September 22, 2026

The Honorable Linda McMahon
Secretary of Education
400 Maryland Ave., SW
Washington, D.C. 20202

Senator Bill Cassidy, Chair
U.S. Senate Committee on Health, Education, Labor, and Pensions
428 Senate Dirksen Office Building
Washington, D.C. 20510

Senator Bernie Sanders, Ranking Member
U.S. Senate Committee on Health, Education, Labor, and Pensions
428 Senate Dirksen Office Building
Washington, D.C. 20510

Congressman Tim Walberg, Chair
U.S. House Committee on Education and the Workforce
2176 Rayburn House Office Building
Washington, D.C. 20515

Congressman Robert C. Scott, Ranking Member
U.S. House Committee on Education and the Workforce
2176 Rayburn House Office Building
Washington, D.C. 20515

Re: Request for Immediate Federal Action to Address Systemic Failures in Administration of Income-Driven Repayment Plans and Forgiveness Programs

Dear Secretary McMahon, Chairs Cassidy and Walberg, and Ranking Members Sanders and Scott:

We, the undersigned Student Loan Ombudspersons and Advocates, urge the U.S. Department of Education (Department) and the Committees to address widespread administrative failures in the federal student loan repayment system. Through our work assisting student loan borrowers and resolving their complaints, we have identified recurring systemic problems involving income-driven repayment (IDR) plans and Public Service Loan Forgiveness (PSLF) that materially affect borrowers' payment obligations, loan balances, and access to forgiveness. To address these issues, we urge the Department to take immediate corrective action, including delaying mandatory repayment plan transitions until these operational failures are fully resolved. Simultaneously, we respectfully ask the Committees to exercise their oversight authority by convening hearings and seeking information from the Department and its contractors.

Current IDR Transition and Borrower Risks

Congress created IDR plans to tie monthly payments to financial circumstances and to provide pathways to loan forgiveness, including PSLF. However, a recent succession of policy, statutory, and regulatory changes have made these plans increasingly complex to administer and navigate. Following extensive litigation over the Saving on a Valuable Education (SAVE) plan, more than seven million borrowers were placed into a lengthy forbearance. The federal government is now requiring these borrowers to exit forbearance and change repayment plans—a transition that can carry significant consequences, including higher monthly payments, potential capitalization of accrued interest when borrowers later leave certain plans, and loss or delay of statutory repayment and forgiveness benefits. Requiring borrowers to make these consequential decisions while significant administrative failures remain unresolved places an unacceptable and unfair risk on borrowers.

Persistent Servicing Failures Since the Return to Repayment

The operational problems plaguing the federal student loan repayment system predate recent disruptions, spanning multiple administrations and policy initiatives. During the COVID-19 payment pause, major servicers exited the market, forcing the transfer of 30 million borrower accounts.[1] These massive transfers exposed severe deficiencies in data migration infrastructure. Specifically, the Department and its servicers relied on a legacy file-transfer format, known as EA27, alongside a patchwork of supplemental files to transfer IDR plan data.[2] In some cases, receiving servicers failed to properly review or load these supplemental files or inconsistently interpreted critical data fields. The consequences for borrowers were severe, causing immediate financial harm and overbilling:

- One borrower's monthly IDR payment rose sharply from $0 to $2,000 based on an error loading a supplemental file.
- Another borrower saw their payment increase ninefold due to an inappropriately shortened repayment term.

Reliable account transfers are foundational to effective servicer oversight—the Department must retain the ability to move accounts to enforce performance standards without shifting operational risks onto borrowers. The systemic weaknesses exposed by these transfers intensified when payments resumed in October 2023, flooding our Offices with complaints concerning prolonged IDR processing delays, erroneous payment amounts, conflicting servicer communications, and near-total barriers to servicer telephone support. Servicers routinely failed to provide timely responses to complaints, even through government escalation channels.

[1] A. Hegji, *Federal Student Loans: Return to Repayment*, Congressional Research Service, https://crsreports.congress.gov/product/pdf/IF/IF12472 (updated September 1, 2023).

[2] Similar concerns arose relating to MOHELA's 2024 migration from its legacy servicing platform to the Fiserv platform, including situations in which MOHELA claimed that accounts had to be 'rebuilt' following conversion, which included manual entry of historical payment information into the new system. The apparent need to reconstruct loan histories in this manner raises serious concerns about the completeness and accuracy of account information following migrations.

Many of these same weaknesses persist today. As the repayment system continues to absorb ongoing policy and operational shifts, these unresolved structural failures leave borrowers continuously exposed to overbilling, distorted loan balances, and delayed forgiveness benefits.

Inaccurate and Unverifiable Loan Balances

A persistent consequence of these systemic servicing weaknesses is the prevalence of inaccurate and unverifiable loan balances. In two particularly egregious instances, borrowers' balances approximately doubled following consolidation, with the errors remaining uncorrected for more than a year until one of our Offices intervened. That such profound inaccuracies can go unnoticed raises severe concerns about the internal controls used by the Department and its servicers.

More recently, our Offices have repeatedly identified severe accounting failures on loans serviced by MOHELA during the SAVE forbearance.[3] These errors often persist for months or years, and include:

- **Improper Interest Accrual:** Failure to apply the mandated 0% interest rate, resulting in inflated balances, misallocation of payments, and faulty credit and tax reporting.[4]
- **Erroneous Transactions:** Applying excessive interest credits and later reversing those transactions, increasing borrowers' reported balances and obscuring account accuracy.
- **Incorrect Capitalization:** Routinely capitalizing interest in error, often followed by chaotic subsequent reversals.

Getting these errors corrected requires extraordinary expenditure of administrative resources. In one case, it took eleven written communications from one of our Offices before MOHELA corrected a $7,500 balance error. Borrowers routinely report that they are unable to obtain resolution of these errors on their own.

These balance inaccuracies are compounded by payment tracking failures. For example, a $20,000 payment accepted by MOHELA went missing for over a year. In another case, MOHELA accepted over $100,000 in payments over two years from a borrower whose loans had already transferred to another servicer. Neither servicer explained where the funds had gone or remediated the resulting excess interest.[5]

Crucially, even when balances are adjusted, the systemic absence of transaction-level reporting prevents verification of their accuracy. On the Fiserv platform (utilized by MOHELA, Aidvantage, and Edfinancial), critical adjustments like the removal of interest accrual are hidden from the user interface. Instead of a standard ledger entry, the outstanding balance simply

[3] MOHELA is one of the Department's largest servicers. For many of our Offices, MOHELA receives a disproportionate number of complaints when compared to the volume of loans it services. Based on our review of nationwide complaint repositories, we believe this unbalanced distribution tracks with national trends.

[4] As a product of the SAVE litigation, SAVE plan borrowers were placed in an interest-free forbearance from around July 2024 to August 2025. *See* Press Release, U.S. Dep't of Education, U.S. Department of Education Continues to Improve Federal Student Loan Repayment Options, Addresses Illegal Biden Administration Actions Loans in SAVE Plan Will Begin Accruing Interest on August 1st, Borrowers in SAVE Urged to Act (July 9, 2025), www.ed.gov/about/news/press-release/us-department-of-education-continues-improve-federal-student-loan-repayment-options-addresses-illegal-biden-administration-actions.

[5] We have also received numerous complaints about MOHELA failing to refund or reallocate overpayments on paid off loans.

changes without a documented history. This absence of a transaction-level ledger deprives borrowers of basic transparency, falling far below standards in other consumer credit markets and making it functionally impossible to verify whether a correction was accurate.[6]

IDR Application Delays, Forbearance Errors, and Confusing Notices

The IDR application process has long been a persistent source of error and delay for borrowers attempting to enroll in or change their repayment plans. These systemic deficiencies were severely aggravated by operational disruptions following the SAVE injunction.[7] Although automated processing pathways were eventually restored by May 2025, a substantial application backlog persisted, reaching nearly two million in April 2025[8] before declining to approximately 500,000 by April 30, 2026.[9] This reduction in pending applications does not capture the true depth or consequences of the processing hurdles borrowers experienced. Furthermore, it does not account for the predictable surge in new IDR applications from SAVE-enrolled borrowers who are now being asked to select new repayment plans.

IDR processing problems have been particularly acute at MOHELA, which has struggled to timely process applications since the return to repayment. This included widespread failures to process IDR applications for new consolidation loans for months on end or even a full year. These problems worsened after the SAVE injunction, when IDR processing paused and later resumed, leaving many applications pending for unacceptably long durations.

During these delays, the Department instructed servicers to place borrowers into a 60-day forgiveness-eligible processing forbearance, followed by the 0% interest SAVE forbearance, which was not forgiveness-eligible. MOHELA routinely failed to timely place borrowers into, or remove them from, these required statuses, depriving borrowers of critical rights and protections:

- **Delayed Forgiveness:** In one instance, MOHELA's failure to apply a 60-day processing forbearance delayed more than $200,000 in forgiveness under the PSLF Program, which the borrower received only after one of our Offices intervened to have the correct forbearance type applied.
- **Inappropriate Billing and Interest:** Failure to apply the required forbearance resulted in continued billing, past-due notices, and inaccurate interest accrual. For example, rather than applying the SAVE forbearance, MOHELA erroneously billed a borrower for four months of SAVE payments after the SAVE plan was enjoined.[10]

[6] While Aidvantage and Edfinancial can provide borrowers with running balance histories that separately track principal and interest upon request, MOHELA maintains it is unable to do so, making it exceedingly difficult to independently verify loan balances.
[7] The Department has yet to publish an updated paper IDR application including the new Repayment Assistance Plan for borrowers who lack computer access or proficiency.
[8] *See* Status Report at 1, *American Federation of Teachers v. U.S. Dep't of Education*, No. 1:25-cv-00208-RBW, ECF No. 36 (D.D.C. May 15, 2025).
[9] *See* Status Report at 1, *American Federation of Teachers v. U.S. Dep't of Education*, No. 1:25-cv-00208-RBW, ECF No. 64 (D.D.C. May 13, 2026).
[10] MOHELA later 'corrected' this error by retroactively applying the SAVE forbearance to those months, causing the borrower to lose PSLF credit for payments already made, while also refusing to refund those payments.

- **Loss-of-Income Penalties:** Delays in processing IDR applications were particularly harmful for borrowers seeking a payment recalculation after a loss of income, who continued to be billed based on income they no longer received.
- **Forced Application Resubmissions:** For borrowers who experienced lengthy processing stalls and were instructed by MOHELA to reapply to access automated processing, resubmitting could force the use of new, higher income data, often penalizing them with higher payments than they would have owed had their original application been timely processed.
- **Application Cycling Loops:** In some cases, the processing of overlapping applications caused borrowers to cycle back into forbearance as later-filed applications were processed.[11]
- **Post Processing Failures:** Even after successfully calculating new payment amounts, MOHELA's systems frequently failed to properly implement them. This included system errors where MOHELA spontaneously placed borrowers back into the SAVE forbearance when no second application existed, as well as cases where it continued billing the old, incorrect payment amount.

Processing failures are compounded by confusing and sometimes inaccurate servicing notices. Changes to forbearances or repayment schedules regularly generate a flood of notices to the same borrower containing temporary, superseded, or otherwise inapplicable payment information. For example, when processing an IDR application and changing or applying an associated forbearance, MOHELA often sends a "Notice of Repayment Schedule Change" displaying a 10-year payment amount that does not reflect a borrower's pending IDR application. This notice often identifies the repayment plan associated with that 10-year payment amount as "INCOME-DRIVEN REPAYMENT (IDR)," causing borrowers to reasonably believe the higher 10-year payment reflects the outcome of their IDR application. MOHELA also regularly sends notices that contain conflicting payment due dates and, in some cases, payment schedules that are materially wrong. These notices increase avoidable demand on MOHELA's call centers and undermine borrowers' ability to understand and plan for their repayment obligations.

Erroneous IDR Calculations and Resulting Capitalization

Even when IDR applications are successfully processed, borrowers face another hurdle: inaccurate payment calculations. Recently, StudentAid.gov's IDR application erroneously quoted tens of thousands of borrowers a $50 monthly payment under the Income-Based Repayment (IBR) plan. This occurred because the system incorrectly compared their formula-driven IBR payment to a $50 10-year plan amount. Based on that comparison, the Department's system determined that affected borrowers should be billed under the 10-year calculation, and instructed servicers accordingly. Servicers then calculated the full 10-year payment amounts using borrowers' actual loan balances. As a result, many borrowers quoted $50 on StudentAid.gov were billed hundreds or thousands of dollars more per month than their correct IBR payment amount. The material financial harms of these miscalculations are severe and include:

[11] This problem was observed predominantly, if not exclusively, at MOHELA.

- **The IBR-to-RAP Trap:** In May 2026, StudentAid.gov quoted a borrower a $50 IBR payment, prompting him to switch from the SAVE plan to IBR. His servicer subsequently advised that his IBR payment would be $692—reflecting his 10-year payment amount rather than his formula-driven IBR payment. After a three-hour hold that ended in a dropped call, the borrower applied for recalculation and received notice that his IBR payment was $379—still higher than his alternative option, the new Repayment Assistance Plan (RAP). The Department's error forced him to choose between a higher IBR payment amount or leaving IBR for RAP, which would trigger a capitalization of $2,685 in interest that accrued after the SAVE forbearance became interest-bearing in August 2025.
- **Unwarranted Auto Debits:** Another borrower who applied for IBR was incorrectly billed for $5,082. Despite proactively providing tax returns to his servicer demonstrating that the billing amount was mathematically incorrect and revoking his auto debit authorization, the servicer maintained that the $5,082 bill was accurate. The servicer proceeded to auto debit the full $5,082 amount from the borrower's bank account in August 2026. When the borrower formally applied for an emergency recalculation the following month, his IBR payment was calculated at just $576.
- **Incomplete Fixes and Omissions:** The Department provided recalculation files to servicers in July 2026 to correct some of these errors, but implementation remains incomplete. Borrowers omitted from these files have been told to reapply, but applying for a new plan risks triggering interest capitalization, punishing borrowers for errors entirely outside their control.
- **PAYE and Independent Servicer Failures:** Similar problems have also affected the Pay As You Earn (PAYE) plan. For example, one borrower attempting to recertify for PAYE was quoted $726 by StudentAid.gov but billed $2,733 by his servicer—a 10-year plan amount. Furthermore, billing errors arise directly on servicer systems, independent of Department calculation errors; another borrower was recently quoted $191 under PAYE by StudentAid.gov, but the servicer's system failed to place the loan into the plan entirely, resulting in a $637 bill.

Recertification, Eligibility, and Proration Errors

Our Offices also observe systemic errors in initial IDR eligibility determinations and ongoing recertification processes that disrupt plan enrollment and artificially inflate borrowers' bills. These failures include:

- **Initial Eligibility and PAYE Enrollment Errors:** Both StudentAid.gov and MOHELA have incorrectly deemed eligible applicants entirely ineligible for PAYE. In one case, MOHELA denied an eligible borrower's application based on a mistaken understanding of PAYE's eligibility requirements concerning loan disbursement dates.
- **Wrongful Removal and Auto-Recertification Failures:** Borrowers have been wrongly removed from IDR plans despite timely recertification submissions, including for 'missing plan selections' that recertifying borrowers are not required to make. Additionally, some automatic recertifications have failed because the Department's system did not transmit the data required for servicers to complete them.
- **Proration and Spousal Debt Errors:** Complainants report that StudentAid.gov fails to properly prorate IDR payments for spousal debt, while MOHELA fails to account for

externally serviced loans. In one case, MOHELA continued to overbill a borrower because it refused to prorate her payment to account for loans serviced by Aidvantage, even though Aidvantage had prorated its payment to account for MOHELA's loans.

IDR and PSLF Tracking Errors

Serious errors continue to plague IDR and PSLF progress tracking. Following the one-time Payment Count Adjustment[12] in Fall 2024, the Department briefly displayed IDR trackers and qualifying payment counts on StudentAid.gov. However, it removed them in early 2025 because ongoing SAVE litigation raised questions about whether certain forbearance periods still qualified toward forgiveness. Despite a March 2026 court order resolving that litigation and confirming that these forbearance periods could still count, the Department has yet to restore the IDR payment trackers.

StudentAid.gov now displays estimated forgiveness dates through its IDR application and Repayment Calculator, but these calculations are often inaccurate and cannot replace transparent payment trackers. For instance, the system recently projected an erroneous 20-year gap between IBR (2036) and RAP (2056) forgiveness dates for a single borrower, far exceeding the expected five-year difference. While StudentAid.gov warns that these estimates are subject to change, loan servicers report that the Department prohibits them from sharing qualifying payment counts directly with borrowers. Without these numbers, borrowers cannot reliably compare IDR plans or decide if switching to a traditional repayment plan is more cost effective. Since RAP payments do not count toward forgiveness under any of the other IDR plans, these trackers represent an essential component of basic system transparency.

PSLF trackers on StudentAid.gov also suffer from significant errors.[13] Examples of these tracking errors include:

- **Erroneous tracker resets after loan consolidation:** A public service worker who had more than the required number of payments for forgiveness consolidated his loans at the Department's direction, only to see his progress tracker reset at zero instead of the legally required weighted average.[14]
- **Misclassification of non-qualifying repayment plans:** A tracker incorrectly showed payments made on a non-qualifying repayment plan as qualifying for two years. This led the borrower to mistakenly believe she was on track for forgiveness, causing her to spend thousands of dollars on payments that ultimately do not count toward forgiveness.[15]

More fundamentally, PSLF trackers reveal errors in the underlying data upon which both PSLF and IDR forgiveness determinations depend. Our Offices have identified borrowers with National Student Loan Data System (NSLDS) records that contain missing repayment status histories, blocking borrowers from earning credit for those historical periods. Even when borrowers provide complete transaction records—or when our Offices secure NSLDS

[12] *See* https://studentaid.gov/announcements-events/idr-account-adjustment

[13] Our Offices have also encountered cases where borrowers entitled to refunds for overpayments made after fulfilling their PSLF requirements waited months for those funds to be returned, despite repeated efforts to obtain the refunds and information about their status.

[14] Consolidating was entirely unnecessary to receive forgiveness. In fact, by consolidating, the borrower actively lost access to a refund for the payments he had made beyond the 120 required for forgiveness.

[15] These payments were made after the effective date of the payment count adjustment.

corrections from servicers—the Department routinely fails to apply the credit. Consequently, these systemic IDR and PSLF count errors remain nearly impossible to resolve, even when borrowers apply for PSLF Reconsideration.[16] [17]

Compounding these issues, borrowers are currently experiencing sudden, unexplained drops in their PSLF counts. The Department has vaguely attributed these reductions to fixing "coding errors" from the prior administration. Borrowers have received no clear explanations for individual reductions, making it difficult to verify the accuracy of the new totals, even though these retroactive adjustments can delay forgiveness by years.[18]

PSLF Buyback Delays

A separate barrier arises for borrowers seeking PSLF credit through the PSLF Buyback process.[19] The Department established this mechanism to enable borrowers to obtain PSLF credit for certain non-qualifying forbearance periods, including time spent in the SAVE forbearance. For a significant number of borrowers, the Buyback is the fastest and most cost-effective path to forgiveness, costing significantly less than making new qualifying payments based on current income under a new plan. However, severe administrative delays functionally deny access to this relief. The scale of the operational bottleneck is massive: as of April 30, 2026 (the most recent public reporting), the Department faced a backlog of 88,000 pending Buyback requests yet processed just 6,870 during the entire month.[20]

These delays are damaging because a pending Buyback request does not pause a borrower's repayment obligations. As borrowers transition out of the SAVE forbearance, they must resume repayment under a different plan—or rely on limited available forbearance—while awaiting a Buyback decision. Thus, borrowers may have to make months or years of potentially unnecessary or more expensive payments. For example, one borrower waited nearly a year for a Buyback determination before deciding to leave the SAVE forbearance and make qualifying payments in the Income-Contingent Repayment (ICR) plan. She needed only six additional qualifying payments to receive forgiveness. By the time her Buyback agreement was finally approved, the contract revealed that her required Buyback amount was approximately $10,000 less than what she had just paid under ICR. She was told her six ICR payments could not be refunded due to program rules, resulting in a permanent, thousands-of-dollars penalty caused entirely by Department delays.

Dysfunctional Complaint Resolution System

When borrowers turn to the Department or their servicers to correct these errors, they confront a final barrier: a failing complaint system. Borrowers routinely receive automated or unhelpful Department responses that fail to address the specific issue raised or provide any substantive corrective action. For some, the system fails immediately due to technical glitches that throw

[16] For example, on April 29, 2026, MOHELA corrected a borrower's NSLDS file at our request to show a loan was in repayment from 2009 to 2011. Nevertheless, on July 14, 2026, the Department denied the borrower's PSLF Reconsideration request on the erroneous grounds that the loan was not in repayment during that exact window.
[17] *See* https://studentaid.gov/manage-loans/pslf-reconsideration
[18] *See* https://www.cnbc.com/2026/08/20/public-service-loan-forgiveness-pslf-payment-counts.html.
[19] *See* https://studentaid.gov/PSLFBuyback
[20] *See* Status Report at 1, *American Federation of Teachers v. U.S. Dep't of Education*, No. 1:25-cv-00208-RBW, ECF No. 64 (D.D.C. May 13, 2026).

error messages and block them from submitting complaints through the Department's official Feedback system altogether. For those who do successfully submit complaints, a massive administrative bottleneck awaits: as of mid-2025, the Department maintained a backlog of thousands of unresolved complaints, forcing borrowers to wait months—and in some cases, over a year—for action.[21]

MOHELA's complaint handling presents parallel barriers, effectively cutting off borrowers from customer support. Borrowers report filing multiple complaints that go unanswered, or worse, are met with form letters falsely claiming the dispute was resolved through a phone call that never took place. These inaccurate closures strip borrowers of official documentation and halt any path to correction. Borrowers also report extraordinary difficulty reaching MOHELA, including multi-hour holds, dropped calls, and repeated unsuccessful efforts to obtain assistance. One borrower recently reported trying to contact MOHELA seven times electronically and three times by phone and spending approximately eight hours on hold before being disconnected. Another reported two calls totaling approximately five hours on hold without reaching a live agent.

Even when borrowers reach a representative, they may face repeated re-queuing and escalation or be routed between MOHELA and the Department, each asserting that the other is responsible— a "doom loop" that leaves borrowers without a solution.[22] The combined effect is a complaint system that does not reliably intake complaints, meaningfully investigate them, or correct underlying errors.

Conclusion

The failures described in this letter are not isolated. Taken together, they reveal persistent weaknesses in the systems and controls used to administer federal student loan repayment plans, maintain accurate accounts, track progress toward forgiveness, and identify and correct errors. Errors arise at multiple points—from the Department's systems, servicers' systems, and the interactions between them—and can persist for months or years without detection or correction. Even when errors are identified, borrowers may be unable to verify that corrections have been accurately implemented, while inefficient customer service, complaint, and escalation processes impede both individual relief and the identification and remediation of broader systemic problems. These deficiencies affect not only borrowers' ability to understand and satisfy their repayment obligations, but also the integrity of the federal loan repayment system and the Department's ability to reliably establish and collect amounts lawfully owed.

Before requiring seven million borrowers to transition out of SAVE or recertify for their IDR plans, the Department should ensure that the systems used to process those applications, calculate payments, maintain balances, and track forgiveness progress are accurate and verifiable; identify and remediate borrower populations affected by systemic errors; and establish

[21] Letter from Acting Ass't Sec'y for Legis. and Cong. Aff. Sarah Ursprung, to Sen. Elizabeth Warren, Ranking Member Comm. on Banking, Housing, and Urban Aff. (July 21, 2025), https://www.warren.senate.gov/wp-content/uploads/media/doc/dept_of_ed_responds_to_senator_warren_tmv5uf85r1vy.pdf

[22] *See* https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

effective mechanisms for detecting and correcting future failures. At a minimum, the Department should take the following actions:

(1) **Fix IDR Errors:** Correct payment calculation and plan eligibility errors and require servicers to fully remediate affected accounts, including capitalization harms.

(2) **Improve Forgiveness Tracking:** Reinstate StudentAid.gov IDR payment trackers, improve the accuracy of PSLF trackers, and establish functional appeals processes through which borrowers can secure correction of IDR and PSLF tracking errors.

(3) **Clear the PSLF Buyback Backlog:** Build a scalable system to immediately eliminate the substantial backlog of PSLF Buyback requests.

(4) **Fix Accounting Errors:** Correct wrong loan balances and improper interest accruals.

(5) **Provide Automated Credit:** Grant IDR and PSLF credit to borrowers harmed by incorrect processing of SAVE-related forbearances and IDR processing delays. Because individual tracking may be administratively difficult due to its complexity and potentially unreliable data, we suggest granting IDR and PSLF credit to all otherwise eligible borrowers serviced by MOHELA from July 1, 2024 through December 31, 2026.

(6) **Ensure Access to Transparent Account Records:** Mandate that servicers provide running balance histories showing all adjustments to principal and interest balances, and that they separately track and display the remaining principal and accrued interest balances after each payment is applied so that borrowers and regulators can independently verify account accuracy.

(7) **Fix Complaint Resolution and Customer Service Access:** Establish effective Department and servicer complaint and escalation processes that provide substantive review and correction of individual account errors, identify recurring patterns and root causes, and trigger broader corrective action when systemic problems are identified. Expand servicer call-volume capacity and staff training to reduce excessive hold times and ensure borrowers have access to escalation pathways and knowledgeable personnel who can provide timely assistance and resolve complex account problems.

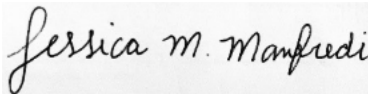
Our Offices support efforts to stabilize the federal loan repayment system, but our highest duty is to the borrowers who turn to state Ombudspersons and Advocates when federal mechanisms fail. We urge the Department to take immediate action to remediate the systemic failures outlined herein. Additionally, we respectfully request that the Committees exercise their oversight authority to investigate these operational breakdowns, evaluate proposed remediation strategies, and safeguard the integrity of the federal student loan portfolio.

Thank you for your attention to this important matter.

Sincerely,



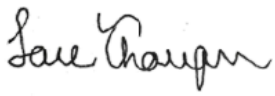
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cc: *James Bergeron*, Acting Chief Operating Officer, U.S. Department of Education
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Mark LaVia, Executive Director of Servicing, U.S. Department of Education
Matthew Chingos, Senior Advisor, U.S. Treasury Department