COUNCIL OF GRADUATE SCHOOLS
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February 10, 2023

The Honorable Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Avenue S.W.
Washington, D.C. 20202

RE: Docket ID ED-2023-OPE-0004

Dear Secretary Cardona:

On behalf of the Council of Graduate Schools (CGS), I am writing to thank you for the opportunity to submit comments on the Notice of Proposed Rulemaking (NPRM) on Improving Income-Driven Repayment for the William D. Ford Federal Direct Loan Program. The CGS membership appreciates the work that was done by the Affordability and Student Loan negotiated rulemaking committee and the Department of Education's (Department) interest in our comments on the proposed changes to the Revised Pay as You Earn (REPAYE) plan.

For over 60 years, CGS has served as the national organization dedicated to advancing graduate education and research. Our membership includes 500 institutions of higher education in the United States, Canada, and abroad representing nearly 1.7 million graduate students. Collectively, our members grant 87 percent of all U.S. doctorates and majority of U.S. master's degrees. As an association, we are proud to represent a diverse and dynamic group of higher education institutions ranging from public and private research-intensive institutions to regional comprehensive institutions, Hispanic Serving institutions (HSI), as well as Historically Black Colleges and Universities (HBCU) and Minority-Serving Institutions (MSI).

Support Graduate Student Loan Borrowers

In the last two years, the Biden administration has made important and necessary changes to reform student loan forgiveness and repayment programs. In our view, the administration's efforts have proven beneficial to graduate student borrowers and their families by making the student loan system more manageable. Specifically, the administration's actions to overhaul the Public Service Loan Forgiveness (PSLF) program to make it more accessible for graduate student loan borrowers who have dedicated ten years or more of their lives to public service was both welcome and timely. Many professions that serve the public, including teachers, nurses, social workers, mental healthcare professionals, as well as those in emergency management and other public safety officials are in high-demand and usually require a graduate degree. So, CGS also applauds the administration's overhaul of the PSLF program.

While CGS applauds the Department's efforts to assist borrowers in the repayment of their student loans, we have serious concerns about some of the proposed changes to the REPAYE plan. Specifically, CGS is concerned about the discretionary income payment provision which requires graduate borrowers to pay ten percent of their discretionary income per month, while decreasing the discretionary income requirement for undergraduate borrowers to five percent. CGS is also concerned about the provision which requires graduate borrowers to repay their loans for 25-years before the cancellation of their remaining debt, as well as the unintended consequences these proposed changes may have on women and underrepresented minorities.

Graduate Borrowers Deserve Equal Treatment

As already mentioned, the proposed changes to the REPAYE plan allows undergraduate borrowers to pay five percent of their discretionary income, while requiring graduate borrowers to pay ten percent of their discretionary income towards the monthly repayment of their student loan debt. In the NPRM, the Department clearly states that the benefit of the REPAYE plan is to provide borrowers with "affordable repayment terms based on their income, provide lower monthly payments, and to lower the amounts paid over the lifespan of the loan." By requiring graduate borrowers to pay ten percent of their discretionary income runs contrary to the goals of the REPAYE plan and may place a substantial financial burden on these borrowers. It is important for the Department to consider that many graduate borrowers are often older than their undergraduate counterparts, are heads-of-households with dependent children, and have caregiving responsibilities. By requiring graduate borrowers to pay a higher percentage of their monthly income than undergraduate borrowers may result in undue financial hardship for those who are least able to repay their loans.

CGS is also concerned about the difference in time to cancellation for undergraduate and graduate borrowers. The proposed changes allow undergraduate borrowers to have their remaining debt cancelled a full five years before graduate borrowers. Thus, undergraduate borrowers will be eligible for debt cancellation after 20 years, while graduate borrowers will have their debt cancelled after 25 years of payment. This disparate treatment of graduate students runs contrary to the original purpose of Income-Driven Repayment Plans which was to make repayment for borrowers more affordable. Again, this disparate treatment of graduate borrowers could have financial consequences on these borrowers, as they plan to buy homes, start businesses, care for their families, and save for retirement. Thus, CGS urges the Department to give serious consideration to reducing the discretionary income requirement and time to cancellation for graduate borrowers before the final rule on REPAYE is issued.

Unintended Consequences on Women and Underrepresented Minorities

According to the U.S Bureau of Labor Statistics, careers that require a graduate degree are projected to comprise the fastest-growing segment of the workforce through 2028. In fact, the number of entry-level jobs that will require a master's degree are projected to grow by 15 percent between 2019 and 2029. Clearly there is market and workforce demand for talented, well-educated, and highly skilled workers. To improve their employment opportunities, more women and underrepresented minorities are pursuing advanced degrees, and are often relying on financial aid to pay for their education. Data shows that African Americans, Latinx, and members of other underrepresented minorities groups borrow to finance their education and they graduate with a higher-debt load than their white counterparts. By requiring graduate borrowers to pay a higher percentage of their discretionary income and for an additional five years before debt cancellation may result in serious financial hardship for women and underrepresented minorities.

Thank you again for the opportunity to submit public comment on the proposed regulations amending the Revised Pay as You Earn (REPAYE) repayment plan. If you have any questions or comments, please do not hesitate to contact Ms. Amy Scott at amscott@cgs.nche.edu or Mr. Nick Cox at ncox@cgs.nche.edu.

Sincerely,

Suzanne T. Ortega

Suzanne T. Ortega
President