g) for the month:

(vii) Being employed full-time with a qualifying employer, as defined in this section, at any point during the month for which the payment is credited.