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COMMITTEE ON
EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES
2176 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6100

May 19, 2020

The Honorable Betsy DeVos
Secretary of Education
US Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos:

The Committee writes regarding recent reports that the Department of Education (the Department) is illegally garnishing the wages on student loan borrowers amid the coronavirus pandemic and in direct contravention of federal law.¹ The Coronavirus Aid, Relief, and Economic Security (CARES) Act very clearly suspends all student loan payments until September 30, 2020, and halts all debt collection activities, including wage garnishment.²

On March 25, 2020, the Department announced that due to the national emergency, the Federal Student Aid (FSA) was directed to stop all wage garnishment and collections actions for at least 60 days retroactively to March 13, 2020.³ Yet, two months since this announcement and six weeks since the passage of the CARES Act, the Department continues to garnish borrowers'

¹ See Danielle Douglas-Gabriel, *Borrowers Sue Education Secretary Betsy DeVos for Garnishing Wages After Congress Ordered Halt*, Washington Post (May 1, 2020), <https://www.washingtonpost.com/education/2020/05/01/devos-lawsuit-student-loans/>; Complaint at 3, Barber v. DeVos, Case 1:20-cv-01137-CJN (D.D.C. Apr. 30, 2020).

² Coronavirus Aid, Relief, and Economic Security Act, Section 3513 Temporary Relief For Federal Student Loan Borrowers. 20 U.S.C. Section 3513.

³ Press Release, U.S. Department of Education, Secretary DeVos Directs FSA to Stop Wage Garnishment, Collections Actions for Student Loan Borrowers, Will Refund More Than \$1.8 Billion to Students, Families, (Mar. 25, 2020), <https://www.ed.gov/news/press-releases/secretary-devos-directs-fsa-stop-wage-garnishment-collections-actions-student-loan-borrowers-will-refund-more-18-billion-students-families>.

wages.⁴ As recently as May 6, 2020 employers have indicated that they could not stop garnishing wages because they have yet to receive a letter from the Department instructing them to do so.⁵ Indeed, the Department did not appear to have prioritized addressing this issue until a lawsuit was filed on behalf of the affected student loan borrowers. The Committee urges the Department to immediately take every step necessary to stop illegal wage garnishment for all student borrowers and provide immediate refunds to those who have been subject to such garnishment.

Unfortunately, this is not the first time the Department has illegally collected on student loan borrowers. Last October, a federal court held the Department in contempt after violating its order to stop collecting on the loans of Corinthian College students with pending borrower defense claims.⁶ Indeed, even after the contempt ruling the Department struggled to put a stop to its illegal collections. The fact that, in the wake of a national emergency, the Department continues to unlawfully collect on borrowers' loans, indicates its process is broken and that these issues are systemic and pervasive.

Accordingly, the Committee requests that the Department respond to the following by June 2, 2020.

1. Please detail all steps the Department has taken to instruct employers to stop garnishing wages of student loan borrowers. Please include the following information:
 - a. The date email notifications were sent to employers to stop wage garnishments.
 - b. The date postal mail notifications were sent instructing employers to stop wage garnishments.
 - c. Will the department send employers additional notifications to stop garnishing wages?
 - d. An estimate of the number of employers notified by the Department broken down by method of notification (email, phone call, fax, U.S. mail) and the date on which such notices were sent.
 - e. A list of employers and corresponding number of garnished borrowers as of March 13, 2020, and as of April 30, 2020, separately listed, for all employers where the number of garnished borrowers is greater than 10.
 - f. Copies of any guidance provided to employers or private collection agencies.
2. What additional steps did the Department take to ensure employers were contacted if emails sent instructing employers to halt garnishment remained unopened?

⁴ Danielle Douglas-Gabriel, *Borrowers Sue Education Secretary Betsy DeVos for Garnishing Wages After Congress Ordered Halt*, Washington Post (May 1, 2020), <https://www.washingtonpost.com/education/2020/05/01/devos-lawsuit-student-loans/>; Katie Lobosco, *Betsy DeVos Sued for Seizing Wages from Student Loan Borrowers During Pandemic*, CNN (May 1, 2020), <https://www.cnn.com/2020/05/01/politics/betsy-devos-sued-student-loan-collection/index.html>.

⁵ Declaration of Plaintiff Craigory Lee A. Jenkins in Support of Motion for Preliminary Injunction, at 3, *Barber v. DeVos*, No. 1:20-cv-01137-CJN (D.D.C. Apr. 30, 2020), <https://www.courtlistener.com/recap/gov.uscourts.dcd.217544/gov.uscourts.dcd.217544.11.1.pdf>.

⁶ Elissa Nadworny and Anya Kamenetz, *DeVos Held in Contempt For Enforcing Loans on Defrauded College Students*, NPR (Oct. 25, 2019), <https://www.npr.org/2019/10/25/773334681/devos-held-in-contempt-of-court-ed-department-fined-100-000-in-student-loan-case>.

- a. What percentage of emails sent by the Department to employers remained unopened?
3. It has been reported that, “when all of the pieces are in place, it can take about three weeks to end involuntary collection because of the antiquated manual system the department uses” and that “any missteps along the way can add days, if not weeks, to the process.”⁷ Once an employer is instructed to end involuntary collection how long does it take for such collection to cease?
4. Have any employers been adequately instructed or informed as to the need to stop involuntary collection and failed to do so? Please describe the Department's policy for identifying and contacting employers if administrative wage garnishment continues after a written notice has been sent.
5. In addition to notification, what steps if any has the Department taken to ensure employers cease wage garnishment?
6. According to reports the Department estimates that “about 285,000 people were subject to involuntary collection between March 13, 2020, and March 26, 2020.”⁸ The Department further indicated that as of May 7, 2020, 54,000 borrowers were still subject to administrative wage garnishment.⁹ One week later the Department indicated that this number had had been reduced to 12,000 borrowers.¹⁰
 - a. How many total borrowers have been subject to involuntary collection or wage garnishment since March 13, 2020? Please provide breakdown by the week payment was received.
 - b. How many total borrowers are subject to involuntary collections or wage garnishment as of the date of the Department’s response to this letter?
 - c. Please provide the volume of dollars recovered through wage garnishment since March 13, 2020, broken down by week the payment was received.
 - d. Please detail all steps taken since the filing of this lawsuit to reduce the number of student loan borrowers subject to administrative wage garnishment.
7. It was reported on April 21, 2020, almost a month after the Department’s announcement, that it had yet to send letters to employers requesting that they stop garnishing the wages of student loan borrowers.¹¹ Court documents further indicate that not all employers had received such a letter as of May 6, 2020. ¹² Please provide a timeline detailing the dates

⁷ Danielle Douglas-Gabriel, *The Education Department is Dragging its Feet on Stopping Wage Garnishment for Student Loan Borrowers*, Washington Post (April 11, 2020), <https://www.washingtonpost.com/education/2020/04/21/wage-garnish-student-loans-education-department/>.

⁸ Danielle Douglas-Gabriel, *Borrowers Sue Education Secretary Betsy DeVos for Garnishing Wages After Congress Ordered Halt*, Washington Post (May 1, 2020), <https://www.washingtonpost.com/education/2020/05/01/devos-lawsuit-student-loans/>.

⁹ Joint Status Report at 1, *Barber v. DeVos*, No. 1:20-cv-01137-CJN (D.D.C. Apr. 30, 2020), <https://www.courtlistener.com/recap/gov.uscourts.dcd.217544/gov.uscourts.dcd.217544.14.0.pdf>.

¹⁰ Second Joint Status Report at 2, *Barber v. DeVos*, No. 1:20-cv-01137-CJN (D.D.C. Apr. 30, 2020), <https://www.courtlistener.com/recap/gov.uscourts.dcd.217544/gov.uscourts.dcd.217544.17.0.pdf>.

¹¹ Danielle Douglas-Gabriel, *The Education Department is Dragging its Feet on Stopping Wage Garnishment for Student Loan Borrowers*, Washington Post (April 11, 2020), <https://www.washingtonpost.com/education/2020/04/21/wage-garnish-student-loans-education-department/>.

¹² Declaration of Plaintiff Craigory Lee A. Jenkins in Support of Motion for Preliminary Injunction, at 3, *Barber v. DeVos*, No. 1:20-cv-01137-CJN (D.D.C. Apr. 30, 2020), <https://www.courtlistener.com/recap/gov.uscourts.dcd.217544/gov.uscourts.dcd.217544.11.1.pdf>.

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of any guidance or instructions provided to employers and whether letters have now been sent.

8. The Department's website states that, "if ED receives funds from a garnishment between March 13, 2020, and Sept. 30, 2020, we will refund your garnished wage's and contact your employer again."¹³
 - a. As of the date of the Department's response to this letter, please detail how many borrowers who had their wages garnished received a refund and how many did not receive a refund?
 - b. As of the date of the Department's response to this letter, how much in total has the Department reimbursed?
 - c. Please provide the volume of dollars refunded since March 13, 2020, broken down by week the refund was issued.
 - d. As of the date of the Department's response to this letter, how much in total does the Department still need to reimburse?
 - e. What is the timeline for borrowers to receive full refunds of any garnishments? As part of the response to this question, please indicate the minimum, the maximum, the median, and the average number of days.

If you have any questions, please contact Kia Hamadanchy at Kia.Hamadanchy@mail.house.gov or (202) 225-3725. Please direct all official correspondence to the Committee's Chief Clerk at Tylease.Alli@mail.house.gov. Thank you for your attention to this matter.

Sincerely,



ROBERT C. "BOBBY" SCOTT
Chairman

Cc: The Honorable Virginia Foxx, Ranking Member

¹³ *Coronavirus and Forbearance Info for Students, Borrowers, and Parents*, U. S. Department of Education, <https://studentaid.gov/announcements-events/coronavirus> (last visited May 13, 2020).