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## MEMORANDUM

April 22, 2022

**TO:** Interested Parties  
**FROM:** Student Borrower Protection Center

**RE: Borrower Voices on the Incomplete Promise of Relief through IDR: IDR Recertification**

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### Overview

The promise of affordability and loan relief through income-driven repayment (“IDR”) options has largely been broken, plagued by failed policy, unwieldy regulatory requirements, and industry misconduct. While we applaud the Department of Education’s recent efforts to remedy the past failures of IDR,<sup>1</sup> the steps outlined in the policy announcement only partially address longstanding IDR failures. As we have previously stated, to fully remedy the administrative failures and servicer misconduct around IDR, the policy must provide automatic IDR credit for *all* of a borrower’s time in forbearance, deferment, and default.

Borrowers’ difficulties with annual income recertification—aptly dubbed the “recertification maze” by some<sup>2</sup>—underscores how unwieldy regulatory requirements and servicer misconduct have combined to drive borrowers’ into periods of forbearance, default, and higher debt loads instead of alleviating their loan burden, as IDR was intended to. An IDR policy that does not recognize that borrowers have been trapped in short-term forbearances and driven into default by their servicers and unwieldy IDR regulations falls short.

### Background

Almost three decades ago, in recognition of the massive burden that student loan debt imposes on American households, Congress introduced one of the most vital protections available in any consumer financial market: income-driven repayment.<sup>3</sup> From its inception and throughout its expansion across successive presidential administrations, IDR has been shaped by three core principles: that federal borrowers should be able to afford their monthly student loan bills, that the most financially strapped borrowers should enjoy safeguards from delinquency and default, and, perhaps most importantly, that student loan debt should never become a lifelong affliction.<sup>4</sup> In implementing the latter precept, the U.S. Department of Education (“ED”) has entitled federal

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<sup>1</sup> <https://studentaid.gov/announcements-events/idr-account-adjustment>; <https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs>.

<sup>2</sup> [https://www.huffpost.com/entry/obama-student-loan-income-based-repayment\\_n\\_7010344](https://www.huffpost.com/entry/obama-student-loan-income-based-repayment_n_7010344).

<sup>3</sup> <https://journals.sagepub.com/doi/abs/10.1177/0002716217701673>.

<sup>4</sup> <https://protectborrowers.org/idr-history-report/>.



student loan borrowers in IDR to debt cancellation after 20 to 25 years of consistent, on-time repayment based on the borrower's loan type and particular IDR plan.<sup>5</sup>

The promise of eventual debt cancellation through IDR is a key source of hope for millions of borrowers, many of whom make substantial personal sacrifices even while enrolled in IDR to remain current on their loans.<sup>6</sup> Moreover, the assumption that IDR generally delivers cancellation as promised is the cornerstone of significant federal policy and case law. For instance, the legal regime that makes it extremely difficult for borrowers to discharge student loan debt in bankruptcy partly stems from the assumption that IDR makes student loan payments manageable.<sup>7</sup> Similarly, there is a growing body of policy research that frames substantial intervention to alleviate student debt burdens, such as through broad-based cancellation, as unnecessary based on the assumption that IDR can be a source of meaningful relief for most borrowers struggling with student loan debt.<sup>8</sup>

Unfortunately, the promise of eventual debt relief through IDR has proven to be completely broken. Though debt cancellation under IDR has been available for qualifying borrowers since at least 2016, a recent Government Accountability Office ("GAO") report found that only 132 borrowers have *ever* successfully achieved loan cancellation via IDR.<sup>9</sup> For relative scale, information uncovered by U.S. Senator Elizabeth Warren indicates that more than 4.4 million borrowers have been in repayment for 20 years or more.<sup>10</sup> Using the Department's limited data, the GAO found that at least 7,700 loans, totaling around \$49 million in repayment, could potentially be eligible for IDR forgiveness.<sup>11</sup> The failure of servicers and the Department to accurately track repayment data means that the GAO was not able to perform a full analysis of what loans are potentially eligible for IDR forgiveness.<sup>12</sup> The report found that the Department's data prior to 2014 is largely incomplete to accurately count a borrower's time in qualifying repayment.<sup>13</sup> Despite the Department's knowledge that payment counts could not be accurate, it continued to instruct servicers to consider previous servicer counts as accurate.<sup>14</sup> Relatedly, the GAO report found that the Department does not provide sufficient information to borrowers about what constitutes a qualifying payment towards IDR forgiveness, including that periods of forbearance and most types of deferments do not count.<sup>15</sup> Similarly, servicers and the Department do not notify borrowers of their progress towards IDR forgiveness, nor that borrowers can request to verify these counts.<sup>16</sup>

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<sup>5</sup> <https://studentaid.gov/manage-loans/repayment/plans/income-driven>.

<sup>6</sup> <https://protectborrowers.org/idr-unaffordability-report/>.

<sup>7</sup> <https://www.law.georgetown.edu/georgetown-law-journal/wp-content/uploads/sites/26/2018/07/Help-or-Hardship.pdf>.

<sup>8</sup> <https://bfi.uchicago.edu/insight/finding/the-distributional-effects-of-student-loan-forgiveness/>.

<sup>9</sup> <https://www.gao.gov/assets/gao-22-103720-highlights.pdf>; <https://www.gao.gov/assets/gao-22-103720.pdf> at 10.

<sup>10</sup> <https://www.warren.senate.gov/imo/media/doc/Education%20Department%20Response%20to%20Sen%20Warren%20-%20204-8-21.pdf#page=2>.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> <https://www.gao.gov/assets/gao-22-103720.pdf> at 11; 12.

<sup>14</sup> *Id.* at 13; 14.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

Worse, the situation for borrowers pursuing cancellation through IDR appears unlikely to improve. An internal analysis conducted by one large student loan servicer recently found that of the more than 8.5 million borrowers whose federal student loans it manages, only 48 are projected to receive debt cancellation under IDR by 2025.<sup>17</sup> This overall estimate involved the projection of an 83 percent *reduction* between 2022 and 2025 in the number of borrowers that will receive cancellation through IDR each year, prompting one company employee to remark in uncovered emails that the number of borrowers securing cancellation seemed “very low.”<sup>18</sup>

The systematic collapse of the promise of relief that Congress made to borrowers flows from decades of inaction, incompetence, and unfortunately frequent malfeasance from the Department, federal policymakers, regulators, and the student loan industry. For example, over the past several years, state attorneys general across the country and the Consumer Financial Protection Bureau have brought public enforcement actions against ED’s largest student loan servicing contractors for a wide range of abuses related to borrowers’ access to IDR, including deploying abusive forbearance steering tactics, deceiving borrowers regarding their obligation to annually recertify income, and failing to timely process IDR applications.<sup>19</sup> These abuses—conducted by the very same companies tasked with guiding borrowers through repayment and empowering them to access their protections under the law—will add years or decades to borrowers’ repayment sequences even if they are eventually able to access IDR at all. By that time, borrowers will likely have undergone extensive but entirely unnecessary financial hardship including periods of disastrous delinquency or default.

A recent settlement between 39 states attorneys general and the federal student loan servicing giant Navient demonstrates that servicers have consistently and recklessly engaged in a startling variety of abusive practices with long-term consequences for borrowers.<sup>20</sup> While beneficial for some private loan borrowers, the terms of the settlement will not provide relief for the millions of borrowers who lost years of credit towards federal loan forgiveness and over-paid on their monthly student loan bills because of student loan servicers’ illegal activities. This episode is yet another instance of the policy apparatus and specifically the promise of affordability through IDR failing borrowers entirely.

Worse, as with so many aspects of the student debt crisis, the weight of IDR’s widespread breakdown has landed most heavily on Black borrowers. In particular, a nationwide survey from The Education Trust recently found that Black federal student loan borrowers struggle to access IDR, and that they continue to face both difficulty affording basic life necessities and an ongoing risk of default on their student loans even when enrolled in IDR.<sup>21</sup> Reflecting on IDR’s failure to deliver eventual debt cancellation for Black borrowers, the survey noted that Black borrowers feel that repayment under IDR is “a lifetime debt sentence.”<sup>22</sup>

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<sup>17</sup> [https://protectborrowers.org/wp-content/uploads/2021/10/SBPC\\_Driving\\_Into\\_A\\_Dead\\_End.pdf#page=18](https://protectborrowers.org/wp-content/uploads/2021/10/SBPC_Driving_Into_A_Dead_End.pdf#page=18).

<sup>18</sup> *Id.*

<sup>19</sup> [https://protectborrowers.org/wp-content/uploads/2021/10/SBPC\\_Driving\\_Into\\_A\\_Dead\\_End.pdf#page=15](https://protectborrowers.org/wp-content/uploads/2021/10/SBPC_Driving_Into_A_Dead_End.pdf#page=15).

<sup>20</sup> <https://protectborrowers.org/student-borrower-protection-center-statement-on-navients-settlement-with-39-states-cancelling-1-7-billion-in-predatory-private-student-loans/>.

<sup>21</sup> <https://edtrust.org/resource/jim-crow-debt/>.

<sup>22</sup> *Id.*

## Annual IDR Income Recertification Often Leads Borrowers into Forbearances and Even Default

Below is a selection of borrower narratives illustrating the human toll that widespread illegal and incompetent practices related to IDR have had on borrowers every year when borrowers on an IDR plan must recertify their income. For these borrowers, and for millions more just like them, the promise that Congress made through IDR remains unfulfilled.

1. “I’ve had issues with the yearly income recertification. There were times that I missed the deadline to recertify. The emails did not include deadlines, or there were no email reminders that I saw, or there was inadequate information in the emails. When I did recertify after realizing that my loan payments jumped up, I often lost months because it took the servicers a long time to approve the recertification.”<sup>23</sup>
2. “Since [graduation], I have been unable to find employment at a level that has allowed me to cover the interest or principal amounts. . . . when I went to renew my [IDR] plan, my regular documentation was not accepted. Although I should have sought legal assistance then, I ended up accepting a forbearance at that time which amounted to \$7,400 being capitalized onto my balance. I . . . encountered additional problems when I attempted to recertify . . . I repeatedly submitted various documents indicating my income ; however, my application met with delays in approval. [months later], my [request] still had not been approved and I was informed that my account would be delinquent if I did not pay \$1,300 that month. As I was unable to pay that amount at the time, I reluctantly agreed to accept another forbearance believing it was the only way to secure additional time for the loan holder to review my paperwork. However, it was not until after the forbearance was actually issued that I learned the amount to be capitalized onto my balance : \$41,000, almost six times the amount of the previous forbearance. . . I was informed by a representative from the loan company that I had provided more information than was needed to process my application and told exactly what to write in order to be approved. This is information that could have been provided to me much earlier in the process and would have allowed my IDR plan to have been approved in a more timely manner thus preventing my being placed in a position where I might face delinquency. When I received a second notice of payment due, I called and was offered another forbearance but told that I still had time to decide prior to the deadline so I declined. However, a request was still entered into the system. I was later informed that my application had been accepted by the time of that call and that the other forbearance should not have been offered nor processed. Regardless, two additional forbearances were processed . . . totaling \$1,900 and \$770 respectively. Under the advisement of a representative from the loan holder, I sent numerous letters detailing what occurred as she said that, having not been properly informed of the interest amount, the forbearance could and should be reversed. Likewise, it was that representative who informed me that the second forbearance . . . should not have even been offered. . . Despite repeated attempts . . . I was unable to get any assistance. . . Had I been informed of the extent to which my loans would be impacted, I would never have agreed to those terms.. . I believe that . . .

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<sup>23</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/5063930>.



the recertification process was dragged out and that I was misled into a situation that has compounded my debt to a level that I will never be able to manage. . . . As of this date, my current balance is \$220,000. This is approaching twice the amount I originally borrowed . . . and my employment situation remains unchanged.”<sup>24</sup>

3. “I have had many issues. . . over the years. Most notably, long recertification application times. [My servicers] have placed my loans under administrative forbearance multiple times for many months. They have also failed to process my in-school deferment waiver forms that I have submitted. . . I have requested that fedloan resolve this issue about every 3 months but they ‘have a backlog of requests.’”<sup>25</sup>
4. “As a participant in the income based repayment plan, I am required to re-certify my income annually. Every year, I comply with the requirements and my payments are recalculated, however, the same issue occurs and a repayment month is skipped and not counted towards the Public Service Loan Forgiveness Program or anything else. I have asked to be allowed to make a payment during this skipped month and every year I am told it is not possible and that any payment would not count as a regular payment and would only be applied to the principal. It all comes down to their systems, policies, and plan to drag everything out at the expense of the consumer. . . . this only benefits Great Lakes as interest accumulates, peoples incomes rise, and the term extends. I know I am only one person, however, the impact across all loans held by Great Lakes is huge.”<sup>26</sup>
5. “I submitted the required documentation for the 2015 [income-based] repayment plan 8 weeks before the expiration of my previous IBR application, and within the time period [my servicer] indicated. Due to [my servicer’s]delays, my IBR application was not processed timely. While waiting for them to process my application, [my] monthly payment jumped from approximately \$200 a month to \$1400 a month, causing me to go into overdraft on my checking account. [My student loan servicer] failed to process my application timely even though my application was complete and no documentation was missing and failed to communicate the huge increase in payment.”<sup>27</sup>
6. “I was placed on excessive administrative forbearance of 4 months from . . . when applying for an income-driven repayment ( IDR ) plan when typically it takes 1 month to process the repayment application. I lost months of public service loan forgiveness ( PSLF ) qualifying payments. . . . I was not informed to file an IDR repayment application. . . and once I filed the IDR form in [my servicer] gave me a timeline of up to 2 months for processing time. . . . [Additionally,] During my annual IDR recertification . . . Fedloan servicing placed me on administrative forbearance and Fedloan servicing automatically transferred my repayment plan from PAYE to REPAYE without my knowledge and without giving me an opt out option so that I can make my normal repayment under my then PAYE plan. Fedloan servicing said that they automatically

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<sup>24</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/5159277>.

<sup>25</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/5116078>.

<sup>26</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3609986>.

<sup>27</sup> <https://www.consumerfinance.gov/about-us/blog/when-you-make-student-loan-payments-on-an-income-driven-plan-you-might-be-in-for-a-payment-shock/>.



transferred me to REPAY because I did not qualify for PAYE. I already lost one month of repayment when my IDR plan was switched from IBR to PAYE . . . and now I lost another month again because Fedloan servicing realized that they mistakenly approved me for the PAYE plan. Fedloan unilaterally placed me on administrative forbearance, switched my repayment plan, failed to offer me an opt out plan, and failed to inform me of this whole undertaking . . . there has been no remedy.”<sup>28</sup>

7. “I have been on the income based repayment plan since 2010. I have re-certified on time when information was requested. Recently you are able to log into the student aid portal. There was an issue with the IRS site and it allowed me to complete the re-certification. On XX/XX/XXXX, I received an email stating that my request was incomplete so I sent my income tax return to them. This is not the first time that I have had trouble with AES removing me from my IBR and I want them to verify the start date of my plan, and if the terms are 20 or 20 years. . . . They have sent my information to a collection agency, which I want this information removed, and any negative credit reporting corrected.”<sup>29</sup>
8. “All [my] information for Income Sensitive Loan repayment Recertification was submitted to Navient. Follow up calls from myself to verify they received all the paperwork . . . spoke to a rep who stated the recertification was ‘under review’ and an answer would be coming . . . Phone call to Navient . . . to follow up, states the recertification is not complete . . . spoke to customer service rep . . . who then spoke to his supervisor and stated they are putting an escalation on the recertification paperwork and it would be completed XX/XX/XXXX. Opened my email . . . to find 3 different letters from Navient stating that [the] Standard Payment plan was back in effect as well as stating that the Income Sensitive Plan was not an option due to using the 5 years already, 5 years that nobody tells you have to begin with. Hours spent on the phone today . . . with a rep who then states there are discrepancies for forbearance time . . . Every year when it is recertification time, I and probably several others go through the same time consuming, unproductive phone calls with representatives who go back and forth, back and forth . . .”<sup>30</sup>
9. “[My] lender, Access Group, never once sent me the recertification notice since I enrolled in the [IDR] program . . . As a result . . . I missed the unknown deadline by a few days and more than \$60,000 was capitalized into my student loan. I also just now discovered that the same thing happened around XXXX for around \$8,000 after I also apparently missed a deadline. Access Group never provided me with the terms of the IBR Plan when I signed up, and it failed to warn me of the draconian consequences of missing the IBR recertification deadline by even one day. To date, I have never been given a due date for the annual recertification deadline -- even with the new loan servicer, which at least has sent warning letters. . . . Again, Access Group NEVER sent me the annual notification letter for any year I've been in the IBR Plan.”<sup>31</sup>

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<sup>28</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/4788776>.

<sup>29</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/4455069>.

<sup>30</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/4308845>.

<sup>31</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/3940804>.



10. “I am on an income driven payment plan for my FFEL Student Loans that are being serviced by Nelnet. On XX/XX/2020 I submitted my annual recertification and Nelnet sent me an email confirming that my application was received. I received no response to this application. On XX/XX/2020 I again submitted my annual recertification and Nelnet sent me an email confirming that my application was received. I received no response to this application. On XX/XX/2020, I submitted yet another application to have my loans recertified and again Nelnet sent me an email confirming my application was received. I received no response to this application. Around this same date, I sent a message to Nelnet through their website regarding this issue. I did receive a response to this inquiry stating that it would take 15 days for my request to be reviewed. 15 days came and went of course with no response from Nelnet. . . I sent another message to Nelnet through their website. On XX/XX/2020, I actually received an reply email from Nelnet. This time they stated that more information was needed to complete my application. I promptly provided the information that was requested. On XX/XX/2020, Nelnet approved my recertification application. In the meantime, my previous IDR expired, and Nelnet increased my payment from about \$240 to \$850 per month. I repeatedly told Nelnet that I can not afford this payment. Now, Nelnet has my loans 90 days past due and is reporting late payments to my credit report. I tried to contact Nelnet about this issue and, of course, they did not respond. I feel that Nelnets negligence caused this and my efforts to resolve this are fruitless.”<sup>32</sup>
  
11. “I sent in my IBR annual recertification application with Navient several months ago. A couple of months ago I got a call saying my loan was overdue, because it turns out they had not processed my application. Eventually, after talking to multiple Navient representatives on the phone and hearing several excuses as to why my application had not yet been approved, I had someone tell me that my application had been denied because it lacked a signature, but upon reviewing my application admitted my signature was there, apologized for their error and assured me that my application would be approved, as I had all the necessary documentation I needed. Navient still has not approved and is seeming to refuse to process my application. Their delay is increasing my student loan amount and having other nontrivial financial impacts. I do not know how it is ethical or legal for this company to engage in lending practices that involve delaying processing, either through bad faith or incompetence, to increase their profit and harm customers. Again, it has been many months and they are still not acting after repeated requests. This is not the first year this has happened. This seems to be a regular Navient business practice.”<sup>33</sup>

As these stories illustrate, annual IDR recertification is a morass for borrowers due to unwieldy paperwork requirements and, as is typical in the student loan industry, malfeasance by servicers. Every year, borrowers on an IDR plan must re-certify their income to stay enrolled in the plan,<sup>34</sup> which requires paperwork, particularly if a borrower’s income or employment information has changed. Approximately one-third of borrowers do not recertify their income on time,<sup>35</sup> which

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<sup>32</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/4043335>.

<sup>33</sup> <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/4064075>.

<sup>34</sup> 34 C.F.R. §§ 685.209(a)(5), (c)(4), 685.221(e).

<sup>35</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_data-point\\_borrower-experiences-on-IDR.pdf](https://files.consumerfinance.gov/f/documents/cfpb_data-point_borrower-experiences-on-IDR.pdf) at 41.



can often be linked to servicers' failure to timely process their paperwork or clearly notify borrowers of the deadline. Servicers often place borrowers in short-term administrative forbearances as they take months to process recertification paperwork. And when borrowers miss the annual recertification deadline, servicers will capitalize interest on their loans, and place them on a standard-repayment plan, which may drastically increase their overall loan balance and monthly payments, potentially leading borrowers to default.

When servicers take a long time to process recertification applications or borrowers miss the deadline, often due to lack of notice by the servicer, borrowers are likely to be placed into forbearances and are more likely to default. Data from the Consumer Financial Protection Bureau and the Department of Education confirms this—a 2019 study found that of the one-third of borrowers who did not certify their income on time, “12 percent of borrowers entered forbearance or deferment . . . and that difficulties could persist . . . with 25 percent in forbearance and 7 percent delinquent while still not recertified six months later.”<sup>36</sup> Delinquencies increase in likelihood as time passes from the missed recertification deadline, indeed, “delinquencies more than tripled for borrowers who did not recertify on time after their first year.” Other studies have indicated similarly troubling numbers. For instance, Department data indicates that “[i]n the 12-month period that ended in October [2015], nearly [three of every five](#) borrowers did not recertify their incomes on time, according to the results of a department survey [released last week](#). Their required monthly payments promptly skyrocketed to what they'd be required to pay on a 10-year basis, their loan balances ballooned as a result of capitalized interest, and as many as 15 percent fell behind on their payments. Nearly a third of the 696,000 borrowers who missed the deadline were forced into forbearance or deferment plans, which delay monthly payments and typically lead to higher loan balances. Another third of the borrowers who didn't recertify their earnings by the deadline did so within six months.”<sup>37</sup> Servicers leading borrowers into forbearances and even default through insufficient notice and failure to timely process paperwork is particularly troubling in light of the GAO findings<sup>38</sup> that borrowers may not know that forbearances and default do not count as qualifying payments for IDR forgiveness.

In sum, what appears on the surface to be a simple administrative requirement—annual recertification—is riddled with servicer misconduct and borrower confusion, potentially leading to periods of forbearance, increased loan balances, increased loan payments, and correspondingly, to higher likelihood of default. And any missed months during the recertification maze currently do not count towards loan forgiveness for IDR—which can cumulatively add up to years of missing time over the life of the loan.

While the policy announced by the Department will certainly help thousands of people, it leaves out some of the most vulnerable borrowers. Borrower's difficulties with annual recertification, and particularly their time spent in short-term forbearances and potentially in default—underscores that to fully remedy the failures of the IDR program, an IDR policy must count *all* of borrowers' time in forbearance and default.

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<sup>36</sup> <https://www.consumerfinance.gov/about-us/blog/new-report-shows-how-student-loan-borrowers-fare-income-driven-repayment-plans/>.

<sup>37</sup> [https://www.huffpost.com/entry/obama-student-loan-income-based-repayment\\_n\\_7010344](https://www.huffpost.com/entry/obama-student-loan-income-based-repayment_n_7010344).

<sup>38</sup> <https://www.gao.gov/assets/gao-22-103720.pdf> at 17-19.





## ED Can and Must Act to Restore the Promise of Relief through IDR

In October, the Biden administration initiated a sweeping waiver to address longstanding, wide-ranging failures plaguing the Public Service Loan Forgiveness (“PSLF”) program.<sup>39</sup> This waiver allowed hundreds of thousands of borrowers to bypass byzantine administrative burdens, sweep aside the lingering effects of past servicing abuses, and rise from the wreckage of decades-long policy blunders to access earned relief.<sup>40</sup> For tens of thousands of borrowers, that relief included immediate debt forgiveness.<sup>41</sup>

Now, borrowers and a broad coalition of advocates are calling on the Biden administration to use authorities already at its disposal to initiate a similarly bold program to deliver justice and relief to the millions of borrowers who have been denied the promise of IDR.<sup>42</sup> As outlined in a white paper co-authored by the Student Borrower Protection Center, the Center for Responsible Lending, and the National Consumer Law Center, this waiver would involve the use of administrative data to retroactively count all months since borrowers entered repayment as qualifying months towards forgiveness under IDR, regardless of the borrower’s loan type or prior repayment plan.<sup>43</sup> A coalition of more than 100 unions, consumer protection organizations, and non-profit groups that represent a broad and diverse population of low to middle income student borrowers and workers across the country recently signed a letter in support of this proposed IDR waiver.<sup>44</sup>

Until the Biden administration takes substantial action such as implementing the proposed IDR waiver, however, borrowers will continue languishing under the weight of system-wide failure and broken promises. The weight that these borrowers face goes far beyond what may be captured in any statistic outlining how few borrowers have secured cancellation through IDR, how many borrowers continue to face delinquency and default, and how many decades borrowers have been trapped in repayment. The failure of IDR means years of lost payments, rippling financial ruin, and broken promises between citizens and their government at every level.

Servicers have too long put their financial profits ahead of borrowers’ financial security. The Biden administration must choose to right that wrong by implementing a IDR waiver that will provide credit towards loan forgiveness for borrowers’ time in default, forbearance, and deferment.

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<sup>39</sup> <https://www.ed.gov/news/press-releases/us-department-education-announces-transformational-changes-public-service-loan-forgiveness-program-will-put-over-550000-public-service-workers-closer-loan-forgiveness>.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> [https://protectborrowers.org/wp-content/uploads/2022/02/Final-IDR-Waiver-Coalition-Letter-2\\_9\\_2022.pdf](https://protectborrowers.org/wp-content/uploads/2022/02/Final-IDR-Waiver-Coalition-Letter-2_9_2022.pdf).

<sup>43</sup> <https://protectborrowers.org/borrower-advocates-demand-that-education-department-restore-the-promise-of-income-driven-repayment/>.

<sup>44</sup> [https://protectborrowers.org/wp-content/uploads/2022/02/Final-IDR-Waiver-Coalition-Letter-2\\_9\\_2022.pdf](https://protectborrowers.org/wp-content/uploads/2022/02/Final-IDR-Waiver-Coalition-Letter-2_9_2022.pdf).