



December 8, 2022

Secretary Miguel Cardona
United States Department of Education
830 First Street, N.E.
Washington, D.C. 20002

Dear Secretary Cardona,

We write to share our profound anger and disappointment with the recent revelations that millions of borrowers received misleading and inaccurate communications from Accenture Federal Services—a contractor of the U.S. Department of Education (the Department)—on the status of their debt relief applications under President Biden’s historic debt cancellation program.¹ In a matter of weeks following President Biden’s debt cancellation announcement and subsequent release of the debt relief application, 26 million borrowers successfully submitted applications seeking the chance to be freed of their student debt. The extraordinarily successful rollout of the program and unprecedented level of participation from borrowers is a testament to your commitment to making sure government works on behalf of the American people.

Unfortunately, disastrous errors like Accenture’s risk setting the success of this program back and diminishing borrower’s trust and faith in the Department. We call on the Department to work with regulators to hold this private-sector financial services company accountable, ensure that strong quality control measures are in place to prevent a blatant error like this from happening again, and work to make actively misled borrowers whole.

The Department’s commitment to keeping borrowers informed and updated on the status of President Biden’s debt relief plan is admirable. However, this stunning and embarrassing display of incompetence by one of the big financial firms that manages the student loan system is sowing further confusion. Worse, it is fanning the flames of misinformation that have grown rampant since politically motivated and frivolous lawsuits threaten student loan borrowers and the relief President Biden has promised to them.

According to news reports, between November 22nd and November 23rd, Accenture Federal Services erroneously sent notifications to approximately 9 million federal student loan borrowers with the subject line that read: “Your Student Loan Debt Relief Application Has Been Approved.” However, their application had not been processed—and in fact, some of these borrowers may not ultimately qualify despite the Department’s communications to the contrary.

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<https://www.msn.com/en-us/money/careersandeducation/9-million-student-loan-borrowers-got-an-email-in-november-with-the-wrong-subject-line-informing-them-their-debt-relief-has-been-approved-the-education-department-is-issuing-corrections/ar-AA14RN6v>



Errors like this are not only costly and unacceptable, but likely violate borrowers' consumer protection rights and warrant immediate action by the Department and by Accenture's regulators.

It appears that Accenture Federal Services is just the latest example of your contractors' costly incompetence at the expense of millions of vulnerable borrowers. In September 2021, a Department contractor sent preliminary approval emails to borrowers defrauded by predatory schools but indicated that approval was for the wrong school, leading to confusion among borrowers. Earlier this year, in the midst of a rapidly approaching waiver deadline, MOHELA, a different private-sector financial services firm charged with administering loan forgiveness under the Public Service Loan Forgiveness program was accused of failing to provide borrowers with adequate information and forcing borrowers to wait 9 hours for service²—while raking in more than \$100 million in servicing fees in that last year alone.³ These are just a few examples of contractor malpractice as borrowers eagerly seek relief from the broken student loan system.

We recognize that the Department is working closely with Accenture to ensure that corrective emails are sent to impacted borrowers. However, it is simply not enough to send retraction emails to borrowers. Borrowers and the American public deserve to have a more transparent view into the root cause of this failure and the ways that the Department holds contractors accountable in the midst of such historic and monumental reforms to the student loan program.

Last year, the Department issued a bold new vision for how to harness oversight from state and federal regulators to prevent large-scale failures like these and to ensure speedy redress when the government's contractors break the law.⁴ We urge you to leverage your ongoing partnership with the Consumer Financial Protection Bureau and state regulators to hold this firm accountable and make borrowers whole.

We respectfully request a meeting with the Department to discuss your plans to hold Accenture and all other contractors accountable for malfeasance and to make sure that all affected borrowers are made whole for being misled. As you make preparations to resume student loan payments as soon as August 2023, it remains critical that the Department and the Office of Federal Student Aid build the necessary infrastructure to prevent large-scale failures by your contractors and deliver relief to borrowers should such failures occur.

Sincerely,
Student Borrower Protection Center

² <https://twitter.com/StrikeDebt/status/1583290145557852160>

³ <https://www.mohela.com/DL/common/publicInfo/financialStatements.aspx>

⁴ <https://www.ed.gov/news/press-releases/new-interpretation-encourage-state-collaboration-student-loan-servicing>