

September 19, 2024

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue SW
Washington, D.C. 20202

RE: Ongoing Efforts to Protect Student Loan Borrowers From Financial Harm

Dear Secretary Cardona:

The undersigned 112 organizations write to express our appreciation for the U.S. Department of Education's (the Department) ongoing efforts to protect borrowers from financial harm as a result of ongoing legal challenges to the Administration's efforts to fix the broken student loan system.

Over the last few months, borrowers have faced major chaos and uncertainty in the wake of legal challenges to the historic Saving on A Valuable Education (SAVE) repayment plan, which was implemented to give borrowers better access to affordable monthly payments to protect them from financial harm. Eight million borrowers had already enrolled in the SAVE Plan—having planned their and their family's finances around it—when they were abruptly notified that they would no longer have access to it (or to other affordable repayment options) for the foreseeable future. Borrowers are now desperately trying to understand how to manage their student loan debt with limited options for making affordable monthly payments or progressing toward promised forgiveness via Public Service Loan Forgiveness (PSLF) or Income-Driven Repayment (IDR) loan forgiveness.

In response to legal challenges, the Department took decisive action to place borrowers who had been enrolled in the SAVE Plan into a zero-interest forbearance while the Department defends the SAVE plan in court. Unfortunately, while this zero-interest forbearance provides borrowers a momentary reprieve, we are extremely concerned by the Department's decision to not allow this time in forbearance to count toward PSLF or IDR loan forgiveness. Further, we have begun to hear from borrowers who are struggling to apply for SAVE and access this forbearance. We urge the Department to ensure that servicers inform borrowers of their right to apply for SAVE and place all borrowers waiting in the pipeline in this necessary forbearance, and ensure that the forbearance time counts toward PSLF and IDR discharges.

Due to the federal court injunction preventing the Department from implementing parts of the SAVE Plan and other IDR plans, the suspension of online applications for all other IDR plan options, and the processing backlog of paper applications, millions of borrowers are essentially stuck in forbearance for the foreseeable future through no fault of their own. These borrowers should not be further harmed by having their progress toward IDR or PSLF forgiveness stalled indefinitely.

Amidst all of this chaos, September marks the final month of two important initiatives: (1) the Administration's current "on-ramp" protections, which have helped shield borrowers from many of the harshest economic consequences of falling behind on their student loans, and (2) the deadline to enroll in the "Fresh Start," program, which enables borrowers in default to get back into repayment more easily.

We urge the Department to extend these two pivotal programs. The on-ramp protection period must continue to hold student loan borrowers harmless for missed payments during this tumultuous time and the Fresh Start program should continue to be available to defaulted borrowers who have not yet enrolled in it. No borrower should be forced into delinquency, default, or collections while they are unable to access the full suite of affordable repayment options they are entitled to under the law.

Thank you for continuing to defend borrowers and their families from these harmful lawsuits and working to explore every option available to protect borrowers from financial harm.

Sincerely,

National Organizations

Affordable Homeownership Foundation Inc.

AFL-CIO

AFT, AFL-CIO

Alliance for a Just Society

American Association of University Professors

American Association of University Women (AAUW)

American Dental Education Association

American Federation of State, County and Municipal Employees (AFSCME)

American Muslim Health Professionals

American Psychological Association Services

Association of American Medical Colleges

Autistic Women & Nonbinary Network

Center for Law and Social Policy

Center for Responsible Lending

Clearinghouse on Women's Issues

Clinical Social Work Association

Consumer Action

Consumer Reports

Council on Social Work Education

Disability Rights Education and Defense Fund (DREDF)

Dream Defenders

EdTrust

Formerly Incarcerated College Graduates Network

Fosterus

Hispanic Federation

Institute for Policy Studies, Poverty Project

International Federation of Professional and Technical Engineers (IFPTE)

Minority Veterans of America
MyPath
NAACP
National Association for College Admission Counseling
National Association of Pediatric Nurse Practitioners
National Association of Social Workers
National Association of Student Loan Lawyers
National District Attorneys Association
National Education Association
National League for Nursing
National Women's Law Center
Project on Predatory Student Lending
Protect All Children's Environment
RootsAction.org
Secular Student Alliance
Service Employees International Union (SEIU)
Student Borrower Protection Center
Student Debt Crisis Center
Student Veterans of America
The Century Foundation Higher Education Team
The Debt Collective
The Hope Center at Temple University
The Institute for College Access & Success
UltraViolet Action
UnidosUS
United Auto Workers (UAW)
URGE: Unite for Reproductive & Gender Equity
Young Invincibles

State and Local Organizations

AFT Washington
AFT-Oklahoma
Arkansas Community Organizations
Association of Legal Aid Attorneys (UAW Local 2325)
Bastrop Federation of Teachers
California Dental Association
CASH Campaign of Maryland
Center for Economic Integrity
Central Florida Jobs with Justice
Church Women United in New York State
Civil Service Bar Association
Communities for Our Colleges
Community Legal Aid Society Inc. (Delaware)
Community Legal Services of Philadelphia
Consumer Federation of California
Convención Bautista Hispana de Texas

East Bay Community Law Center
Financial Protection Law Center
Georgia Budget and Policy Institute
Georgia Watch
Hildreth Institute
Jacksonville Area Legal Aid, Inc.
Maryland Center for Collegiate Financial Wellness
Massachusetts Affordable Housing Alliance
Mountain State Justice, Inc.
NAACP Maryland State Conference Youth/College Division
National Association of Social Workers - Illinois Chapter
National Association of Social Workers - Michigan Chapter
National Council on Alcoholism and Drug Dependence-Maryland Affiliate
NC Climate Justice Collective
New Era Colorado
New Jersey Association of Mental Health and Addiction Agencies, Inc.
New Jersey Citizen Action
New Jersey Institute for Social Justice
NextGen California
Oklahoma City American Federation of Teachers
Oregon Student Association
Passengers United
Policy Matters Ohio
Public Justice Center
Quiet Creek Herb Farm & School of Country Living
SEIU Local 500
SEIU Local 509
SEIU Local 721
South Carolina Appleseed Legal Justice Center
Student Loan Fund (SLF)
Students United
Texas AFT
Texas State Teachers Association
The Arizona Students' Association
The Nevada Treasury - Student Loan Ombudsman
United University Professions
United Vision for Idaho
United Way of Southern Cameron County
Washington Office of the Student Loan Advocate
Wisconsin Education Association Council
Women Employed