

PROTECT 
BORROWERS

2025

HIGHLIGHTS

REPORT



A LETTER FROM OUR LEADERSHIP



Borrowers and their advocates faced strong headwinds in 2025 as a hostile government took power in Washington and the largest companies in the world seized this opportunity to raise costs and drive working families into debt. This report highlights our work to protect borrowers throughout this year—fighting against the corrupt corporations and broken public programs pushing Americans deep into the red.

The year closes with a new set of records—families owe the most household debt in American history as outstanding student debt, credit card debt, and car loan debt reach all-time highs. Families' rising debts tell the story of Trump's economy, as working people turned to credit card debt and Buy Now, Pay Later loans to pay for the basics, racking up new debts to pay for groceries, healthcare, and rent.

Across the economy, these debts sit downstream from public policy, as Trump Administration officials made choices in 2025 that made prices go up and debts climb along with them. This is clearest in the student loan market where the One Big Beautiful Bill promises to raise the cost of repaying student loans by thousands of dollars for a typical family—an intentional

policy shift that soaks borrowers in service of tax cuts for billionaires and big corporations.

This year, we waged new fights on behalf of working people at this moment of rising debts, growing borrower distress, and the increasing recognition by all Americans that a decent life in the wealthiest country in the history of the world is just out of reach. In 2025, we changed our name from the Student Borrower Protection Center to Protect Borrowers to recognize this urgent need, leveraging the tools and tactics we developed fighting for student debt relief to hold corporations and governments accountable and address American families' affordability crisis head on.

Despite the political climate, Protect Borrowers delivered a set of extraordinary wins for working people across the country. As this report describes in detail, we combined aggressive public advocacy with creative litigation and groundbreaking research to shape the context in which the Trump Administration operates—shifting the policy landscape in Washington and delivering relief to working people across the country.

In the student loan market, we sued the Trump Administration twice—once on

behalf of AFT to demand U.S. Department of Education (ED) Secretary Linda McMahon follow the law and cancel student debt, and a second time in partnership with Democracy Forward to block President Trump's effort to weaponize the Public Service Loan Forgiveness program against public service workers who serve our most vulnerable communities. We stood up for healthcare workers serving trans youth, legal services lawyers representing undocumented people, and cities across the country that deliver services to all of us while also advancing diversity, equity, and inclusion.

We filed these lawsuits at a moment when student loan borrowers face the most hostile environment in half a century, as the billionaire Secretary of Education gleefully resumes debt collection and wage garnishment across a student loan system that remains profoundly broken. Earlier this year, we worked with partners across the country to tell the story of the borrowers who will be hit the hardest when student loan debt collection resumes. Our work raised pressure on Trump ED officials and won an extraordinary concession—the Trump Administration announced that it would no longer seize Social Security checks to repay past-due student loans. The end of so-called “Social Security offsets” has been a top priority for borrowers and their advocates for decades and our efforts prevented catastrophic financial harm to seniors and people with disabilities.

Our work this year extended far beyond the fight for student loan borrowers' rights, as we looked across the economy and sought to highlight the debts working families owe and the broken systems, captured policymakers, and corrupt corporations responsible. As this year comes to a close, we secured bans in the two largest economies in America—California and New York—that protect working people from predatory debts imposed by their bosses. These bans on so-called “stay-or-pay” contracts are the result of advocacy we led in coalition with labor, competition, and consumer advocates and build on the pathbreaking lawsuits prosecuted with our partners at Towards Justice. In both California and New York, we fought side-by-side with National Nurses United and the American Economic Liberties Project, along with state advocates who helped steer strong new laws through the legislature and won signatures from Governors Newsom and Hochul.

Our new joint project with The Century Foundation highlights the increasing debts families owe to utility companies—a consequence of rising energy costs and the boom in data center construction driven by the biggest tech companies in the world. Our research found that 14 million Americans owe more than \$700 in past-due utility debt on average, with energy bills and debts growing at an unprecedented rate—a data point picked up by lawmakers, candidates, and the press to illustrate how affordability will shape electoral politics in 2026 and beyond.

And we launched a new campaign to cap credit card interest rates—fighting for bipartisan legislation that would return more than \$100 billion every year to working families. Earlier this year, we published a new poll with our partners at Groundwork Collaborative that shows capping credit card interest rates commands broad support that spans party, age, race, and education—a policy endorsed by President Trump on the 2024 campaign trail and that remains more popular than Santa Claus!

Debt poses an unprecedented threat to families' economic stability and to the economy as a whole. As economic pressure increases on working people, millions of families' finances will snap, as will America's consumer-driven economy. We continue to partner with groups on the ground, such as the Debt Collective, AFT, and NAACP, to ensure that borrowers have the tools and resources they need to navigate this turbulent climate. In the year to come, Protect Borrowers will continue to leverage our broad toolbox—policy advocacy, investigations, litigation, outreach, and communications—to highlight the cost of corruption, hold public officials accountable, and build an economy that puts people first.

Because a fair economy doesn't put a price tag on opportunity.

Thank you for being in this fight with us.



MIKE PIERCE
EXECUTIVE DIRECTOR
PROTECT BORROWERS



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DEPUTY EXECUTIVE DIRECTOR & MANAGING COUNSEL
PROTECT BORROWERS

2025 HIGHLIGHTS

Protect Borrowers is leading a nationwide movement to build an economy where debt doesn't limit opportunity. Here's a look back at what we've accomplished over the past year.



Holding Government Accountable

Hosted or participated in 8 shadow hearings, testimony, and briefings

Supported 11 oversight letters

Led a coalition of 254 organizations to oppose rulemaking threatening PSLF

Helped hundreds of borrowers submit Congressional casework for help with their student loans



Standing Up for Workers

Millions of workers across the country protected by new state bans on TRAPs

12 new state TRAPs bills introduced, 5 passed, and Seattle became the first city to declare TRAPs unlawful

7 state enforcement actions and lawsuits to protect workers

Millions of dollars in restitution and TRAPs debt wiped out for workers and \$3 million+ in company penalties to states



Delivering Immediate Relief in States

More than 5 million borrowers and workers protected by new laws in 7 states

Provided technical assistance for 13 state bills

Held borrower and partner convenings in 7 states



Mobilizing Borrowers and Communities

Hosted 7 city roundtables

Engaged over 1,700 borrowers through webinars and events

Expanded Cities Partnership to 24 cities to help local governments provide direct support to borrowers



Exposing Bad Guys

Spearheaded 7 investigations

Made over 50 enforcement referrals

Worked alongside hundreds of partners



Demanding Justice

2 new lawsuits filed

3 amicus briefs filed

Supported over a dozen private lawsuits



Amplifying Our Message

Experts featured by NYT, CBS 60 Minutes, WSJ, CBS Mornings, Washington Post, Politico, and NPR

Reached 48.8 million views across national and local media outlets

Mentioned 18,600 times in the press

Generated 1.25 million impressions across Twitter, Facebook, Instagram, and LinkedIn

Sent weekly emails reaching 35k subscribers, with an average open rate of 53%, driving stakeholder engagement and borrower action

Issued 100+ press releases, advisories, and statements

BUILDING A NEW HOME FOR A BIGGER FIGHT: PROTECT BORROWERS



THE PROBLEM

American families now owe more household debt than at any point in history—over \$18 trillion. This is by design, and the consequences are everywhere. The \$1.7 trillion student debt crisis remains a stark example of how debt limits opportunity. But it's not the only one. More past-due auto debt, medical debt, and credit card debt now appear on credit reports than at any time since the Great Recession. Families are being pushed into debt by risky new financial products and a system rigged for corporate profit.

When families are forced into debt just to cover basic necessities, big businesses win while everyone else falls further behind. To build an economy where debt doesn't limit opportunity, we needed to expand our fight. We needed a name and a website that reflected a fight for all borrowers, everywhere.



WHAT WE DID

In September 2025, the Student Borrower Protection Center became Protect Borrowers. This was more than a name change—it was a strategic evolution. We moved from a name that described one arena of our work to one that declares our fundamental purpose: Protect Borrowers. This clear, actionable identity guides all of our efforts. To embody this shift, we completely rebuilt our website into a central hub for research, advocacy, and public engagement.

Our new site at protectborrowers.org is engineered to be more useful and more clear. We reorganized everything we do into straightforward topics—from Federal Student Loans and Free College to Predatory Lending & Private Credit and Racial & Economic Justice. We made it easier to find our research, follow our litigation, and plug into our campaigns.

We gave ourselves a consistent look and voice across everything—our emails, social media (@BorrowerJustice), and press materials. We launched *In Debt*, a Substack publication dedicated to investigating the systems driving Americans into debt and providing analysis on developments affecting borrowers' financial lives. And we brought on a strong group of new advisors—former leaders from the Consumer Financial Protection Bureau, Federal Trade Commission, White House, and Congress—to sharpen our work.

We did all of this for one reason: to be a more effective advocate for every person struggling with debt.

OLD LOGO



NEW LOGO





RESULTS FOR BORROWERS

This work is already making a difference. Our new name speaks directly to the crisis families are facing. Our website and voice are helping us reach and mobilize more people.

The proof is in the engagement: our email open rates average more than 50 percent, our social following continues to grow even in the face of an anemic social media landscape, and we're getting more earned media than ever. We're cutting through the noise.

Most importantly, we have built a stronger foundation for the work ahead. We're now better equipped to expose abuses, take on predatory companies, and fight for the policies that will deliver real relief.

AN HISTORIC WIN FOR STUDENT LOAN BORROWERS



THE PROBLEM

This year, the Trump Administration took steps to resume the government's collections machine for the first time in five years, a decision that could penalize the tens of millions of Americans who fall behind on their student loan payments. This announcement came while Americans navigated unprecedented economic uncertainty—struggling to cover the rising costs of everyday goods and dealing with the economic fallout of mass firings of tens of thousands of federal workers, all while being unable to access the full suite of affordable repayment options to help better manage their student loans because of the Administration's decision to block access to Income-Driven Repayment applications and processing. These actions threatened the financial security of hundreds of thousands of older Americans and student loan borrowers with disabilities.



WHAT WE DID

In a rapid response to this announcement about wage garnishment and benefit offsets, Protect Borrowers sprang into action. We joined with our borrower advocacy partners and the DC student loan ombudsman to brief members of Congress on the effect this announcement would have on their constituents and the ways their offices could help. And along with our allies in Congress, we created a political environment that highlighted the damage that this would do to the most vulnerable borrowers. This included a media strategy across print, radio, and television that drove home the real impact of these policies, and reached tens of millions Americans across the country through national and local media. The U.S. Department of Education (ED) told reporters that the Trump Administration was reversing course and pausing its plans to offset the Social Security benefits of defaulted student loan borrowers.



RESULTS FOR BORROWERS

The decision to abandon the practice of seizing borrowers' Social Security checks is an historic win for borrowers—a policy our team and partners fought to change for more than a decade. This win protects hundreds of thousands of seniors and borrowers with disabilities, many of whom would have been pushed deep into poverty without this policy change.

This win is tenuous and it will take continued pressure to cement this change and protect these borrowers over the long term. As actions by the Trump Administration threaten student loan borrowers' pocketbooks, Protect Borrowers has been at the forefront of identifying threats to the student loan safety net and defending progress won in recent years. Together with our coalition partners, we continue to lift up the voices of borrowers harmed by unaffordable repayment plans and the restart of draconian collection practices.

After intense pressure from Protect Borrowers, the Trump Administration responded to borrowers' needs. Heading into 2026, we will build on our work to protect these vital borrower protections, ensure that servicers and collectors tasked with managing ED's trillion dollar student loan portfolio are held responsible when they violate these protections, even (or especially) if the current Administration won't—and sound the alarm on the impending student loan default cliff that threatens the financial wellbeing of millions of Americans.

STOPPING WORKER DEBT TRAPS



THE PROBLEM

Every year, tens of millions of Americans leave their jobs. For many of them, this can come with a surprise: thousands of dollars of debt. That's because more employers are relying on "stay-or-pay" contracts to retain workers, requiring them to pay a penalty if they leave their job. Research has found that nearly 1 in 12 workers are bound by these restrictive employment agreements, serving as substitutes for traditional non-competes, which more states have started to prohibit. One of the most common types of stay-or-pay contracts are Training Repayment Agreement Provisions (TRAPs). TRAPs require workers who receive on-the-job training—regardless of quality or necessity—to pay back the supposed "cost" of this training to their employer when they leave their jobs.

Since the beginning of the Trump Administration, Protect Borrowers has sounded the alarm on steps this Administration is quietly taking to roll back worker and consumer protections. In July 2025, President Trump revoked a Biden-era executive order promoting competition. After revoking this guidance, agencies across the government started abandoning their efforts to protect workers from a slew of anti-competitive practices, like non-competes and TRAPs. In a matter of weeks, numerous agencies rescinded guidance memos on how imposing TRAPs on workers is unlawful, withdrew from a court case to fight for rules that prohibited these types of contracts, and quietly settled or removed themselves from cases initiated by the Biden Administration.



WHAT WE DID

In response to Protect Borrowers warning about the Trump Administration's rollback of protections from stay-or-pay contracts, including TRAPs, Representative Summer Lee and Senator Ed Markey led a series of bicameral letters to the leaders of the Consumer Financial Protection Bureau, U.S. Department of Labor, Federal Trade Commission, and National Labor Relations Board demanding answers about the agencies' actions.

In total, 46 members of Congress signed onto the letters, which were endorsed by partners including National Nurses United, Towards Justice, American Economic Liberties Project, Consumer Federation of America, National Employment Law Project, P Street, Open Markets Institute, Economic Security Project Action, AFT, and SEIU.

Despite the Trump Administration dismantling vital worker protections in order to implement its blatantly anti-worker agenda in just a matter of months, Protect Borrowers was already driving a public enforcement agenda at the state level. In California, Colorado, the District of Columbia, Minnesota, Nevada, and New York, state attorneys general brought enforcement actions and lawsuits against companies in numerous industries to combat the growing use of TRAPs to harm workers. These actions were worker-led and came from lawsuits filed in recent years by private attorneys, labor unions, and advocates. As federal agencies fail to investigate companies using TRAPs or other types of stay-or-pay contracts, this shows that advocates can still drive a public enforcement agenda by shining the spotlight on companies engaging in abusive practices.

Given the elimination and uncertainty of existing federal protections, state lawmakers are stepping up to create new protections against TRAPs for workers—freeing millions of other workers from employers who are using debt as a tool of coercion. In 2025 alone, a dozen states coast-to-coast took action to limit or ban the use of stay-or-pay contracts, including California, Colorado, Indiana, New York, and Wyoming, which all passed new laws protecting workers from these debt traps. In 2026, we are poised to continue to advance additional legislation after updating our state legislative toolkit that compiles the strongest language state lawmakers can introduce to address this problem, and shares invaluable lessons learned from our efforts in other states.

Cities have also joined the fight against TRAPs. The Seattle Office of Labor Standards outlined how most TRAPs are unlawful in their 2025 policy guidance for employers and the public, becoming the first city to issue official guidance on TRAPs. The office has made it clear that it will investigate employers when they receive complaints from workers about employers collecting on job training debt. We hope to partner with more cities in 2026 to issue similar guidance to employers, and work with cities to advance workers' rights.



RESULTS FOR BORROWERS

As the Trump Administration continues to turn its back on workers and shred protections against worker exploitation, these actions by state policymakers and regulators across the country are filling a critical role and show they are standing up for working people. Following the release of our state legislative toolkit, we have seen a groundswell of movement at the state level to ban or limit the use of TRAPs and other types of stay-or-pay contracts. More states are joining the movement—freeing millions of other workers from employers who are using debt as a tool of coercion to force workers to stay in low-paying, unsafe jobs.

If left unchecked, TRAPs and stay-or-pay contracts will leave workers buried in debt just for taking a better opportunity or for having to quit a job to navigate personal hardship. Protect Borrowers will continue to challenge worker debt traps at every level of government and use every tool in our toolbox to protect workers against unscrupulous actors.

STANDING UP FOR CONSUMERS



THE PROBLEM

President Trump's ongoing attack on the Consumer Financial Protection Bureau (CFPB) is emblematic of his corrupt, pro-corporate, and anti-worker administration. More than 40 enforcement cases involving Wall Street banks, Big Tech companies, and other companies pending in federal courts have been dropped or terminated without explanation—actions that have robbed Americans of tens of millions of dollars owed to them by lawbreaking firms, while corporate lawbreakers have been freed from consequences intended to ensure they follow the law.

Actions to cap expensive credit card late fees and bank overdraft fees, as well as a rule to remove medical debt from Americans' credit reports, have been overturned or thrown out in court with help from Trump's CFPB and Congress, costing Americans tens of billions of dollars every year and making it harder for them to get a mortgage or small business loan to get ahead.

Most of the agency's career staff have been prevented from carrying out the basic consumer protection duties assigned by Congress to protect Americans in the financial marketplace. At Trump's CFPB, Wall Street banks and other megafirms call the shots, while Americans have been left financially vulnerable.



WHAT WE DID

Protect Borrowers has engaged in a sustained and effective campaign to make clear the impact to the American people of the Trump Administration's attack on the CFPB. A major part of this work has centered on the Trump Administration's abandonment of the CFPB's mission to protect consumers—in particular its responsibility to enforce the law against actors in the consumer financial marketplace.

The desertion of the CFPB's enforcement activity has strengthened the hand of Wall Street banks, Big Tech companies, and other powerful corporations against working Americans. We have diligently chronicled the Trump CFPB's rollback of the agency's enforcement work and how it is leaving Americans worse off financially and weakening efforts to hold corporate lawbreakers accountable. These efforts were highlighted in numerous major news outlets, including CBS News' "60 Minutes," The New York Times, The Washington Post, The Wall Street Journal, The Associated Press, Reuters, and The American Prospect.

While President Trump swept back into office promising to lower costs for Americans, his actions as president have done anything but—including his actions involving the CFPB. Protect Borrowers has effectively illustrated how the Administration's attacks on the CFPB will cost Americans billions every year.

Analyzing the Administration and Congress's moves to unravel important CFPB-enacted consumer protections such as the credit card late fee rule and the overdraft rule, Protect Borrowers published a report with the Consumer Federation of America (CFA) that highlighted how the Trump Administration is raising costs on Americans by at least \$18 billion a year.

We also published an analysis with CFA about the CFPB victims relief fund, showing that more than \$120 million in compensation meant for people harmed by illegal conduct has already been taken from victims and returned to the very same companies that broke the law, while hundreds of millions of dollars in additional compensation may be sitting in purgatory or at risk of being revoked entirely.

Protect Borrowers' calculations have given powerful, concrete numbers to Trump's attacks on the CFPB—and shown how his so-called "deregulatory" agenda is actually making life worse and more expensive for the American people.

Protect Borrowers has also played a key role in advocating for the CFPB's mission in the National Treasury Employees Union's litigation against the Trump Administration's illegal attempt to shutter the agency. Along with our partners at the Center for Consumer Law & Economic Justice at UC Berkeley, Tzedek DC, and more than three dozen other nonprofit groups, Protect Borrowers filed an amicus with the U.S. Court of Appeals for the District of Columbia Circuit highlighting the enormous damage to ordinary Americans and the U.S. economy if the agency is dismantled.

Protect Borrowers and its partners also led a nonprofit group amicus in October to the full DC Circuit Court of Appeals urging the court to grant en banc review of the case, which has enormous implications for the future of the consumer watchdog.



RESULTS FOR BORROWERS

As litigation about the future of the CFPB plays out in court, 2026 will be a critical year for the future of the agency and for consumer protection. In November, Protect Borrowers brought on as senior fellows three former CFPB enforcement leaders to launch a strategic enforcement project focusing on the weaponization of corporate power that is plunging working people into financial crisis.

These fellows bring decades of enforcement, litigation, and civil rights experience both inside and outside government to Protect Borrowers for a new initiative that will use legal and policy levers to challenge products and practices that exploit workers, consumers, and small business owners.

This new project will work alongside Protect Borrowers' ongoing litigation and legal strategy practice; investigations and lawsuits driven by Protect Borrowers have delivered more than \$1 billion in debt relief, returned hundreds of millions of dollars to borrowers, and won justice for teachers, healthcare workers, students, airline pilots, pet groomers, and millions of other working people across the country.

Protect Borrowers' efforts have also helped keep the story of the CFPB in the news, and have been an essential part of illustrating what it will mean for Americans if there is no consumer federal watchdog to look out for them. Through litigation, communications, and advocacy at the state level, Protect Borrowers will continue to look out for Americans in the consumer financial marketplace—even when the Trump Administration refuses to do so.

EXPOSING SCAM COMPANIES



THE PROBLEM

Across the country, predatory lenders partner with fly-by-night operators of so-called “workforce training” programs to target workers and drive them deeply into debt for worthless credentials. In 2022, Protect Borrowers (then SBPC) broke the story of a scam tech sales bootcamp operating under the name Prehired, which former students allege drove them into predatory private student loans and then abused state courts to file hundreds of frivolous debt collection lawsuits. Based on our investigation, a bipartisan coalition of 11 state enforcement agencies and the Consumer Financial Protection Bureau (CFPB) sued Prehired and obtained an order barring it from operating its scam. Ultimately, Prehired declared bankruptcy and a bankruptcy court entered an order that allowed the CFPB to deliver tens of millions of dollars in debt relief to former Prehired students. Despite these actions and this order, a copycat scam opened its doors in 2024, following the Prehired playbook verbatim and operating under the name FastTrack.



WHAT WE DID

Former students alerted the Protect Borrowers team that it appeared Prehired had reopened, now operating under the name FastTrack. Over the course of several months, Protect Borrowers’ investigators built the case against FastTrack, working with reporters at The Verge and The American Prospect to tell the story of this training scam and the risks it posed to workers struggling to secure a good job. In April, we published the results of our investigation, referring FastTrack to the same bipartisan coalition of state enforcement officials who brought the action against Prehired for prosecution. The results of our investigation included a detailed accounting of the new FastTrack business model—a moneyback guarantee intended to induce workers to go thousands of dollars into debt for the same scam training offered by Prehired.

At the same time as we conducted this investigation, the Trump Administration began an unprecedented effort to dismantle the CFPB, attempting to fire 90 percent of the enforcement attorneys and other career civil service workers tasked with enforcing the federal laws passed to protect students and workers—just like those targeted by FastTrack and Prehired. Over this period, the first evidence emerged that the CFPB was failing to deliver restitution owed to victims of scams, which may have included the former Prehired students covered by the CFPB's settlement and the bankruptcy court's order. As our investigation into FastTrack progressed, we also quietly alerted state enforcement officials of this unlawful failure to adhere to an order that should have delivered tens of millions of dollars in debt relief to workers harmed by Prehired's scam.



RESULTS FOR BORROWERS

In the wake of our investigation, two separate actions took place. First, a bipartisan coalition of state enforcement officials issued a public rebuke of the officials running President Trump's CFPB, demanding immediate action to deliver the money owed to the students ripped off by Prehired. In the wake of this demand, the CFPB released the money owed to Prehired's victims. Separately, FastTrack ceased all operations, removing the school's website and ending its marketing. Taken together, this project demonstrates that scams take every available advantage to cheat students, but when met with forceful opposition by students and advocates, these scammers can be brought to justice and students can be made whole.

BUILDING A BENCH TO DELIVER FOR FAMILIES



THE PROBLEM

In early 2025, hundreds of senior Biden Administration officials left positions across the federal government. Many felt pressure to vacate lower-paying government jobs for highly paid positions at big law firms, banks, and tech companies—the revolving door offers financial stability and professional advancement in a moment of deep instability in Washington. But many government officials who worked on economic policy, including the sharpest critics of corporate power and concentrated wealth, wanted to pursue next steps that allowed them to continue to serve the public—generating the ideas, plans, and actions to reshape the balance of power between government and working people.

This is particularly true on economic policy, where policymakers in states and cities across the country defend and advance economic policy and wage affirmative legal battles in courts. Civil society needs an extraordinary cohort of talented attorneys, policy experts, strategists, and communicators to frame, wage, and ultimately win these fights and build the foundation for an economic policy agenda that is responsive to the experiences of American families.



WHAT WE DID

Alongside our partners at American Economic Liberties Project, Democracy Forward, Groundwork Collaborative, Towards Justice, and Workshop, Protect Borrowers built a network of two dozen allied nonprofits and academic centers at the nation's top universities to house nearly 50 former senior officials as they exited government service: the "Econ Fellows Project."

This effort created new infrastructure to serve as an off-ramp from government service and an alternative to the private sector, and planted the seeds for new forms of collaboration across organizations as we build a vision for the future.

These former officials saw firsthand the gaps that existed in civil society and were uniquely qualified to assist in developing strategies to fill those gaps. Their fellowships varied in length and scope—offering opportunities for talented attorneys, policy experts, strategists, and communicators to leverage the lessons they learned directing economic policy in Washington for the benefit of organizations seeking to reshape public policy at the city and state level, protect Americans’ rights in court, and develop long-term solutions to the most pressing challenges facing our country. And they were designed to leverage the insight and expertise of these former government officials for the benefit of the entire movement to build a more just and equitable economy. The collaborative design of the program encouraged work that crossed organizations and issue areas, ensuring projects that were coordinated and advanced shared goals. Several fellows worked directly with the Protect Borrowers team, building out strategic litigation, leading the defense of the Consumer Financial Protection Bureau against partisan attacks and abandoned enforcement actions, and analyzing student loan default data to make the case to policymakers and advocates that urgent action is needed to protect borrowers from a looming default cliff.

In December, we convened many of the fellows along with a set of state and local lawmakers, regulators, and enforcement officials; advocates; academics; and attorneys. The conference focused on many of the big economic policy themes behind fellows’ projects—including the “surveillance economy,” the broken healthcare market, housing policy, the labor market and workers’ rights, tech, and the future of the federal government as economic steward. The panelists and participants—including many former fellows—engaged in robust discussion on how to advance a fair economy through novel litigation taken up by public enforcers and private litigants and as a broad set of state, and local policy proposals that advocates and lawmakers adopt or advance.



RESULTS FOR BORROWERS

The Econ Fellows made significant contributions to their host organizations, to the project, and to the broader economic policy ecosystem. Fellows were regularly called upon to provide expert testimony before federal and state lawmakers, as well as appear as panelists and speakers for conferences and events. Fellows were regularly featured in the press across a range of media, influencing the policy conversation via traditional media as well as podcasts, social media, and other innovative communications tools. Working across academic centers and nonprofit organizations, fellows have published deep dives into consumer pricing models, the auto finance crisis, climate-oriented industrial strategy, health care costs, and reflections on prior government actions that lay out a roadmap for future economic policies. Beyond their specific projects, fellows have created a framework within these organizations not only to continue this work, but to foster a collaborative approach across organizations well into the future—cohesion bolstered by regular programming, communications, and project support. The community of Econ Fellows will continue to preserve the expertise of former public sector employees and ensure that they can continue to serve the public. As the critical infrastructure of our democracy faces unprecedented threats, the Econ Fellows Project has created a foundation for experts to build a government that can deliver for American families.

TAKING OUR FIGHT TO COURT



THE PROBLEM

Since taking power in January, the Trump Administration and the U.S. Department of Education (ED) have repeatedly taken illegal actions that make life more difficult and expensive for federal student loan borrowers, especially for public service workers.

For example, in February 2025, federal education officials shut down access to Income-Driven Repayment (IDR) plans—student loan repayment options that give millions of people the right to make loan payments they can afford—by removing the application form from ED’s website and secretly ordering student loan servicers to halt all processing. In addition to providing millions of borrowers with the ability to tie their monthly payment to their income and family size, IDR plans are necessary for public service workers to benefit from Public Service Loan Forgiveness (PSLF)—a critical lifeline for teachers, nurses, first responders, and millions of other public service workers across the country. Without being able to enroll in IDR, borrowers had few choices: make unaffordable payments (if they could) or fall behind on their loans.

Then, in October, pursuant to an Executive Order, ED issued a final rule that would allow the Secretary of Education to disqualify from the PSLF program government and nonprofit employers that disagree with the Trump Administration’s policies. This would give the Administration a tool to attack sanctuary jurisdictions, immigrant rights groups, healthcare providers that offer gender affirming care, and employers committed to equal opportunity employment. If these employers have their PSLF eligibility stripped, their employees would no longer qualify to have their loans forgiven in exchange for their public service, as Congress intended when it created PSLF.



WHAT WE DID

When the Administration took illegal action, we took them to court.

In March, along with our partners at Berger Montague, we sued ED in federal court on behalf of the American Federation of Teachers (*AFT v. ED*) for unlawfully withholding borrowers' IDR and PSLF rights. In response to our motion for a preliminary injunction, ED voluntarily restored the IDR application and agreed to file status reports with the court about its processing of IDR and PSLF applications for six months. The first report underscored the urgency of the problem: ED had a backlog of over 1.5 million IDR applications and approximately 50,000 applications from borrowers seeking PSLF. The subsequent reports filed throughout the summer were not comforting: by August, there were still over a million IDR applications pending, and the backlog of PSLF applications had grown by 25,000. Due to no fault of their own, these borrowers were being deprived of affordable repayment or loan cancellation simply because the federal government wouldn't process their applications.

What began as a problem turned into a crisis: a provision of the American Recovery Plan Act that made IDR loan cancellation a non-taxable event expires after December 31, 2025, meaning any borrower whose loan isn't cancelled by that deadline could face a federal tax bill for the cancelled amount. Put differently, the government's delay could literally cost borrowers thousands of dollars.

With this tax deadline fast approaching, we returned to court in September and sought a court order compelling the government to process applications in a timely manner and to honor borrowers' IDR cancellation eligibility date as the operative date for tax purposes, instead of the date on which ED actually cancels the loan. Despite the government shutdown, in October we secured an agreement with the government in which it promised to continue processing IDR and PSLF applications and cancellations (including those based upon Income-Contingent Repayment plans) and protect borrowers from costly delays by providing refunds to borrowers who make payments even after they qualify for cancellation and treating the date that borrowers become eligible for cancellation as the operative date for tax liability purposes. We will hold them to these promises through regular status reports with the court through the remainder of this litigation.

And just last month, in response to ED's final PSLF rule, we partnered with Democracy Forward to challenge the rule in federal court on behalf of a coalition of 14 plaintiffs. Our plaintiffs included city and county governments and non-profit legal service providers that are at risk of being targeted by the Administration and losing their PSLF status under the rule, and labor unions representing borrowers working for PSLF employers that the Administration is likely to target. The lawsuit alleges that the new PSLF rule is a blatant violation of the Higher Education Act passed by Congress, which categorically provides that government and 501(c)(3) nonprofit employers are PSLF-eligible employers, and is an unconstitutional assault on the First Amendment rights of millions of public service workers. We plan to litigate the case and vacate the rule before it takes effect on July 1, 2026.



RESULTS FOR BORROWERS

Through these lawsuits, we are establishing judicial oversight of the federal student loan program. As a result of the settlement in *AFT v. ED*, not only will borrowers receive the IDR and PSLF rights to which they are statutorily entitled, including affordable monthly payments and debt cancellation, but the monthly status reports also create critical transparency at a time when the Administration is attempting to operate in the shadows. For borrowers who qualify to have their loans cancelled through IDR in 2025 but whose loans won't be processed until 2026, the settlement agreement with ED will save them potentially tens of thousands of dollars in federal income taxes.

Both cases also send a clear message: we will stand up for borrowers, especially against unlawful and harmful government overreach. In organizing these lawsuits, we have convened a diverse coalition of stakeholders who recognize that for too long debt has been used as a cudgel to punish and quell opposition. By framing these student loan issues as facets of a broader fight for economic justice and a free and civil society, we have centered individual borrowers' experiences in the broader national narrative around affordability. Together, we are demanding that the government work for, not against, the people.

CONNECTING COMMUNITIES FOR BORROWER JUSTICE



THE PROBLEM

Across the country, borrowers and advocates feel a sense of hopelessness about what can be done on the national stage to tackle the student debt crisis. From creating borrowing caps on student loans to weaponizing the Public Service Loan Forgiveness (PSLF) program, the Trump Administration is making the student loan system harder to navigate and more expensive for current borrowers, prospective students, and their families.

The good news is that so much can be done at the state and local levels to protect borrowers from some of the most nefarious harms of the student debt crisis. States can do things like put guardrails up around borrowing in the state, make the private student loan industry more transparent, and make it easier to access the PSLF program.

Cities and counties can spread awareness about federal programs, establish and utilize repayment assistance programs for their employees, and make student debt part of their policy platforms. Getting information to state and local partners is crucial to having more folks working on these issues at all levels and in every corner of the country.



WHAT WE DID

This year, Protect Borrowers expanded our ongoing effort to host roundtable discussions with borrowers, elected officials, and advocates in communities across the country. This program has been a great way for partners to learn about the student debt crisis. In addition to providing critical data on the state of student debt at the national, state, and local levels, our roundtables offer policy and advocacy solutions for both elected officials and community members. Roundtables are also a fantastic way to engage with state and local partners—enabling Protect Borrowers to foster better connections, and also encourage these conversations to continue beyond the roundtable.

This year, we held a total of seven roundtable discussions across the country: in North Carolina, Pennsylvania, Tennessee, Kentucky, Minnesota, Texas, and California. We worked with partners including MDC, Inc., the Philadelphia Office of Financial Empowerment, Community Legal Services of Philadelphia, the Office of the Shelby County Commissioner, the Louisville Office of Financial Empowerment, Students United, Lead MN, Young Invincibles Texas, the Los Angeles Community Investment for Families Department, and the Legal Aid Foundation of Los Angeles. These roundtables frequently featured borrowers and elected officials or their staff, including North Carolina State Senator Graig Meyer, Shelby County Trustee Regina Morrison Newman, Tennessee State Representative G.A. Hardaway, Shelby County Commissioner Edmund Ford, St. Paul City Councilmember Molly Coleman, Minnesota State Representative Huldah Momanyi-Hiltsley, and staffers for Texas State Representative Vikki Goodwin, Kentucky Congressman Morgan McGarvey, and Texas Congressman Greg Casar.

These events gave more than 100 advocates, policymakers, financial counselors, and representatives from higher education institutions an opportunity to discuss how student debt affects their communities and options for policy solutions at the state level.



RESULTS FOR BORROWERS

Roundtables educate policymakers and local leaders about legislation that better protects borrowers in their respective states. Importantly, roundtables are often paired with borrower-facing events to directly communicate with people in these communities, and are covered in local press to amplify these issues. In North Carolina, the roundtable focused on the Borrower Bill of Rights that was moving through the legislature last session and will likely be introduced again next year. In Texas and Minnesota, advocates were interested in bills that make the PSLF program easier to access. In Memphis, elected officials began talking about loan repayment assistance programs that could potentially be offered to county employees, and brainstormed ways to fix issues with credit transfers between institutions.

Through our roundtable program, Protect Borrowers facilitates conversations in communities across the country about how to creatively address the debt crisis.

HOLDING THE LINE IN WASHINGTON



THE PROBLEM

Over the last year, the Trump Administration has wreaked havoc across the economy, fueling the cost of living crisis and driving millions of American families further into debt.

Within months of taking office, the Trump Administration fired large swaths of the federal workforce and worked to dismantle the U.S. Department of Education (ED) and Consumer Financial Protection Bureau (CFPB). The result: students and families across the country have been left to fend for themselves as they make critical decisions on how to pay for college and navigate the risky private student loan market amidst a financial marketplace rife with scams and growing financial predation.

Compounding the crisis, the Trump Administration enacted policies that make it harder for student loan borrowers to access affordable monthly payments and resume forced collections—putting millions of defaulted borrowers at risk of seeing their tax refunds, Social Security benefits, and wages withheld by the federal government, and making it easier for private banks and financial companies to prey on American families.

At the same time, Congress passed (and President Trump signed) the One Big Beautiful Bill Act (OBBBA), which made unprecedented cuts to social safety net programs—including to federal financial aid and student loan repayment programs that students and families rely on—in order to pay for massive tax breaks for billionaires and big corporations.

This new law will make paying for college significantly more expensive and risky, and increase the number of students who either have to take on more expensive and predatory private student loans or abandon their dreams of higher education altogether.



WHAT WE DID

As the Trump Administration and their Congressional allies were working to push affordable higher education further out of reach and push borrowers further into debt, Protect Borrowers was at the forefront, working with our partners and champions in Congress to sound the alarm.

As the Trump Administration gutted ED and the CFPB, we heard from students, borrowers, and their families whose complaints were being ignored as they pleaded for help dealing with issues related to their student loans and student loan servicers. In response, in March 2025, we released our Protect Borrowers Constituent Casework Tool to help borrowers and their families navigate the process of requesting constituent casework assistance from their Member of Congress. This little-known resource had previously been used to navigate issues regarding Social Security and other federal benefits, but had rarely been utilized by borrowers unable to get answers on their student loans. At a time when 50 percent of ED staff had been fired, our Casework Tool provided borrowers an actionable resource to get help from their Member of Congress and demonstrated to Congressional offices—regardless of party affiliation—the challenges their constituents were having navigating the student loan system.

Amidst the chaos of this last year, Protect Borrowers experts participated in several Congressional hearings, spotlight forums, and briefings, and informed Congressional oversight inquiries that shed light on how the Trump Administration's policies were raising costs on American families and pushing millions further into debt. In May, Protect Borrowers Executive Director Mike Pierce testified before the Senate Health, Education, Labor and Pensions (HELP) Committee on the first hearing of the 119th Congress focused on the state of higher education. That same month, UC Berkeley Law Professor Jonathan Glater, the co-director of the UC Student Loan Law Initiative, participated in a Senate spotlight forum hosted by Senator Elizabeth Warren and shared an analysis showing that 1 in 12 U.S. adults would be negatively affected by the Trump Administration's actions in the student loan market. In the fall, Protect Borrowers Policy Director Aissa Canchola Bañez testified before a Senate spotlight forum convened by Senator Mazie Hirono, where she shared our analysis that the OBBBA would increase student loan costs for borrowers by \$4,000 per year. Then, in November, Protect Borrowers Fellow Mark Huelsman testified before the HELP Committee on the need to increase transparency and affordability in higher education. Protect Borrowers also released state and district fact sheets that helped inform policy conversations at various hearings and spotlight forums as well as educate policymakers on how these policies will affect constituents in their own backyard.

In addition to testifying before Congress, we convened timely briefings for Congressional staff on the harms of the Trump Administration's policies for American families. This included one of the first briefings to educate Congressional staff on the economic fallout of the OBBBA and how it would make college more expensive for millions of students and families, educating Congressional staff on the risks of default and the impending default cliff that is set to affect 10 million borrowers by the end of 2025, and informational briefings on the Trump Administration's efforts to weaponize Public Service Loan Forgiveness.

Protect Borrowers also informed several Congressional oversight inquiries that raised public awareness on how the Trump Administration was enacting policies that were forcing more families further into debt and increasing costs. In response, 25 senators sent a letter to Secretary McMahon urging her to restore access to affordable repayments through Income-Driven Repayment (IDR) and demanded much-needed data on how this move exacerbated the unprecedented backlog of borrowers

desperately waiting for affordable monthly bills. Our analyses on the impending default cliff led to a bicameral oversight letter signed by 70 members of the House and Senate urging the Administration to protect borrowers and families from the economic fallout. And our economic analysis of the upcoming IDR tax bomb set to affect thousands of borrowers after January 1, 2026, was centered in a Senate oversight inquiry led by Senator Warren urging the Administration to explore administrative authorities to shield American families from this economic disaster.



RESULTS FOR BORROWERS

Protect Borrowers experts helped educate policymakers and inform national headlines on how the Trump Administration's policies have exacerbated the cost of living crisis that has gripped the nation. Our rapid response federal policy analysis helped show how the OBBBA's cuts to federal financial aid and the student loan safety net were disastrous for American families and the broader economy. As a result, some of the worst provisions—including those that would have limited access to Pell Grants for millions of students and eliminated Parent PLUS loans—were not included in the final passed bill. Protect Borrowers' analyses have spurred Congressional oversight efforts that have ultimately helped push—alongside our litigation efforts—the Administration to restore the IDR application on the website and step back from their promises to resume some of the most harmful collections tactics on borrowers.

UNCOVERING EMERGING CREDIT SCHEMES



THE PROBLEM

Across the economy, lenders and financial institutions are increasingly collecting and leveraging massive amounts of Americans' personal data to decide who gets credit and at what price. This practice, which we define as surveillance credit, is particularly widespread among FinTechs and non-bank financial companies offering Buy Now, Pay Later (BNPL) loans, which let consumers split purchases into two, four, or more payments.

Many of these companies—including Klarna, AfterPay, Affirm, PayPal, and Zip—market their loans directly to consumers by embedding them in digital wallets, browser plugins, rent payment portals, Amazon and Walmart checkouts, Airbnb and Expedia booking sites, Doordash carts, grocery cash register lanes, and even doctors' offices.

Americans are leaning on BNPL and other surveillance credit lenders more and more to stretch their wallets as they deal with an historic cost of living crisis. Research reveals that Americans are using BNPL loans to cover groceries, medical bills, rent, and other basic necessities.

BNPL usage has also exploded over the last few years—according to LendingTree, half of Americans have used a BNPL loan by 2025, an explosive increase from 1 in 5 Americans in 2022.

Surveillance credit lenders pose an acute financial risk to borrowers, as their loans often come with costly late fees and misleading advertising. They also threaten the privacy of millions of Americans by collecting massive amounts of personal and behavioral information and combining it with data from social media companies and other third-parties to draw inferences, predict purchasing activities, and provide targeted advertising.



WHAT WE DID

Protect Borrowers is leading the fight to draw attention to the harms of BNPL companies and other surveillance credit lenders, both by publishing research showing how they profit from the financial precarity of millions of Americans and exposing their illegal and shady practices.

In September 2025, we published results from a poll conducted with Groundwork Collaborative and Data for Progress, which showed that large shares of Americans have used BNPL loans to make ends meet, and a supermajority of voters support government action to bring down the cost of debt. We found that over 1 in 3 Americans have used BNPL loans to pay for groceries, pay off other debt, or cover medical bills, and 1 in 4 have used them to cover rent or other housing costs.

We are conducting ongoing research into the pricing, underwriting, debt collection, and data surveillance practices of major BNPL lenders, and how such practices may violate consumer protection and fair lending laws. We are also investigating how credit card companies and traditional financial institutions are increasingly offering pay-in-four and pay-over-time loans to consumers.



RESULTS FOR BORROWERS

Protect Borrowers is spearheading a push to investigate, prosecute, and regulate the companies that are finding novel ways to profit off of Americans' financial pain. We are gathering and publishing research to help policymakers, law enforcement agencies, and consumer advocates better understand the emerging practice of surveillance credit and how existing laws and regulations apply to lenders of pay-in-four and pay-over-time credit lines.

This work is especially critical in the wake of the Trump Administration illegally muzzling the Consumer Financial Protection Bureau, and the parallel explosion of FinTech companies—backed by venture capital and private equity—finding new ways to pad their profits by deceiving and exploiting borrowers.

Our research charts a new course for how state and local governments can keep up the fight for consumers, even as the federal government retreats from regulation across the economy. We plan to issue new recommendations for addressing surveillance credit lenders early next year.

Our investigations will lay the groundwork for lawsuits by governments and public interest law firms against shady lenders. But until state and local governments take action to address these companies' schemes, millions of borrowers will continue to be harmed by their practices and an unabated affordability crisis that is pushing them to the financial brink.

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PRICE TAG ON OPPORTUNITY.**