September 21, 2026

Senator Bill Cassidy
Chair
Senate Health, Education,
Labor and Pensions Committee

Senator Bernie Sanders
Ranking Member
Senate Health, Education,
Labor and Pensions Committee

Senator Tim Scott
Chair
Senate Committee on Banking,
Housing and Urban Affairs

Senator Elizabeth Warren
Ranking Member
Senate Committee on Banking,
Housing and Urban Affairs

Representative Tim Walberg
Chair
House Committee on Education and
Workforce

Representative Bobby Scott
Ranking Member
House Committee on Education and
Workforce

Representative French Hill
Chair
House Committee on Financial Services

Representative Maxine Waters
Ranking Member
House Committee on Financial Services

Dear Chairmen Cassidy, Scott, Walberg and Hill and Ranking Members Sanders, Warren, Scott and Waters,

We, the undersigned 89 organizations representing millions of students, borrowers, workers, veterans, people of color, people with disabilities, and consumers write to sound the alarm on the unprecedented levels of confusion, misinformation, servicing errors, and administrative failures that millions of student loan borrowers are being forced to navigate as implementation of the One Big Beautiful Bill Act continues. **We urgently call for your respective committees to engage in critical oversight and convene an emergency hearing in order to protect borrowers and hold the U.S. Department of Education and its student loan servicers accountable.**

The federal student loan system is undergoing several drastic changes all at once.

On July 1st of this year, unprecedented cuts to the federal financial aid system that students and families rely on to pay for college went into effect as required under the One Big Beautiful Bill Act. As a result, students and families have fewer federal resources available to help finance a higher education and millions of Americans with student loans are frantically navigating a new student loan repayment system with skyrocketing student loan bills, less affordable repayment options, and little to no support if they fall behind.

All of these changes are happening at the same time as millions of Americans—including those with student loan debt—navigate a worsening affordability crisis. As a result, student loan distress is hitting record levels as borrowers attempt to budget for spiking payments and traverse a new and chaotic system. This dynamic threatens to further compound an unprecedented default crisis. A startling 25 percent of student loan borrowers are now behind on a student loan with more than 9 million—or 1 in 5—borrowers now in default. Delinquency rates are even higher for Black and Native American borrowers, reaching nearly 50 percent for these groups and are particularly high for borrowers who had previously received a Pell Grant.

Making matters even worse, the U.S. Department of Education (ED) also announced that it would formally terminate the Saving on a Valuable Education (SAVE) repayment plan and force over 7 million Americans into alternative repayment plans earlier than required by Congress. Estimates show that a typical borrower enrolled in the SAVE plan could be forced to pay over $4,000 more per year on their student loans under the new Repayment Assistance Plan (RAP) created under the new OBBBA. Borrowers forced out of the SAVE plan have already begun to report payment spikes of over $500 per month and challenges with keeping up with these skyrocketing payments. If borrowers forced to exit the SAVE plan enter default at the same rate as other borrowers, the total number of student loan borrowers in distress could reach 17 million or more. This unprecedented level of borrower distress is already taking a toll on the finances of millions of families. Over the previous year, borrowers with delinquent student loans have already seen their credit scores decrease by 57 points on average—plunging them into deep subprime territory which will make it harder for them to access affordable credit and even secure employment or housing.

The Department and its student loan servicers have demonstrated that they are not up to the challenge of ensuring a smooth transition, and borrowers are paying the price.

In recent months, borrowers have also reportedly experienced a growing number of problematic servicing errors that are causing even further borrower anxiety and confusion and making it harder for borrowers to budget and plan financially. These include but are not limited to:

- After ED announced in May that over 7 million borrowers would begin receiving notices from their servicers of their 90-day timeframe to transition out of the SAVE plan, borrowers have reported receiving confusing and sometimes even contradictory communications from ED and their servicers, making it harder for borrowers to understand how quickly they need to act and budget for higher monthly student loan bills.

Some servicers incorrectly still show in borrower accounts that borrowers will be in the SAVE forbearance until 2028.

- Borrowers also report getting misinformation from their servicers that results in horrible financial consequences. In June, over 6,000 borrowers were falsely notified that their student loan payment would be $50 per month, only to be charged drastically higher amounts by their student loan servicer. Some of these borrowers were eventually required to start from square one and re-submit their application for affordable monthly payments.

- In July, borrowers reported experiencing challenges confirming their monthly student loan payment amounts and being forced to wait "countless hours" to get help from their student loan servicers. Borrowers report being unable to predict or save for rising payments and worry about falling behind as a result.

- In July, attorneys working with borrowers reported that married borrowers were receiving IDR payment amounts that were not prorated to reflect their spouse's debt and were thus too high, that some borrowers with consolidated loans eligible for Income Based Repayment were being wrongfully denied, and that borrowers who had consented to automatic annual recertification for their income-driven repayment plans were facing early and unexpected payment increases or being forced into forbearances.

- In August, borrowers reported receiving erroneous notifications from their student loan servicer that they were past due on their student loans and at risk of default. Many of these borrowers were still enrolled in the SAVE-related forbearance and could not have been behind on payments.

- In August, borrowers began to see their credit towards Public Service Loan Forgiveness (PSLF) disappear overnight with little to no explanation from ED or their student loan servicer. ED has publicly claimed that these updates are a result of "fixing coding errors" and has yet to share further information with the public. Borrowers are panicking as they see their pathway to eventual PSLF relief pushed further out of reach without explanation and through absolutely no fault of their own.

- All of these errors and failures have taken place as the Administration has backed away from critical oversight of student loan servicers and reduced its own staffing. Last year, the non-partisan Government Accountability Office found that ED has stopped monitoring calls between borrowers and their servicers and stopped reviewing borrower data to ensure accuracy, leaving borrowers particularly vulnerable. Making matters worse, staffing cuts within the Federal Student Aid Ombudsman Group has led to ongoing backlogs of borrower complaints—leaving borrowers to fend for themselves.

The administrative errors and servicing failures listed above are merely a small snapshot of the myriad of challenges, mass confusion, and uncertainty millions of Americans with student debt have been forced to navigate. At the same time, the Administration has continued its efforts to dismantle critical agencies like the Consumer Financial Protection Bureau and the U.S. Department of Education—agencies charged with overseeing the student loan servicers paid millions to help borrowers manage their student loans. Making matters worse, the CFPB has been gutted at a time when more students and families are being forced to rely on the private student loan market to pay for college. Borrowers and their families are being forced to navigate these unprecedented changes and failures on their own, which is simply unacceptable.

Therefore, we urge your Committees to convene an emergency hearing into the administrative errors and servicing failures that are running rampant across the student loan repayment system, hold the Administration accountable and protect the millions of Americans struggling with student loan debt.

Sincerely,

Protect Borrowers
Young Invincibles
10,000 Degrees
AACTE (American Association of Colleges for Teacher Education)
Affordable Homeownership Foundation Inc
AFL-CIO
AFT
Alliance for Girls
American Association of University Women (AAUW)
Americans for Financial Reform
Autistic Women & Nonbinary Network
BLU Educational Foundation
Center for Law and Social Policy (CLASP)
Child Care Law Center
Church Women United in New York State
Citizen Action/Illinois
Civil Service Bar Association
Clearinghouse on Women's Issues
College Now
Communities for Our Colleges
Consumer Action
Consumer Federation of America
Courage California
Court Nativity of Our Lady #931 CDA
Debt Collective

Demos
EdTrust
Equality NC
Feminist Majority
Fosterus
Georgia Budget & Policy Institute
Hildreth Institute
Hip Hop Caucus
Housing and Economic Rights Advocates
International Federation of Professional and Technical Engineers (IFPTE)
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
League of United Latin American Citizens (LULAC)
Legacy Bridge CDC
Maryland Center for Collegiate Financial Wellness
Massachusetts Affordable Homeownership Alliance
MDC
Mi Familia Vota
Minority Veterans of America
Mountain State Justice
MPower Change Action Fund
NAACP
NASLL [National Association of Student Loan Lawyers]
National Association of Social Workers
National Association of Social Workers-Texas
National Consumer Law Center
National Council of Asian Pacific Americans (NCAPA)
National Education Association
National Legal Aid & Defender Association
National LGBTQ+ Bar Association
National Nurses United
National Organization for Women
New Jersey Appleseed Public Interest Law Center
New Jersey Association of Mental Health and Addiction Agencies, Inc.
New Jersey Citizen Action
New Jersey Institute for Social Justice
New York Legal Assistance Group (NYLAG)
NextGen California
Nonprofit Professional Employees Union, IFPTE Local 70
Oasis Legal Services

On Point for College
Project on Predatory Student Lending
Public Advocacy for Kids (PAK)
Public Justice Center
RootsAction
Southern California College Attainment Network
Step Forward Foundation
Student Debt Crisis Center
Students Engaged in Advancing Texas (SEAT)
The Attainment Network
The Campaign for College Opportunity
The Century Foundation
The Institute for College Access & Success (TICAS)
UAW Region 9A
UnidosUS
United Academics AAUP/AFT 4996
United Academics AAUP/AFT Local 4996
United States Student Association
United University Professions
Vermont-NEA
WANDA: Women Advancing Nutrition Dietetics and Agriculture
Washington Office of Student Loan Advocacy
Wisconsin Education Association Council
Women Employed
WV Citizen Action Group