

Reimagining and Improving Student Education (RISE)
Negotiated Rulemaking Session 2, November 3 – 7, 2025

#2 Proposed Draft Regulations

Section 682.405 Loan Rehabilitation Agreement

Amend § 682.405 by revising paragraphs (a)(3) and (4) to read as follows:

§ 682.405 Loan rehabilitation agreement.

(a) * * *

(3) * * *

(iii) On or after July 1, 2027, a borrower may only obtain the benefit of a suspension of administrative wage garnishment one time per each ~~while also~~ attempt~~ing~~ to rehabilitate a defaulted loan ~~once~~.

(4) (i) After the loan has been rehabilitated, the borrower regains all benefits of the program, including any remaining deferment eligibility under section 428(b)(1)(M) of the Act, from the date of the rehabilitation. ~~Effective for any loan that is rehabilitated on or after August 14, 2008, the borrower cannot rehabilitate the loan again if the loan returns to default status following the rehabilitation.~~

(ii) A loan may only be rehabilitated once between August 14, 2008, through June 30, 2027. On or after July 1, 2027, a loan may only be rehabilitated a maximum of two times over the loan's lifetime, regardless of when the loan was made.

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