

Congress of the United States
Washington, DC 20515

June 30, 2021

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Biden:

We write to request the Administration extend the current pause on federally-held student loan payments, interest, and collections. The relief provided by the current pause has been a financial lifeline to tens of millions of student loan borrowers nationwide. Before we restart federal student loan payments, the federal government must ensure borrowers have the information and support they need to navigate resuming repayment. This information is not currently readily available to loan borrowers, thereby necessitating a robust outreach program on navigating the repayment system.

Since the beginning of the COVID-19 pandemic, millions of Americans have struggled to keep a roof over their heads, pay bills, and put food on the table. While the economy has begun to show promising signs of recovery, more than nine million Americans remain out of work, and the economic and health disparities created by the pandemic are severe. Additionally, protections and benefits like moratoriums on evictions and foreclosures and expanded unemployment benefits will expire this summer, and assistance with payments for groceries and internet service could also expire in the coming months. We are greatly concerned that student loan borrowers could face these headwinds without the appropriate support they need to successfully return to repaying their loans.

The Administration retains an important tool that can help to ensure a successful transition to eventual repayment for borrowers. Specifically, the Secretary of Education (Secretary) has authority to extend the student loan pause under Section 2(a)(1) of the *Higher Education Relief Opportunities for Students (HEROES) Act of 2003*. This authority was exercised several times by the previous Administration and once by your Administration. The pause on federally-held student loan payments, interest, and collections has helped millions of borrowers to cover essential expenses during the pandemic and during ongoing recovery efforts. In fact, the Federal Reserve Bank of New York estimates the student loan pause allows borrowers to collectively save \$7 billion per month in payments, and the U.S. Department of Education (Department) notes the pause on student loan interest is saving borrowers an additional \$5 billion each month.

The Administration should use this authority once more to further extend the pause for a limited period to provide the Department with time to conduct a necessary outreach campaign, which will educate and remind borrowers of their upcoming obligation and provide them with a lead

time before payments become due. In order to achieve this goal, we urge you to direct the Secretary to extend the current pause on student loans until early 2022.

The Department should use this additional time to conduct a robust outreach campaign to ensure borrowers are aware of the upcoming return to repayment and are prepared to resume paying their loans in the plan they were enrolled in prior to the payment pause or to enroll in an income-driven repayment plan to help them afford their monthly payments.

This plan for resuming repayment should involve multiple proven methods of borrower contact, including postal mail, email, phone calls, and text messages occurring over not less than four months prior to when borrowers must resume payments. The Department should coordinate with the Consumer Financial Protection Bureau to develop evidence-based approaches that successfully reach borrowers. Additionally, the Department should ensure student loan servicers are adequately staffed and equipped to respond to borrower questions.

Millions of Americans have been displaced or relocated during the pandemic, but the previous Administration chose not to ensure servicers maintained contact with the vast majority of borrowers. As a result, the Department and servicers likely have outdated contact information for many borrowers, which may prevent those borrowers from receiving the assistance they need, creating devastating consequences for those most in need of support. The Department must work diligently to reengage those borrowers before they begin receiving student loan bills.

Extending the pause on student loan payments, interest, and collections is a critical step toward ensuring the Department can provide borrowers with an effective re-entry for repayment. We urge you to move forward with this request as soon as possible.

Sincerely,



PATTY MURRAY
Chair, Senate Committee on Health,
Education, Labor, and Pensions



ROBERT C. "BOBBY" SCOTT
Chairman, House Committee on Education
and Labor