March 19, 2020

James Steeley
CEO
FedLoan/Pennsylvania Higher Education Assistance Agency (PHEAA)
1200 N 7th Street
Harrisburg, PA 17102

Dear Mr. Steeley,

On behalf of the student loan borrowers serviced by the Pennsylvania Higher Education Assistance Agency (PHEAA), including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend PHEAA immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of

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servicing breakdowns, leading to unnecessarily interest accruals and blocking them from making payments toward critically needed loan forgiveness options.[2] Servicers must increase borrower outreach and call center staffing to ensure borrowers are not penalized because of inadequate servicing in the face of a global pandemic.

If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

[2] *See, e.g.,* Consumer Complaint Narrative, Consumer Financial Protection Bureau (submitted Aug. 18, 2018), https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/2993342; Consumer Complaint Narrative, Consumer Financial Protection Bureau (submitted June 22, 2019), https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3283590.

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March 19, 2020

David Feitz
Executive Director
Cornerstone Education Loan Services / Utah Higher Education Assistance Authority
60 S 400 W
Salt Lake City, UT 84101

Dear Mr. Feitz,

On behalf of the student loan borrowers serviced by the Cornerstone, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend Cornerstone immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of servicing breakdowns, leading to unnecessarily interest accruals and blocking them from

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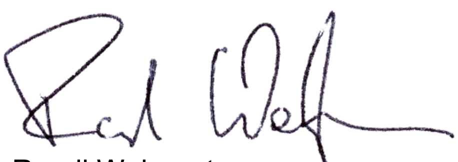
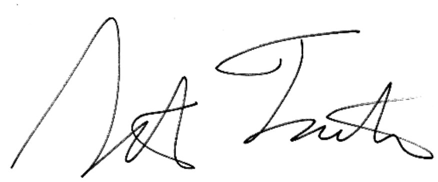
If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,



Randi Weingarten
President
American Federation of Teachers
AFL-CIO



Seth Frotman
Executive Director
Student Borrower Protection Center

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March 19, 2020

William A. “Tony” Hollin
President and CEO
EdFinancial Services
120 N Seven Oaks Drive
Knoxville, TN 37922

Dear Mr. Hollin,

On behalf of the student loan borrowers serviced by the EdFinancial, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend EdFinancial immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

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- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

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Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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March 19, 2020

Christiana Thornton
President and CEO
Granite State Management & Resources
4 Barrell Court
Concord, NH 03301

Dear Ms. Thornton,

On behalf of the student loan borrowers serviced by the Granite State, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend Granite State immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of servicing breakdowns, leading to unnecessarily interest accruals and blocking them from

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If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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March 19, 2020

Jeffrey S. Sloan
CEO
Global Payments, Inc.
3550 Lenox Road, Suite 3000
Atlanta, GA 30326

Dear Mr. Sloan,

On behalf of the student loan borrowers serviced by the Heartland ECSI, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend Heartland ECSI immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

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Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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March 19, 2020

Raymond H. Bayer, Jr.
Executive Director & CEO
Missouri Higher Education Loan Authority (MOHELA)
633 Spirit Drive
Chesterfield, MO 63005

Dear Mr. Bayer,

On behalf of the student loan borrowers serviced by the MOHELA, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend MOHELA immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of servicing breakdowns, leading to unnecessarily interest accruals and blocking them from

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making payments toward critically needed loan forgiveness options.[2] Servicers must increase borrower outreach and call center staffing to ensure borrowers are not penalized because of inadequate servicing in the face of a global pandemic.

If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

[2] *See, e.g.,* Consumer Complaint Narrative, Consumer Financial Protection Bureau (submitted Aug. 18, 2018), https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/2993342; Consumer Complaint Narrative, Consumer Financial Protection Bureau (submitted June 22, 2019), https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3283590.

[3] *See* Ben Kaufman, New Data Show Student Loan Defaults Spiked in 2019 – A Warning to Industry and DeVos Amid Economic Fallout, Student Borrower Protection Center (Mar. 13, 2020), https://protectborrowers.org/every-26-seconds/.

March 19, 2020

Jack Remondi
CEO
Navient Corporation
123 S Justison Street
Wilmington, DE 19801

Dear Mr. Remondi,

On behalf of the student loan borrowers serviced by the Navient, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend Navient immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of servicing breakdowns, leading to unnecessarily interest accruals and blocking them from

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making payments toward critically needed loan forgiveness options.[2] Servicers must increase borrower outreach and call center staffing to ensure borrowers are not penalized because of inadequate servicing in the face of a global pandemic.

If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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AMERICAN FEDERATION OF TEACHERS

STUDENT BORROWER PROTECTION CENTER

March 19, 2020

Jeffrey R. Noordhoek
CEO
Nelnet, Inc.
121 South 13th Street, Suite 201
Lincoln, NE 68508

Dear Mr. Noordhoek,

On behalf of the student loan borrowers serviced by the Nelnet, including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend Nelnet immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

- **Systems must be put into place to support borrowers as they transition in and out of higher education in the coming months.** American higher education has already experienced significant disruption as public health concerns drive school closures and a

rapid transition to remote education. Amid this disarray, students may withdraw, transfer, or struggle to remain enrolled in large numbers, straining the data systems in place to track student enrollment. Accuracy in enrollment data is of particular concern. Present evidence suggests that the National Student Clearinghouse, the massive student enrollment data reporting company that manages information about 97 percent of all students' college enrollment status, has sold error-ridden data to student loan companies, financial institutions, and other businesses in the past.[1] It is critical that your company put in place adequate internal controls to protect borrowers from the financial consequences of sloppy or incorrect enrollment status reporting, including improper interest charges, surprise student loan bills, and other financial harms. Borrowers should never have to pay the price when bad systems or bad data result in servicing errors.

- **Personnel and systems designed to support military borrowers must have the training and capacity to handle a rapid deployment to respond to national and local emergencies.** As you are aware, the student loan industry has struggled to properly implement the Servicemember Civil Relief Act (SCRA), costing military borrowers tens of millions dollars in unnecessary interest charges. As governors in states with concentrated coronavirus outbreaks mobilize National Guard units to adequately respond to this crisis, student loan borrowers serving in the National Guard have a right to interest rate reductions under the SCRA, as well as other military-specific benefits and protections. These include safeguards against delays in filing required paperwork to enroll in an income-driven loan repayment plan. The brave men and women mobilized to respond to this crisis should not be forced to forgo their protections under the law as a result of sloppy or substandard loan servicing.

- **Policies and procedures to implement any mandatory pause in payment obligations should address the problems that plague "force-placed forbearance."** During exceptional circumstances such as virus outbreaks and natural disasters, the Secretary of Education is empowered to place borrowers' loans into forbearance without their consent ("force-placed forbearance"). This practice is intended to provide relief to those who may have been displaced or who might have otherwise had their lives disrupted, and it proved important in the wake of recent hurricanes and wildfires. However, in each of these cases, many borrowers were still in a financial position to make payments on their loans and might have preferred to opt out of force-placed forbearance. This is especially relevant for borrowers who would have otherwise been able to continue making progress towards loan forgiveness through programs like income-driven repayment and Public Service Loan Forgiveness. When these borrowers tried to get their loans placed back into repayment status, they ran into a series of servicing breakdowns, leading to unnecessarily interest accruals and blocking them from

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making payments toward critically needed loan forgiveness options.[2] Servicers must increase borrower outreach and call center staffing to ensure borrowers are not penalized because of inadequate servicing in the face of a global pandemic.

If immediate action is not taken, the effects of the coronavirus pandemic could exacerbate an already dire student debt crisis—one with student loan delinquency rates in the double digits and another borrower defaulting on a federal student loan every 26 seconds.[3] However, taken together, the steps outlined above will ensure that the millions of student loan borrowers serviced by your company will not be made even more vulnerable by the impacts of the coronavirus. These borrowers have rights to powerful protections designed to blunt the effects of a recession and to ensure flexibility in times when they might otherwise struggle to make ends meet. It is incumbent on your company, and on the student loan industry as a whole, to provide the systems, personnel, and support necessary to ensure that no borrower is denied these rights.

Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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March 19, 2020

James Farha
President
Oklahoma Student Loan Authority
525 Central Park Drive #600
Oklahoma City, OK 73105

Dear Mr. Farha,

On behalf of the student loan borrowers serviced by the Oklahoma Student Loan Authority (OSLA), including the 1.7 million teachers, nurses, and other professionals who are members of the American Federation of Teachers, we are writing to urge you to take aggressive action to address the following risks to student loan borrowers across the country stemming from the spread of the coronavirus pandemic.

The public health and economic effects of this crisis are projected to be widespread, upending daily life for millions of Americans and potentially driving the U.S. into its first recession in more than a decade. These public health and economic disruptions will pose unique problems for student loan borrowers and will acutely stress a student loan repayment system that is already badly broken. We are concerned that, absent the steps we have outlined below, student loan borrowers will be forced to bear the brunt of this turmoil.

To protect student loan borrowers, we recommend OSLA immediately take the following actions:

- **Call centers and paperwork processing units must be adequately resourced to ensure borrowers can access their rights to payment relief and loan forgiveness.** As you are aware, the student loan servicing business model is extremely vulnerable to large-scale spikes in borrowers experiencing financial distress—exactly the circumstance on the horizon as the American economy risks deterioration in the coming weeks. It is imperative that your company immediately devote the resources necessary to prepare for an influx of borrowers seeking to manage their student loans in the face of job losses and economic shocks, including by adding customer service personnel to answer borrower questions and allocating additional capacity to handle income-driven repayment applications and other paperwork.

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Sincerely,

Randi Weingarten
President
American Federation of Teachers
AFL-CIO

Seth Frotman
Executive Director
Student Borrower Protection Center

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