



SERVICING SCANDALS: STUDENT LOAN SERVICERS' FAILURES DURING RETURN TO REPAYMENT



Prepared by the Offices of Senators Elizabeth Warren,
Richard Blumenthal, Ed Markey, and Chris Van Hollen

APRIL 2024

CONTENTS

| | |
|--|----------|
| EXECUTIVE SUMMARY | 2 |
| I. Introduction | 5 |
| II. Loan Servicers Had a Decades-Long Pattern of Failure Prior to the COVID-19 Payment Pause | 6 |
| III. Student Loan Servicers Repeatedly and Systematically Failed Borrowers During the Return to Repayment | 8 |
| A. Servicers Did Not Sufficiently Prepare for the Return to Repayment..... | 9 |
| B. Servicers Created Significant and Widespread Harms for Borrowers After Payments Resumed | 10 |
| IV. The Biden-Harris Administration Has Strengthened Accountability Mechanisms for Student Loan Servicers | 14 |
| V. Conclusion and Recommendations..... | 16 |
| Endnotes..... | 18 |

EXECUTIVE SUMMARY

There are more than 43 million borrowers in the United States carrying \$1.6 trillion in student loan debt.¹ The Department of Education (ED) contracts with non-profit and for-profit companies—known as student loan servicers—to help support and provide loan services for these borrowers.

For years, borrowers have been harmed by student loan servicer misconduct. Even as new servicers entered the federal student loan system, problems—such as extended customer service wait times, billing errors, and lack of transparency—have continued. These failures have resulted in borrowers being unable to properly manage their loans and take advantage of longstanding student debt relief programs.

During the Biden-Harris Administration, there have been significant changes with the federal student loan system—notably, the COVID-19 pandemic payment pause, the return to repayment, reformed debt relief programs, and improved servicing accountability metrics and enforcement actions—with multiple servicers leaving the system. Efforts by the Biden-Harris Administration have resulted in significant improvements to the student loan system and have canceled debt for millions of borrowers.

But student loan servicer incompetence and misconduct continues to affect millions of borrowers across the country. This report, prepared on behalf of Senators Warren, Blumenthal, Markey, and Van Hollen reveals that:

STUDENT LOAN SERVICERS HAVE A DECADES-LONG PATTERN OF FAILURES:

The COVID-19 pandemic only exacerbated and highlighted a decades-long problem: lack of accountability allowed student loan servicers' abuses to go unchecked and caused harm for borrowers crushed by student loan debt.

SERVICERS FAILED BORROWERS DURING THE RETURN TO REPAYMENT:

After an over three-year pause on student loan payments, collections, and interest due to the COVID-19 pandemic, borrowers were required to resume payments on their student loans starting in October 2023. But servicers failed to adequately prepare for the return to repayment, despite receiving continued warnings and having the resources to do so. As a result, millions of borrowers experienced countless billing errors and customer service problems—many of which resulted in overpayments and other borrower harms.

In total, loan servicers made more than 3.9 million billing-related errors² during the return to repayment. Nearly 3.3 million borrowers³ received no billing statement or had their billing statement delayed. ED also found nearly 270,000 other servicer errors⁴ that harmed borrowers, including miscalculating bills for borrowers converting to a Saving on a Valuable Education (SAVE) repayment plan and incorrectly removing borrowers from forbearance.⁵

MOHELA alone miscalculated approximately 280,000 bills for borrowers already enrolled in the SAVE plan by using outdated poverty guidelines, resulting in higher payment amounts.⁶ When ED asked servicers to audit their files, it uncovered 140,000 more miscalculations⁷ servicers made to borrowers’ family size, income, or marital status, which also resulted in higher payments for borrowers.

Table 1. Total Billing-Related Errors Reported During the Return to Repayment

| AMOUNT AND SOURCE OF ERRORS |
|--|
| 2,500,000 delayed or missing billing statements by MOHELA |
| 758,000 delayed billing statements by Maximus, EdFinancial, and Nelnet |
| 268,000 additional servicer errors reported in ED memo |
| 280,000 miscalculations for borrowers who converted to SAVE by MOHELA |
| 140,000 miscalculations due to family size, income, or marital status by all servicers |
| Total: Approximately 3,946,000 errors |

Borrowers who tried to fix these problems faced long waits and atrocious customer service—with one servicer reporting that it took them nearly six weeks to respond to email inquiries.⁸ For some servicers, more than one-third of phone calls from borrowers were abandoned because of long hold times or other problems.⁹

Information provided to Senator Warren and other members of Congress by the student loan servicers and ED, and released for the first time today, revealed a host of problems:

- EdFinancial sent 15,370 borrowers¹⁰ incorrect information and received more than 1,000 borrower complaints¹¹ between September and December 2023.
- Maximus reported the highest call abandonment rate among the servicers after September 2023 (48.2 percent)¹² and had the lowest customer service ratings, with borrower satisfaction reaching as low as 55 percent.¹³
- MOHELA received the most complaints of any federal loan servicer according to their internal records and reports made to the Consumer Financial Protection Bureau (CFPB), and MOHELA self-reported more than 37,000 complaints¹⁴ between July 1, 2022 and December 31, 2023. The company also had the highest self-reported average call and email wait times of any servicer, reaching more than 38 minutes and 39 business days, respectively.¹⁵ Roughly half of MOHELA’s new borrowers did not set up online accounts at the start of repayment.¹⁶
- Nelnet refused to answer basic Congressional inquiries about its performance as a servicer. According to data from ED, Nelnet’s customer service rating fell to 57 percent during the leadup to the return to repayment, the lowest of any servicer during that period.¹⁷ The company had the highest call abandonment rate of any servicer from July to September 2023, reaching 41.2 percent.¹⁸

THE BIDEN-HARRIS ADMINISTRATION RESPONDED TO SERVICER FAILURES AND STRENGTHENED THE STUDENT LOAN SERVICING SYSTEM:

The Biden-Harris Administration improved accountability metrics for servicers that prioritized the borrower's customer service experience, provided temporary protections for borrowers during return to repayment—like requiring servicers to place borrowers affected by their errors into short administrative forbearance while they fix the problem¹⁹—and held servicers accountable when they failed.²⁰ While the Biden-Harris Administration has taken aggressive action to protect borrowers, it can do more by providing additional pathways to cancel student debt for victims of servicer error.

I. Introduction

Loan servicers that participate in the federal student loan program are contracted and paid hundreds of millions of dollars annually by the Department of Education (ED or the Department) to administer billing and other related services for federal student loans.²¹ Servicers are responsible for tracking, collecting, and processing loan payments.²² Servicers also communicate with borrowers by answering their questions and, ideally, by helping borrowers understand all repayment options to determine the one that best fits their needs.²³ Currently, there are more than 43 million federal student loan borrowers, with \$1.6 trillion worth of student loan debt.²⁴

To date, five companies have been awarded contracts to service loans for ED in 2024.²⁵ Four are continuing participants in the federal student loan system: EdFinancial Services (EdFinancial), Higher Education Loan Authority of the State of Missouri (MOHELA), Maximus Education (Maximus),²⁶ and Nelnet Diversified Solutions (Nelnet).²⁷ The fifth, Central Research, Inc. (Central Research), is a new entrant into the field of federal student loan servicing.²⁸

The loan servicer landscape is constantly fluctuating as new servicers enter the field and other servicers unload their portfolios. In the past few years, four in ten borrowers saw their loans change hands to a different servicer.²⁹

EdFinancial has been servicing federal student loans since 2012³⁰ and currently manages accounts for over five million borrowers.³¹ Nelnet began servicing federal student loans in 2009 and services 13.4 million federal student loan borrowers.³² Maximus began servicing loans for ED in October 2021, when another loan servicer, Navient, decided to exit the direct loan market.³³ It currently manages more than 9 million accounts.³⁴ MOHELA began servicing federal student loans in 2011, and its lending portfolio has more than tripled in the last three years.³⁵ MOHELA manages approximately 8.4 million borrowers and is the exclusive servicer for borrowers seeking Public Service Loan Forgiveness (PSLF).³⁶

II. Loan Servicers Had a Decades-Long Pattern of Failure Prior to the COVID-19 Payment Pause

For decades, loan servicers have engaged in predatory and deceptive practices that have harmed borrowers across the country.³⁷ Among the most prominent early examples of such failures are those by Affiliated Computer Services (ACS), Pennsylvania Higher Education Assistance Agency (PHEAA),³⁸ and Navient. As concerns about these servicers and others came to light, members of Congress, multiple federal agencies, and state attorneys general launched a variety of investigations into loan servicers' practices, revealing industry-wide failures.³⁹

ACS was the sole servicer of ED's Direct Loan program from 1992 to 2009, managing up to seven million loans, including those eligible for PSLF, during its peak.⁴⁰ ACS also had a long history of misleading borrowers, mishandling monthly payments, and inappropriately using forbearance.⁴¹ For instance, ACS failed to correctly track the number of payments that more than 18,000 borrowers made toward PSLF.⁴² ACS also inappropriately placed more than 2.8 million borrowers into forbearance when they could have been enrolled in income-driven repayment (IDR) plans.⁴³ As a result of ACS's egregious errors, ED chose not to renew its contract with ACS in 2013, requiring ACS to transfer 35 million accounts to other servicers.⁴⁴ During this transfer, ACS made more than five million servicing errors, which harmed more than 1.36 million borrowers.⁴⁵

PHEAA began servicing federal student loans in 2009.⁴⁶ Like ACS, PHEAA had a concerning history of harming borrowers throughout its twelve-year record as a servicer.⁴⁷ According to a suit brought by then-Massachusetts Attorney General Maura Healey, PHEAA detected an error that resulted in tens of thousands of borrowers being overcharged, yet failed to take adequate corrective action.⁴⁸ New York Attorney General Letitia James filed a suit against PHEAA for misleading tens of thousands borrowers by inaccurately counting payments for PSLF and failing to provide borrowers explanations for its determinations.⁴⁹ Indeed, PHEAA rejected a staggering 98 percent of PSLF applications during its tenure.⁵⁰ PHEAA's errors were so extensive it was subject to nine different ED reviews⁵¹ and placed on four corrective action plans.⁵² In July 2021, PHEAA declined to renew its contract with ED, and its accounts were transferred to MOHELA, EdFinancial, Maximus, and Nelnet.⁵³

Navient (formerly Sallie Mae) also engaged in widespread predatory practices, including unlawfully capping service members' loan interest rates.⁵⁴ ED investigated Navient and other loan servicers to determine if they overcharged service members.⁵⁵ However, subsequent oversight by Senator Warren and other members of Congress revealed that federal loan error rates for service members were ten times greater than what the Department documented in

its analysis.⁵⁶ The ED Inspector General released a report in March 2016, confirming that ED significantly underestimated the servicers' errors.⁵⁷

Navient's misdeeds extended beyond its mistreatment of service members. Navient, then as Sallie Mae, made predatory lending arrangements with for-profit colleges, which allowed students to take out government-backed loans to attend these fraudulent institutions, even though the company was well aware these borrowers would have a high likelihood of default.⁵⁸ Navient repeatedly steered its borrowers to worse repayment options so that call operators could save time and money.⁵⁹ Navient also overcharged the government more than \$22 million to administer the student loan program, which the company only paid back years later.⁶⁰

Despite increasing calls for greater transparency and accountability for federal loan servicers, much of this progress was undermined by the Trump Administration. In 2017, under Secretary Betsy DeVos, ED terminated its memorandum of understanding (MOU) with the Consumer Financial Protection Bureau (CFPB) that required the agencies to "cooperate in connection with their respective student financial services oversight and supervisory activities."⁶¹ Without the agreement, it was more difficult for agencies to share data and conduct oversight over loan servicers.⁶²

In March 2018, ED adopted new guidelines advancing the interpretation that federal law preempts state laws regulating federal loan servicers, reversing prior administration policy.⁶³ In practice, these guidelines stripped states' ability to fill the gaps where the federal government failed to adequately protect borrowers.⁶⁴ By limiting state regulation and inter-agency coordination,⁶⁵ these Trump Administration decisions emboldened loan servicers to continue engaging in predatory practices without the threat of meaningful consequences—creating a lending landscape that was increasingly difficult to navigate while student debt continued to climb to extraordinary levels.⁶⁶

III. Student Loan Servicers Repeatedly and Systematically Failed Borrowers During the Return to Repayment

The COVID-19 pandemic created unprecedented financial hardships across the United States and threatened to exacerbate the already precarious state of student debt. Even before the pandemic, student loan debt made up 11 percent of American household debt, exceeding all credit card debt and trailing only mortgage debt in volume.⁶⁷ Additionally, low-income, Black, and Latino borrowers experienced disproportionate economic harms as a result of the student debt crisis.⁶⁸

The *Coronavirus Aid, Relief, Economic Security Act* (CARES Act) offered temporary economic relief for borrowers through the suspension of payments, collections, and interest on federal student loans.⁶⁹ But the relief was limited in time, spanning from March 2020 to September 2023, and the return to repayment for borrowers was complicated by several factors.

The first blow was the Supreme Court's decision to strike down President Biden's initial broad-based debt relief plan. On August 24, 2022, the Biden-Harris Administration announced its plan for ED to cancel up to \$20,000 in debt for low- to middle-income borrowers,⁷⁰ which would have eliminated student debt for 20 million borrowers and provided relief for 23 million more.⁷¹ Republican attorneys general rushed to the courts to block the President's plan, and the Supreme Court's conservative supermajority acceded to their demands, stripping debt relief from borrowers across the country. As a result, tens of millions of borrowers who would have otherwise had their debt cancelled saw the resumption of student loan interest in September 2023 and payments in October 2023.⁷² To protect borrowers from the impact of the Court's decision, on the same day the decision was released, President Biden announced he was pursuing an alternative pathway to broad-based debt cancellation; a new IDR plan, SAVE; and a 12-month "on ramp" to help protect borrowers during repayment.⁷³

To further complicate borrowers' experiences, many loan servicers exited the federal student loan program during the repayment pause. Between the summer of 2021 and fall of 2023, five of the largest loan servicers—Granite State, Great Lakes, Navient, Oklahoma Student Loan Authority, and PHEAA—discontinued their contracts with ED.⁷⁴ As a result, these servicers transferred nine million borrower accounts to the remaining student loan servicers and one new servicer, leaving EdFinancial, Maximus, MOHELA, and Nelnet to service federal student loans at the time that payments resumed.⁷⁵

The four student loan servicers that were under contract with ED at the end of the payment pause had ample time, clear contractual requirements, and sufficient funding from the federal government. Yet, they still made a series of mistakes that harmed millions of borrowers

when payments restarted.⁷⁶ The following findings are drawn from responses to a series of oversight letters to student loan servicers and ED by Senator Warren and her colleagues and public reports documenting loan servicers' errors and failure to support borrowers during the return to repayment, including memos and reports released by ED,⁷⁷ CFPB,⁷⁸ and the Student Borrower Protection Center (SBPC),⁷⁹ and American Federation of Teachers (AFT).⁸⁰

A. Servicers Did Not Sufficiently Prepare for the Return to Repayment

Despite continued warnings about the return to repayment,⁸¹ every servicer failed to adequately prepare for potential challenges once payments resumed. On July 18, 2023, Senators Warren, Blumenthal, Brown, Markey, Menendez, and Van Hollen sent letters to the four servicers requesting information about how they would support borrowers during repayment, including their plans for hiring and training new employees, managing call wait times, and conducting borrower outreach.⁸² The servicers' employment plans indicated that they would not have enough staff to handle the influx of new accounts.⁸³ For example, under its plans, EdFinancial gained roughly 7,111 new borrowers for every new employee it planned to hire, and MOHELA gained approximately 16,965 new borrowers for each new employee.⁸⁴ Nelnet failed to provide *any* meaningful information about how they would manage new accounts once payments resumed, and in fact, laid off roughly 900 employees and fired 210 others in 2023, creating even more concerns about the company's ability to uphold its responsibility to borrowers.⁸⁵

These failures were further documented by a January 2024 report from the CFPB. According to the CFPB, in the months preceding the return to repayment, borrowers experienced a variety of billing errors and customer service challenges: borrowers received inaccurate account information, had their monthly payments miscounted, or found errors with their payment records.⁸⁶ And when borrowers attempted to address these concerns, they were often unable to reach their servicer due to excessive wait times.⁸⁷ On average, borrowers had to wait over 73 minutes before getting a hold of a live customer service representative, with one borrower reporting a wait time of 565 minutes—over nine hours.⁸⁸

As a result, borrowers filed a combined total of nearly 43,000 complaints, according to information provided by the loan servicers in response to Congressional requests.⁸⁹ MOHELA received the most complaints of any servicer by far, accounting for roughly 85 percent of all reported borrower complaints.⁹⁰ From July 1, 2022 through September 30, 2023, CFPB received more complaints about MOHELA than any other loan servicer, totaling nearly 3,000 complaints.⁹¹ Even more concerning, millions of borrowers were never set up an online account.⁹²

Table 2. Total Complaints Self-Reported by Servicers from July 2022 to August 2023

| SERVICER | Total Complaints Reported by Servicers from July 2022 to Aug. 2023 |
|-----------------|---|
| EdFinancial | 3,063 |
| Maximus | 3,469 |
| MOHELA | 36,309 |
| Nelnet | n/a |
| Total | 42,841 |

B. Servicers Created Significant and Widespread Harms for Borrowers After Payments Resumed

When payments restarted, loan servicers’ immediate failures resulted in more than 3.9 million billing-related errors.⁹³ Nearly 3.3 million borrowers⁹⁴ received no billing statement or had their billing statement delayed. When ED asked servicers to audit their files, it uncovered 140,000 miscalculations⁹⁵ servicers made to borrowers’ family size, income, or marital status, which resulted in higher payment amounts.⁹⁶ On October 29, 2023, ED released a memo documenting more widespread servicer errors during the start of return to repayment.⁹⁷ ED found that 78,000 borrowers received incorrect monthly bills after converting to the new SAVE plan; ED attributed this failure to servicers’ incomplete transfer of more than five million borrower accounts.⁹⁸ More than 21,000 people were billed “very high” and “potentially incorrect” amounts, and servicers also incorrectly removed 16,000 borrowers from forbearance.⁹⁹ Additionally, servicers failed to send required disclosures to 153,000 borrowers who converted to the new SAVE repayment plan—amounting to nearly 270,000 billing-related errors.¹⁰⁰

CFPB released a report in October 2023 detailing a further deluge of servicer failures after payments resumed.¹⁰¹ Borrowers reported long hold times, incorrect payment amounts, and problems accessing loan cancellation programs, among a host of other errors.¹⁰² MOHELA was arguably the biggest perpetrator of harms to borrowers. MOHELA failed to send timely billing statements to 2.5 million borrowers.¹⁰³ MOHELA also miscalculated bills for approximately 280,000 borrowers¹⁰⁴ enrolled in the SAVE plan by using outdated poverty guidelines.¹⁰⁵ According to a recently released report from SBPC and AFT, several millions of MOHELA’s borrowers experienced some form of servicing issue after the payment pause ended in September 2023.¹⁰⁶ MOHELA had a backlog of more than 800,000 PSLF applications as of June 2023 and denied PSLF credit to public service workers with eligible employment.¹⁰⁷ Recent data from ED reveals that as of March 2024 there were approximately 370,000 PSLF forms still in the backlog.¹⁰⁸ Additionally, EdFinancial, Maximus, and Nelnet all failed to send timely billing statements, impacting a combined total of 758,000 borrowers.¹⁰⁹ As of October 2023, one-third of all newly transferred Maximus borrowers and half of all new MOHELA borrowers had still not set up an online account.¹¹⁰

To better understand servicers’ performance during the return to repayment, Senator Warren and her colleagues sent another series of inquiries to student loan servicers and ED.¹¹¹ The letters requested additional information about some of the most prevalent problems that borrowers faced, including call and email wait times and billing errors.¹¹² Servicers’ responses and performance metrics provided by ED, much of which are being released for the first time as part of this report, offered additional data indicating significant deficits in servicers’ performance. The biggest failures across all servicers included extended call and email response times, high call abandonment rates, and poor customer service ratings—all of which contributed to an influx of borrower complaints.

Long Call Wait & Email Response Times

MOHELA had the longest self-reported average call wait time of any servicer at 38 minutes, followed by Maximus at 31 minutes.¹¹³ Servicers’ reported wait times during the return to repayment grossly exceeded their targets. The disparity between servicers’ predictions and actual wait times raise questions of whether their forecasts were provided in good faith.¹¹⁴ Even the servicers’ reported call wait times should be viewed with some skepticism. Though MOHELA reported a 38-minute average call wait time, a recent CFPB report found that servicers’ average call wait time was 62 minutes in mid-September, 47 minutes at the end of September, and 73 minutes in October.¹¹⁵

Table 3. Servicers’ Predictions of their Call Wait Times at the Start of Repayment Versus Servicers’ Reported Call Wait Times

| SERVICER | Servicers’ Forecasted Call Wait Times at Start of Repayment | Reported Average Call Wait Times at Start of Repayment |
|-----------------|--|---|
| EdFinancial | 90 seconds | 15 min, 25 seconds |
| Maximus | 60 seconds | 30 minutes, 48 seconds |
| MOHELA | n/a | 38 minutes |
| Nelnet | n/a | n/a |

Servicers did no better in their email responses to borrowers, and every servicer reported wait times of two weeks or more.¹¹⁶ In fact, borrowers served by MOHELA waited an average of 39 business days—nearly six weeks—before receiving an email response.¹¹⁷ MOHELA also reportedly used a “call deflection” scheme to prevent borrowers from reaching service representatives.¹¹⁸ MOHELA’s call center representatives directed borrowers to alternative resources, such as MOHELA’s website or the Office of Federal Student Aid’s (FSA) website, rather than providing live customer service over the phone.¹¹⁹ Yet, borrowers could not get all the information they needed from consulting these websites alone; MOHELA’s website reportedly experienced log-in issues and was missing key information impacting borrowers’ options, including President Biden’s on-ramp to repayment.¹²⁰

Call Abandonment Rates

ED’s maximum threshold for call abandonment rates was set at four percent prior to April 2023 and increased to eight percent thereafter. As payments were set to resume, the number of abandoned calls for each servicer skyrocketed, and for multiple servicers, more than one-third of phone calls from borrowers were abandoned.¹²¹ From July to September 2023, EdFinancial’s abandonment rate was 24.4 percent, Maximus’s was 34.3 percent, MOHELA’s was 24.4 percent, and Nelnet’s was 41.2 percent.¹²² Together, servicers’ call abandonment rates was roughly 31 percent when averaged—more than 20 times greater than the collective average of 1.54 percent prior to July 2023.¹²³ Servicers reported even *higher* call abandonment rates after September 1, 2023. For example, Maximus reported an abandonment rate of 48.2 percent,¹²⁴ and MOHELA reported an abandonment rate of 35 percent.¹²⁵

Table 4. Call Abandonment Rates by Servicer from Q1 to Q3 of 2023

| SERVICER | Q1 (Jan. to March 2023) | Q2 (April to June 2023) | Q3 (July to Sept. 2023) |
|-----------------|------------------------------------|------------------------------------|------------------------------------|
| EdFinancial | .30% | 2.45% | 24.40% |
| Maximus | .40% | .70% | 34.30% |
| MOHELA | 2.70% | 1.50% | 24.40% |
| Nelnet | .04% | 4.22% | 41.20% |

Customer Service Ratings

ED requires a minimum threshold of 70 percent customer satisfaction for loan servicers.¹²⁶ With only one exception, every servicer failed to meet this threshold in every quarter of 2023 where data was available. Maximus, operating as Aidvantage, received the lowest customer service rating of all servicers, with only 55 percent satisfaction between April and June 2023.¹²⁷ In fact, Maximus was the only servicer to never break 60 percent satisfaction.¹²⁸ When averaged, customer service ratings across all servicers declined each quarter.¹²⁹

Table 5. Customer Service Satisfaction Rates by Servicer from Q1 to Q3 of 2023

| SERVICER | Q1 (Jan. to March 2023) | Q2 (April to June 2023) | Q3 (July to Sept. 2023) |
|-----------------|------------------------------------|------------------------------------|------------------------------------|
| EdFinancial | 70 | 65 | 60 |
| Maximus | 56 | 55 | 58 |
| MOHELA | 60 | 61 | 63 |
| Nelnet | 65 | 63 | 57 |

Incorrect Billing Information

Servicers provided almost no information about their billing errors in response to Congressional requests. EdFinancial did voluntarily disclose it had sent 15,370 bills with incorrect information.¹³⁰ As discussed above, ED also found that MOHELA sent bills with incorrect payment amounts to approximately 280,000 borrowers enrolled in SAVE.¹³¹

Borrower Complaints

Borrower complaints continued to pour in after payments resumed, with each servicer receiving complaints regarding both customer service difficulties and account errors. For example, the vast majority of complaints against EdFinancial were for customer service problems,¹³² whereas approximately 93 percent of Maximus’s 1,639 complaints were for errors.¹³³ Some of these figures appear inconsistent with the realities that borrowers faced, raising concerns about the effectiveness of servicers’ process for recording borrower complaints. For example, Maximus reported only 118 customer service complaints despite its self-reported call wait times reaching over 30 minutes.¹³⁴ Additionally, EdFinancial only reported receiving 100 complaints for errors, when its reports indicated 15,370 borrowers received bills with incorrect information.¹³⁵

Table 6. Total Complaints Self-Reported by Servicers from September 2023 to December 2023

| SERVICER | Total Complaints Reported by Servicers from Sept. 2023 to Dec. 2023 |
|-----------------|--|
| EdFinancial | 1,016 |
| Maximus | 1,639 |
| MOHELA | 884 |
| Nelnet | n/a |
| Total | 3,539 |

IV. The Biden-Harris Administration Has Strengthened Accountability Mechanisms for Student Loan Servicers

The Biden-Harris Administration has taken forceful action to reform accountability mechanisms for student loan servicers. In May 2021, FSA issued new guidance enabling the agency to streamline the process for sharing information with states attorneys general and regulators and making it easier for states to enforce their consumer protection laws against servicers.¹³⁶ On August 9, 2021, ED reversed the Trump-era preemption rule to encourage greater collaboration between the federal government and states on student loan servicing accountability.¹³⁷ And on October 15, 2021, ED announced it would strengthen standards for evaluating student loan servicers' performance by adding new accountability metrics into its contracts with servicers.¹³⁸ Service-level agreements (SLAs) between FSA and servicers established minimum thresholds for servicers to meet, including "70 percent borrower satisfaction with customer service; 95 percent casework accuracy; and a call abandonment rate no higher than 4 percent."¹³⁹

The Biden-Harris Administration responded to the student loan servicer failures during the return to repayment by announcing its new framework for servicer accountability in November 2023.¹⁴⁰ The framework outlined three tenets for FSA to strengthen servicer oversight, which includes improved monitoring of servicers' customer service responses, greater coordination with federal and state regulators, and increased scrutiny of complaints against servicers to determine if there were broader systemic problems.¹⁴¹ In addition to these oversight strategies, the framework also announced new accountability measures when servicers failed to uphold their responsibilities to borrowers. These new measures included withholding payments to servicers, re-allocating borrowers to better performing servicers, issuing Contractor Performance Reports (CPARS), and using Corrective Action Plans (CAP) when servicers commit errors or other harms to borrowers.¹⁴²

Most importantly, the new framework outlines a series of remedies for servicers to employ if they commit errors that impact borrowers. First, servicers are required to put borrowers into short administrative forbearance while they fix errors.¹⁴³ Second, when a borrower's progress toward forgiveness is harmed by servicer errors, ED directs servicers to count the forbearance period toward PSLF and IDR relief with accrued interest adjusted to zero.¹⁴⁴

The Biden-Harris Administration has already begun implementing these accountability measures. ED announced on October 30, 2023 that it was penalizing MOHELA for its failure to send timely billing statements to 2.5 million borrowers by withholding \$7.2 million from the servicer.¹⁴⁵ The Department also withheld \$2 million from Maximus, \$161,000 from EdFinancial, and \$13,000 from Nelnet for their respective harms to borrowers.¹⁴⁶ Further, ED

directed the servicers to place borrowers into administrative forbearance and have those months count as credit towards PSLF and IDR.¹⁴⁷ These were important steps to impose accountability and protect borrowers in response to student loan servicers' errors.

V. Conclusion and Recommendations

More can and should be done to remedy the sheer scope and severity of harms that federal loan servicers caused to borrowers as payments resumed. To summarize, the most significant failings of each servicer in the leadup to and during the return to repayment include:

EdFinancial

- EdFinancial sent 15,370 bills with incorrect information.¹⁴⁸
- EdFinancial received more than 1,000 borrower complaints between September and December 2023.¹⁴⁹

Maximus

- Among the four student loan servicers, Maximus had the lowest customer service ratings, with borrower satisfaction reaching as low as 55 percent.¹⁵⁰
- Nearly 3 million borrowers served by Maximus did not set up online accounts at the start of the return to repayment, roughly one-third of all borrowers they serviced.¹⁵¹
- During the return to repayment, Maximus's average self-reported call wait time reached 30 minutes, 48 seconds.¹⁵²
- Maximus self-reported the highest call abandonment rate among the servicers after September 2023, at 48.2 percent.¹⁵³

MOHELA

- MOHELA received the most complaints of any federal loan servicer according to reports made to CFPB and its internal records, with the latter reaching more than 37,000 complaints between July 1, 2022 and December 31, 2023.¹⁵⁴
- MOHELA sent bills with incorrect amounts to approximately 280,000 borrowers enrolled in the SAVE plan.¹⁵⁵
- MOHELA failed to send timely billing statements to 2.5 million borrowers.¹⁵⁶
- During the return to repayment, MOHELA had the highest self-reported average call and email wait times of any servicer, reaching more than 38 minutes and 39 business days, respectively.¹⁵⁷

- Roughly half of MOHELA's new borrowers did not set up online accounts at the start of repayment.¹⁵⁸
- MOHELA had a backlog of more than 800,000 PSLF applications as of June 2023, and as of March 2024, the backlog of PSLF forms stood at approximately 370,000.¹⁵⁹
- As the sole PSLF servicer, MOHELA's failures were disproportionately harmful to public service workers.

Nelnet

- In response to Congressional inquiries, Nelnet refused to provide a transparent, accurate account of the conditions its borrowers faced or take accountability for its failures.¹⁶⁰
- Nelnet's customer service rating fell to 57 percent during the leadup to the return to payment, the lowest of any servicer during that period and the third lowest of all customer service ratings reported in 2023.¹⁶¹
- According to data collected by ED, Nelnet had the highest call abandonment rate of any servicer from July to September 2023, reaching 41.2 percent.¹⁶²

Despite ample warnings, resources, guidelines, and opportunities to learn from the decades-long pattern of servicers turning a blind eye to borrowers' needs, EdFinancial, Maximus, MOHELA, and Nelnet perpetuated the same cycles of harm. These servicers' failure to adequately prepare for the return to repayment, support borrowers as payments resumed, and disclose their errors reveals deep flaws within the entire system of loan servicing.

The totality of the harms caused by these failures cannot be remedied solely by withholding future payments to loan servicers. Millions of borrowers have already felt the negative effects of servicers' widespread processing errors and poor customer service, and they deserve more options to be made whole after making unnecessary payments or being denied debt relief due to servicing mistakes. To remedy servicers' historic failures and protect borrowers from future harms, there must be a path for debt relief for borrowers harmed by their servicers.

The Biden-Harris Administration has already approved loan cancellation for nearly 3.9 million Americans.¹⁶³ However, these measures do not fully account for the harms to more than three million borrowers who experienced some form of servicer error during the return to payment.¹⁶⁴ As ED works to issue a notice of proposed rulemaking for student debt cancellation, it should establish a path for debt cancellation for victims of servicer error.

ENDNOTES

- ¹ Federal Student Aid, “Federal Student Aid Posts New Quarterly Reports to FSA Data Center,” August 30, 2023, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-08-30/federal-student-aid-posts-new-quarterly-reports-fsa-data-center>.
- ² Calculation based on ED reports of 3.3 million borrowers experiencing a late or missing billing statement and 268,000 additional servicer errors. See *infra* at note 3. The *New York Times* also reported that ED identified roughly 420,000 borrowers affected by servicers’ miscalculations. See U.S. Department of Education, “Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations,” press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>; U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>; The *New York Times*, “More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments,” Tara Siegel Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>.
- ³ Calculation based on Maximus’s, EdFinancial’s, and Nelnet’s failure to send 758,000 billing statement on time and 2.5 million documented errors by MOHELA. U.S. Department of Education, “Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations,” press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>.
- ⁴ Calculated from the following data: 78,000 borrowers received incorrect bills due to SAVE Plan enrollment; more than 21,000 borrowers received bills with very high or incorrect amounts due; 16,000 borrowers were incorrectly removed from forbearance; 153,000 borrowers never received an Income Driven Repayment (IDR) disclosure. U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>.
- ⁵ *Id.*
- ⁶ The *New York Times*, “More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments,” October 16, 2023, Tara Siegel Bernard, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>.
- ⁷ Calculation based on subtracting the 280,000 borrowers affected by MOHELA’s miscalculations from the 420,000 total affected borrowers. *Id.*
- ⁸ Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ⁹ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.
- ¹⁰ Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹¹ Calculation based on 100 reported complaints for errors and 916 reported complaints for call or email wait times. *Id.*
- ¹² Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹³ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.
- ¹⁴ Calculation based on the servicers’ reports of 36,309 complaints between July 2022 and June 2023 and 884 complaints from September 2023 to December 2023. Letter from MOHELA to Senator Elizabeth Warren, August 8,

- 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ¹⁵ Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ¹⁶ *Id.*
- ¹⁷ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.
- ¹⁸ *Id.*
- ¹⁹ *Id.*
- ²⁰ U.S. Department of Education, “U.S. Department of Education Announces Withholding of Payment to Student Loan Servicer as Part of Accountability Measures for Harmed Borrowers,” October 30, 2023, <https://www.ed.gov/news/press-releases/us-department-education-announces-withholding-payment-student-loan-servicer-part-accountability-measures-harmed-borrowers>.
- ²¹ Consumer Financial Protection Bureau, “What is a student loan servicer?,” June 23, 2021, <https://www.consumerfinance.gov/ask-cfpb/what-is-student-loan-servicer-en-583/>; Federal Student Aid, “Who’s My Student Loan Servicer?,” <https://studentaid.gov/manage-loans/repayment/servicers>; CNBC, “Education Department penalizes Missouri lender for error that made 800,000 student loan borrowers delinquent,” Annie Nova, October 30, 2023, <https://www.cnbc.com/2023/10/30/education-dept-penalizes-student-loan-servicer-mohela-for-errors.html>.
- ²² Consumer Financial Protection Bureau, “What is a student loan servicer?,” June 23, 2021, <https://www.consumerfinance.gov/ask-cfpb/what-is-student-loan-servicer-en-583/>.
- ²³ *Id.*
- ²⁴ Federal Student Aid, “Federal Student Loan Portfolio,” <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls>.
- ²⁵ U.S. Department of Education, “U.S. Department of Education’s Office of Federal Student Aid Awards New Contracts to Five Companies to Serve Borrowers, Reduce Delinquency, and Improve Accountability,” press release, April 24, 2023, <https://www.ed.gov/news/press-releases/us-department-educations-office-federal-student-aid-awards-new-contracts-five-companies-serve-borrowers-reduce-delinquency-and-improve-accountability>.
- ²⁶ Doing business as Aidvantage. Aidvantage, “Terms of use,” <https://aidvantage.studentaid.gov/terms-of-use>.
- ²⁷ U.S. Department of Education, “U.S. Department of Education’s Office of Federal Student Aid Awards New Contracts to Five Companies to Serve Borrowers, Reduce Delinquency, and Improve Accountability,” press release, April 24, 2023, <https://www.ed.gov/news/press-releases/us-department-educations-office-federal-student-aid-awards-new-contracts-five-companies-serve-borrowers-reduce-delinquency-and-improve-accountability>.
- ²⁸ *Id.*
- ²⁹ Federal Student Aid, “Federal Loan Servicer Updates,” <https://studentaid.gov/announcements-events/loan-servicer-updates>.
- ³⁰ Federal Student Aid, “ESA/Edfinancial Joins Federal Loan Servicer Team,” January 25, 2012, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2012-01-25/loans-subject-loan-servicing-information-esaedfinancial-joins-federal-loan-servicer-team>.
- ³¹ Forbes, “EdFinancial Services: Everything You Need To Know,” Taylor Medine, February 20, 2024, <https://www.forbes.com/advisor/student-loans/what-is-edfinancial-services/>.
- ³² Federal Student Aid, “Announcement of Title IV Student Loan Management/Servicing Contract,” June 17, 2009, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2009-06-17/loans-subject-announcement-title-iv-student-loan-managementservicing-contract>; Nelnet, “Nelnet Completes Acquisition of Great Lakes Educational Loan Services, Inc.,” February 7, 2018, <https://www.nelnetinvestors.com/news/press-release-details/2018/Nelnet-Completes-Acquisition-of-Great-Lakes-Educational-Loan-Services-Inc/default.aspx>.
- ³³ U.S. Department of Education, “Statement From Federal Student Aid Chief Operating Officer Rich Cordray Regarding Loan Servicer Contracts,” October 20, 2021, <https://www.ed.gov/news/press-releases/statement-federal-student-aid-chief-operating-officer-rich-cordray-regarding-loan-servicer-contracts>.

- ³⁴ Letter from Maximus to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>.
- ³⁵ Higher Education Loan Authority of the State of Missouri (MOHELA), "Investor Presentation February 2024," February 26, 2024, <https://www.mohela.com/DL/common/publicInfo/investorInformation.aspx?idx=2709>.
- ³⁶ Student Borrower Protection Center, "The MOHELA Papers: The Rise of a Student Loan Servicing Giant and the Fall of the Student Loan System," February 2024, p. 8, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>.
- ³⁷ Student Borrower Protection Center, "Selected Federal and State Claims Against Student Loan Servicers," October 23, 2019, pp. 3-4, https://protectborrowers.org/wp-content/uploads/2019/12/Claims-Against-Student-Loan-Servicers_12.19.pdf.
- ³⁸ Also referred to as FedLoan Servicing, PHEAA's loan servicing branch. Federal Student Aid, "Loan Servicing Information - FedLoan Servicing (PHEAA) Begins Servicing Direct Loans," June 30, 2010, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2010-06-30/loans-subject-loan-servicing-information-fed-loan-servicing-pheaa-begins-servicing-direct-loans>.
- ³⁹ Consumer Financial Protection Bureau (CFPB), Department of Treasury, and ED conducted a systemic investigation of all servicers' practices, which identified common ways that servicers harmed borrowers, such as discouraging them from enrolling in income-driven repayment (IDR) plans and imposing hidden fees. They also underperformed on customer service duties, such as placing callers on hold for extended periods of time. Consumer Financial Protection Bureau, "Student loan servicing: Analysis of public input and recommendations for reform," September 2015, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.
- ⁴⁰ Student Borrower Protection Center, "Broken Promises: The Untold Failures of ACS Servicing," October 2020, p. 3, https://protectborrowers.org/wp-content/uploads/2020/12/Broken-Promises_ACS-12_9.pdf.
- ⁴¹ *Id.*, p. 7.
- ⁴² *Id.*, p. 24.
- ⁴³ *Id.*
- ⁴⁴ *Id.*; see also, Federal Student Aid, "Loan Servicing Information - Direct Loan Transfer Initiative Planned for November - December 2010," November 23, 2010, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2010-11-23/loans-subject-loan-servicing-information-direct-loan-transfer-initiative-planned-november-december-2010>.
- ⁴⁵ Student Borrower Protection Center, "Broken Promises: The Untold Failures of ACS Servicing," October 2020, p. 3, https://protectborrowers.org/wp-content/uploads/2020/12/Broken-Promises_ACS-12_9.pdf.
- ⁴⁶ PHEAA, "PHEAA Federal Student Loan Contract Statement," July 8, 2021, <https://www.pheaa.org/documents/press-releases/ph/070721.pdf>.
- ⁴⁷ Letter from Senator Elizabeth Warren to James H. Steeley, CEO of PHEAA, June 23, 2021, <https://www.warren.senate.gov/imo/media/doc/Warren-Kennedy%20PHEAA%20Letter.pdf>.
- ⁴⁸ Commonwealth of Massachusetts v. Pennsylvania Higher Education Assistance Agency, August 23, 2017, pp. 12-13, <http://wayback.archive-it.org/1101/20180104153132/http://www.mass.gov/ago/docs/consumer/com-of-ma-v-pheaa-complaint-8-23-17.pdf>.
- ⁴⁹ New York secured a settlement with PHEAA requiring the company to automatically audit 10,000 borrower accounts and audit up to 300,000 more by request to identify errors that may have deprived these borrowers of benefits. The settlement required PHEAA to provide monetary relief to borrowers who were harmed. Office of the New York State Attorney General, "Attorney General James Secures Student Debt Relief for Thousands of New Yorker," press release, April 27, 2022, <https://ag.ny.gov/press-release/2022/attorney-general-james-secures-student-debt-relief-thousands-new-yorkers>; Office of the New York State Attorney General, "AG James Sues Student Loan Servicer For Mismanaging Loan Forgiveness Program," press release, October 3, 2019, <https://ag.ny.gov/press-release/2019/ag-james-sues-student-loan-servicer-mismanaging-loan-forgiveness-program>.
- ⁵⁰ Senator Elizabeth Warren, "At Hearing, Warren Calls Out Giant Student Loan Servicer PHEAA for Public Service Loan Forgiveness Failures," press release, April 13, 2021, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-calls-out-giant-student-loan-servicer-pheaa-for-public-service-loan-forgiveness-failures>.

- ⁵¹ Senator Elizabeth Warren, "At Hearing, Warren Pushes for Borrower Protections After Major Student Loan Servicing Shakeup, Calls on President Biden to Extend Loan Payment Pause," press release, July 27, 2021, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-pushes-for-borrower-protections-after-major-student-loan-servicing-shakeup-calls-on-president-biden-to-extend-loan-payment-pause>.
- ⁵² Letter from Senator Elizabeth Warren to James H. Steeley, CEO of PHEAA, June 23, 2021, <https://www.warren.senate.gov/imo/media/doc/Warren-Kennedy%20PHEAA%20Letter.pdf>; When James Steeley, testified in the U.S. Senate Banking, Housing and Urban Affairs Committee's Subcommittee on Economic Policy at the hearing titled: "The Student Debt Burden and Its Impact on Racial Justice, Borrowers, and the Economy," he denied that PHEAA had been penalized for its mismanagement of the PSLF program. Senator Elizabeth Warren, "At Hearing, Warren Calls Out Giant Student Loan Servicer PHEAA for Public Service Loan Forgiveness Failures," press release, April 13, 2021, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-calls-out-giant-student-loan-servicer-pheaa-for-public-service-loan-forgiveness-failures>; Senator Elizabeth Warren, "Warren and Kennedy Call On PHEAA CEO To Address Concerns About False & Misleading Statements Made During Subcommittee Hearing on Student Loans," press release, June 24, 2021, <https://www.warren.senate.gov/newsroom/press-releases/warren-and-kennedy-call-on-pheaa-ceo-to-address-concerns-about-false-and-misleading-statements-made-during-subcommittee-hearing-on-student-loans>.
- ⁵³ Yahoo Finance, "FedLoan is no longer handling federal student loans: Here's what to know," Heidi Rivera, April 3, 2024, <https://finance.yahoo.com/news/fedloan-no-longer-handling-federal-000814370.html>.
- ⁵⁴ In May 2014, the Department of Justice (DOJ) and Federal Deposit Insurance Corporation (FDIC) reached a nearly \$100 million settlement with Navient for unlawfully capping service members' student loan interest rates. CNBC, "Sallie Mae settles military overcharging claims for \$60 million," May 14, 2014, [https://www.cnbc.com/2014/05/14/sallie-mae-justice-settle-for-60-million.html#:~:text=Student%20lender%20Sallie%20Mae%20has%20reached%20a%20%2460,their%20student%20loans%2C%20the%20federal%20government%20announced%20Tuesday](https://www.cnbc.com/2014/05/14/sallie-mae-justice-settle-for-60-million.html#:~:text=Student%20lender%20Sallie%20Mae%20has%20reached%20a%20%2460,their%20student%20loans%2C%20the%20federal%20government%20announced%20Tuesday;); In 2017, a bipartisan and multistate group of attorneys general also brought a suit against Navient for steering borrowers into forbearances rather than more beneficial IDR plans, reaching a settlement that secured relief for 350,000 borrowers. Office of the Attorney General, "AG Healey Announces \$1.85 Billion Settlement With Student Loan Servicer Navient," press release, January 13, 2022, <https://www.mass.gov/news/ag-healey-announces-185-billion-settlement-with-student-loan-servicer-navient>.
- ⁵⁵ Senator Elizabeth Warren, "An Analysis of the Department of Education's Review of Student Loan Servicers Compliance with the Servicemembers Civil Relief Act," August 2015, https://www.warren.senate.gov/files/documents/SCRA_ED_Report_August2015.pdf.
- ⁵⁶ *Id.*
- ⁵⁷ Washington Post, "Education Department misled public about investigation of loan servicers, says watchdog," Danielle Douglas-Gabriel, March 1, 2016, <https://www.washingtonpost.com/news/grade-point/wp/2016/03/01/education-department-misled-public-about-investigation-of-loan-servicers-says-watchdog/>; U.S. Department of Education, Office of Inspector General, "Closure of OIG Audit of Federal Student Aid's Monitoring and Enforcement of Compliance with the Misrepresentation Regulations, Control Number ED-OIG/A03P0005," April 28, 2016, <https://oig.ed.gov/sites/default/files/reports/2024-04/a03p0005.pdf>.
- ⁵⁸ The New York Times, "The \$1.7 Billion Student Loan Deal That Was Too Good to Be True," Stacy Cowley, February 17, 2022, <https://www.nytimes.com/2022/02/17/business/navient-student-loan-settlement.html>; These private loans had default rates ranging "between 50 and 92 percent every year from 2000 to 2007." The New York Times, "Loans 'Designed to Fail': States Say Navient Preyed on Students, Stacy Cowley and Jessica Silver-Greenberg, April 9, 2017, <https://www.nytimes.com/2017/04/09/business/dealbook/states-say-navient-preyed-on-students.html>.
- ⁵⁹ Senator Elizabeth Warren, "Warren Questions CEO of Navient on Its Long Record of Profiting Off Broken Student Loan System," press release, April 13, 2021, <https://www.warren.senate.gov/newsroom/press-releases/warren-questions-ceo-of-navient-on-its-long-record-of-profiting-off-broken-student-loan-system>.
- ⁶⁰ *Id.*; see also The New York Times, "Whistle-Blower on Student Aid Is Vindicated," Sam Dillon, May 7, 2007, <https://www.nytimes.com/2007/05/07/washington/07loans.html>.
- ⁶¹ Letter from U.S. Department of Education to Richard Cordray, Director of the Consumer Financial Protection Bureau, August 31, 2017, https://edworkforce.house.gov/uploadedfiles/2017-09-01_signed_letter_to_cfpb.pdf.
- ⁶² *Id.*

- ⁶³ U.S. Department of Education, Federal Register Notice, “Federal Preemption and State Regulation of the Department of Education’s Federal Student Loan Programs and Federal Student Loan Servicers,” July 24, 2023, <https://www.federalregister.gov/documents/2023/07/24/2023-15436/federal-preemption-and-joint-federal-state-regulation-and-oversight-of-the-department-of-educations>.
- ⁶⁴ Congressional Research Service, “Federal and State Regulation of Student Loan Servicers: A Legal Overview,” September 17, 2019, p. 2, <https://sgp.fas.org/crs/misc/R45917.pdf>.
- ⁶⁵ *Id.*
- ⁶⁶ United States Census Bureau, “COVID-19 Adds to Economic Hardship of Those Most Likely to Have Student Loans,” Michael D. King, Neil Bennett, and Lindsay M. Monte, August 18, 2021, <https://www.census.gov/library/stories/2021/08/student-debt-weighed-heavily-on-millions-even-before-pandemic.html>.
- ⁶⁷ CNN, “Student loan payments are back. Here’s where some Americans are trimming their budgets,” Alicia Wallace, October 11, 2023, <https://www.cnn.com/2023/10/11/economy/student-loan-budgets-economic-impact-spending/index.html>; CNBC, “U.S. student debt has increased by more than 100% over the past 10 years,” Abigail Johnson Hess, December 22, 2020, <https://www.cnbc.com/2020/12/22/us-student-debt-has-increased-by-more-than-100percent-over-past-10-years.html>.
- ⁶⁸ Student Borrower Protection Center, “Communities of Color in Crisis: Examining Racial Disparities in Student Loan Debt and Borrower Outcomes,” January 8, 2020, <https://protectborrowers.org/communities-of-color-in-crisis-examining-racial-disparities-in-student-loan-debt-and-borrower-outcomes/#:~:text=More%20than%2090%20percent%20of%20African%20American%20and,analysis%20from%20the%20Consumer%20Financial%20Protection%20Bureau%20%28CFPB%29>.
- ⁶⁹ Federal Student Aid, “COVID-19 Emergency Relief and Federal Student Aid,” <https://studentaid.gov/announcements-events/covid-19>.
- ⁷⁰ Pell grant recipients were eligible for up to \$20,000 of loan forgiveness while other low- and middle-income borrowers were eligible for up to \$10,000 in relief. The White House, “FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most,” press release, August 24, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>.
- ⁷¹ *Id.*
- ⁷² U.S. Department of Education, “Secretary Cardona Statement on Supreme Court Ruling on Biden Administration’s One Time Student Debt Relief Plan,” press release, June 30, 2023, <https://www.ed.gov/news/press-releases/secretary-cardona-statement-supreme-court-ruling-biden-administrations-one-time-student-debt-relief-plan>.
- ⁷³ The White House, “Statement from President Joe Biden on Supreme Court Decision on Student Loan Debt Relief,” press release, June 30, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/statement-from-president-joe-biden-on-supreme-court-decision-on-student-loan-debt-relief/>; The White House, “FACT SHEET: President Biden Announces New Actions to Provide Debt Relief and Support for Student Loan Borrowers,” press release, June 30, 2023, <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/fact-sheet-president-biden-announces-new-actions-to-provide-debt-relief-and-support-for-student-loan-borrowers/>.
- ⁷⁴ Federal Student Aid, “Federal Loan Servicer Updates,” <https://studentaid.gov/announcements-events/loan-servicer-updates>.
- ⁷⁵ CNBC, “Nearly 10 million borrowers are about to see a change in student loan service—here’s what that means, the good and bad,” Abigail Johnson Hess, October 18, 2021, <https://www.cnbc.com/2021/10/18/9point8-million-student-loan-borrowers-will-have-servicer-switched-by-2022.html>.
- ⁷⁶ Senator Elizabeth Warren, “In Response to Warren and Markey, Student Loan Servicers Indicate They Are Not Prepared for Payments to Resume,” press release, July 14, 2021, <https://www.warren.senate.gov/newsroom/press-releases/in-response-to-warren-and-markey-student-loan-servicers-indicate-they-are-not-prepared-for-payments-to-resume>; Senator Elizabeth Warren, “As Student Loan Servicer Maximus Assumes Navient’s Portfolio, Warren Questions Company’s Troubled History and Seeks Assurances that Borrowers Will Receive Protections and Services During Transition,” press release, November 22, 2021, <https://www.warren.senate.gov/oversight/letters/as-student-loan-servicer-maximus-assumes-navients-portfolio-warren-questions-companys-troubled-history-and-seeks-assurances-that-borrowers-will-receive-protections-and-services-during-transition>; Senator Elizabeth Warren, “Warren and Colleagues Press Federal Loan Servicers on Plans to Support Borrowers,” press release, December 3, 2021, <https://www.warren.senate.gov/newsroom/press-releases/warren-and-colleagues-press-federal-loan-servicers-on>

[plans-to-support-borrowers.](#)

- ⁷⁷ U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>.
- ⁷⁸ Consumer Financial Protection Bureau, “Report of the CFPB Education Loan Ombudsman,” October 2023, p. 3, https://files.consumerfinance.gov/f/documents/cfpb_annual-education-loan-ombudsman-report_2023.pdf; Consumer Financial Protection Bureau, CFPB Report Identifies Challenges Faced by Borrowers in Resumption of Student Loan Payments,” January 5, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-identifies-challenges-faced-by-borrowers-in-resumption-of-student-loan-payments/>.
- ⁷⁹ Student Borrower Protection Center, “The MOHELA Papers: The Rise of a Student Loan Servicing Giant and the Fall of the Student Loan System,” February 2024, p. 8, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>.
- ⁸⁰ See, e.g., Letter from EdFinancial, to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>; Letter from Maximus to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/Maximus%20Response%20to%20Letter%20from%20Senators%20December132023FINAL0102%20.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>; Letter from Nelnet to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/01022024%20Nelnet%20Response.pdf>.
- ⁸¹ See, e.g., Letters from Senator Elizabeth Warren to EdFinancial, Maximus, MOHELA, and Nelnet, July 18, 2023, <https://www.warren.senate.gov/imo/media/doc/Letter%20to%20Servicers.pdf>; Letters from Senator Elizabeth Warren to EdFinancial, Maximus, MOHELA, and Nelnet, September 27, 2023, <https://www.warren.senate.gov/imo/media/doc/Letters%20to%20Servicers1.pdf>.
- ⁸² *Id.*
- ⁸³ Only EdFinancial and MOHELA provided specific information about their plans to hire more staff. Maximus noted they would add 15% more staff, but provided no baseline data about its current staff. Letter from EdFinancial to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from Maximus to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, August 8, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from Nelnet to Senator Elizabeth Warren, August 4, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>.
- ⁸⁴ Calculated by dividing the number of projected new employees by the number of new account transfers. Letter from EdFinancial to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, August 8, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>.
- ⁸⁵ KLKN Nebraska News, “Nelnet announces 550 job cuts in second round of layoffs of 2023,” March 24, 2023, <https://www.klkn.com/nelnet-announces-550-job-cuts-in-second-round-of-layoffs-of-2023/>.
- ⁸⁶ Consumer Financial Protection Bureau, “Issue Spotlight: Federal Student Loan Return to Repayment,” January, 2024, p. 9, https://files.consumerfinance.gov/f/documents/cfpb_federal-student-loan-return-to-repayment-report_2024-01.pdf.
- ⁸⁷ *Id.*
- ⁸⁸ *Id.*, pp. 4-5.
- ⁸⁹ Respectively, EdFinancial, Maximus and MOHELA reported 3,063, 3,469, and 36,309 borrower complaints by August 2023. MOHELA also had the greatest share of unresolved complaints at nine percent. Letter from EdFinancial to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from Maximus to Senator Elizabeth Warren, August 1, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren Letter, August 8, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>.
- ⁹⁰ *Id.*
- ⁹¹ Student Borrower Protection Center, “The MOHELA Papers: The Rise of a Student Loan Servicing Giant and

the Fall of the Student Loan System,” February 2024, p. 12, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>.

- ⁹² Between Maximus and MOHELA, at least 4.5 million new borrowers had yet to be set up with an online account. See, e.g., Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>; Letter from Maximus to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/Maximus%20Response%20to%20Letter%20from%20Senators%20December132023FINAL0102%20.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ⁹³ Calculation based on 3.3 million borrowers experiencing a late or missing billing statement and 268,000 additional servicer errors. The *New York Times* also reported that ED identified roughly more 420,000 borrowers affected by servicers’ miscalculations. See U.S. Department of Education, “Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations,” press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>; U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>; The *New York Times*, “More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments,” Tara Siegel Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>.
- ⁹⁴ Calculation based on Maximus’s, EdFinancial’s, and Nelnet’s failure to send 758,000 billing statement on time and 2.5 million documented errors by MOHELA. Because servicers have refused to provide full information about these errors, this figure is likely a significant underestimate. U.S. Department of Education, “Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations,” press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>.
- ⁹⁵ The *New York Times*, “More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments,” Tara Siegel Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>.
- ⁹⁶ Calculation based on subtracting the 280,000 borrowers affected by MOHELA’s miscalculations from the 420,000 total affected borrowers. *Id.*
- ⁹⁷ U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>.
- ⁹⁸ *Id.*, p. 2.
- ⁹⁹ *Id.*, p. 3.
- ¹⁰⁰ Calculated from the following data: 78,000 borrowers received incorrect bills due to SAVE Plan enrollment; more than 21,000 borrowers received bills very high or incorrect amounts due; 16,000 borrowers were incorrectly removed from forbearance; 153,000 borrowers never received an Income Driven Repayment (IDR) disclosure. U.S. Department of Education, “Request Approval: Use of Secretary’s Compromise Authority for Remediating Potential Harm to Borrowers Caused by Return to Repayment Servicing Errors,” October 29, 2023, <https://www2.ed.gov/policy/gen/leg/foia/decision-memorandum-return-to-repayment-servicing-errors-10-29-23-signed-redacted.pdf>.
- ¹⁰¹ Consumer Financial Protection Bureau, “Report of the CFPB Education Loan Ombudsman,” October 2023, p. 3, https://files.consumerfinance.gov/f/documents/cfpb_annual-education-loan-ombudsman-report_2023.pdf.
- ¹⁰² *Id.*, p. 3.
- ¹⁰³ U.S. Department of Education, “U.S. Department of Education Announces Withholding of Payment to Student Loan Servicer as Part of Accountability Measures for Harmed Borrowers,” press release, October 30, 2023, https://www.ed.gov/news/press-releases/us-department-education-announces-withholding-payment-student-loan-servicer-part-accountability-measures-harmed-borrowers?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term.
- ¹⁰⁴ The *New York Times*, “More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments,” Tara Siegel

- Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>.
- ¹⁰⁵ *Id.*
- ¹⁰⁶ MOHELA's PSLF backlog reached a peak of nearly 1.2 million applications in January 2023. Student Borrower Protection Center, "The MOHELA Papers: The Rise of a Student Loan Servicing Giant and the Fall of the Student Loan System," February 2024, p. 15, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>.
- ¹⁰⁷ *Id.*, pp. 6, 16.
- ¹⁰⁸ U.S. Department of Education, Approximate Number of PSLF Forms in Active Processing, April 5, 2024, on file with the Office of Senator Warren.
- ¹⁰⁹ U.S. Department of Education, "Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations," press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>.
- ¹¹⁰ Letter from EdFinancial to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from Nelnet to Senator Elizabeth Warren, October 12, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹¹¹ Letter from Senator Elizabeth Warren to Education Secretary Cardona, December 1, 2023, <https://www.warren.senate.gov/imo/media/doc/2023.12.01%20Letter%20to%20ED%20re%20Student%20Loan%20Servicer%20Contracts.pdf>.
- ¹¹² *Id.*
- ¹¹³ Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹¹⁴ See Letters from EdFinancial, Maximus, MOHELA, and Nelnet to Senator Elizabeth Warren, August 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letters from EdFinancial, Maximus, MOHELA, and Nelnet to Senator Elizabeth Warren, October 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹¹⁵ Average call times reflect the last two weeks of October 2023. However, average call times in mid-September also reached over one hour. Consumer Financial Protection Bureau, "Issue Spotlight: Federal Student Loan Return to Repayment," pp. 4-5, January, 2024, https://files.consumerfinance.gov/f/documents/cfpb_federal-student-loan-return-to-repayment-report_2024-01.pdf.
- ¹¹⁶ See Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹¹⁷ Letter from MOHELA to Senator Elizabeth, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ¹¹⁸ Student Borrower Protection Center, "The MOHELA Papers: The Rise of a Student Loan Servicing Giant and the Fall of the Student Loan System," February 2024, p. 28, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>.
- ¹¹⁹ *Id.*
- ¹²⁰ *Id.*
- ¹²¹ Prior to the return to repayment, no servicer failed to keep its abandonment rate below the maximum service-level agreement (SLA) metric threshold. Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.
- ¹²² *Id.*

- ¹²³ *Id.*
- ¹²⁴ Data was reportedly collected between September 1 to September 22, 2023. Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹²⁵ Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>.
- ¹²⁶ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018__Warren.pdf.
- ¹²⁷ *Id.*
- ¹²⁸ *Id.*
- ¹²⁹ Average ratings across servicers were 62.75 percent, 61 percent, and 59.5 percent for Quarters 1, 2, and 3, respectively. *Id.*
- ¹³⁰ Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%20,%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹³¹ The New York Times, "More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments," Tara Siegel Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>; CBS News, "More than 300,000 student borrowers given wrong repayment information, Education Department says," Aimee Picchi, October 19, 2023, <https://www.cbsnews.com/news/student-loan-repayment-wrong-information-save-idr-plan/>; CNBC, "Inaccurate bills, hours on the phone: Student loan borrowers reenter 'a very messy system,'" Annie Nova and Jared Mitovich, October 22, 2023, <https://www.cnbc.com/2023/10/22/student-loan-borrowers-restart-bills-in-a-very-messy-system.html>.
- ¹³² EdFinancial reported 916 customer service complaints. Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%20,%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹³³ Maximus reported 1,521 complaints related to error. Letter from Maximus to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/Maximus%20Response%20to%20Letter%20from%20Senators%20December132023FINAL0102%20.pdf>.
- ¹³⁴ *Id.*; Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>;
- ¹³⁵ Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%20,%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹³⁶ U.S. Department of Education, "Stronger Partnerships with State Allies to Protect Student Borrowers," May 28, 2021, <https://blog.ed.gov/2021/05/stronger-partnerships-with-state-allies-to-protect-student-borrowers/>.
- ¹³⁷ U.S. Department of Education, "New Interpretation to Encourage State Collaboration on Student Loan Servicing," press release, August 9, 2021, <https://www.ed.gov/news/press-releases/new-interpretation-encourage-state-collaboration-student-loan-servicing>.
- ¹³⁸ U.S. Department of Education, "U.S. Department of Education Increases Servicer Performance, Transparency, and Accountability Before Loan Payments Restart," October 15, 2021, <https://www.ed.gov/news/press-releases/us-department-education-increases-servicer-performance-transparency-and-accountability-loan-payments-restart>.
- ¹³⁹ Letter from Senator Elizabeth Warren to Education Secretary Miguel Cardona, December 1, 2023, <https://www.warren.senate.gov/imo/media/doc/2023.12.01%20Letter%20to%20ED%20re%20Student%20Loan%20Servicer%20Contracts.pdf>; citing U.S. Securities and Exchange Commission, "Amendment of Solicitation/Modification of Contract," December 15, 2021, p. 2, https://www.sec.gov/Archives/edgar/data/1258602/000125860221000070/exhibit10209d0012_mod001.html.
- ¹⁴⁰ U.S. Department of Education, "Biden-Harris Administration Announces Framework for Student Loan Servicer Accountability To Protect Borrowers Nationwide," November 9, 2023, <https://www.ed.gov/news/press-releases/biden-harris-administration-announces-framework-student-loan-servicer-accountability-protect-borrowers-nationwide>.
- ¹⁴¹ *Id.*
- ¹⁴² *Id.*

- ¹⁴³ *Id.*
- ¹⁴⁴ *Id.*
- ¹⁴⁵ U.S. Department of Education, "U.S. Department of Education Announces Withholding of Payment to Student Loan Servicer as Part of Accountability Measures for Harmed Borrowers," press release, October 30, 2023, <https://www.ed.gov/news/press-releases/us-department-education-announces-withholding-payment-student-loan-servicer-part-accountability-measures-harmed-borrowers>.
- ¹⁴⁶ U.S. Department of Education, "Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations," press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>.
- ¹⁴⁷ U.S. Department of Education, "U.S. Department of Education Announces Withholding of Payment to Student Loan Servicer as Part of Accountability Measures for Harmed Borrowers," press release, October 30, 2023, https://www.ed.gov/news/press-releases/us-department-education-announces-withholding-payment-student-loan-servicer-part-accountability-measures-harmed-borrowers?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term.
- ¹⁴⁸ Letter from EdFinancial to Senator Elizabeth Warren, January 2, 2024, <https://www.warren.senate.gov/imo/media/doc/January%202024%20Edfinancial%20-%20Warren%20Response%20Letter.pdf>.
- ¹⁴⁹ *Id.*
- ¹⁵⁰ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.
- ¹⁵¹ Letter from Maximus to Senator Elizabeth Warren, October 11, 2023, https://www.warren.senate.gov/download/maximus-response-to-restart-followup_10112023.
- ¹⁵² *Id.*
- ¹⁵³ *Id.*
- ¹⁵⁴ See Letter from MOHELA to Senator Elizabeth Warren, August 8, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ¹⁵⁵ The New York Times, "More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments," Tara Siegel Bernard, October 16, 2023, <https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html>; CBS News, "More than 300,000 student borrowers given wrong repayment information, Education Department says," Aimee Picchi, October 19, 2023, <https://www.cbsnews.com/news/student-loan-repayment-wrong-information-save-idr-plan/>; CNBC, "Inaccurate bills, hours on the phone: Student loan borrowers reenter 'a very messy system,'" Annie Nova and Jared Mitovich, October 22, 2023, <https://www.cnbc.com/2023/10/22/student-loan-borrowers-restart-bills-in-a-very-messy-system.html>.
- ¹⁵⁶ U.S. Department of Education, "U.S. Department of Education Announces Withholding of Payment to Student Loan Servicer as Part of Accountability Measures for Harmed Borrowers," October 30, 2023, <https://www.ed.gov/news/press-releases/us-department-education-announces-withholding-payment-student-loan-servicer-part-accountability-measures-harmed-borrowers>.
- ¹⁵⁷ Letter from MOHELA to Senator Elizabeth Warren, August 8, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicers%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, October 16, 2023, <https://www.warren.senate.gov/imo/media/doc/Servicer%20Responses.pdf>; Letter from MOHELA to Senator Elizabeth Warren, January 9, 2024, <https://www.warren.senate.gov/imo/media/doc/2023.%20MOHELA%201.9%20Warren%20Response.pdf>.
- ¹⁵⁸ *Id.*
- ¹⁵⁹ Student Borrower Protection Center, "The MOHELA Papers: The Rise of a Student Loan Servicing Giant and the Fall of the Student Loan System," February 2024, p. 15, <https://protectborrowers.org/wp-content/uploads/2024/02/MOHELA-Papers-Report.pdf>; U.S. Department of Education, Approximate Number of PSLF Forms in Active Processing, April 5, 2024, on file with the Office of Senator Warren.
- ¹⁶⁰ Nelnet's response to Senator Elizabeth Warren's September 2023 letter was deeply concerning as it failed to an-

swer any questions and refused to acknowledge its own responsibility for borrowers' difficulties. Letter from Nelnet to Senator Elizabeth Warren, October 12, 2023, <https://www.warren.senate.gov/imo/media/doc/Service%20Responses.pdf>.

¹⁶¹ Letter from U.S. Department of Education to Senator Elizabeth Warren, March 20, 2024, https://www.warren.senate.gov/imo/media/doc/23-013018_Warren.pdf.

¹⁶² *Id.*

¹⁶³ The White House, "FACT SHEET: President Biden Cancels Student Debt for more than 150,000 Student Loan Borrowers Ahead of Schedule," press release, February 21, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/02/21/fact-sheet-president-biden-cancels-student-debt-for-more-than-150000-student-loan-borrowers-ahead-of-schedule/>.

¹⁶⁴ Calculation based on Maximus's, EdFinancial's, and Nelnet's failure to send 758,000 billing statement on time and 2.5 million documented errors by MOHELA. U.S. Department of Education, "Biden-Harris Administration Takes Additional Action to Hold Student Loan Servicers Accountable for Failing to Meet Contractual Obligations," press release, January 5, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-additional-action-hold-student-loan-servicers-accountable-failing-meet-contractual-obligations>.

