



Exploding Student Debt and Gutting Consumer Protections: Trump's Disastrous Record for Student Loan Borrowers

As Donald Trump sat in the Oval Office for the last four years, the nation's student debt crisis dramatically worsened. At every turn, the Trump Administration has pushed policies that would drive more borrowers in more debt, all while promoting the interests of predatory players across the student loan market over borrowers and American families. Together, President Trump, Secretary of Education Betsy DeVos, former Consumer Financial Protection Bureau (CFPB) Acting Director Mick Mulvaney, and current CFPB Director Kathy Kraninger have placed student loan industry insiders in positions of power within government and gutted protections designed to help struggling borrowers. To date, the Trump Administration has utterly failed student loan borrowers.

Trump's Student Debt Crisis: By The Numbers

- **\$1.7 trillion** in student loan debt¹
- Over **\$269 billion** in new student debt since Trump took office²
- **45 million**³ Americans getting a student loan bill each month, including **200,000** net new borrowers⁴ since Trump took office
- **1 million+** borrowers defaulting every year since Trump took office⁵
- A borrower now defaults on a student loan **every 26 seconds**⁶
- **57 percent** growth in total student debt among people aged 62+ since Trump took office, while the number of borrowers aged 62+ has grown by **almost a third**⁷
- **\$11 billion** in relief denied to borrowers who were ripped off by predatory schools⁸
- **\$207 billion** in attempted cuts to student financial assistance programs⁹

¹ G19: https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html.

² G19: https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html. Note that this number reflects change in the overall balance of student loans in the U.S. from the start of Q1 2017 (as reflected in the value listed for the end of Q4 2016) to the end of Q2 2020.

³ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Note that this reflects only federal student loans. Reflects the total number of federal student loan borrowers across age segments at the end of federal calendar Q2 2020.

⁴ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls>. Note that this number reflects change in the overall number of federal student loan borrowers in the U.S. from the start of Q1 2017 (as reflected in the value listed for the end of calendar Q4 2016, which is listed as Q1 2017 in the data given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 in the data given the structure of the federal fiscal calendar).

⁵ Calculated based on FSA: <https://studentaid.gov/sites/default/files/DLEnteringDefaults.xls> by adding the number of unique borrowers entering default during the four quarters of a given year. Note that this calculation is based on the federal fiscal calendar, which ends at the end of September.

⁶ Calculated based on FSA: <https://studentaid.gov/sites/default/files/DLEnteringDefaults.xls> by adding the number of unique borrowers entering default during the four quarters of a given year. Note that this calculation references the federal fiscal calendar, which ends at the end of September. See also <https://protectborrowers.org/every-26-seconds/>.

⁷ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Refers only to federal student loans. Given data limitations, growth estimates reflect change only from the end of calendar Q1 2017 (which is listed as Q2 2017 in the data given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 in the data given the structure of the federal fiscal calendar). This means that this extent of growth is likely an underestimate, something bolstered by growth trends in the private student loan space, where Older Americans are taking on an increasing balance of student debt. See Student Borrower Protection Center: [Private Student Lending](#). Given data limitations, the private student loan space is not included in the estimate discussed here.

⁸ Politico: [Congress sends rebuke of DeVos 'borrower defense' rule to Trump's desk](#)

⁹ U.S. Senate Committee on the Budget: [The Trump Budget for 2020: Promises Broken. Billionaires First.](#)

- **29,021** defrauded borrowers subject to illegal debt collection, landing Secretary DeVos in contempt of court¹⁰
- **390,000** borrowers subjected by Betsy DeVos to illegal wage garnishment during the pandemic¹¹
- **59 percent** of Americans support forgiving \$50,000 in student debt for every borrower who makes less than \$125,000 a year¹²

Exploding the Student Debt Crisis

The Trump Administration has allowed the student debt crisis to devastate American families, leading more Americans to take on larger amounts of student debt. Since January 2017, the total number of student loan borrowers has grown by more than 200,000,¹³ and the total amount of debt owed has grown by \$269 billion.¹⁴ Each year Trump has been in office, more than one million borrowers have defaulted on their student debt.¹⁵ That number rose to over 1.23 million for 2019, meaning that a federal student loan borrower now defaults every 26 seconds.¹⁶ Student loan balances have grown 18 percent (\$5,560) since Trump took office and now average an unprecedented \$36,214 per borrower.¹⁷

There are now more than 45 million Americans with student loans.¹⁸ Eighteen percent (7.9 million) of these borrowers are under the age of 25, meaning they have entered adult life already weighed down by a historically unprecedented financial burden.¹⁹ But the student debt crisis is not limited to young people—since Trump took office, older consumers have seen the largest growth in student debt across

¹⁰ Student Borrower Protection Center: [What Betsy DeVos's Brush with the Law Reveals About Our Broken Student Loan System](#); and U.S. Department of Education: [June 2020 Compliance Report filed in Manriquez v. DeVos](#)

¹¹ [Joint Status Report filed in Elizabeth Barber v. Betsy DeVos](#)

¹² Senate Minority Leader Chuck Schumer and Senator Elizabeth Warren: [The President Doesn't Need Congress to Cancel Student Loan Debt. Democrats Will Push for Action in 2021](#)

¹³ FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls>. Note that this number reflects change in the overall number of federal student loan borrowers in the U.S. from the start of Q1 2017 (as reflected in the data as the value listed for the end of calendar Q4 2016, which is listed as Q1 2017 in the data given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 in the data given the structure of the federal fiscal calendar).

¹⁴ G19: https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html. Note that this number reflects change in the overall balance of student loans in the U.S. from the start of Q1 2017 (as reflected in the value listed for the end of Q4 2016) to the end of Q2 2020.

¹⁵ Calculated based on FSA: <https://studentaid.gov/sites/default/files/DLEnteringDefaults.xls> by adding the number of unique borrowers entering default during the four quarters of a given year. Note that this calculation references the federal fiscal calendar, which ends at the end of September.

¹⁶ Calculated based on FSA: <https://studentaid.gov/sites/default/files/DLEnteringDefaults.xls> by adding the number of unique borrowers entering default during the four quarters of a given year. Note that this calculation references the federal fiscal calendar, which ends at the end of September. See also <https://protectborrowers.org/every-26-seconds/>.

¹⁷ FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls>. 18 percent reflects change in the average debt owed by federal student loan borrowers—calculated as total debt divided by total borrowers— from the start of Q1 2017 (as reflected in the value listed for the end of calendar Q4 2016, which is listed as Q1 2017 in the data given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 in the data given the structure of the federal fiscal calendar). \$36,214 reflects the total federal student loan portfolio divided by the total number of federal student loan borrowers at the end of calendar Q1 2020, listed as Q2 2020 in the data to reflect the federal fiscal calendar.

¹⁸ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Note that this reflects only federal student loans. Calculated by adding the total number of borrowers reported by FSA in each age group at the end of calendar Q1 2020, listed as Q2 2020 in the data to reflect the federal fiscal calendar.

¹⁹ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Note that this reflects only federal student loans. Calculated by dividing the reported number of borrowers under 25 by the total number of borrowers at the end of calendar Q1 2020, listed as Q2 2020 in the data to reflect the federal fiscal calendar.

any age group, with the overall debt they owe growing 57 percent (\$30 billion) and their average balance growing over 21 percent (\$6,500 per borrower) in the past three and a half years.²⁰

The number of borrowers aged 62+ has grown by almost a third (500,000 new borrowers, a 29 percent increase), and these Older Americans are increasingly struggling to manage growing student debt burdens while living on a fixed income.²¹ Student loan borrowers over 62—most of whom took on debt on behalf of their children or grandchildren²²—now face an average student loan balance of \$37,000.²³

At every turn, Donald Trump has taken steps to make the student debt crisis worse for America's students. The Trump Administration has pushed to implement policies that would worsen the student debt crisis. Trump has attempted to eliminate federal grants used to pay for college, raise the cost of student loans, cut affordable repayment plans, and even kill a program to provide relief to teachers, nurses, and other public service workers.²⁴ In total, these proposed cuts would cost borrowers an additional \$207 billion.²⁵ The proposal was described by prominent consumer advocates as "dangerously wrong-headed"²⁶ and as likely to "destroy student loans and cripple college affordability."²⁷

Further, Secretary DeVos pushed regulations that would deny over \$11 billion of critical relief to borrowers who were ripped off by predatory schools.²⁸ Despite bipartisan efforts in Congress to restore relief to defrauded borrowers, Trump doubled down, vetoing these efforts to ensure that students and veterans were left holding these fraudulent bills.²⁹

Punishing American families pursuing higher education. How does Trump's team respond to struggling student loan borrowers? At every turn, the Trump Administration has demonstrated its unmitigated contempt for student loan borrowers. For example, in addressing the growing student debt

²⁰ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Total student debt burden refers to the total federal student loans owed by borrowers aged 62 and older, and borrowers are federal student loan borrowers aged 62 and older. Average balances are calculated by dividing total debt in the 62+ age group by total borrowers in the 62+ age group. Given data limitations, growth estimates reflect change only from the end of calendar Q1 2017 (which is listed as Q2 2017 given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 given the structure of the federal fiscal calendar). This means that this extent of overall growth for borrowers aged 62+ in terms of their number and overall debt burden is likely an underestimate. Further, growth trends in private student loans, which are not discussed in the present calculation given data limitations, add to the extent of this being an underestimate. See Student Borrower Protection Center: [Private Student Lending](#).

²¹ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. The total number of borrowers aged 62+ reflects the number of federal student loan borrowers aged 62 and older. Given data limitations, growth estimates reflect change only from the end of calendar Q1 2017 (which is listed as Q2 2017 given the structure of the federal fiscal calendar) to the end of calendar Q1 2020 (which is listed as Q2 2020 given the structure of the federal fiscal calendar). This means that the present calculation is likely an underestimate.

²² Consumer Financial Protection Bureau: [Snapshot of older consumers and student loan debt](#)

²³ Calculations based on FSA: <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/Portfolio-by-Age.xls>. Note that this reflects only federal student loans. Calculated as total federal student loan debt owed by borrowers aged 62+ divided by the number of federal student loan borrowers aged 62+ at the end of calendar Q1 2020 (which is listed as Q2 2020 given the structure of the federal fiscal calendar).

²⁴ The White House Budget: [A New Foundation For American Greatness, Fiscal Year 2018](#)

²⁵ U.S. Senate Committee on the Budget: [The Trump Budget for 2020: Promises Broken, Billionaires First](#).

²⁶ The Institute for College Access and Success: [TICAS Statement on Trump Administration's FY20 Budget for Higher Education](#)

²⁷ Bobby Kogan: "The Trump budget would destroy student loans and cripple college affordability. It calls for \$207 billion in cuts to the student loan program." <https://twitter.com/BBKogan/status/1105131531775950849>

²⁸ U.S. Department of Education: [U.S. Department of Education Finalizes Regulations to Protect Student Borrowers, Hold Higher Education Institutions Accountable and Save Taxpayers \\$11.1 Billion Over 10 Years](#)

²⁹ Inside Higher Education: [Borrower-Defense Veto Override Fails](#)

crisis, then-acting CFPB Director Mick Mulvaney stated his biggest fear was student loan borrowers' "moral" failing if they did not learn to pay back their debts.³⁰ After millions of borrowers who were ripped off by predatory schools sought to have their loans discharged—a right they are guaranteed under federal law—Education Secretary Betsy DeVos blocked their efforts, claiming that these borrowers merely wanted "free money."³¹

Breaking promises of student debt relief to teachers, first responders, and other public service workers. Betsy DeVos has made it nearly impossible for borrowers working in public service to get the student loan forgiveness they were promised under the law. The PSLF program was created to provide public service workers with student loan forgiveness in exchange for a decade of public service work. However, since 2017, PSLF borrowers have continued to see nearly 99 percent denial rates.³² Betsy DeVos and Donald Trump have worked to kill the program³³ over the objections of Democrats and Republicans,³⁴ of a coalition of 90 organizations representing public health, education, and safety workers,³⁵ and even of military leaders.³⁶ Widespread failures across the program led Congress to create a new, temporary expansion of PSLF aimed at helping borrowers who were denied forgiveness. Unfortunately Betsy DeVos and her backers have managed to create another bureaucratic mess—the temporary expansion of the PSLF program also has denial rates exceeding 90 percent.³⁷ Only now, despite active efforts by DeVos to hide the truth, are we beginning to understand the depths of these broken promises.³⁸

Harming Borrowers In the Wake of Coronavirus

Abusing vulnerable student loan borrowers during a global pandemic. In March 2020, Congress stepped in to help student loan borrowers struggling in the economic fallout of the COVID-19 pandemic. But at every turn, incompetence by the Trump Administration, and most notably Betsy DeVos, has harmed vulnerable student loan borrowers. Under the direction of Betsy DeVos, the Department of Education continues to illegally seize³⁹ the wages of thousands of borrowers in violation of the CARES Act.⁴⁰ More than six months into the pandemic, illegal wage garnishments continue as financially struggling borrowers are left to fend for themselves. Over this time, the government illegally seized nearly \$190 million from student loan borrowers' paychecks in total.⁴¹ But Betsy DeVos has not just stolen borrowers' wages. Rather than protect Americans' much-needed tax refunds and stimulus checks from garnishment—something Congress intended in the CARES Act—Betsy DeVos has illegally seized both of these critical financial lifelines from defaulted student loan borrowers.⁴² DeVos even failed to direct

³⁰ CNBC: [Watch CNBC's full interview with OMB's Mick Mulvaney](#)

³¹ Inside Higher Education: [DeVos: Borrower-Defense Rule Offered 'Free Money'](#)

³² National Public Radio: [Data Shows 99% Of Applicants For A Student Loan Forgiveness Program Were Denied](#)

³³ The White House Budget: [A New Foundation For American Greatness, Fiscal Year 2018](#)

³⁴ Politico: [Inside the hot mess that's the Public Service Loan Forgiveness program](#)

³⁵ Preserve PSLF: [Preserve PSLF](#)

³⁶ Navy JAG Corps: [Impact of Department of Education Proposed Budget 2018 Proposed Changes to the Public Service Loan Forgiveness \(PSLF\) Program](#)

³⁷ [California v. DeVos](#)

³⁸ For PSLF, TEPSLF, and ECF rejection rates by state, see Student Borrower Protection Center: [New Department of Education Data Uncovered by Senator Murray Reveals How the Promise of Public Service Loan Forgiveness is Being Broken in Every State](#)

³⁹ Student Borrower Protection Center: [Borrower Voices: The Impact of Wage Garnishment During the Coronavirus Pandemic](#)

⁴⁰ National Consumer Law Center: [Borrower Asks Court to Order Secretary DeVos to Immediately Stop All Wage Garnishments](#)

⁴¹ U.S. Department of Education, [September 21, 2020 Status Report in Barber v. DeVos](#)

⁴² National Consumer Law Center: [Tax Refund Offsets](#)

student loan companies to properly report student loan payment pauses to credit bureaus, causing five million borrowers' credit scores to plummet.⁴³ These actions have damaged the finances of millions during a public health and financial crisis.⁴⁴

Stocking the Government with Student Loan Insiders

Hiring industry insiders to oversee the companies they previously worked for. Under the Trump Administration, industry insiders have been placed in positions of power across the federal government to borrowers' peril. Secretary DeVos handpicked senior staff⁴⁵ directly predatory for-profit schools,⁴⁶ student loan debt collection agencies,⁴⁷ industry lobbying firms,⁴⁸ and corporate law firms.⁴⁹ The DeVos Education Department even maintained a revolving door with shoddy student loan companies.⁵⁰ But the rot goes beyond Betsy DeVos; CFPB Director Kraninger's pick to be the top student loan official at the CFPB worked at the student loan company responsible for ripping off public servants.⁵¹

Siding with Student Loan Companies Over Students

Propping up predatory schools. While law enforcement cracked down on the predatory practices of fraudulent schools, Betsy DeVos used her power as Secretary of Education to weaken consumer protections,⁵² allowing schools to rip off borrowers. DeVos revived the failed accreditor responsible for allowing the most predatory schools⁵³—including Corinthian Colleges, ITT Technical Institutes, Brightwood College, and The Art Institutes—to access billions in federal financial aid. Betsy DeVos illegally stopped cancelling student loans for borrowers who had proof that their school ripped them off⁵⁴—first making those borrowers wait for years to get an answer, then limiting the relief they deserved. Then, DeVos rewrote the rules to make it easier for schools to scam future borrowers⁵⁵ and to make it more difficult for those borrowers to get justice. She even made sure Trump vetoed a bipartisan effort from Congress to stop her horrible attempts to hurt students.⁵⁶ DeVos gutted state level accountability for predatory schools⁵⁷ and made sure that students had minimal protections for online learning. And Betsy DeVos effectively shut down the office within the Department of Education designed to protect students.⁵⁸

⁴³ MarketWatch: [5 million student-loan borrowers may see their credit scores fall after CARES Act paused loan payments — 'It's another battle'](#)

⁴⁴ Politico: [DeVos sued for seizing student loan borrowers' wages during pandemic](#)

⁴⁵ ABC News: [Exclusive: Former for-profit college executive shaped Education Department policy that could benefit former employers: Documents](#)

⁴⁶ The Atlantic: [What a New Trump Administration Hire Could Mean for For-Profit Colleges](#)

⁴⁷ U.S. Department of Education: [Secretary of Education Betsy DeVos Announces Intent to Appoint Dr. A. Wayne Johnson as Chief Operating Officer of Federal Student Aid](#)

⁴⁸ The Atlantic: [Emails From Trump Education Official Reveal Ties to For-Profit Colleges](#)

⁴⁹ Republic Report: [Her Firm Represented Awful For-Profit Colleges. Now She's DeVos's Enforcement Chief.](#)

⁵⁰ Politico: [Student-loan behemoth tightens its ties to Trump and DeVos](#)

⁵¹ Allied Progress: [Only the Most Conflicted People: Kraninger Appoints Servicer Industry Insider to be Next Student Loan Ombudsman](#)

⁵² Inside Higher Education: [Reset of Rules Aimed at For-Profits Begins](#)

⁵³ Inside Higher Education: [DeVos Restores Recognition for Troubled For-Profit Accreditor](#)

⁵⁴ MarketWatch: [Scammed borrowers sue Betsy DeVos, alleging she illegally limited student-loan cancellation](#)

⁵⁵ New York Times: [DeVos Toughens Rules for Student Borrowers Bilked by Colleges](#)

⁵⁶ Inside Higher Education: [Borrower-Defense Rule Saved by Trump Veto but Still Faces Fight in Court](#)

⁵⁷ Forbes: [Betsy DeVos Weakens Protections For Online Learning In Higher Education](#)

⁵⁸ Senate Committee on Health, Education, Labor, and Pensions (HELP): [Murray, Senators Denounce Move By Secretary DeVos to End Investigations and Office Responsible for Protecting Students from Predatory Colleges](#)

Obstructing state law enforcement from holding predatory student loan companies accountable.

Instead of holding student loan companies accountable and protecting borrowers' rights, Betsy DeVos has repeatedly done the opposite. In one of her very first actions as Secretary, DeVos got rid of critical consumer protections.⁵⁹ Then, DeVos took her orders from student loan companies and tried to stop state investigations into predatory student loan companies.⁶⁰ For instance, in a Massachusetts lawsuit against one of the largest student loan companies, Betsy DeVos and the Trump administration sided against borrowers,⁶¹ suggesting that the Massachusetts Attorney General could not use state laws to protect borrowers. Finally, Betsy DeVos has repeatedly obstructed efforts by state law enforcement officials attempting to hold servicers accountable for ripping off student loan borrowers.⁶²

⁵⁹ Washington Post: [DeVos dials back consumer protections for student loan borrowers](#)

⁶⁰ Politico: [How the student loan industry lobbied DeVos to fight state regulations](#)

⁶¹ Boston Globe: [Feds say Healey can't sue student loan servicer](#)

⁶² NBC: [Inside the Education Department's effort to 'obstruct' student loan investigations](#)