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October 11, 2016

Ms. Mabel Echols
Executive Office of the President
Office of Management and Budget

Re: Proposed Group Process for Borrower Defense Claims

Dear Ms. Echols,

We are writing to provide OMB and the Department of Education (DOE) with our recommended revisions to 34 C.F.R. § 685.222(f)-(h),¹ as discussed during our teleconference today with officials from OMB and DOE. Our proposed changes are redlined below:

685.222(f) Group process for borrower defense, generally. (1) The Secretary may, sua sponte or pursuant to a petition by an individual borrower, Upon consideration of factors including, but not limited to, common facts and claims, fiscal impact, and the promotion of compliance by the school or other title IV, HEA program participants, the Secretary may initiate a process to determine whether a group of borrowers, identified by the Secretary, has a borrower defense. In deciding whether to initiate a group process, the Secretary may consider factors including, but not limited to, common facts and claims, fiscal impact, and the promotion of compliance by the school or other title IV, HEA program participants.

(2)(ii) Provides each identified member of the group with notice that allows the borrower to participate in or opt out of the proceeding; and

(g)(1) ... As part of the fact-finding process, the hearing official considers any evidence and argument presented by individual borrowers and the Department official on behalf of the group and, as necessary to determine any claims at issue, on behalf of individual members of the group. ...

¹ See 81 Fed. Reg. 39330 (Jun. 16, 2016).

(h)(1) ... As part of the process, the hearing official considers any evidence and argument presented by the school, individual borrowers, and the Department official on behalf of the group and, as necessary to determine any claims at issue, on behalf of individual members of the group.

We are happy to provide OMB and DOE with additional information or assistance regarding any of the issues raised in our attached comments on the Department of Education's proposed procedures for handling group claims.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "M. Sant' Ambrogio", with a stylized, flowing script.

Michael Sant' Ambrogio

A handwritten signature in blue ink, appearing to read "Adam S. Zimmerman", with a stylized, flowing script.

Adam S. Zimmerman