

in which almost all states across the country participate for purposes of providing state authorization and reciprocity. NC-SARA first started using a policy modification process in January 2023 to create a formal mechanism for addressing issues with state authorization and reciprocity.<sup>1</sup> That process continues to be refined. As many commenters noted during the public hearings and negotiated rulemaking sessions on state authorization, allowing this policy modification process to continue is one way to address the Department's goals.

Regarding accreditation, the Department adopted a series of final regulations in this area that went into effect on July 1, 2020. See 84 FR 58834. These regulations made significant changes to the Department's process for reviewing and recognizing accrediting agencies. Although these regulations went into effect four years ago, the Department is still in the midst of the first cycle of implementing these changes across all accrediting agencies. That is a result of the five-year timeframe on renewal of recognition for accrediting agencies, as well as the requirements that agencies submit applications for renewal two years before their deadline for renewal and the additional periods institutions have for submitting compliance or monitoring reports. Allowing a full 5-year review cycle under the 2020 regulations for all accrediting agencies provides a greater opportunity to demonstrate the effectiveness of the existing rules and evaluate outcomes before making other changes to the process. This also allows Department staff to focus on existing reviews instead of directing focus away from these key activities. Seeing the effects across a full cycle will help us better identify any needed modifications.

The Department also has decided to terminate the negotiated rulemaking process on the third remaining regulatory area, cash management. While we discussed several regulatory changes to this topic, the most significant was a proposal addressing textbook billing practices. That issue generated significant discussion during negotiated rulemaking and from public commenters, among all the cash management proposals. We are persuaded by concerns raised during the negotiated rulemaking sessions about the need to gather additional data, assess evolving industry practices, and evaluate how policies related to the costs of books and supplies as part of

tuition and fees best serve students and their use of financial aid. The current provisions are in § 668.164(c) and (m). The Department received public feedback during the negotiated rulemaking process articulating the benefits of these policies. The Department also acknowledges concerns from commenters, including from students who have experience navigating these products, that these policies may not always deliver costs to students that are below market rates or may not give students a true opportunity to opt out. Given this mix of input, we believe further research to assess the benefits or drawbacks of this way of billing for textbooks is needed before proceeding with rulemaking. Additionally, because textbook billing is the most significant issue related to cash management addressed by the committee, we do not believe exploring further regulatory changes in this part of the regulations is the best use of limited Department resources at this time. Any institution that includes the costs of books and supplies as part of tuition and fees as described in 668.164(c) must ensure they have a clearly communicated and actionable policy under which the student may opt out of the method the institution provides for students to obtain books and supplies. If the Department continues to find that institutions are not complying with the current requirements in § 668.164(c) and (m), we may propose additional protective or restrictive measures to ensure that students have access to books or supplies at below competitive market rates.

For the reasons described above, at this time the Secretary exercises his discretion to terminate the negotiated rulemaking process for issues related to accreditation, state authorization, and cash management. Were the Department to issue a regulation in this area in the future, it would be bound by the requirements of Section 492(a) and (b) of the HEA, 20 U.S.C. 1098a(a) and (b).

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**Miguel Cardona,**

*Secretary of Education.*

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## DEPARTMENT OF EDUCATION

### 34 CFR Parts 30 and 682

[Docket ID ED-2023-OPE-0123]

RIN 1840-AD93

#### **Student Debt Relief for the William D. Ford Federal Direct Loan Program (Direct Loans), the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins) Program, and the Health Education Assistance Loan (HEAL) Program; Withdrawal**

**AGENCY:** Office of Postsecondary Education, Department of Education.

**ACTION:** Withdrawal of notice of proposed rulemaking and termination of rulemaking proceeding.

**SUMMARY:** The U.S. Department of Education (Department) is withdrawing a notice of proposed rulemaking (NPRM) that, under the Secretary's authority to waive repayment of a loan provided by the Higher Education Act of 1965, as amended (HEA), proposed to do the following: amend regulations regarding waiver of certain student loan debts; provide targeted debt relief as part of efforts to address the burden of student loan debt; and modify the Department's existing debt collection regulations to provide greater specificity regarding certain non-exhaustive situations in which the Secretary may exercise discretion to waive all or part of any debts owed to the Department.

**DATES:** The notice of proposed rulemaking published in the **Federal Register** at 89 FR 27564 on April 17, 2024, is withdrawn as of December 20, 2024.

**FOR FURTHER INFORMATION CONTACT:** Tamy Abernathy, U.S. Department of

<sup>1</sup> <https://www.nc-sara.org/sara-policy-modification-process>.

Education, Office of Postsecondary Education, 400 Maryland Avenue SW, 5th Floor, Washington, DC 20202. Telephone: (202) 245-4595. Email: [NegRegNPRMHelp@ed.gov](mailto:NegRegNPRMHelp@ed.gov).

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#### SUPPLEMENTARY INFORMATION:

##### Background

On April 17, 2024, the Department published an NPRM in the **Federal Register** that, in accordance with the Secretary's authority to waive repayment of a loan provided by section 432(a) of the HEA, would specify the Secretary's discretion to provide debt relief targeted to specific circumstances. See 89 FR 27564. The proposed regulations would modify the Department's existing debt collection regulations to provide greater specificity regarding the Secretary's discretion to waive Federal student loan debt. It would also specify the Secretary's authority to waive all or part of any debts owed to the Department based on a number of different circumstances, such as the following: growth in a borrower's loan balance beyond what was owed upon entering repayment; the amount of time since a loan first entered repayment; whether the borrower is otherwise eligible for loan forgiveness or discharge under existing authority but has not successfully applied; and whether a borrower obtained a loan to attend an institution or program that was subject to secretarial actions to end its title IV eligibility, that closed prior to such secretarial actions, or was associated with closed Gainful Employment programs with high debt-to-earnings rates or low median earnings.

The Department accepted public comments on the NPRM from April 17, 2024 through May 17, 2024. In response to the NPRM, the Department received 148,567 written comments, and the Department has reviewed such comments.

Withdrawal of the Notice of Proposed Rulemaking and Termination of the Rulemaking Proceeding

In accordance with the Secretary's authority under section 432(a) of the HEA to waive repayment of a loan, the Department issued the NPRM to specify the Secretary's discretion to provide targeted debt relief to borrowers facing specific challenges repaying their student loans. The NPRM also proposed revisions to update and clarify various references and provisions in subparts A, C, E, and F of 34 CFR part 30 and

proposed to amend part 682 by adding a new § 682.403.

The Department believed clarifying the circumstances in which the Secretary may use the existing and longstanding waiver authority under section 432(a) of the HEA would better inform the public about how the Secretary may exercise this waiver authority in a consistent and equitable manner. Current regulations do not describe how the Secretary uses this waiver authority. We also believed that providing such specificity would allow the Department to highlight circumstances where we are particularly concerned about borrowers' inability to successfully repay their debt in full in a reasonable period, where the Department anticipated that the costs of collection would exceed the amount recoverable, and in circumstances that would implicate equity and fairness.

However, upon further consideration of the operational challenges in implementing the proposals in the NPRM, the Secretary withdraws the NPRM and terminates the rulemaking proceeding.

In making this decision, we considered the Department's ability to implement the proposed rules if they were finalized in a form identical or largely similar to what was included in the NPRM. With the time remaining in this administration, the Department is focused on several priorities including court-ordered settlements and helping borrowers manage the final elements of the return to repayment following the Fall 2024 end of the 12-month on-ramp period designed to assist borrowers who were unable to make their payments or who needed more time to access information to determine the right repayment plan for their circumstances. With the end of the on-ramp period, some borrowers may start becoming delinquent and start down the path to default. Given that many newer borrowers are at risk of default, and many of these borrowers would not have been otherwise affected by the proposed rules in the NPRM, along with the uncertainty around the implementation of the NPRM proposals, at this time the Department intends to commit its limited operational resources to helping at-risk borrowers return to repayment successfully. The Department has also concluded that withdrawing the NPRM will assure agency flexibility in re-examining the issues and exploring options and alternatives with stakeholders in the future. For all of these independently sufficient reasons, the Department is withdrawing this NPRM.

Importantly, the Department is not withdrawing this NPRM and terminating this rulemaking proceeding based upon a changed view of the Secretary's authority under section 432(a) of the HEA, or based upon any preliminary determination about the limitations of such authority. See *Missouri v. Biden*, No. 24-cv-1316, ECF No. 57 (granting preliminary injunction). Rather, the Department continues to believe that the NPRM is authorized by the Secretary's longstanding and existing authority under the HEA, as explained in the NPRM. See 89 FR 27564.

We do not intend for a final rule to be issued on this NPRM. Were the Department to issue a regulation in this area in the future, it would be bound by the requirements of Section 492(a) and (b) of the HEA, 20 U.S.C. 1098a(a) and (b).

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**Miguel Cardona,**

*Secretary of Education.*

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