

February 17, 2022

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

**RE: Request for Information Regarding Higher Education Act Pooled Evaluation (Docket No. ED-2022-OPEPD-0155)**

Dear Secretary Cardona,

The Student Borrower Protection Center (SBPC) appreciates the opportunity to comment on this Request for Information (RFI). Congress’s authorization of funding for the Department of Education (ED) to evaluate, collect data on, and analyze programs authorized by the Higher Education Act marks an important moment in the history of this landmark law. We encourage ED to use this occasion to finally conduct long-overdue scrutiny of its student loan apparatus, the dynamics of borrowers’ experiences in loan repayment, and how the general (if manufactured) necessity of taking on debt affects postsecondary students across their financial lives.

In simple dollar terms, there is no larger program that ED is involved in (or, indeed, that almost any agency of the federal government is involved in) than the administration of federal student debt.<sup>1</sup> These loans are the central pathway by which most Americans are able to access postsecondary education,<sup>2</sup> and they represent one of the largest items on the federal government’s balance sheet.<sup>3</sup> Yet, despite ED periodically publishing certain data on its loan portfolio and a range of surveys that touch on borrowers’ interactions with it,<sup>4</sup> basic facts about this massive and vitally important program remain unknown both to the public and—by all appearances—to ED itself.<sup>5</sup>

We encourage ED to use the funding referenced in the RFI to address at least the following gaps in knowledge about federal student loans:

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<sup>1</sup> <https://www2.ed.gov/about/reports/annual/2022report/agency-financial-report.pdf#page=20>

<sup>2</sup> <https://collegeaffordability.urban.org/covering-expenses/borrowing/> (“70 percent of students who receive a bachelor’s degree have education debt by the time they graduate.”)

<sup>3</sup> <https://www.fiscal.treasury.gov/reports-statements/financial-report/balance-sheets.html>

<sup>4</sup> <https://studentaid.gov/data-center>; <https://nces.ed.gov/surveys/SurveyGroups.asp?Group=2>

<sup>5</sup>

<https://www.consumerfinance.gov/about-us/newsroom/written-testimony-of-rohit-chopra-before-the-committee-on-the-budget/> (“While there have been major strides to better assemble mortgage data, the opacity of the student loan market remains deeply problematic, adding further uncertainty over the potential spillovers into the rest of the economy. I am quite concerned that financial regulators and the public lack access to basic, fundamental data on student loan origination and performance. Without these data, we will be challenged to understand the complete set of risks posed by student debt burdens.”)



### ***Basic Facts about the Student Loan Debt Trap Remain Unknown***

Surveys indicate that a substantial share of borrowers repay far more than they first borrow when repaying a student loan, over and above the interest charges associated with a typical fixed-rate, fixed-term installment loan. This is often the result of repayment arrangements that permit borrowers to make payments that do not cover accruing interest, periods of deferment and forbearance where interest continues to accrue, and the imposition and capitalization of fees and interest charges when borrowers change between loan statuses (e.g. from forbearance to repayment, or from default to repayment).

For many borrowers, this turns student debt into what is commonly understood to be a “debt trap”—an arrangement in which the balance on a borrower’s loan grows over time and monthly payments do not result in progress towards payoff.<sup>6</sup> For example, a recent SBPC analysis demonstrates that for every two borrowers who repay a student loan within 12 years, three more owe more debt to ED than when they first borrowed.<sup>7</sup> As is true across the student loan system, this burden is even more extreme for Black borrowers; for every Black borrower who repays a student loan within 12 years, six more are deeper in debt than when they first borrowed.<sup>8</sup>

Accordingly, we encourage ED to use the funding underlying this RFI to publicly account for the long-term performance of borrowers who take on student loans, measured against the original principal balance borrowed, including at least the following questions:

- Questions about the share of borrowers who repay more than their original principal balance but remain in debt:
  - How many borrowers with open student loan accounts owe on debts towards which they have repaid more than their original principal balance? Please provide this information disaggregated by:
    - Academic year during which borrowers first entered repayment;
    - Age;
    - Race;
    - Gender;
    - State;
    - School Sector (e.g. public, private, for-profit);
    - Loan Status; and
    - Repayment Plan.
  - What is the distribution of the ratio of how much borrowers pay or have paid across the lifetime of their loans to the amount they originally borrowed,

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<sup>6</sup> <https://protectborrowers.org/wp-content/uploads/2022/06/Senate-Banking-Testimony-May-2022-updated.pdf>

<sup>7</sup> [https://protectborrowers.org/wp-content/uploads/2021/09/SBPC\\_Driving\\_Runaway\\_Debt.pdf](https://protectborrowers.org/wp-content/uploads/2021/09/SBPC_Driving_Runaway_Debt.pdf)

<sup>8</sup> [https://protectborrowers.org/wp-content/uploads/2021/09/SBPC\\_Driving\\_Runaway\\_Debt.pdf](https://protectborrowers.org/wp-content/uploads/2021/09/SBPC_Driving_Runaway_Debt.pdf)



including mean, median, and percentiles broken out in 10 percent increments?  
Please provide this information disaggregated by:

- Academic year during which borrowers first entered repayment;
- Age;
- Race;
- Gender;
- State;
- School Sector (e.g. public, private, for-profit);
- Loan Status; and
- Repayment Plan.

### ***Critical Information About Income-Driven Repayment Has Still Not Been Determined***

Income-driven repayment (IDR) is among the most important protections available to federal student loan borrowers.<sup>9</sup> Though flawed,<sup>10</sup> IDR is key to helping borrowers lower their payments,<sup>11</sup> avoid default,<sup>12</sup> and improve their overall financial health.<sup>13</sup> Yet beyond certain basic summary statistics that ED periodically provides<sup>14</sup> and scattered academic research on the topic,<sup>15</sup> huge gaps in knowledge about the protection remain.<sup>16</sup> Worse, what we do know points to serious problems, including that the promise of eventual loan forgiveness via IDR has largely proven illusory,<sup>17</sup> that those who could benefit most from IDR struggle to access it,<sup>18</sup> and that borrowers regularly fall out of IDR due to unnecessary problems with income recertification.<sup>19</sup>

Accordingly, we encourage ED to use the funding underlying this RFI to publicly answer at least the following questions about IDR:

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<sup>9</sup> <https://protectborrowers.org/wp-content/uploads/2021/09/Driving-Down-Distress.pdf#page=5>

<sup>10</sup> <https://protectborrowers.org/idr-unaffordability-report/>,  
<https://protectborrowers.org/driving-runaway-debt-how-idrs-current-design-buries-borrowers-under-billions-of-dollars-in-unaffordable-interest/>,

<https://protectborrowers.org/driving-inequity-are-idrs-documentation-requirements-hurting-borrowers-of-color/>,  
<https://protectborrowers.org/driving-into-a-dead-end-why-idr-has-failed-millions-with-decades-old-debts/>

<sup>11</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_data-point\\_borrower-experiences-on-IDR.pdf#page=33](https://files.consumerfinance.gov/f/documents/cfpb_data-point_borrower-experiences-on-IDR.pdf#page=33)

<sup>12</sup> <https://www.gao.gov/assets/gao-15-663.pdf#page=26>

<sup>13</sup> [https://conference.iza.org/conference\\_files/Education\\_2018/herbst\\_d26912.pdf](https://conference.iza.org/conference_files/Education_2018/herbst_d26912.pdf)

<sup>14</sup> <https://studentaid.gov/data-center/student/portfolio>

<sup>15</sup> See, e.g., <https://eric.ed.gov/?id=ED607182>,

[https://www.sole-irole.org/assets/docs/SOLE2019\\_Submission\\_Ref-0393\\_Paper%20\(1\).pdf](https://www.sole-irole.org/assets/docs/SOLE2019_Submission_Ref-0393_Paper%20(1).pdf),

<https://ir.library.louisville.edu/cgi/viewcontent.cgi?article=1695&context=jsfa>

<sup>16</sup> See, e.g., <https://protectborrowers.org/wp-content/uploads/2023/02/IDR-Data-Request.pdf>. Note that this data request has not received a response to date.

<sup>17</sup> <https://www.npr.org/2022/04/01/1089750113/student-loan-debt-investigation>

<sup>18</sup>

<https://protectborrowers.org/new-data-show-borrowers-of-color-and-low-income-borrowers-are-missing-out-on-key-protections-raising-significant-fair-lending-concerns/>

<sup>19</sup> <https://www.brookings.edu/wp-content/uploads/2022/03/IDR-student-loan-report.pdf#page=5>



- Questions about the number of borrowers expected to receive and who have received forgiveness via IDR:
  - How many borrowers making payments on the income-contingent repayment (ICR) plan have made 300 “qualifying” payments as defined in 34 CFR §§ 685.209 and 685.221, and how does that subset of borrowers break down by servicer, state, race, and the gender of the borrower?
  - For borrowers who have made 300 “qualifying” payments in ICR, how much debt do these borrowers owe in total and on average, how much have they paid on their loans in total and on average, and how does that subset of borrowers break down by servicer, state, race, and the gender of the borrower?
  - How many borrowers paying in any IDR plan have made the number of “qualifying” payments for them to receive cancellation based on their IDR plan and loan type, and how does that subset of borrowers break down by IDR plan, servicer, state, race, and the gender of the borrower?
  - For borrowers who have made the number of “qualifying” payments in any IDR plan for them to receive cancellation based on their IDR plan and loan type, how much debt do these borrowers owe in total and on average, how much have they paid on their loans in total and on average, and how does that subset of borrowers break down by IDR plan, servicer, state, race, and the gender of the borrower?
  - Noting that the most recently available data are as of only July 2021,<sup>20</sup> how many borrowers to date have received forgiveness under any IDR plan?
  - For borrowers who have received forgiveness under any IDR plan, how much debt did these borrowers owe in total and on average, and how does that subset of borrowers break down by IDR plan, servicer, state, race, gender, the month and year that they received forgiveness, and whether the borrower had graduate loans forgiven?
  - How many borrowers paying in any IDR plan are expected to have their loans forgiven in 2023, and in any subsequent years that the Department either has estimated or is able to estimate?
  - For borrowers paying in any IDR plan who are expected to have their loans forgiven in 2023, how does that subset of borrowers break out across IDR plan, whether the borrower has graduate loans, and the servicer, state, race, and gender of the borrower?
  - For borrowers paying in any IDR plan who are expected to have their loans forgiven in 2023, how much do these borrowers owe in total and on average, how much have they paid on their loans in total and on average, and how do each of those figures break out by servicer, IDR plan, whether the borrower has graduate loans, and the state, race, and gender of the borrower?

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<sup>20</sup> <https://www.gao.gov/assets/gao-22-103720.pdf>



- For any borrower who has ever enrolled in an IDR plan, how many qualifying payments have these borrowers made, and how do these figures break out across IDR plan, whether the borrower has graduate loans and the borrower's servicer, state, race, and gender?
- Does ED have any projections of the number of borrowers expected to receive forgiveness through IDR and the amount expected to be forgiven, and/or is ED aware of any such projections by its servicers?<sup>21</sup>
- Questions about IDR enrollment:
  - How many borrowers have ever enrolled at any time in any IDR plan?
  - How many borrowers enrolled for the first time in any IDR plan during each month since January 1, 1995? For each month, how does the number of newly enrolled borrowers break down by IDR plan, and by the servicer, state, race, and gender of the borrower?
  - How many of the borrowers who enrolled in any IDR plan remained in any IDR plan continuously until the loan was repaid, forgiven, or to the present? How does that demographic of borrowers break out across the month and year of their initial enrollment into an IDR plan, the IDR plan they enrolled in, and the servicer, state, race, and gender of the borrower?
  - How many borrowers switched from one IDR plan to another from 1995 until now? How does the demographic of borrowers who did switch break out across their initial IDR plan, their new IDR plan, the year they switched, and the servicer, state, race, and gender of the borrower?
  - How many borrowers exited an IDR plan and switched into a non-IDR plan from 1995 until now? How does the demographic of borrowers break out across the IDR plan they were in, the year they switched, and the servicer, state, race, and gender of the borrower?
  - Among borrowers who exited an IDR plan and switched into a non-IDR plan from 1995 until now, how many and what proportion ultimately repaid their loans, defaulted on their loans at any time post-switch, and/or fully repaid their loans?
  - How many borrowers applied to enter into an IDR plan in 2022 by servicer and IDR plan, as well as by the borrower's state, race, gender, and eligibility for a partial financial hardship?
  - Among borrowers who have applied to enter into an IDR plan each year since 1992, how long of a processing time did they face on average and across a distribution of time periods?

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<sup>21</sup> Note that SBPC has previously uncovered examples of ED's contracted servicers projecting rates and levels of forgiveness under other borrower protections. See <https://protectborrowers.org/newly-uncovered-internal-projections-from-a-department-of-education-contractor-show-pslf-problems-will-persist-over-time/>.



- How many borrowers applied to enter into an IDR plan in 2022 using tax-related documentation versus alternative documentation, and how does that break out by servicer and IDR plan, as well as by the borrower's state, race, gender, and eligibility for a partial financial hardship?
- Among borrowers who have applied to enter into an IDR plan in 2022 using, respectively, a tax refund or alternative documentation, how long of a processing time did they face on average and across a range of periods?
- Questions about recertification for IDR:
  - How many and what proportion of borrowers who have ever enrolled in an IDR plan have only ever recertified their IDR plan on time?
  - How many borrowers have recertified their IDR plan after the hard deadline one or more times?
  - How many borrowers recertified their IDR plan on time in 2022? How does this subset of borrowers break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
  - Among borrowers who successfully recertified their IDR enrollment in 2022, how much time did they have to wait for their recertification to be processed (measured as the amount of time between receiving the application and notifying the borrower of their payment amount), broken out in 30-day increments?
  - How many borrowers recertified their IDR plan using tax-related documentation versus alternative documentation in 2022? How does this subset of borrowers break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
  - Among borrowers who recertified their IDR plan using a tax refund versus alternative documentation in 2022, how much time did they have to wait for their recertification to be processed (measured as the amount of time between receiving the application and notifying the borrower of their payment amount), respectively, broken out in 30-day increments?
  - How many borrowers recertified their IDR plan after the hard deadline in 2022? How does this subset of borrowers break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
  - Among borrowers who recertified their IDR plan after the hard deadline in 2022, how much time did they have to wait for their recertification to be processed (measured as the amount of time between receiving the application and notifying the borrower of their payment amount), respectively, broken out in 30-day increments?



- How many borrowers have recertified their IDR plan late multiple times? How does this subset of borrowers break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
- Among borrowers who have recertified their IDR plan late multiple times, how much time did they have to wait for their recertification to be processed (measured as the amount of time between receiving the application and notifying the borrower of their payment amount), respectively, broken out in 30-day increments?
- How many borrowers entered into IDR and then never recertified their IDR plan? How does this subset of borrowers break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
- When borrowers fail to recertify on time, what is the distribution of interest that capitalizes on their loans, and how does that break out by servicer, IDR plan, whether the borrower was eligible for a partial financial hardship, and the state, race, and gender of the borrower?
- Questions about forbearance, delinquency, and default in IDR:
  - How many borrowers enrolled in any IDR plan have ever been placed in a forbearance or deferment? How does this subset of borrowers break out by servicer, IDR plan, and the state, race, and gender of the borrower?
  - How many borrowers who have defaulted on a federal student loan were enrolled in an IDR plan when they defaulted? How does this subset of borrowers break out by servicer, IDR plan, and the state, race, and gender of the borrower?
  - How many borrowers who failed to recertify their IDR plan defaulted within 12 months after failing to recertify? How does this subset of borrowers break out by servicer, IDR plan, and the state, race, and gender of the borrower?
  - How does the delinquency status of borrowers currently enrolled in any IDR plan break out in 30-day increments, as well as by the servicer, state, race, and gender of the borrower?
- Questions about loans that were paid off in IDR:
  - How many borrowers who were ever enrolled in an IDR plan have gone on to pay their loans in full? How does this subset of borrowers break out by servicer, IDR plan, and the state, race, and gender of the borrower?
  - Among borrowers who have been enrolled in an IDR plan who have gone on to pay their loans in full, what was the total balance they paid off (with principal and interest itemized), what was their original balance, and how do these statistics differ by the servicer, state, race, and gender of the borrower?



- How many borrowers who were ever enrolled in an IDR plan have gone on to have their loans forgiven by a cancellation program (including but not limited to Total and Permanent Disability, death, closed school, borrower defense, false certification, Public Service Loan Forgiveness (PSLF))? How does this subset of borrowers break out by servicer, IDR plan, and the state, race, and gender of the borrower?
- Among borrowers who have been enrolled in an IDR plan who have gone on to have their loans forgiven by a cancellation program (including but not limited to Total and Permanent Disability, Death, closed school, borrower defense, false certification, PSLF), what was their original balance, and how do these statistics differ by the servicer, state, race, and gender of the borrower?
- Questions about how the incomes of borrowers in IDR fluctuate over time:
  - On average, how much does the certified income of borrowers in IDR change each year? How does that change vary by the servicer, state, race, and gender of the borrower?
  - How much does the certified income of borrowers in IDR change each year for borrowers in each income quintile? How does that change vary by the servicer, state, race, and gender of the borrower?
  - How many borrowers qualify for \$0 payment at any given time? How does that demographic of borrowers break out by servicer, state, race, gender, and loan balance?
  - How many borrowers qualify for \$0 payment for one, three, five, ten, 15, and 20 years? How do these demographics of borrowers break out by servicer, state, race, gender, and loan balance?
  - How many borrowers do not certify having any increase in income over three, five, ten, 15, and 20 years? How do these demographics of borrowers break out by servicer, state, race, and gender?
- Questions related in part to the effect of IDR and other protections on the federal student loan portfolio as a whole:
  - How much of the total federal student loan portfolio is interest (broken out by capitalized and accrued interest, and by repayment plan)?
  - How, on a dollar and proportional basis, does the amount of the federal student loan portfolio that is interest break out by the race, sex, and servicer of the borrowers who owe on it?
  - How often do borrowers face capitalizing events, and what is the distribution of the number of capitalizing events that borrowers face?
  - What estimates, if any, does ED have of the proportion of interest in the federal student loan portfolio that will never actually be paid back?



- How many people with FFELP loans are enrolled in IDR, and how many have made each possible number of qualifying payments toward student loan forgiveness under IDR?

### ***Key Details About Federal Student Loan Default Have Still Not Been Determined***

Experts have noted that existing protections for federal student loan borrowers should make default on their loans impossible.<sup>22</sup> Yet in 2019, the last full calendar year before the COVID-19 payment pause, more than 1.2 million borrowers defaulted on a student loan, equal to a borrower defaulting every 26 seconds.<sup>23</sup> Then, during COVID, tens of thousands of borrowers with loans not eligible for the payment pause entered default,<sup>24</sup> while nearly all borrowers already in default struggled to access special protections that were meant to help them exit it.<sup>25</sup> It is likely that the reality of default will become even more dire when payments restart later in 2023.

Unfortunately, beyond the preceding topline statistics, key facts about the phenomenon of default on federal student loans remain unknown. ED periodically publishes information on cohort default rates by state and institution, the number of borrowers in default by loan type, and a small number of additional related subjects,<sup>26</sup> but we still lack basic information about who defaults and the sequence of events that lead them there.<sup>27</sup> Worse, where researchers *have* filled in certain informational holes, their findings are troubling. For example, analysts have shown that default can make it harder for borrowers to keep a job,<sup>28</sup> to find a home,<sup>29</sup> and even to maintain their physical health,<sup>30</sup> and that defaults disproportionately affect people of color, low-income students, and people who attend predatory for-profit schools.<sup>31</sup>

To begin taking steps toward eliminating student loan default, we encourage ED to use the funding underlying this RFI to publicly answer at least the following questions:

- Basic questions about federal student loan default:

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<sup>22</sup> <https://www.studyinternational.com/news/total-us-student-debt-owed-doubles-throughout-obama-administration/>

<sup>23</sup> <https://protectborrowers.org/every-26-seconds/>

<sup>24</sup> <https://protectborrowers.org/collections-catastrophe-new-evidence-exposes-fundamental-failures-of-the-governments-student-loan-collection-machine/>

<sup>25</sup> <https://protectborrowers.org/millions-of-student-loan-borrowers-had-a-special-chance-to-exit-default-during-covid-the-biden-administration-must-fix-the-system-failure-that-led-almost-no-borrowers-to-access-it/>

<sup>26</sup> <https://studentaid.gov/data-center/student/default>,

<https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfoliobyLoanStatus.xls>

<sup>27</sup> See, e.g.,

<https://protectborrowers.org/wp-content/uploads/2023/02/Default-Neg-Reg-Data-Requests-10.26.21.docx.pdf>. Note that this data request has not received a response to date.

<sup>28</sup> <https://www.nytimes.com/2017/11/18/business/student-loans-licenses.html>

<sup>29</sup> <https://finance.yahoo.com/news/denied-apartment-because-bad-credit-130049897.html>

<sup>30</sup> [https://www.fdrsinc.org/wp-content/uploads/2019/03/JFDR\\_50.1\\_15\\_McLean-Meyinsse.pdf](https://www.fdrsinc.org/wp-content/uploads/2019/03/JFDR_50.1_15_McLean-Meyinsse.pdf)

<sup>31</sup> <https://www.demos.org/research/debt-to-society>



- What proportion of federal student loan borrowers have ever gone into default?
- How long do people stay in default? What is the distribution of time in default, in 30-days increments?
- What is the distribution of how borrowers exit default?
- What proportion of borrowers redefault?
- What is the distribution of time across borrowers' entry into repayment and default?
- What is the distribution of money collected from people in default, disaggregated by demographic and education-related factors?
- How many borrowers have contacted ED or its contracted servicers indicating that they are both in default and incarcerated?
- Questions about borrowers who exit default using existing programs:
  - How many borrowers consolidate their defaulted loans each year, and how many rehabilitate them?
  - How many borrowers who consolidate or rehabilitate their defaulted loans each year, respectively, re-default?
  - How many borrowers who have previously consolidated or rehabilitated their defaulted loans, respectively, are currently in active repayment?
  - How many borrowers who enter IDR through consolidation re-default, and how does that compare to the number of borrowers who default after successfully rehabilitating their loans?
  - How many borrowers re-default after a warm transfer out of default?
  - How many PSLF-eligible defaulted borrowers who enter rehabilitation go on to enter IDR?
  - How many people who applied for Borrower Defense to Repayment were collected on in any way for a defaulted student loan, how do those collections break out across forms of collection (e.g., administrative wage garnishment, Treasury Offset Program), and, in the instance of benefit offsets, how do these collections break out across the benefits that were offset (e.g., Social Security benefits, tax refunds, etc.)?
  - How many people who applied for Closed School Discharge were collected on in any way for a defaulted student loan, and how do those collections break out across forms of collection (e.g., administrative wage garnishment, Treasury Offset Program)?
- Questions about pre-default information:
  - Before COVID, what practices did ED's contracted loan servicers, the Debt Management Collections System, and the private collection agencies use to keep Direct Loan borrowers out of default (e.g., did they implement automatic or streamlined enrollment into IDR Plans)?



- How many months have all borrowers spent in deferment or forbearance, disaggregated by deferment and/or forbearance type?
- What default rates do borrowers exhibit broken out by prior delinquency status (e.g., among borrowers who reach being 90, 120, or 180 days late on a loan, what share ultimately defaulted within two years)?
- For the most recent full quarter prior to the payment suspension, how many borrowers owing on how much federal student loan (on average, in the aggregate, and broken out in \$10k increments) . . .
  - Defaulted for the first time?
  - Defaulted for the second time?
  - Had a loan managed by each servicer (providing data on the number of borrowers with loans managed by each servicer, and how much those borrowers owed to each servicer)?
  - Took out loans to attend each sector of institution?
- Questions about default rates for specific populations:
  - What is the lifetime default rate (that is, the proportion of borrowers who defaulted at any time) among borrowers who . . .
    - Did not complete their programs?
    - Received a Pell grant?
    - Did not receive a Pell grant?
    - Took on only undergraduate loans?
    - Took on graduate loans?
    - Took on only undergraduate loans and did not complete their undergraduate program?
    - Were financially dependent during undergraduate studies?
    - Were financially independent during undergraduate studies?
    - Borrowed less than \$5,000 initially?
    - Borrowed less than \$10,000 initially?
- Questions about borrowers who are currently in default across the Federal Family Education Loan and Direct Loan portfolios:
  - What is the average balance and distribution of balances, in \$5,000 increments, among borrowers currently in default?
  - What is the distribution of borrowers in default by the ratio of their balance to the amount they initially borrowed, in 10 percent increments (e.g., what proportion of these borrowers owe 50 percent of their initial balance, what proportion owe 150 percent of their initial balance, etc)?
  - What is the distribution of borrowers in default by the share of their outstanding balance comprised of interest charges and collection costs, in 10 percent increments (e.g., what proportion of these borrowers have a balance that is 20



- percent interest and collection costs, what proportion of these borrowers have a balance that is 90 percent interest and collection costs, etc)?
- What is the distribution of borrowers in default by the ratio of the amount they have paid on their loans overall to the amount they initially borrowed, in 10 percent increments (e.g., what proportion of these borrowers have paid an amount equal to 50 percent of their initial balance, what proportion of these borrowers have paid an amount equal to 100 percent of their initial balance, etc)?
  - How many borrowers in default would qualify for a \$0 payment in IDR?
  - How many borrowers are ineligible to get out of default, how long have they been in default, what is the distribution of their balances, and what are the reasons for their disqualification?
- What is ED's understanding of the risk factors that increase a borrower's chance of default? What analysis has ED conducted, and how has ED responded to the lessons of this analysis?

***Even with recent improvements, mystery surrounds the functioning of the PSLF program***

Passed with bipartisan support in 2007, PSLF promised teachers, nurses, servicemembers, and other public service workers relief on their federal student loans in exchange for a decade of service to their communities. For years, however, ineptitude at ED<sup>32</sup> and malfeasance by student loan companies<sup>33</sup> broke this promise, leading PSLF to have a 98 percent rejection rate—and the expansion that Congress enacted to fix PSLF having its own 97 percent denial rate.<sup>34</sup>

The Biden Administration has taken several admirable and effective steps to restore the promise of PSLF, including by enacting a limited waiver through which borrowers whom the student loan system had previously failed could access relief,<sup>35</sup> and by revising the rules for the program to be more borrower-friendly in the future.<sup>36</sup> Before the waiver, only about 16,000 borrowers had secured slightly more than \$1.2 billion of cancellation through PSLF and TEPSLF,<sup>37</sup> now, more than 342,000 borrowers have had over \$23 billion discharged through these programs.<sup>38</sup>

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<sup>32</sup> See, e.g., <https://protectborrowers.org/sbpc-and-aft-investigation-on-mismanagement-and-abuse-on-scandal-plagued-public-service-loan-forgiveness-program/>, [https://protectborrowers.org/ffel\\_reportlp/](https://protectborrowers.org/ffel_reportlp/).

<sup>33</sup> See, e.g., <https://protectborrowers.org/broken-promises-the-untold-failures-of-acs-servicing/>.

<sup>34</sup> <https://protectborrowers.org/in-last-minute-biden-administration-extends-most-pslf-benefits-but-still-leaves-many-out/>.

<sup>35</sup> <https://protectborrowers.org/the-pslf-waiver-has-been-a-huge-success-and-it-may-be-just-hitting-its-stride-why-end-it/>.

<sup>36</sup> <https://protectborrowers.org/comments-in-response-to-proposed-overhaul-to-the-public-service-loan-forgiveness-program/>.

<sup>37</sup> <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/pslf-sep2021.xls>

<sup>38</sup> <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/pslf-dec2022.xls>



Still, basic facts about PSLF remain unknown, including many of the finer details pertaining to employer certification, persistence in IDR, and other failures that could keep borrowers from accessing PSLF in the future given that the waiver expired in October 2022.<sup>39</sup> Accordingly, we encourage ED to use the funding underlying this RFI to publicly answer at least the following questions:

- Questions about borrowers who may have served 10 or more years in public service, but who may have been knocked off track from PSLF because they had the wrong type of loan:
  - How many borrowers who have submitted an ECF or otherwise filed to certify employment but were rejected because they had “no eligible loans” went on to successfully consolidate their loans into qualifying loans within 12 months of receiving that denial? How does that break out before, during, and (eventually) after the waiver?
  - How many borrowers who submitted an ECF or otherwise filed to certify employment have been rejected more than once because they had “no eligible loans”? How many of them eventually received cancellation under the waiver?
  - How many borrowers who currently have certified employment for PSLF have fewer than 120 qualifying payments but 10 or more years of total time spent in repayment across all federal student loan types? How many fit this description before the waiver?
  - Among borrowers who had employment certification or PSLF denied at any time because they had “no eligible loans,” how many borrowers were serviced by each of the various federal student loan servicers before being transferred to MOHELA?
  - How many borrowers have been denied TEPSLF at any time because they had “no eligible loans”? Among these, how many had certified employment and have been in repayment for at least ten years on any federal student loan?
  - How many servicemembers and veterans have federal student loans, and how much do they owe? Among these, how many servicemembers and veterans with student debt have been identified through the SCRA match and are in repayment on at least one FFEL loan? How many were in repayment on at least one FFEL loan before the waiver?
  - Among servicemembers and veterans with federal student debt who have ever been identified through the SCRA match and who have had their employment after military service certified as public service work, how many have been

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<sup>39</sup> Note that this section largely mirrors the contents of a FOIA request that SBPC submitted in 2021 (FOIA #21-01070-F), [https://protectborrowers.org/wp-content/uploads/2023/02/SBPC\\_PSLF-data-request.pdf](https://protectborrowers.org/wp-content/uploads/2023/02/SBPC_PSLF-data-request.pdf). Several aspects of this FOIA request went unanswered or insufficiently answered.



rejected for PSLF for having fewer than 120 qualifying payments but have more than 10 years of total time in repayment across all federal student loan types? How many borrowers fit this description before the waiver?

- How many servicemembers and veterans with federal student debt have ever been identified through the SCRA match who have also had employment subsequent to military service certified for PSLF and have been in repayment on any federal student loans for ten years or more? How many borrowers fit this description before the waiver?
- Questions about borrowers who may have served 10 or more years in public service, but who may have been knocked off track from PSLF because they had insufficient qualifying payments:
  - How many borrowers whose employment has been certified as public service work and who entered repayment on any federal student loans more than ten years ago have made fewer than 120 qualifying payments because they consolidated into qualifying loans fewer than ten years ago? How many borrowers fit this description before the waiver?
  - How many borrowers who have been rejected from PSLF who entered repayment on any federal student loans more than ten years ago have made fewer than 120 qualifying payments because they consolidated into qualifying loans fewer than ten years ago? How many borrowers fit this description before the waiver?
  - How many borrowers whose employment has been certified as public service work have been rejected from PSLF for having made fewer than 120 qualifying payments and either:
    - Experienced a period of 12 consecutive months of forbearance or greater, or
    - Had three or more periods of capitalizing forbearance applied to an account over any 24-month period?
  - How many borrowers whose employment has been certified as public service work have been rejected from PSLF for having made fewer than 120 qualifying payments and exited income-driven repayment at any point due to a failure to recertify their eligibility for income-driven repayment?
  - Among borrowers whose employment has been certified as public service work, entered repayment on any federal student loans more than ten years ago, have made fewer than 120 qualifying payments, *and* consolidated into a Direct Loan at some point in repayment, what was the mean, median, and 75th, 80th, 90, and 95th percentile of the time between the borrower initiating consolidation and their consolidation being completed, in months? How many of these borrowers completed their loan consolidation more than 6 months after initiating it?



- Questions about borrowers who have served 10 or more years in public service but have been knocked off track from PSLF because they are or were enrolled in the wrong repayment plan:
  - Among borrowers whose employment has been certified as public service work,
    - How many have been rejected from PSLF for having made fewer than 120 qualifying payments;
    - How many have been in repayment on any federal student loans for 10 or more years;
    - How many have had any loans in a payment plan that does not qualify for PSLF at any point in repayment? Of these, how many are servicemembers or veterans; and
    - How many borrowers fit each category described above before the waiver?
  - Historically, among borrowers whose employment has been certified as public service work but were not in a qualifying repayment plan for PSLF at the time of approval, how many successfully enrolled in a qualifying repayment plan for PSLF within 12 months of receiving that approval? Of these, how many are servicemembers or veterans?
  - How many federal student loan borrowers with more than one loan have loans that are not in the same repayment plan?
    - Of these, how many have had their employment certified as public service work?
    - Of these, how many have applied for and been rejected from PSLF?
  - Among borrowers whose employment has been certified as public service work who 1) have been rejected from PSLF for having made fewer than 120 qualifying payments, 2) have been in repayment on any federal student loans for 10 or more years, *and* 3) had any loans in a payment plan that does not qualify for PSLF at any point in repayment, how many borrowers were serviced by each of the various federal student loan servicers before being transferred to MOHELA?
  - Among borrowers who have applied to have their employment be certified as public service work and were approved but were not in a qualifying repayment plan for PSLF at the time of approval, how many borrowers were serviced by each of the various federal student loan servicers? How do those numbers break out before the waiver?
  - How many unique servicemembers and veterans with student debt have ever been identified through the SCRA match and spent more than 12 months in a military deferment?



- Questions about borrowers who have served 10 or more years in public service but may have been knocked off track from PSLF because they have or had the “wrong” type of employer:
  - How many federal student loan borrowers who have had their employment be certified as public service work also applied to have their employment be certified as public service work and were rejected? Among these borrowers,
    - How many had an application to certify employment be rejected for one employer and then had an application approved for the same employer; and
    - How many had an application to certify employment be approved for one employer that was retroactively denied?
  - How many federal student loan borrowers have ever had an application to certify employment as public service work rejected while serving as active duty servicemembers or activated reservists?
  - How many parents who took on Parent PLUS loans took out those loans for children who ultimately took on work in public service?
  - How many borrowers have submitted applications for reconsideration under PSLF? How do the results of those applications break out across outcomes?

***ED has an opportunity to think far more broadly and creatively about the scope of data publication around federal student loans***

As discussed above, there are few robust sources of data on student debt generally, and ED’s publications around its own portfolio are limited. This reality stands in stark contrast to other areas of consumer credit such as the mortgage and credit card markets, where the Home Mortgage Disclosure Act and the Credit Card Accountability Responsibility and Disclosure Act, respectively, generally function as catch-all data reporting requirements. The disclosures made under these laws provide key insight into market developments, empowering advocates, policymakers, and the public at large to more fully understand the credit landscape.

ED faces certain statutory limitations on data collection and publication,<sup>40</sup> but the present RFI nevertheless presents an opportunity for the agency to work creatively toward more robust data reporting. For example, nothing stops ED, in its role as the largest creditor and the employer of many private-sector financial services firms that are “larger participants” in the student loan servicing and debt collection markets, from coordinating with the Consumer Financial Protection Bureau (CFPB) to create and publish a firm-specific dashboard of loan and vendor performance metrics. This data could cover a number of fields currently collected and published in a

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<sup>40</sup> See, e.g., the so-called “student unit record ban” <https://www.newamerica.org/education-policy/topics/higher-education-data-and-transparency/higher-education-data/student-unit-record-data-system/>.



piecemeal fashion or not at all, such as borrowing and delinquency rates at the program level, default rates at the zip code level, overall balances by age and attainment level, and more.

More generally, ED could also consider publishing interactive, anonymized, market-wide dashboards such as those the CFPB,<sup>41</sup> the Federal Reserve Bank of New York,<sup>42</sup> and the Federal Reserve Bank of Philadelphia<sup>43</sup> already use to share aggregated insights on their own, comparably sensitive datasets. Given the granularity of its data, ED could offer unique detail via such a dashboard on borrowing and repayment trends across institution types, student demographics, and more.

Of course, the preceding are only a handful of ideas. The funding underlying this RFI presents a unique opportunity for ED to drastically expand its reporting on developments in its own student loan portfolio. We encourage ED to seize the moment and build out its data transparency apparatus to be as robust as possible.

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We appreciate the opportunity to comment on this important RFI. With ED's collaboration, we may finally be one step closer to understanding the Title IV space as it actually exists and the nature of the vital protections and relief programs that interact with it.

Sincerely,

Student Borrower Protection Center

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<sup>41</sup> <https://www.consumerfinance.gov/data-research/consumer-credit-trends/>

<sup>42</sup> <https://www.newyorkfed.org/microeconomics/hhdc>

<sup>43</sup> <https://www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer>