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November 21, 2024

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Cardona,

Since 2021, the Biden-Harris Administration has taken great strides to address the consequences of the rising costs of higher education through reforms to the student loan program.¹ As the Administration winds down its work, I am deeply concerned about the future and whether much of this progress will be undone, ultimately harming student borrowers, particularly those who have already been promised debt relief through Borrower Defense and through Public Service Loan Forgiveness. It is imperative that the Department of Education (Department) work to provide relief to borrowers who already received notification of relief under these two programs and work to further provide relief to those who qualify.

Borrower Defense

Borrower Defense (BD) is an essential safeguard to protect student borrowers who have been defrauded by their institutions. Prior to the end of the Obama Administration, more than 200,000 BD claims were approved, however, it took several years for all of those borrowers to receive their debt relief.² In 2022, under the Biden administration, the Department released the strongest BD rule ever that established a robust framework for borrowers to raise a defense to loan repayment under various claims of harm and for the Department to adjudicate claims through group discharges.³ Since the release of this rule, the Department has announced more than \$17.6 billion in BD discharges for nearly 1.2 million borrowers who have been substantially harmed by

¹ Press Release, U.S. Dep't of Educ., Biden-Harris Administration Releases Proposed Rules to Authorize Debt Relief to Nearly Eight Million Borrowers Experiencing Hardship (Oct. 25, 2024),

<https://www.ed.gov/about/news/press-release/biden-harris-administration-releases-proposed-rules-authorize-debt-relief>.

² Letter from Robert C. "Bobby" Scott, Chair, House Cmte. on Educ. and the Workforce, to Betsy M. DeVos, Secretary, U.S. Dep't of Educ. (Oct. 28, 2019), <https://democrats-edworkforce.house.gov/imo/media/doc/2019-10-28%20Chairman%20Scott%20Invites%20Sect.%20DeVos%20to%20Testify.pdf>.

³ Press Release, U.S. Dep't of Educ., Education Department Releases Final Regulations to Expand and Improve Targeted Debt Relief Programs (Oct. 31, 2022), <https://www.ed.gov/about/news/press-release/education-department-releases-final-regulations-expand-and-improve>.

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predatory institutions.⁴ Unfortunately, according to a recent class action lawsuit filed by the Project for Predatory Student Lending, many borrowers who attended these unscrupulous institutions have yet to have their loans fully discharged, despite their applications being approved.⁵ According to the Government Accountability Office (GAO), there were 443,450 pending BD applications as of April 30, 2024,⁶ but it is unclear how much progress has been made on these applications, since the Department has not updated publicly available BD data since January 2023.⁷

Republicans continue to decry the 2022 BD rule.⁸ If they have their way, it will be significantly harder – and potentially impossible – for these borrowers to receive relief under the Trump-Vance Administration. Therefore, I urge the Department to promptly process loan discharges for all borrowers who have already received notification of an approved BD application. The Department should also provide a status update for borrowers awaiting discharges through the *Sweet v. Cardona* settlement and publish data for any remaining BD discharges on the Federal Student Aid website. I also encourage the Department to process and issue findings for as many pending applications as possible.

Public Service Loan Forgiveness

When borrowers first became eligible for relief under the Public Service Loan Forgiveness (PSLF) program during the last Administration, only 7,000 borrowers received forgiveness

⁴ This number is a sum of relief and borrowers respectively across each BD announcement from the Department; *See* Press Release, U.S. Dep’t. of Educ., Education Department Approves \$238 Million Group Discharge for 28,000 Marinello Schools of Beauty Borrowers Based on Borrower Defense Findings (Apr. 28, 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-238-million-group-discharge-28000-marinello>; Press Release, U.S. Dep’t. of Educ., Education Department Approves \$1.5 billion in Debt Relief for 79,000 Borrowers Who Attended Westwood College (August 30, 2022), <https://www.ed.gov/news/press-releases/education-department-approves-15-billion-debt-relief-79000-borrowers-who-attended-westwood-college>; Press Release, U.S. Dep’t. of Educ., Biden-Harris Administration Approves \$130 Million Group Discharge for 7,400 Borrowers from Colorado Locations of CollegeAmerica (Jul. 26, 2023), <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-130-million-group-discharge-for-7400-borrowers-from-colorado-locations-of-collegeamerica-2>; Press Release, U.S. Dep’t of Educ., Education Department approves \$3.9 billion group discharge for 208,000 borrowers who attended ITT Technical Institute (Oct. 31, 2022), <https://www.ed.gov/about/news/press-release/education-department-approves-39-billion-group-discharge-208000-borrowers>; Press Release, U.S. Dep’t. of Educ., Education Department Approves \$5.8 Billion Group Discharge to Cancel all Remaining Loans for 560,000 Borrowers who Attended Corinthian (June 1, 2022), https://www.ed.gov/about/news/press-release/education-department-approves-58-billion-group-discharge-cancel-all?mod=article_inline; Press Release, U.S. Dep’t. of Educ., Biden-Harris Administration Approves \$6.1 Billion Group Student Loan Discharge for 317,000 Borrowers Who Attended The Art Institutes (May 1, 2024), <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-61-billion-group-student-loan>.

⁵ Press Release, Proj. on Predatory Student Lending, Student Borrowers Sue MOHELA for Failing to Implement Student Loan Discharges (September 5, 2024), <https://www.ppsl.org/news/student-borrowers-sue-mohela-for-failing-to-implement-student-loan-dischargesnbsp>.

⁶ Student Loan Relief in Cases of College Misconduct, Gov’t Accountability Office, 8 (Sept. 24, 2024), <https://www.gao.gov/assets/gao-24-106530.pdf>

⁷ Borrower Defense to Repayment Loan Forgiveness Data, U.S. Dep’t of Educ. (last accessed Nov. 20, 2024), , <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

⁸ Press Release, Virginia Foxx, Chair, House Cmte. on Educ. and the Workforce, Foxx Leads Call for DOJ Input on Education Department’s Borrower Defense Anarchy (May 27, 2022), <https://edworkforce.house.gov/news/documentsingle.aspx?DocumentID=408331>.

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through PSLF,⁹ and the previous Administration even proposed eliminating the program entirely.¹⁰ In contrast, the Biden-Harris Administration took significant action to protect and improve the PSLF program. Through both a one-time waiver to give borrowers credit for payments and permanent regulatory fixes issued by the Biden Administration, the Department was able to address previous challenges with the program.¹¹ These fixes made nearly \$74 billion in loan forgiveness possible for over one million public servants.¹²

Unfortunately, due to the ongoing litigation surrounding the Saving on a Valuable Education (SAVE) income-driven repayment plan, millions of borrowers are unable to make payments on their PSLF-eligible loans or receive forgiveness under PSLF.¹³ Although the Department has announced it will re-open enrollment for the Pay As You Earn (PAYE) and Income Contingent Repayment (ICR) plans¹⁴, there are many borrowers who have already reached 120 qualifying payments and even more borrowers who have missed out on making those qualifying payments; we cannot let these borrowers to experience further setbacks.

Therefore, I strongly urge the Department to move as quickly as possible to process the backlog of PSLF applications and provide eligible borrowers with the forgiveness they deserve. Your Department must also update borrowers about their progress towards relief by providing accurate payment counts.

As you work to finalize these discharges, I also urge you to work closely with student loan servicers to provide clear and consistent communication with borrowers about their loan repayment status. I look forward to working with you to ensure these borrowers receive the relief they deserve in a timely manner.

Sincerely,



ROBERT C. "BOBBY" SCOTT
Ranking Member

⁹ Press Release, U.S. Dep't of Educ., Biden-Harris Administration Approves Additional \$4.5 Billion in Student Debt Relief for 60,000 Public Service Workers, Bringing Total to Over 1 Million Public Servants (Oct. 17, 2024), <https://www.ed.gov/about/news/press-release/biden-harris-administration-approves-additional-45-billion-student-debt>.

¹⁰ A Budget for America's Future: Budget of the U.S. Government, U.S. Office of Management and Budget, 114 (Feb. 10, 2020), https://trumpwhitehouse.archives.gov/wp-content/uploads/2020/02/budget_fy21.pdf.

¹¹ Press Release, U.S. Dep't. of Educ., Education Department Announces Permanent Improvements to the Public Service Loan Forgiveness Program and One-time payment Count Adjustment to Bring Borrowers Closer to Forgiveness (Oct. 25, 2022), <https://www.ed.gov/about/news/press-release/education-department-announces-permanent-improvements-public-service-loan>.

¹² Biden-Harris Administration Approves Additional \$4.5 Billion in Student Debt Relief for 60,000 Public Service Workers, Bringing Total to Over 1 Million Public Servants, *supra* note 9.

¹³ Department of Education Updates on Saving on a Valuable Education (SAVE Plan), U.S. Dep't of Educ. (last accessed Nov. 20, 2024) <https://www.ed.gov/higher-education/manage-your-loans/save-plan>.

¹⁴ Income Contingent Repayment Plan Options, 89 Fed. Reg. 90221 (Nov. 15, 2024), <https://www.federalregister.gov/documents/2024/11/15/2024-26698/income-contingent-repayment-plan-options>.