

## Summary of Changes to Proposed Regulatory Text – Day 2

### § 685.102

Amend paragraph (b), definition of *expected time* to credential:

(b) \* \* \*

(1) three academic years, ~~or its equivalent~~ as defined in  
34 CFR 668.3; or

\* \* \* \* \*

## § 685.203

Amend paragraphs (e) (4) (i) and (ii):

(e) \* \* \*

(4) \* \* \*

(i) who is not and has never been a professional student at ~~that an institution~~, \$100,000.

(ii) who is or has been a professional student at ~~that an institution~~, \$200,000, minus any amounts such student borrowed as a graduate student.

Amend paragraphs (f) (2) (iv) and (g) (5):

(f) \* \* \*

(2) \* \* \*

(iv) For the purposes of this subparagraph (f), a program of study means a program that confers an associate's or baccalaureate degree.

(g) \* \* \*

(5) For the purposes of this subparagraph (g), a program of study means a program that confers an associate's or baccalaureate degree.

Amend paragraph (g) (2):

(g) \* \* \*

(2) *Aggregate Limits On or After July 1, 2026.* For periods of enrollment beginning on or after July 1, 2026, the total amount of all Direct PLUS Loans that all parents may borrow on behalf of each dependent student ~~for enrollment in an eligible program of study~~ may not exceed \$65,000 ~~for the entire period of enrollment~~, without regard to any amounts repaid, forgiven, canceled, or otherwise discharged on any

such loan. Any amount of loan funds that have been returned by the institution, or the borrower will not count against the aggregate loan limit under this paragraph (g) (2).

Correct formula at paragraph (m) (1) (i) (C):

$$\left( \frac{\text{number of credit hours enrolled for the term}}{\text{number of credit hours considered full time for that term for the program of study}} \right) \times 100$$

= reduced annual loan limit percentage

Amend paragraphs (m) (2) (ii) and (iv):

(m) \* \* \*

(2) \* \* \*

(ii) An institution that limits the total amount of Direct Loans for an eligible program under paragraph (m) (2) (i) of this section must document its decision and follow the record retention and examination requirements in 34 CFR 668.24.

\* \* \*

(iv) Prior to taking such action under paragraph (m) (2) (i) of this section, an institution must notify the student who plans to enroll or is enrolled in the program subject to this limitation.

\* \* \* \* \*

§ 685.209

Amend paragraph (b) (1):

(b) \* \* \*

(1) ***Applicable amount***, means under the IBR and PAYE plans, means 15 percent of the result obtained by calculating on at least an annual basis, the amount of the borrower's adjusted gross income, and the borrower's spouse's adjusted gross income if married filing jointly, that exceeds 150 percent of the poverty guideline. For new borrowers, as defined in this section, repaying under IBR or PAYE, 10 percent will be substituted for 15 percent in the calculation.

(i) For a borrower who is not a new borrower under the IBR plan, 15 percent of the result obtained by calculating on at least an annual basis, the amount of the borrower's adjusted gross income, and the borrower's spouse's adjusted gross income if married filing jointly, that exceeds 150 percent of the poverty guideline;

(ii) For a new borrower under the IBR plan, 10 percent of the result obtained by calculating on at least an annual basis, the amount of the borrower's adjusted gross income, and the borrower's spouse's adjusted gross income if married filing jointly, that exceeds 150 percent of the poverty guideline; or

(iii) For any borrower under the PAYE plan, 10 percent of the result obtained by calculating on at least an annual basis, the amount of the borrower's adjusted gross income, and the borrower's spouse's adjusted gross income if married filing jointly, that exceeds 150 percent of the poverty guideline.

Amend paragraph (h) (4):

(h) \* \* \*

(4) (i) Under the Repayment Assistance Plan, during all periods of repayment on all loans being repaid under the Repayment Assistance Plan, the Secretary does not charge the borrower's account for any accrued interest that is not covered by the borrower's on-time payment of the amount due for that month.

(ii) If a borrower's payment is credited to a future monthly payment, and the payment equals or exceeds the on-time monthly payment amount made under the Repayment Assistance Plan under (f)(5)(i) of this section, the Secretary charges the borrower's account any accrued interest that is not covered by the borrower's on-time payment of the amount due for that month, in accordance with paragraph (h)(4)(i) of this section.

Amend paragraph (k)(8)(i)(C)(5):

(k) \* \* \*

(8) \* \* \*

(i) \* \* \*

(C) \* \* \*

(5) Prior to July 1, 2028, a monthly payment under the PAYE, or ICR an income-contingent repayment plan under this section, of not less than the monthly payment required under the applicable plan, including the minimum payment permitted under such plan;

Amend paragraph (o)(2)(ii):

(o) \* \* \*

(2) (i) Matching Principal Payment under the Repayment Assistance Plan. In the case where When the borrower is not in a period of deferment under §685.204 or forbearance under §685.205, for each month the borrower makes an on-time monthly payment as applied in paragraph (f)(5)(i) of this section and the outstanding principal balance is

reduced by less than \$50, the Secretary reduces such total outstanding principal of the borrower by an amount that is equal to—

(~~i~~A) the lesser of—

(~~A~~1) \$50; or

(~~B~~2) the monthly payment made; minus

(~~i~~iB) the amount of the monthly payment that is applied to such total outstanding principal balance.

(ii) If a borrower's payment is credited to a future monthly payment, and the payment equals or exceeds the monthly repayment amount made under (f)(5)(i) of this section, the Secretary does not provide the borrower a matching principal payment in accordance with paragraph (o)(2)(i) of this section.

\* \* \* \* \*

## § 685.303

Amend paragraph (d) (5):

(d) \* \* \*

(5) The school must disburse loan proceeds in substantially equal installments, and no installment may exceed one-half of the loan, except when borrowers are subject to the award year loan limit for less than full-time enrollment, as described in 34 CFR 685.209(m), the institution will disburse in accordance with such schedule of reductions.