

**WRITTEN TESTIMONY OF AARON AMENT
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**U.S. House Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Development
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Chairman Owens, Ranking Member Adams, and Members of the Committee, thank you for the invitation to testify today and discuss the critical issues facing our nation's students. My name is Aaron Ament, and I am the President of the National Student Legal Defense Network ("Student Defense"), a non-partisan, non-profit organization that works to advance students' rights to educational opportunity and to ensure that higher education provides a launching point for economic mobility.

I am here today to discuss the many struggles facing tens of millions of student loan borrowers, and how the crisis is worsening during the Trump Administration.

Rising costs of college. Over the past three decades, the average tuition and fees at public four-year colleges have roughly doubled after adjusting for inflation, and tuition at private four-year colleges has climbed nearly as sharply (up about 74%).¹ A major driver of that long-term increase at public universities has been state disinvestment. Particularly in the years following the 2008 recession, state legislatures cut funding for public colleges and universities, and institutions shifted more of the cost burden onto students through higher tuition.² At the same time, the Pell Grant, relied on by over 7 million students in 2024-2025, has not grown in step with these increases.³ In the 1970s, the maximum Pell Grant covered more than three-quarters of the cost of attendance at a public four-year college, whereas today it covers only about a quarter of that cost—eroding one of the primary tools designed to keep college affordable.⁴

¹ Jennifer Ma et al., Trends in College Pricing and Student Aid 2025, College Bd. 12 (Nov. 2025), https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2025-final_1.pdf.

² Kelsey Kunkle & Rachel Burns, State Higher Education Finance: FY 2024, State Higher Educ. Exec. Officers Ass'n (2025), at 8-12, https://shef.sheeo.org/wp-content/uploads/2025/05/SHEEO_SHEF_FY24_Report.pdf.

³ Ma et al., *supra* note 1, at 3.

⁴ Nat'l Ass'n of Student Fin. Aid Adm'rs, Issue Brief: Doubling the Maximum Pell Grant (July 31, 2026), https://www.nasfaa.org/issue_brief_double_pell; Cassandra Dortch, Cong. Rsch. Serv., R45418, Federal Pell Grant Program of the Higher Education Act: Primer (Nov. 6, 2024), <https://www.congress.gov/crs-product/R45418>.

In the for-profit college sector, attendance costs at four-year programs in the 2024-2025 school year were more than double in-state tuition at public institutions, as investors and private equity backers pressured schools to increase profit margins, with little incentive to keep tuition low.⁵

Students are taking on debt they cannot afford to repay. As college tuition rises, students and families are forced to borrow at extremely high rates. Students and parents borrowed \$102.6 billion (federal + nonfederal) in 2024-2025 alone, of which \$88.7 billion was federal loans.⁶ Too often, these loans are used to attend programs with low graduation rates and poor outcomes.

Previous administrations attempted to implement Gainful Employment regulations aimed at ensuring that for-profit and career-oriented programs would only be eligible to participate in the Title IV federal student loan program if their graduates earned enough on average to repay their debts. However, the Trump Administration chose not to implement any version of the previous Gainful Employment rules, and H.R. 1 established a new accountability framework with an extremely low baseline, merely ensuring college graduates earn more than the average high school graduate or GED holder in their area.⁷

Student loan defaults are a growing problem. The post-pandemic return to repayment has led approximately 9 million borrowers—with about \$220 billion in federal student loans—into default, representing around 13% of the total \$1.64 trillion federally managed portfolio as of March 2026.⁸ Combined with borrowers who are seriously delinquent, that number could approach 13 million by the end of the year.⁹ Yet the Trump Administration—at a time when affordability is more critical than ever—is poised to restart involuntary collections, including the seizure of tax refunds and social security benefits, and the garnishment of wages.¹⁰ These aggressive collection techniques on people who already

⁵ Nat'l Ctr. for Educ. Stat., U.S. Dep't of Educ., Table 10: Average Costs Associated with Attendance for Full-Time, First-Time Degree/Certificate-Seeking Undergraduates at Title IV Institutions Operating on an Academic Year Calendar, and Percentage Change, by Level of Institution, Type of Cost, Control of Institution, Residency, and Student Housing: United States, Academic Years 2022–23 and 2024–25, Integrated Postsecondary Educ. Data Sys. (IPEDS), Winter 2024–25 (Provisional Data), <https://nces.ed.gov/ipeds/search/viewtable?tableId=36538>.

⁶ Ma et al., *supra* note 1 at 7.

⁷ See 20 U.S.C. § 1087d(c)(2)–(3) (2025); 91 Fed. Reg. 40136 (July 1, 2026).

⁸ Fed. Student Aid, U.S. Dep't of Educ., GENERAL-26-38, Federal Student Aid Posts Updated Reports to FSA Data Center (June 23, 2026), <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2026-06-23/federal-student-aid-posts-updated-reports-fsa-data-center>.

⁹ Suzanne Blake, Student Loan Update: Nearly 13 Million at Risk of Default This Year, Newsweek (July 7, 2026), <https://www.newsweek.com/student-loan-update-nearly-13-million-at-risk-of-default-this-year-12168756>.

¹⁰ Robert Farrington, Wage Garnishment On Defaulted Student Loans Restarts This Fall, The College Investor (May 28, 2026), <https://thecollegeinvestor.com/80311/wage-garnishment-on-defaulted->

cannot afford their student loan payments will only deepen financial hardship across the country, and will be felt disproportionately by borrowers of color and their families.¹¹

Default and delinquency are especially prevalent for students who attend for-profit colleges. According to the Federal Reserve, 35% of borrowers with outstanding student loans who attended for-profit institutions were behind on their payments, compared to 16% of those who attended public institutions and 15% who attended private not-for-profit institutions.¹² Moreover, while for-profit schools enroll just 8% of all postsecondary students, they accounted for 30% of all federal student loan defaults prior to the COVID-19 pandemic-related payment pause.¹³

Repayment chaos and confusion. The combination of the massive Reduction in Force (RIF) at the Department of Education and the botched implementation of H.R. 1 has created chaos in the student loan system. Around 7 million student loan borrowers are about to be kicked off the SAVE Plan; unless they select a new plan by September 29, 2026, they will be automatically enrolled in the most expensive option available.¹⁴ H.R. 1's elimination of the SAVE plan and its replacement with new, less generous repayment plans will disproportionately harm borrowers of color, who are more likely than other borrowers to lose the \$0 monthly payments and income protections available under prior repayment plans.¹⁵ And due to massive cuts at the Department, borrowers have been left largely on

student-loans-restarts-this-fall/; see also Press Release, U.S. Dep't of Educ., U.S. Department of Education Delays Involuntary Collections Amid Ongoing Student Loan Repayment Improvements (Jan. 16, 2026), <https://www.ed.gov/about/news/press-release/us-department-of-education-delays-involuntary-collections-amid-ongoing-student-loan-repayment-improvements> (explaining, as of January 2026, that involuntary collections would be paused in order to implement H.R. 1 and give defaulted borrowers time to evaluate repayment options).

¹¹ See, e.g., Ama Takyi-Laryea, Phillip Oliff & Regan Fitzgerald, *The Student Loan Default Divide: Racial Inequities Play a Role*, The Pew Charitable Trusts (Dec. 10, 2024, updated Apr. 4, 2025), <https://www.pew.org/en/research-and-analysis/reports/2024/12/the-student-loan-default-divide-racial-inequities-play-a-role>.

¹² Bd. of Governors of the Fed. Reserve Sys., Report on the Economic Well-Being of U.S. Households in 2024: Higher Education and Student Loans (May 2025), <https://www.federalreserve.gov/publications/2025-economic-well-being-of-us-households-in-2024-higher-education-and-student-loans.htm>.

¹³ Letter from Richard J. Durbin, U.S. Senator, to Illinois School Counselors (Apr. 17, 2026), https://www.durbin.senate.gov/imo/media/doc/letter_for-profit_college_warning_letter_counselor_2026_final.pdf.

¹⁴ Robert Farrington, SAVE Plan Borrowers Now Getting 90-Day Notices: What They Say And What To Do, The College Investor (July 1, 2026), <https://thecollegeinvestor.com/83642/save-plan-borrowers-now-getting-90-day-notices/>.

¹⁵ Victoria Jackson, *Raising the Cost of Borrowing, Reducing Access: How the One Big Beautiful Bill Reshapes Financial Aid and Repayment*, The Education Trust (Nov. 2025), <https://edtrust.org/wp-content/uploads/2025/11/OBBBA-Student-Loan-Repayment.pdf>. (explaining how H.R. 1 “will do lasting harm to the American higher education system and will hit low- and middle-income students and students of color the hardest”); Junlei Chen & Jesús Villero, *Biden's SAVE Plan –*

their own to figure out how to enroll in a new repayment plan that is most beneficial to them. Federal watchdogs found that the Department’s reduced staffing has left it unable to properly oversee loan servicers, with four of five servicers not meeting the Department’s standards for keeping accurate records.¹⁶ And the GAO recently published findings that Federal Student Aid (FSA) stopped assessing servicers on accuracy and call quality in February 2025, citing the staff reduction as the reason for the change.¹⁷

Lack of school oversight and relief for defrauded students. According to the OIG, 32 of the 72 suboffices at FSA were left with *no employees* following the RIF. This included several offices with nobody left to perform their statutorily required functions, such as overseeing loan guaranty agencies and servicers participating in the Title IV Federal Student Loan Program, and the office tasked with program eligibility, certification, and financial analysis of schools participating in Title IV.¹⁸ This leaves virtually no federal oversight of colleges that are misleading and defrauding student loan borrowers.¹⁹

At the same time, the Department has failed to provide debt relief to thousands of student loan borrowers who were defrauded by predatory colleges, many of whom were promised loan discharges years ago but are still waiting for relief, their lives on hold and negative impacts on their credit reports continuing.

Distributional Impact Analysis, PENN WHARTON BUDGET MODEL (Sept. 25, 2024), <https://budgetmodel.wharton.upenn.edu/p/2024-09-25-bidens-save-plan-distributional-impact-analysis/> (finding that approximately 43% of the total benefits from the now-eliminated SAVE plan accrued to Black borrowers with outstanding debt, despite being a much smaller share of the overall borrower population). See generally Consumer Fin. Prot. Bureau, *Insights from the 2023–2024 Student Loan Borrower Survey 3* (Nov. 13, 2024), https://www.consumerfinance.gov/data-research/research-reports/insights-from-the-2023-2024-student-loan-borrower-survey/https://files.consumerfinance.gov/f/documents/cfpb_Insights-from-the-2023-2024-Student-Loan-Borrower-Survey_Report.pdf (“63 percent of borrowers reported ever having difficulty making their student loan payments and 37 percent have missed at least one payment, with significantly higher rates for Black and Hispanic borrowers, Pell Grant recipients, and for those with less than a four-year degree.”).

¹⁶ U.S. Gov’t Accountability Off., GAO-26-108534, *Federal Student Loans: Education Needs to Address Gaps in Servicer Oversight* 7 (March 5, 2026), <https://www.gao.gov/products/gao-26-108534>; Adam Minsky, *Student Loan Giant Accused Of ‘Stunning Error’ As Senators Open Investigation*, *Forbes* (Aug. 27, 2026), <https://www.forbes.com/sites/adamminsky/2026/08/27/student-loan-giant-accused-of-stunning-error-as-senators-open-investigation/>.

¹⁷ U.S. Gov’t Accountability Off., *supra* note 16.

¹⁸ U.S. Dep’t of Educ., Off. of Inspector Gen., Rep. No. ED-OIG/F25DC0245, *Review of U.S. Department of Education Changes in Staffing and Operations 16–17* (June 22, 2026), https://oig.ed.gov/sites/default/files/reports/2026-06/FY26%20F25DC0245%20%286.22.26%29v100_508_SECURED.pdf.

¹⁹ See, e.g., Declaration of Chris Miller, *NAACP v. United States*, No. 8:25-cv-00965-JRR (D. Md. July 1, 2025), ECF No. 61-88.

Similarly, in August 2022 the Department announced that it had approved borrower-defense relief for approximately 79,000 borrowers who attended Westwood College, based on widespread misconduct by the school, including substantial misrepresentations to students about the value of Westwood programs and the employment outcomes they could expect.²⁰ Four years later, approximately 12,000 of these borrowers still have not received the promised relief.²¹ We stand ready to work with this Committee to ensure that longstanding, promised relief is finally delivered to these borrowers.

Administrative chaos with the Public Service Loan Forgiveness Program. Millions of teachers, firefighters, nurses, and members of our military are facing new barriers caused by the chaos at FSA as they pursue Public Service Loan Forgiveness (PSLF). This includes what appear to be many thousands of people who—over the last month—were stunned to discover qualifying PSLF payments wiped from their accounts with no explanation.²² Borrowers in contact with Student Defense have since started to receive a “Qualifying Payment Reduction Notice” indicating that past PSLF credits are being permanently changed to “non-qualifying.” The Department has not explained what it is doing, leading to widespread panic and confusion. Is the Department permanently deleting previously awarded PSLF credits? If so, what is the basis for these deletions, how are these determinations being made, is the process ongoing, and how many borrowers are impacted? Congress should demand answers.

* * *

Each of these problems is made worse by the turmoil and disorder at what remains of the Department of Education and FSA. On March 20, 2025, President Trump signed an Executive Order directing Secretary McMahon to close the Department.²³ The Order itself acknowledged that FSA was grossly understaffed, noting that although Wells Fargo and FSA manage a similarly sized loan portfolio, Wells Fargo has over 200,000 employees while FSA had fewer than 1,500.

²⁰ Stacy Cowley, Government Will Cancel \$1.5 Billion in Loans for Westwood College Students, N.Y. Times (Aug. 30, 2022), <https://www.nytimes.com/2022/08/30/business/debt-relief-for-profit-westwood-college.html>.

²¹ Joint Status Report, *Hemphill v. McMahon*, No. 1:22-cv-01391-BAH (D.D.C. Apr. 13, 2026), ECF No. 54.

²² Rebecca Carballo, ‘Profoundly cruel’: Errors upend student loan forgiveness program, Politico (Aug. 16, 2026), <https://www.politico.com/news/2026/08/16/path-student-loan-forgiveness-longer-01038742>; Adam S. Minsky, Student Loan Forgiveness Credit Gets Erased Overnight, Prompting Panic, Forbes (Aug. 7, 2026), <https://www.forbes.com/sites/adamminsky/2026/08/07/student-loan-forgiveness-credit-gets-erased-overnight-prompting-panic/>.

²³ Exec. Order No. 14,242, Improving Education Outcomes by Empowering Parents, States, and Communities, 90 Fed. Reg. 13,679 (Mar. 25, 2025).

Instead of equipping the government to run the \$1.6 trillion student loan portfolio with resources more closely resembling Wells Fargo, the Trump Administration made drastic cuts to FSA, which went from 1,446 employees when Trump took office in January 2025 to only 861 employees two months later.²⁴

The Trump Administration's cuts went beyond gutting the FSA offices that oversee school participation and loan servicing oversight. They also gutted the Student Loan Ombudsman's office, which is now buried under a backlog of more than 27,000 unresolved borrower complaints while the Department moves to replace its call centers with AI chatbots.²⁵

The student loan system is in chaos, and students and families are paying the price. Congress has the authority, and the responsibility, to demand answers and accountability. Student Defense stands ready to work with this Committee toward those ends, and I thank you again for the opportunity to testify today.

²⁴ U.S. Dep't of Educ., Off. of Inspector Gen., *supra* note 18, at 16.

²⁵ Letter from Elizabeth Warren, U.S. Senator, to Linda McMahon, U.S. Sec'y of Educ. (Aug. 7, 2025), <https://www.warren.senate.gov/newsroom/press-releases/ed-secretary-mcmahon-reveals-massive-backlog-of-unresolved-complaints-from-students-and-borrowers-warren-presses-for-more-answers-on-trumps-attacks-on-public-education>; Letter from Elizabeth Warren, U.S. Senator, Charles E. Schumer, U.S. Senator & Mazie Hirono, U.S. Senator, to Linda McMahon, Sec'y, U.S. Dep't of Educ. (April 1, 2025), https://www.warren.senate.gov/wp-content/uploads/media/doc/letter_to_ed_re_doge_ai_chatbot.pdf.