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March 26, 2020

The Honorable Elisabeth DeVos
Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: Emergency Measures to Protect Student Loan Borrowers

Dear Secretary DeVos:

We, the undersigned Attorneys General of New York, Pennsylvania, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, Vermont, Virginia, Washington, Wisconsin, the District of Columbia, and Puerto Rico write to urge the U.S. Department of Education (“Department”) to immediately implement emergency measures to protect federal student loan borrowers in the wake of the COVID-19 crisis. This crisis has created major economic upheaval. Numerous businesses are closed, and countless workers have lost wages or been laid off. Hundreds of thousands of federal student loan borrowers risk delinquency and default, ruined credit, and even the garnishment of government benefits, such as Social Security, that are critical to the most vulnerable borrowers. Emergency measures are urgently needed to protect federal student loan borrowers.

Over 43 million Americans have federal student loan debt. Even before the public health crisis, more than 5 million of these borrowers were in default, and millions more struggled to meet their obligations. The economic ramifications of the COVID-19 virus will exacerbate this problem and significantly increase the number of federal student loan borrowers who enter delinquency or default.

President Trump has acknowledged the severe effect of the public health crisis on student loan borrowers. The President announced on March 13, 2020, that interest on all federally-held student loans would be waived for the foreseeable future. The Department also announced that it would extend administrative forbearances to federal student loan borrowers who request them for

at least 60 days and cease at least some collection action. While these actions are helpful first steps, additional measures must be taken to provide critical relief to struggling borrowers.

As Secretary, you have broad authority under the Higher Education Relief Opportunities for Students Act of 2003 (the “HEROES Act”) to “waive or modify any statutory or regulatory provision applicable to the student financial assistance programs under title IV of the [Higher Education] Act as the Secretary deems necessary in connection with a ... national emergency.” 108 P.L. 76, 117 Stat. 904, Sec. 2(a)(1).

We are encouraged by the Department’s recent announcement that it will cease at least a substantial portion of involuntary collection activities, including wage garnishment and offset of government benefits such as Social Security benefits and tax refunds. We also thank the Department for its decision to refund approximately \$1.8 billion in offsets to more than 830,000 borrowers.

However, the Department can do more. It must utilize its broad authority under the HEROES Act to immediately institute additional emergency relief for federal student loan borrowers. This emergency relief must, at minimum, include:

(1) Ensuring that *all* new and continuing involuntary collection activities are halted for *all* federal student loan borrowers for the duration of the crisis. The Department’s recent announcement was unclear on the extent of its directive to halt collections, so we ask that the Department ensure that all affected borrowers will benefit from your recent action.

(2) for all federal student loan borrowers who either (a) are currently in or request a forbearance, (b) are or become delinquent on their loans, (c) or voluntarily opt in via a request to a servicer;¹ automatically enrolling the borrowers into an Income Driven Repayment (IDR) Plan with a \$0-per-month payment, without requiring submission of an IDR application, verification of income, or recertification, for the duration of the crisis, which will permit struggling borrowers to suspend payments while continuing to make progress toward Public Service Loan Forgiveness or IDR loan forgiveness; and

(3) extending eligibility for all additional relief available pursuant to previously announced modifications under the HEROES Act to all federal loan borrowers for the duration of the crisis.²

The Department should extend this emergency relief to all federal student loan borrowers, including borrowers whose Federal Family Education Loans or Federal Perkins loans

¹ Given the impact of the crisis on servicer call centers, we urge the Department to require servicers to give borrowers as much control as possible through online account portals (including, without limitation, opting into \$0-per-month IDR or turning off auto-pay).

² Existing modifications under the HEROES Act include, for example: waiver of the requirement that a borrower who has dropped below half-time enrollment in school begin loan repayment, and a direction that payments missed during a disaster may not be treated as an interruption of the consecutive months of payments needed to rehabilitate a defaulted loan. *See* 82 Fed. Reg. 45469 -70 (Sept. 29, 2017).

are not held by the Department. These emergency measures are not only necessary, fair, and appropriate for borrowers, but they would also aid in the overall recovery of the nation's economy. We urge the Department to act immediately to provide emergency relief to federal student loan borrowers in this time of national crisis.

Sincerely,



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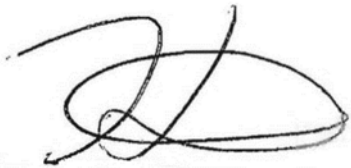
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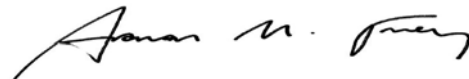
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