

Reimagining and Improving Student Education (RISE)
Negotiated Rulemaking Session 2, November 3 – 7, 2025

#12 Proposed Draft Regulations

Section 685.210 Choice of Repayment Plan

Amend § 685.210 by revising and republishing the section in its entirety to read as follows:

§ 685.210 Choice of repayment plan.

(a) Initial selection of a repayment plan.

(1) (i) Before a Direct Loan enters into repayment, the Secretary provides a borrower with a description of the available repayment plans and requests that the borrower select one. A borrower may select a repayment plan before the loan enters repayment by notifying the Secretary of the borrower's selection in writing.

(ii) Borrowers with Direct Loans made on or after July 1, 2026, may select—

(A) The tiered standard repayment plan in accordance with § 685.208 if those Direct Loans are otherwise eligible to be repaid under the plan; or

(B) The Repayment Assistance Plan in accordance with § 685.209 if those Direct Loans are otherwise eligible to be repaid under the plan.

(2) (i) For Direct Loans made before July 1, 2026, ~~if~~ a borrower does not select a repayment plan, the Secretary designates the standard repayment plan described in § 685.208(b) (1) or (b) (2) for the borrower, as applicable.

(ii) For Direct Loans made on or after July 1, 2026, if a borrower does not select a repayment plan, the

Secretary designates the tiered standard repayment plan described in § 685.208(c)(1) for the borrower.

(3) All Direct Loans obtained by one borrower must be repaid together under the same repayment plan, except that—

(i) A borrower of a Direct PLUS Loan or a Direct Consolidation Loan that is not eligible for repayment under an IDR plan may repay the Direct PLUS Loan or Direct Consolidation Loan separately from other Direct Loans obtained by the borrower; ~~and~~

(ii) A borrower of a Direct PLUS Consolidation Loan that entered repayment before July 1, 2006, may repay the Direct PLUS Consolidation Loan separately from other Direct Loans obtained by that borrower; and.

(iii) (A) A borrower of a Direct PLUS Loan or an excepted consolidation loan defined under § 685.209 that is not eligible for repayment under the Repayment Assistance Plan must repay the Direct PLUS Loan or excepted consolidation loan separately from other Direct Loans obtained by the borrower that are being repaid under the Repayment Assistance Plan.

(B) A borrower who has received an excepted loan as defined under § 685.209 made on or after July 1, 2026, must repay the excepted loan under the tiered standard repayment plan under § 685.208(c)(1) and may repay the other Direct Loans separately from such excepted loan.

(b) Changing repayment plans.

(1) For Direct Loans made before July 1, 2026, Aa borrower who has entered repayment may change to any other repayment plan for which the borrower is eligible at any time by notifying the Secretary. However, a borrower who is repaying a defaulted loan under the IBR plan or who is repaying a Direct Consolidation Loan under an IDR plan in

accordance with § 685.220(d)(1)(i)(A)(3) may not change to another repayment plan unless—

(i) The borrower was required to and did make a payment under the IBR plan or other IDR plan in each of the prior three months; or

(ii) The borrower was not required to make payments but made three reasonable and affordable payments in each of the prior 3 months; and

(iii) The borrower makes, and the Secretary approves, a request to change plans.

(2)

(i) For Direct Loans made before July 1, 2026, Aa borrower may not change to a repayment plan that would cause the borrower to have a remaining repayment period that is less than zero months, except that an eligible borrower may change to an IDR plan under § 685.209 at any time.

(ii) For the purposes of paragraph (b)(2)(i) of this section, the remaining repayment period is—

(A) For a fixed repayment plan under § 685.208 or an alternative repayment plan under § 685.221, the maximum repayment period for the repayment plan, the borrower is seeking to enter, less the period of time since the loan has entered repayment, plus any periods of deferment and forbearance; and

(B) For an IDR plan under § 685.209, as determined under § 685.209(k).

(3) For Direct Loans made before July 1, 2026, Aa borrower who made payments under the IBR plan and successfully completed rehabilitation of a defaulted loan may chose the REPAYE plan when the loan is returned to current repayment if the borrower is otherwise eligible for the REPAYE plan

and if the monthly payment under the REPAYE plan is equal to or less than their payment on IBR.

(4)

(i) For Direct Loans made before July 1, 2026, ~~if~~ a borrower no longer wishes to pay under the IBR plan, the borrower must pay under the standard repayment plan or the Repayment Assistance Plan. ~~and For the standard repayment plan,~~ the Secretary recalculates the borrower's monthly payment based on—

(A) For a Direct Subsidized Loan, a Direct Unsubsidized Loan, or a Direct PLUS Loan, the time remaining under the maximum ten-year repayment period for the amount of the borrower's loans that were outstanding at the time the borrower discontinued paying under the IBR plan; or

(B) For a Direct Consolidation Loan, the time remaining under the applicable repayment period as initially determined under § 685.208 (b) (7) (iii) and the amount of that loan that was outstanding at the time the borrower discontinued paying under the IBR plan.

(ii) For Direct Loans made before July 1, 2026, ~~A~~ a borrower who no longer wishes to repay under the IBR plan and who is required to repay under the Direct Loan standard repayment plan in accordance with paragraph (b) (4) (i) of this section may request a change to a different repayment plan after making one monthly payment under the Direct Loan standard repayment plan. For this purpose, a monthly payment may include one payment made under a forbearance that provides for accepting smaller payments than previously scheduled, in accordance with § 685.205(a) .

(5) For Direct Loans made on or after July 1, 2026, a borrower may change repayment plans in accordance with this

paragraph (b)(5) at any time after the loan has entered repayment by notifying the Secretary.

(i) A borrower who is enrolled in the tiered standard repayment plan under § 685.208(c)(1) or is placed in the tiered standard repayment plan in accordance with the provisions under paragraph (a)(2)(ii) of this section may change to the Repayment Assistance Plan under § 685.209.

(ii) A borrower who is enrolled in the Repayment Assistance Plan under § 685.209 may change to the tiered standard repayment plan under § 685.208(c)(1).