

Reimagining and Improving Student Education (RISE)
Negotiated Rulemaking Session 2, November 3 – 7, 2025
#15 Proposed Draft Regulations
Section 685.220 Consolidation

Amend § 685.220 by revising paragraphs (d)(2), (h), and (i) to read as follows:

§ 685.220 Consolidation.

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(d) * * *

(2) * * *

(i)

(A) Before July 1, 2028, ~~the~~ the borrower has a Federal Consolidation Loan that is in default or has been submitted to the guaranty agency by the lender for default aversion, and the borrower wants to consolidate the Federal Consolidation Loan into the Direct Loan Program for the purpose of obtaining an income-contingent repayment plan or an income-based repayment plan; or

(B) On or after July 1, 2028, the borrower has a Federal Consolidation Loan that is in default or has been submitted to the guaranty agency by the lender for default aversion, and the borrower wants to consolidate the Federal Consolidation Loan into the Direct Loan Program for the purpose of obtaining the Income-Based Repayment plan or Repayment Assistance Plan; or

(ii) The borrower has a Federal Consolidation Loan, and the borrower wants to consolidate that loan into the Direct Loan Program for the purpose of using the

Public Service Loan Forgiveness Program or the no accrual of interest benefit for active duty service.

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(h) * * *

(1) For a Direct Consolidation Loan made before July 1, 2026, a borrower may choose a repayment plan ~~for a Direct Consolidation Loan,~~ in accordance with §§ 685.208, 685.209, and 685.221, and may change repayment plans in accordance with § 685.210(b).

(2) For a Direct Consolidation Loan made on or after July 1, 2026, a borrower may choose the tiered standard repayment plan, or the Repayment Assistance Plan, in accordance with §§ 685.208, 685.209 and may change repayment plans in accordance with § 685.210(b).

(i) * * *

(2)

(i) Borrowers who entered repayment before July 1, 2006. The Secretary determines the repayment period under § 685.208~~(i)(b)(3)(iv) or (5)(iv)~~ on the basis of the outstanding balances on all of the borrower's loans that are eligible for consolidation and the balances on other education loans except as provided in paragraphs (i)(3)(i), (ii), and (iii) of this section.

(ii) Borrowers entering repayment on or after July 1, 2006. The Secretary determines the repayment period under § 685.208~~(j)(b)(2)(iii) or (7)(iii)~~ on the basis of the outstanding balances on all of the borrower's loans that are eligible for consolidation and the balances on other education loans except as provided in paragraphs (i)(3)(i) through (iii) of this section.

(3)

(i) The total amount of outstanding balances on the other education loans used to determine the repayment period under § 685.208 ~~(i)~~ (b) (2) (iii), (3) (iv), (5) (iv), and (7) (iii) ~~(j)~~ may not exceed the amount of the Direct Consolidation Loan.

(ii) The borrower may not be in default on the other education loan unless the borrower has made satisfactory repayment arrangements with the holder of the loan.

(iii) The lender of the other educational loan may not be an individual.

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