

February 7, 2023

U.S. Department of Education
400 Maryland Ave. SW
Room 2C172
Washington, DC 20202

RE: ED-2023-OPE-0004-0001

Dear Mr. Secretary:

My wife and I are both veterinarians. Together we have more than \$400,000 of federal student loan debt that we manage using income-driven repayment plans. We started using the older version of Income-Based Repayment (IBR) and have since switched to Revised Pay as you Earn (REPAYE) when it became available. It is quite likely that we will reach student loan forgiveness in about 14 more years.

My professional activities also include counseling veterinarians and veterinary students on how best to manage their federal student loans using the free resources available on the VIN Foundation [Student Debt Center](#). Income-driven repayment and Public Service Loan Forgiveness are vital tools in the financial plans for many veterinarians.

I am both encouraged and discouraged by many of the proposed changes in this Notice of Proposed Rulemaking (NPRM) published in the Federal Register on January 10, 2023, and welcome the opportunity here to provide feedback.

Thank you for proposing improvements to the REPAYE repayment plan. My wife and I personally stand to benefit from the improvements. However, there are veterinarians who will be worse off because of these changes.

I agree that the Department should protect a higher share of borrower income. Increasing the poverty guideline multiplier to 225% is a welcome change.

I also support allowing married borrowers the option to exclude their spouse's income by filing their taxes separately from their spouse while using REPAYE, increasing the flexibility to better accommodate various family and financial circumstances for veterinarians.

I thank the Department for increasing the REPAYE unpaid interest subsidy from 50% to 100% as well. That change will be particularly helpful for new graduate veterinarians and those pursuing lower-paid internship and residency training.

My primary concerns are with the phase-out of Pay-as-you-Earn (PAYE) and Income-Contingent Repayment (ICR) programs, and the forgiveness treatment for graduate school borrowers.

Never before has the Department eliminated a repayment option contractually available in the federal student loan Master Promissory Note. Not only is this a dangerous precedent to set, but it will also negatively impact many veterinarians with student loans. Between 80-90% of veterinary school graduates carry federal student debt.

In the Department's own assessment of these changes, "It is estimated that, because of the significantly larger benefits available through the REPAYE plan, most student borrowers would not be worse off by losing access to PAYE or ICR, especially since these would be borrowers not currently enrolled in one of those plans and not all borrowers are eligible for PAYE. The possible exceptions would generally be circumstances either involving graduate borrowers who would prefer higher payments in exchange for forgiveness after 20 years or borrowers who anticipate having payments based upon their income that would be above what they would pay on the 10-year standard plan."

Mathematically, your assessment regarding borrowers not being worse off is incorrect. Veterinarians who are eligible for PAYE and not the new IBR will pay more in the new REPAYE than they would using PAYE. The VIN Foundation [Student Loan Repayment Simulator](#) quantifies this reality. It's hard to overstate how helpful PAYE is for veterinarians. The shorter duration to forgiveness financially and emotionally outweighs the improvements to REPAYE. Unfortunately, knowingly, or unknowingly, many are not using PAYE. By phasing it out before they get a chance to use it, the Department will create further frustration when these borrowers find themselves left with REPAYE as their best remaining repayment option, essentially forcing them into repayment longer than they otherwise could be with PAYE as an option. This includes the multitude of veterinarians who have either been misinformed by their loan servicers, who have not yet discovered PAYE, or who are still in school, planning to choose PAYE but may find it unavailable by the time they graduate and can apply for it.

Another large group of veterinarians will be worse off if ICR is phased out. The eagerly awaited one-time forgiveness count adjustment will help many veterinarians who have been in repayment for decades see an end to repayment sooner rather than later. For those who have some forgiveness time remaining after the count is applied, ICR can be the best option to satisfy those payments. It is misguided to phase-out ICR when finally, it will have some utility beyond those with Parent PLUS loans.

Changing an existing plan and eliminating current plans is a dangerous precedent to set. While you are seeking to improve situations for borrowers, not all borrowers will see an improvement. Additionally, a future administration may now try to "improve" the system for another constituent group. Please consider, instead, the creation of a new REPAYE plan rather than changing the current REPAYE and phasing out PAYE and ICR.

One of the most common fears I hear from veterinary students and veterinarians around student loans is "What if the government changes things? Eliminates my repayment plan and I'm in repayment longer? How can I trust these plans?" Phasing out existing plans that are spelled out in the master promissory note makes those fears reality. These are folks who could benefit greatly from these plans, yet they may not use them because of the now legitimate fear that their current plan could be eliminated and replaced by something less helpful. The Department should not establish a precedent of changing current plans or removing existing plans, like PAYE or ICR. Instead, create a new REPAYE plan and leave PAYE, ICR, and the current REPAYE as is.

Phasing out PAYE and ICR and not allowing borrowers back into those plans if they somehow find themselves in another is going to lock many borrowers out of contractually obligated repayment plans. Loan servicers have been horrendous at administering the federal student loan repayment plans. The mistakes and misinformation are well documented and staggering. At minimum, the Department should establish an appeal process in the event a borrower is mistakenly taken out of a plan they can no longer get back into if it is phased-out. Thrusting even more responsibility onto those using PAYE or ICR to make sure no mistakes are made going forward is unrealistic and acting against the spirit of these proposed changes.

The Department should increase the availability of shorter forgiveness plans rather than forcing more borrowers into longer repayment plans.

The most favorable income-driven plans have shorter timelines to forgiveness. For veterinarians, those plans are PAYE and the new IBR, providing forgiveness after 20 years of qualifying repayment vs. 25 years. I graduated from veterinary school (requires graduate school loans) in 2012 and do not meet any of the new borrower requirements for PAYE or new IBR. From the Department summary of changes, a non-Federal negotiator stated, "...carrying that burden for 20 or 25 years is more than life altering, it's trajectory-altering."

The new borrower provisions for PAYE and IBR as well as these proposed changes make a statement that keeping veterinarians who do not meet the new IBR requirements in repayment longer is acceptable. The determination on whether one veterinarian receives forgiveness in 20 years vs. 25 years should not be set by an arbitrary loan date. Whether you are an old borrower or new borrower, the opportunity for forgiveness should be consistent for all borrowers. The shorter the duration to forgiveness, the less financial and mental stress it causes to borrowers.

We appreciate the Department's awareness of the inadequacies of the student loan repayment system and attempts to improve it. However, changing and phasing out existing repayment plans will neither make things simpler or more beneficial for veterinarians. Please consider creating a new version of REPAYE and keeping PAYE, the current REPAYE, and ICR. Consider too, decreasing the time to forgiveness for all veterinarians, rather than just new borrower veterinarians.

Thank you for your time and consideration of this feedback.

Sincerely,

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Anthony Bartels, DVM, MBA