

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

December 8, 2021

Dear Mr. President:

In fewer than 60 days, tens of millions of student loan borrowers are slated to be thrown back into repayment on federal student loans they are ill-equipped to pay as the deadly COVID-19 pandemic continues to devastate Americans' health and financial security. We, the undersigned 207 organizations, write to urge you to put a stop this crisis in the making before it begins and extend the current pause on student loan payments. It is clear that payments should not resume until your administration has fully delivered on the promises you made to student loan borrowers to fix the broken student loan system and cancel federal student debt.

The U.S. Department of Education ("the Department") holds nearly \$1.6 trillion in federal student loans and more than 45 million individual borrowers live in the shadow of that massive debt. Payments on most of these loans have been paused since March 2020, during which time interest charges have also been suspended and the federal government has halted collection efforts against most borrowers in default.

The Department's own data reveal the powerful impact this payment pause has had on Americans' lives, finding that "borrowers are saving approximately \$5 billion per month from the temporary 0% interest rate."¹ For the first time, millions of student loan borrowers find themselves with the financial resources they need to make ends meet each month, pay down other debts, save for down payments on homes, or plan for retirement.

The student loan payment pause has been one of the most important investments the federal government has made in Americans' financial lives in a generation. Before the pandemic struck, tens of millions of borrowers struggled every day to navigate a badly broken student loan system. America's student debt crisis wreaked havoc on the financial lives of families across the country, despite payment relief and debt forgiveness programs that promised that these debts would never be a life-long burden.

You ran for president on the promise that you would reform the student loan system to ensure that student loan payments would be affordable for all. Your administration's decision to extend the payment pause, alongside the Department's recent overhaul of the programs for Public Service Loan Forgiveness and Total and Permanent Disability Discharge are critical and

¹ OFFICE OF U.S. SEN. ELIZABETH WARREN, Education Department Responses to Data Request by Senator Elizabeth Warren, April 2, 2021, <https://www.warren.senate.gov/imo/media/doc/Education%20Department%20Response%20to%20Sen%20Warren%20-%20204-8-21.pdf> (last visited Oct. 15, 2021).

welcome first steps. Right now, your administration has the opportunity to continue repairing the damage caused by policy failures at the federal and state level and decades of government mismanagement and industry abuses—an opportunity and an obligation that must be fulfilled before any action is taken to resume monthly student loan payments.

It is critical that your administration continue to deliver on your promises made to student loan borrowers and their families before ending the pause in payments and collections. Borrowers need immediate relief from the crushing burdens of massive student loan debt as the pandemic exacerbates financial strain for all Americans and throws existing racial disparities in wealth and educational attainment into especially stark relief.

The burden of student debt and the costs of our broken student loan system fall disproportionately on Black and Brown borrowers—those who, as a result of decades of racially discriminatory policies and practices that created and sustain the racial wealth and income gaps, most often lack the familial wealth necessary to avoid taking on student debt.² A growing body of evidence also demonstrates that these borrowers are disproportionately blocked from accessing existing avenues for debt relief enacted by Congress.³

Each day, we are met with new evidence that the student loan system is unable to meet the needs of student loan borrowers and our country. As 2021 draws to a close, we would like to remind you of a few of this year's examples of that failure:

- The National Consumer Law Center received data through FOIA showing that, as of January 2021, only 32 borrowers had successfully navigated the IDR repayment plans and received cancellation, out of more than 4 million with decades-old debts.⁴
- The Education Department acknowledged a backlog of 175,000 applications for Public Service Loan Forgiveness—borrowers who may be forced to pay a student loan bill as they remain stuck in the government's red tape.⁵ The recent announcement of the limited and temporary PSLF waiver does offer a new path to relief for some borrowers, but inconsistent servicer implementation of the new rules threatens its promise.⁶

2

<https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-quicksandstudent-debt-crisis-jul2019.pdf>.

³ <http://protectborrowers.org/wp-content/uploads/2020/12/Delivering-on-Debt-Relief.pdf#page=10>;
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3712516 .

⁴https://protectborrowers.org/wp-content/uploads/2021/10/SBPC_Driving_Into_A_Dead_End.pdf

5

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-06-14/federal-student-aid-posts-two-new-quarterly-portfolio-reports-fsa-data-center-and-highlights-recent-changes-public-service-loan-forgiveness-ea-id-general-21-40>

6

<https://www.npr.org/2021/11/04/1051463060/student-loan-forgiveness-overhaul-fedloan-public-service-borrowers>.

- The Education Department also acknowledged a backlog of more than 128,000 applications for Borrower Defense discharges—the number of unprocessed claims for debt relief due to fraud by a school have climbed by more than 20,000 during the first months of the Biden administration.⁷

These are just a few recent examples of how the student loan system is failing borrowers entitled to immediate debt relief under the law. The prospect of a hasty and reckless return to repayment should be cause for alarm.

That is because the companies responsible for managing this transition and the system itself have repeatedly proven unable to avoid widespread failures even when performing basic functions. For example, in two separate scandals at the height of the pandemic, the Education Department and its student loan contractors improperly garnished the wages of hundreds of thousands of people and damaged the credit reports of nearly five million others.⁸

There is a broad consensus among borrowers, advocates, industry, regulators, enforcement officials, and lawmakers that a rush to resume student loan payments is a recipe for disaster and will result in widespread confusion and distress for student loan borrowers. Before resuming payments on student loans, the Department of Education must undertake significant structural reforms; provide real, immediate relief; and cancel a significant amount of federal student debt. This will ensure that millions of borrowers don't remain trapped in a broken system just as the economy begins to recover.

For the reasons outlined above, we strongly urge you to take immediate action to extend the current pause on student loan payments. We look forward to supporting your administration as you take this necessary action and work to deliver on the promises made to student loan borrowers across the country.

Sincerely,

Student Borrower Protection Center
Adasina Social Capital
Affordable Homeownership Foundation, Inc.
African American Ministers In Action
Alaska PIRG
Albuquerque Mennonite Church
Alliance for Youth Action
American Association of University Professors
American Baptist Home Mission Society

⁷ <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

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<https://www.studentloanborrowerassistance.org/lawsuit-against-devos-ends-fight-for-defaulted-borrowers-continues/>; <https://protectborrowers.org/the-student-loan-industry-failed-borrowers-during-the-pandemic-even-more-than-we-knew-the-biden-administration-must-act/>.

American Civil Liberties Union
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
American Federation of Teachers – Vermont
American Psychological Association
Americans for Financial Reform
Association of Latino Administrators and Superintendents (ALAS)
Association of Oncology Social Work
Association of Young Americans (AYA)
Bend the Arc: Jewish Action
Blue Future
California Alliance for Consumer Education (CACE)
California Asset Building Coalition
California Association of Nonprofits
Californians for Economic Justice
CAMEO - California Association for Micro Enterprise Opportunity
Campaign for America's Future
Campus Action for Democracy
Carolina Jews for Justice
Center for Economic Integrity
Center for LGBTQ Economic Advancement & Research (CLEAR)
Center for Responsible Lending
Charlotte Center for Legal Advocacy
Chicago Consumer Coalition
Chicago Foundation for Women
Civil Service Bar Association
Columbia Consumer Education Council
Communities for Our Colleges, WA
Community Service Society of New York
Consumer Federation of America
Consumer Federation of California
Consumers for Auto Reliability and Safety
Council on Social Work Education
Debt Collective
Debt-Free MD, Inc. (Maryland)
Economic Mobility Pathways (EMPath)
Faith in Action
Forward Montana
Fossil Fuel Divest Harvard
Fosterus
Franciscan Action Network
Fresno Building Healthy Communities
Generation Hope
Greenpeace USA

HBCU Collective
HEAL (Health, Environment, Agriculture, Labor) Food Alliance
Hildreth Institute
Hope Center for College, Community, and Justice at Temple University
Housing and Economic Rights Advocates
Indivisible
Investor Advocates for Social Justice
Jain Family Institute (JFI)
JANUS LLC
Kentucky Center for Economic Policy
Land For Good
League of United Latin American Citizens
Legal Action Chicago
Legal Aid at Work
Legal Aid Foundation of Los Angeles
Legal Aid Society of Milwaukee
Louisiana Budget Project
Maine Center for Economic Policy
Mainers for Accountable Leadership Action
Maryland Consumer Rights Coalition
Massachusetts Affordable Housing Alliance
Media Voices for Children
Minority Veterans of America
Mississippi Center for Justice
Mobilization for Justice
NAACP, Youth & College
National Action Network
National Association of Consumer Advocates
National Association of Graduate-Professional Students
National Association of Pediatric Nurse Practitioners
National Association of Social Workers
National Association of Social Workers – Alabama Chapter
National Association of Social Workers – Alaska Chapter
National Association of Social Workers – Arizona Chapter
National Association of Social Workers – Arkansas Chapter
National Association of Social Workers – California Chapter
National Association of Social Workers – Colorado Chapter
National Association of Social Workers – Connecticut Chapter
National Association of Social Workers – DC Metro Chapter
National Association of Social Workers – Delaware Chapter
National Association of Social Workers – Florida Chapter
National Association of Social Workers – Georgia Chapter
National Association of Social Workers – Guam Chapter
National Association of Social Workers – Hawai'i Chapter

National Association of Social Workers – Idaho Chapter
National Association of Social Workers – Illinois Chapter
National Association of Social Workers – Indiana Chapter
National Association of Social Workers – Iowa Chapter
National Association of Social Workers – Kentucky Chapter
National Association of Social Workers – Louisiana Chapter
National Association of Social Workers – Maine Chapter
National Association of Social Workers – Maryland Chapter
National Association of Social Workers – Massachusetts Chapter
National Association of Social Workers – Michigan Chapter
National Association of Social Workers – Mississippi Chapter
National Association of Social Workers – Missouri Chapter
National Association of Social Workers – Montana Chapter
National Association of Social Workers – Nebraska Chapter
National Association of Social Workers – Nevada Chapter
National Association of Social Workers – New Hampshire Chapter
National Association of Social Workers – New Jersey Chapter
National Association of Social Workers – New Mexico Chapter
National Association of Social Workers – New York City Chapter
National Association of Social Workers – New York State Chapter
National Association of Social Workers – North Carolina Chapter
National Association of Social Workers – North Dakota Chapter
National Association of Social Workers – Ohio Chapter
National Association of Social Workers – Oklahoma Chapter
National Association of Social Workers – Oregon Chapter
National Association of Social Workers – Pennsylvania Chapter
National Association of Social Workers – South Carolina Chapter
National Association of Social Workers – South Dakota Chapter
National Association of Social Workers – Texas Chapter
National Association of Social Workers – Tennessee Chapter
National Association of Social Workers – Utah Chapter
National Association of Social Workers – Vermont Chapter
National Association of Social Workers – Virginia Chapter
National Association of Social Workers – Washington Chapter
National Association of Social Workers – West Virginia Chapter
National Association of Social Workers – Wisconsin Chapter
National Association of Social Workers – Wyoming Chapter
National Consumer Law Center (on behalf of its low-income clients)
National Disability Rights Network (NDRN)
National Education Association
National Equality Action Team (NEAT)
National League for Nursing
National Sustainable Agriculture Coalition
National Treasury Employees Union (NTEU) Chapter 335

National Young Farmers Coalition
Navigate Student Loans
New Era Colorado
New Hampshire Youth Movement
New Jersey Citizen Action
New Mexico Crisis and Access Line
New York Legal Assistance Group
New York Public Interest Research Group (NYPIRG)
New Yorkers for Responsible Lending Coalition
NextGen California
Nonprofit Professional Employees Union, IFPTE Local 70
North Carolina Coalition for Responsible Lending
OCA - Asian Pacific American Advocates
Ohio Student Association
Our Revolution
PAPSA
ParentsTogether
Partnership for College Completion
People's Parity Project
Physician Assistant Education Association
Progressive Change Campaign Committee
Protect All Children's Environment
Public Citizen
Public Counsel
Public Good Law Center
Public Higher Education Network of Massachusetts (PHENOM)
Public Justice Center
Public Law Center
Rachel Carson Council
Rise
Saint Paul's Baptist Church
San Francisco Office of Financial Empowerment
Service Employees International Union (SEIU)
Service Employees International Union Local 500
Service Employees International Union Local 509
Sisters of St. Francis of Philadelphia
Southern Echo Inc.
SparkAction
State of New Mexico
Student Action
Student Debt Crisis Center (SDCC)
TEHope
The Arc of the United States
The Collaborative

The Education Trust
The Forum for Youth Investment
THE ONE LESS FOUNDATION
The United Church of Christ & The United Church of Canada
Tzedek DC
UnidosUS
United Church of Christ, Justice and Local Church Ministries
United Vision for Idaho
United Way Bay Area
Unity Fellowship of Christ Church
University of California Graduate & Professional Council
University of California Student Association
UnKoch My Campus
URGE: Unite for Reproductive & Gender Equity
VOCAL-NY
Voices for Progress
We, the 45 Million
Whitman-Walker Health
Women Employed
Young Invincibles
Zero Debt Massachusetts