

**Comments on Notice of Submission for OMB Review  
77 Fed. Reg. 30265 (May 22, 2012)  
Direct Loan Income Contingent Repayment Plan Alternative  
Documentation of Income**

**National Consumer Law Center**

June 14, 2012

The following comments are submitted on behalf of the National Consumer Law Center's low-income clients. The National Consumer Law Center (NCLC) is a nonprofit organization specializing in consumer issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys and their clients, as well as community groups and organizations that represent low-income and older individuals on consumer issues. NCLC's Student Loan Borrower Assistance Project provides information about student rights and responsibilities for borrowers and advocates and provides direct legal representation to student loan borrowers. Most of the clients we represent are low-income borrowers living in Massachusetts. We work with other advocates across the country representing low-income clients. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens and make loan repayment more manageable.<sup>1</sup>

Many of the clients we represent eventually seek to repay their loans using IBR or ICR. As such, we routinely assist borrowers in completing the Alternative Documentation of Income form. In our experience, to accurately and efficiently capture the income information needed to determine borrowers' payments in IBR and ICR, this form must be as easy as possible for borrowers to understand and use. Unfortunately, as detailed below, the proposed changes fail to meet this goal, and in fact, make the form more confusing than earlier versions.

## **Section 2: Borrower's Income Information**

### **1. Sections to be completed by the borrower need to be clear and obvious.**

The proposed version of the form removes the box in which borrowers were given a place to indicate their income. The box visually directed the borrower's attention to the area to be completed and presented the information in a way that borrowers could easily complete. However, the proposed form buries the area for the borrower to complete in inches of text.

---

<sup>1</sup> See the Project's web site at [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org). NCLC also publishes and annually supplements practice treatises which describe the law currently applicable to all types of consumer transactions, including *Student Loan Law* (4<sup>th</sup> ed. 2010 and Supp.).

[www.NCLC.org](http://www.NCLC.org)

**Boston Headquarters:**

7 Winthrop Square  
Boston, MA 02110-1245  
Phone: 617/542-8010  
Fax: 617/542-8028

**Washington Office:**

1001 Connecticut Ave. NW  
Ste. 510  
Washington, DC 20036-5528  
Phone: 202/452-6252  
Fax: 202/463-9462

Aside from the visual aspect of the box, the headings on the box conveyed the information requested much more efficiently and effectively than the proposed form. The check boxes allowed less sophisticated borrowers to easily identify the kind of information the form is attempting to identify and their appropriate response. This is unclear in the proposed form.

We urge the Department to return to the box format with clear headings and check boxes for the payment frequency.

## **2. Instructions must use plain language that most borrowers can read and understand.**

The proposed instructions in Section 2 are confusing. For example, instruction 1 states that the borrowers should “include the amount of income or pay... that is reflected on the documentation that you provide.” Many documents include several amounts. For example, most pay stubs will state the employee’s current payment amount as well as a total amount for the year. To that end, we recommend that instruction 1 of Section 2 be amended to read:

For the field “Amount of Taxable Income”, include the amount of your income or pay per pay period, less any...

Instruction 2, regarding frequency, is equally confusing. Few people identify their pay frequency by the number of pay checks per year. Most people would indicate that they are paid weekly, every other week, twice a month, monthly, or once a year. The instructions should reflect that common language.

## **3. Placement of instructions not to report untaxed income.**

The instruction for borrowers not to report untaxed income needs to be more prominent on the form. When counseling borrowers on completing the Alternate Documentation of Income form, we find that a very common mistake is for borrowers to list their Supplemental Security Income or state public benefits in the income field. Placing this instruction more prominently and closer to the fields to be completed will help to reduce this error.

## **Section 3: Spouse’s Income Information**

This section as proposed is incredibly confusing. First, the check boxes are not mutually exclusive. Second, this section asks for a lot of information in a very small space and is visually confusing. Finally, there are no instructions on how to complete this section. To that end, we recommend that the Department:

1. Request the spouse’s information at the top of the form with the borrower’s information;
2. Include the current version of the instructions in Section 3; and
3. Return to the box format with clear headings and check boxes for the payment frequency.

Thank you for your consideration of these comments. Please feel free to contact Persis Yu if you have any questions or comments. (Ph: 617-542-8010; E-mail: [pyu@nclc.org](mailto:pyu@nclc.org)).