

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

#8 Proposed Draft Regulations

Section 685.204 Deferment

Amend § 685.204 by revising paragraphs (f) and (g) to read as follows:

§ 685.204 Deferment.

* * * * *

(f) *Unemployment deferment.*

(1) (i) For loans disbursed before July 1, 2027, a~~A~~ Direct Loan borrower is eligible for a deferment during periods that, collectively, do not exceed three years in which the borrower is seeking and unable to find full-time employment.

(ii) For loans disbursed on or after July 1, 2027, a borrower may not receive an unemployment deferment.

* * *

(3) For the purposes of obtaining an unemployment deferment under paragraph (f) (2) (ii) of this section, the following rules apply:

(i) * * *

* * * * *

(g) *Economic hardship deferment.*

(1)

(i) For loans disbursed before July 1, 2027, Aa Direct Loan borrower who has experienced or will experience an economic hardship in accordance with paragraph (g) (2) of this section, is eligible for a deferment during periods that, collectively, do not exceed three years ~~in which the borrower has experienced or will~~

~~experience an economic hardship in accordance with paragraph (g) (2) of this section.~~

(ii) For loans disbursed on or after July 1, 2027, a borrower may not receive an economic hardship deferment under paragraph (g) of this section.

(iii) An economic hardship deferment is granted for periods of up to one year at a time, except that a borrower who receives a deferment under paragraph (g) (2) (iv) of this section may receive an economic hardship deferment for the lesser of the borrower's full term of service in the Peace Corps or the borrower's remaining period of economic hardship deferment eligibility under the 3-year maximum.

* * * * *