

January 7, 2026

Linda McMahon  
Secretary, U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Secretary McMahon,

We, the undersigned organizations representing students and borrowers, people of color, consumers, and low-income communities, write with the utmost concern regarding the oncoming default cliff facing millions of federal student loan borrowers and the U.S. Department of Education's (the Department) planned resumption of administrative wage garnishment (AWG) beginning the week of January 7, 2026.

Over the last five years, [42 million](#) federal student loan borrowers had a reprieve from the economically draconian penalties of student loan default, and [evidence shows that the relief was sorely needed](#). Unfortunately, over the first year of the Trump Administration, the Department has chosen to implement policies that penalize borrowers for falling behind and drive millions of working families further into economic uncertainty. As a result, more than [3.6 million borrowers](#) have entered default since President Trump returned to office, bringing the total number of borrowers whose debts meet the legal definition of a student loan default to nearly 9 million people nationwide. In April 2025, the Trump Administration [announced the resumption of involuntary collections](#), including the offset and seizure of defaulted borrowers' tax refunds including the desperately needed Child Tax Credit payments, Social Security benefits, and wages. At the time, the Department also announced that borrowers would be subjected to AWG beginning over the summer with no further information on the process and how borrowers could protect themselves from garnishment. Months later, on December 22nd, as borrowers and their families were celebrating the holiday season with their loved ones, the Washington Post [reported](#) on the Trump Administration's plans to formally begin the AWG process beginning the week of January 7, 2026.

The decision to resume wage garnishment against millions of borrowers amidst a growing affordability crisis crushing working families is calloused and unnecessary. The decision also comes at a time when struggling borrowers have been forced to wait amidst a nearly [1 million application backlog](#) to enroll in an Income-Driven Repayment (IDR) plan, and as mass layoffs at the Department [have made it even harder for borrowers](#) to get help with their student loans or if they are experiencing issues with their student loan servicer.

Default is [financially devastating](#) for student loan borrowers and their families. Before the COVID-19 pandemic, nearly 1 in 5 student loan borrowers were in default. A new [analysis](#) by Protect Borrowers shows that **over the first year of the Trump Administration, borrowers defaulted every 9 seconds**. This startling estimate marks an unprecedented default crisis nearly three times worse than the year prior to the COVID-19 pandemic, when 1.22 million borrowers defaulted on a student loan—then equivalent to a new default [every 26 seconds](#). Research shows that involuntary collections only exacerbate the economic challenges faced by defaulted borrowers, who are disproportionately [seniors and Black](#)

[borrowers](#). In fact, of the borrowers already in default, roughly a third of them are [older borrowers](#). Black graduates are additionally [five times more likely to default](#) than their white peers.

The Department has unparalleled powers to collect on borrowers who have fallen into default—all without a court order—making it one of the most aggressive debt collectors in the nation. Through AWG, the Department has the ability to force employers to extract hundreds of dollars each month directly from a borrower’s paycheck. Investigations and court orders have shed light on the fundamentally flawed and uncontrollable AWG system. Following passage of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in 2020, Congress required the Department to halt all collections efforts—including AWG—in addition to all payment obligations and interest accrual for federal Direct Loan borrowers. Despite this Congressional mandate, the Department failed to comply with the law, [leaving hundreds of thousands of borrowers to face illegal garnishments](#) at the start of the pandemic. A [review of internal documents](#) found that these illegal garnishments persisted despite heightened efforts by the Department to contact employers highlighting the inherent flaw in utilizing employers to collect on defaulted loans.

Now, as the Trump Administration begins its plans to resume the involuntary collections for the first time in more than five years, it is essential that critical safeguards are put in place to ensure that no borrower is improperly subject to garnishment of hard-earned wages that they rely upon to survive. History has shown that the Department’s inability to control its debt collection machine—particularly the AWG system—leaves borrowers and their families at risk. The Department has the power to ensure that borrowers are no longer left at the mercy of a system it cannot control.

We urge the Department to immediately halt its plan to resume garnishment of millions of struggling borrowers wages.

Sincerely,

Protect Borrowers  
AFT  
Debt Collective  
NAACP  
National Education Association  
Student Debt Crisis Center  
Young Invincibles