

United States Senate

WASHINGTON, DC 20510

May 22, 2024

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

Dear Secretary Cardona:

We write about the U.S. Department of Education's (ED) ongoing efforts to streamline federal student loan repayment for millions of borrowers nationwide. Specifically, as you work to transition the sole administration of the Public Service Loan Forgiveness (PSLF) program from the Missouri Higher Education Loan Authority (MOHELA), we urge you to provide ample, clear guidance and communication to borrowers during this process. We are particularly concerned about borrowers who have reached or are nearing completion of their 120 qualifying payment obligations and could become eligible for forgiveness over the course of the PSLF processing pause.

On April 3, 2024, ED announced that it would be transferring the administration of the PSLF program from MOHELA—the program's former exclusive servicer—to ED housed under the new Unified Servicing and Data Solution (USDS) system. As a result, processing for all PSLF forms has been temporarily paused beginning May 2024 through July 2024. During this time, borrowers have been told to either seek forbearance through MOHELA customer service or continue making payments beyond the required 120. Borrowers have also been told that their servicer will no longer be able to answer any questions related to their PSLF progress and have been instructed to "save screenshots and correspondence" for their personal records in order to keep track of their PSLF progress.

Historically, borrowers have faced many administrative hurdles and challenges in accessing relief they are entitled to under the PSLF program. Not only are there borrowers who will have—or already have—completed payment during this window, but there are also borrowers who are still awaiting approval and experiencing months-long delays. Further, mass transfers of borrower accounts among servicers have oftentimes left borrowers in the lurch.

We urge ED to provide clear communication to borrowers on when they can expect their applications to be processed, prioritize processing the backlog of applications once the processing pause ends, and communicate to borrowers plainly about how to contact their new servicer. Borrowers currently being left in payment status during the processing pause fear they will be forced into making payments on loans that should have already been forgiven. These are

the very borrowers who are often facing hardships and already have exhausted household budgets. We urge you to use every tool at your discretion to ensure borrowers do not face undue harm or burden while their applications are waiting to be processed.

Since the April 3rd announcement, we have learned that while MOHELA will not be administering the PSLF program, they will, in fact, continue to service some PSLF borrowers. Borrowers remain confused and concerned about how the transfer and pause will affect their payment records and progress toward forgiveness. In recent months, ED has withheld millions of dollars in payments from MOHELA due to servicer errors, and constituents continue to report payment counts and billing statements that reflect changing or inaccurate monthly amounts. Consequently, we request answers to the following questions by May 29, 2024:

1. As of May 1st, what was the number of PSLF borrowers that have forgiveness applications pending without approval? What is the average wait time that those applications have been pending?
2. How does ED determine which borrowers will be transferred to other servicers, and what metrics will ED be tracking to ensure those PSLF borrowers get quality servicing at their new servicer?
3. Once the pause is lifted, how quickly will ED process pending PSLF applications once the pause is lifted? Many borrowers wait months to receive PSLF forgiveness. Will USDS provide quicker time to forgiveness for borrowers?
4. Will ED provide training to other servicers on how to manage PSLF borrowers? Will all call center personnel receive updated training on how to answer questions for PSLF borrowers? How often will ED provide updated information to call center employees when changes are made or announced to the PSLF portfolio (e.g., payment count adjustments, administrative forbearances due to servicer error)?
5. How often does ED plan to communicate to borrowers whose loans are getting transferred to other servicers?
 - a. Should borrowers expect to hear from both MOHELA and their new servicer that they have been transferred?
6. What quality control measures does ED have in place to ensure all borrowers' information is accurate and up to date after their loans are transferred?
7. Now that the processing pause is underway, will ED require MOHELA to retain PSLF borrowers' records after they are transferred to a new servicer?

Lastly, while considerations for a smooth transition during the temporary PSLF processing pause is our top concern, we would be remiss if we did not take the opportunity to address ongoing concerns regarding the significant delays in communication or response when congressional staff reach out with questions and concerns regarding borrower issues. Congressional offices are eager to help disseminate information to constituents from ED that can help borrowers more easily manage and navigate repayment. Additionally, constituent services staff can help ensure no borrower is left in the dark when any significant changes, updates, or issues are announced by ED that could impact the status of a borrower's student loan. However, congressional staff are

often unable to get through to a representative from ED or receive timely responses on questions or concerns, which can create a significant backlog that harms borrowers and creates confusion.

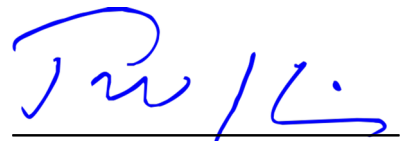
We urge you to consider providing an additional email portal for urgent or unique case inquiries and potentially a second email address for follow up on cases that have been acknowledged but not resolved. Currently, congressional constituent service caseworkers only have access to one portal with no opportunity to escalate or distinguish time sensitive or unique cases. We look forward to working with you on ways to better assist our constituents and borrowers.

We request your prompt review of these inquiries, and we look forward to your response.

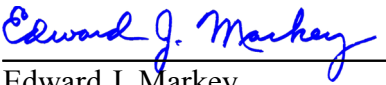
Sincerely,



Angus S. King, Jr.
United States Senator



Tim Kaine
United States Senator



Edward J. Markey
United States Senator



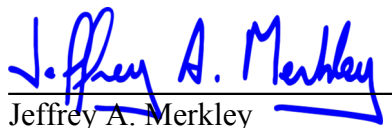
Elizabeth Warren
United States Senator





Martin Heinrich
United States Senator

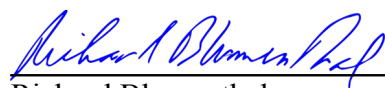


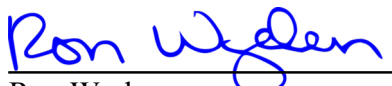
Tina Smith
United States Senator



Jeffrey A. Merkley
United States Senator



Chris Van Hollen
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Peter Welch
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Richard Blumenthal
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Ron Wyden
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