



COMPLIANCE TIDBIT
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REGULATIONS DELAYED

A [Complaint and Prayer for Declaratory and Injunctive Relief](#) was filed on May 24, 2017, in the United States District Court for the District of Columbia, by the California Association of Private Postsecondary Schools challenging final regulations issued Nov. 1, 2016. Because of this legal action, the USDE issued a [Federal Register Notice](#) June 16, 2017, delaying certain provisions of the final borrower defense to repayment rules previously issued [Nov. 1, 2016](#). The Final Rule that would have taken effect July 1, 2017, initially established a new standardized process for how students can discharge their federal student loans on the grounds that they were misled or otherwise defrauded by their college.

The major provisions that HAVE BEEN DELAYED include:

- 668.14(b)(30), (31), and (32) Program participation agreement.
- 668.41(h) and (i) Reporting and disclosure of information.
- 668.71(c) Scope and special definitions.
- 668.90(a)(3) Initial and final decisions.
- 668.93(h), (i), and (j) Limitation.
- 668.171 General.
- 668.175(c), (d), (f), and (h) Alternative standards and requirements.
- Part 668 subpart L, Appendix C.
- 674.33(g)(3) and (g)(8) Repayment.
- 682.202(b)(1) Permissible charges by lenders to borrowers.
- 682.211(i)(7) Forbearance.
- 682.402(d)(3), (d)(6)(ii)(B)(I) and (2), (d)(6)(ii)(F) introductory text, (d)(6)(ii)(F)(5), (d)(6)(ii)(G), (d)(6)(ii)(H) through (K), (d)(7)(ii) and (iii), (d)(8), and (e)(6)(iii) Death, disability, closed school, false certification, unpaid refunds, and bankruptcy payments.
- 682.405(b)(4)(ii) Loan rehabilitation agreement.
- 682.410(b)(4) and (b)(6)(viii) Fiscal, administrative, and enforcement requirements.
- 685.200(f)(3)(v) and (f)(4)(iii) Borrower eligibility.
- 685.205(b)(6) Forbearance.

- 685.206(c) Borrower responsibilities and defenses.
- 685.212(k) Discharge of a loan obligation.
- 685.214(c)(2), (f)(4) through (7) Closed school discharge.
- 685.215(a)(1), (c)(1) through (c)(8), and (d) Discharge for false certification of student eligibility or unauthorized payment.
- 685.222 Borrower defenses.
- Part 685 subpart B, Appendix A Examples of borrower relief.
- 685.300(b)(11), (b)(12), and (d) through (i) Agreements between an eligible school and the Secretary for participation in the Direct Loan Program.
- 685.308(a) Remedial actions.

A few of the provisions that had been designated for early implementation in the final rules package that were NOT DELAYED are outlined below.

- Expanded the types of documentation that may be used for the granting of a discharge based on the death of the borrower
- Amended regulations governing the consolidation of Nursing Student Loans and Nurse Faculty Loans so that they align with the statutory requirements of section 428C(a)(4)(E) of the HEA
- Addressed severability
- Made technical corrections

In connection with this delay, the USDE is preparing for negotiated rulemaking to develop revised regulations on borrower defenses to repayment of federal student loans and other matters. This includes the authority of guaranty agencies to charge collection costs under 34 CFR 682.410(b)(6) for defaulted borrowers who enter a repayment agreement. The initial guidance on collection costs in Dear Colleague Letter GEN-15-14 was withdrawn in DCL [GEN-17-02](#) on March 16, 2017. A second committee will be considering provisions of gainful employment regulations initially issued Oct. 31, 2014 that were delayed [March 10, 2017](#).