



Dr. Stephanie Aguilar-Smith's Public Comment on the U.S. Department of Education's Proposed Title IV Regulations

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My name is Stephanie Aguilar-Smith. I'm a higher ed scholar whose research broadly focuses on federal policies' impact on Minority Serving Institutions, particularly Hispanic Serving Institutions or HSIs, and their students, most of whom identify as Latino. And some of my work examines administrative burdens and the racialized consequences.

These burdens include complex rules and processes that limit access to and the use of public benefits, like federal student financial assistant programs. One key burden is learning costs, the time and effort required to understand a policy, its benefits, eligibility, and how to apply. Research, including a 2018 GAO report, shows that the Public Service Loan Forgiveness or PSLF program is riddled with learning costs due to its confusing criteria and thus many eligible beneficiaries miss out on this critical debt relief. But while deregulation of PSLF and related programs may be warranted, changes could also bring serious unintended consequences.

Borrowers and program implementers must relearn new regulations, likely causing confusion and missteps, and students may also make different college and career decisions in response. Changes that are tricky to predict. For instance, modifying PSLF could deter people from public or not-for-profit work. I'm also unclear about the direction of possible changes amid the current political pressures. The administration's March 7th executive order alleges that PSLF misuses taxpayer dollars and seeks to cancel these benefits to borrowers of activist organizations. Compliance here will add more regulatory hoops to an already encumbered process. Rather than streamlining access, it would restrict it, harming those who pursue generally lower paying, public and not for profit careers essential to our democracy. Moreover, barriers to these programs don't equally affect all borrowers. Wealth and student debt are unequally distributed. Students of color, particularly Black students, carry more debt, which limits economic mobility and opportunities like homeownership.

Latino students are also disproportionately impacted. Research shows they're often driven by desire to give back to their communities and thus often gravitate towards public and nonprofit sector work. And they also tend to be debt averse limiting their participation in higher education, despite these programs and HSIs generally affordable price points. Ultimately additional hurdles to debt relief, including ones inadvertently resulting from these deregulatory efforts may counterproductively suppress college and debt relief for many Americans. To close, I strongly urge, including diverse voices in this rulemaking process, especially Black, Indigenous and borrowers and representatives from HSIs and MSIs. Their perspectives are essential to improving these programs. Thank you.