



February 8, 2024

The Honorable Brittany Pettersen  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Pettersen:

Thank you for your September 29, 2023, letter to the U.S. Department of Education (Department) about the resumption of student loan payments. I am pleased to respond on behalf of the Department, and a similar response has been sent to the co-signers of your letter.

To address the harms of the pandemic, starting on March 20, 2020, student loan payments were paused, and interest rates were set at zero percent for eligible federal student loans. The payment pause was later extended multiple times over both the prior and current Administrations. Consistent with the Fiscal Responsibility Act of 2023 passed by Congress, the payment pause ended in August 2023. As a result, loans began accruing interest on September 1, 2023, and borrowers were required to make payments starting in October 2023.

The task of supporting more than 28 million borrowers in returning to repayment poses significant and novel challenges. The number of borrowers who were required to resume repaying their loans simultaneously is five times greater than the number of borrowers who typically enter repayment over the course of an entire year. It is an unprecedented undertaking that has required the concerted efforts of the Department, its contractors, its partners, and Congress. While most borrowers have already begun making payments, others may need more time to explore their options and resume payments, especially as the economic circumstances of many borrowers may have changed as a result of the pandemic. The Department is committed to supporting student loan borrowers as they continue to navigate this transition, and below we present our responses to your questions about this ongoing work.

**1. What steps has the Department taken to ensure it successfully communicated upcoming changes with borrowers, including the 12-month “on-ramp” qualifications?**

The Department is executing a five-pronged communications plan that includes email and SMS messaging, organic social media, StudentAid.gov content, partner outreach, and targeted preparations with its loan servicers. The Department was in regular communication with borrowers throughout summer 2023 in preparation for payments to resume, with a particular focus on providing resources to support each borrower’s individual situation. Federal Student Aid (FSA) continues to work with its contractors and external partners to give borrowers clear information about their options as they navigate the repayment process, including enrolling in auto-debit, signing up for an affordable income-driven repayment plan, and pursuing loan forgiveness through programs such as Public Service Loan Forgiveness. FSA’s Targeted Early

Delinquency Intervention initiative is also providing direct, enhanced outreach to at-risk borrowers to help them avoid delinquency and default.

FSA has also published multiple resources on StudentAid.gov to help borrowers navigate their repayment options. These resources include [general guidance](#), with a [Checklist](#) and a [“Repaying Student Loans 101”](#) guide; guidance on [qualifying for forgiveness, cancellation, or discharge](#); guidance on [Fresh Start](#) and the [Saving on a Valuable Education \(SAVE\) Plan](#); and information tailored to those who are [making loan payments for the first time](#). FSA has also posted information about the [on-ramp period](#), which is intended to help prevent the worst consequences of missed, late, or partial payments.

Through the SAVE on Student Debt Campaign, the Department has also leveraged the efforts of a diverse coalition of hundreds of corporate, government, community-based, and national organizations to communicate to borrowers that they can reduce their student loan payments through the SAVE Plan. The campaign is aiming to reach millions of borrowers, with a particular focus on harder-to-reach populations that historically may have experienced a deficit of trust.

**2. Is the Department reaching out to individuals who attended Community Colleges and accrued federal student loan debt differently from those who attended other institutions of higher education?**

In January, the Department announced that it will soon start providing forgiveness after as few as 10 years of payments for borrowers in the SAVE Plan who originally took out \$12,000 or less for college. Borrowers enrolled in the SAVE Plan who are eligible for early forgiveness will have their debts cancelled immediately starting in February, with no action required on their part. To help as many borrowers as possible benefit from this action, the Department is conducting an outreach and email campaign to encourage borrowers who are not currently enrolled in SAVE to sign up because they may benefit from this shortened repayment period. This forgiveness benefit will especially help borrowers who attended community colleges, as these students generally borrow smaller amounts. Overall, the Department estimates that forgiveness provisions in the SAVE Plan will result in 85 percent of community college borrowers becoming debt free within 10 years.

**3. How does the Department update its records of borrowers to ensure it has the most up-to-date contact information?**

The Department’s student loan servicers strive to keep borrower contact information as up to date as possible. The Department’s communications to borrowers remind them to inform their loan servicers of any change to their contact information, including their email address, mailing address, and phone number. The Department has instructed loan servicers to update their relevant records upon learning of any changes.

**4. What plans does the Department have in place to connect borrowers with their new loan servicer, while protecting borrowers from scams?**

When a borrower's account is transferred to a new loan servicer, the borrower receives direct communication about the transfer from both their old and their new loan servicer. Now that the payment pause has ended, the Department knows that scammers are trying to defraud and cheat hardworking borrowers and their families. Our messaging to borrowers is simple and clear: scammers might pose as a company saying they will help you get a loan discharge, forgiveness, cancellation, or debt relief for a fee, ***but you NEVER have to pay for help with your federal student loans***. We would be glad if you would help us amplify this central message to your constituents. We encourage borrowers to work only with the Department and our loan servicers and to seek out more information about how they can identify and report scams by visiting [StudentAid.gov/scams](https://StudentAid.gov/scams), contacting the Federal Trade Commission at 1-877-382-4357, or visiting [reportfraud.ftc.gov](https://reportfraud.ftc.gov).

**5. How is the Department effectively communicating with loan servicers to keep them informed of new requirements?**

The Department is providing comprehensive and continuous communication to servicers to ensure they have the most up-to-date information on processes and requirements. This direction has been provided through different planning and communication vehicles depending on the purpose and time frame of the communication, including through formal contractual change requests. The Department also holds meetings with servicers each week to provide updates on the status of servicer and borrower communications, servicer performance, borrower engagement and outreach efforts, and income-driven repayment plan enrollments.

A key communications tool the Department provides to servicers is the *Return to Repayment, Student Debt Relief, and Income Driven Repayment New Communications Playbook: Federal Student Aid's Outreach Plan to Borrowers* (Playbook). A copy of the Playbook is enclosed with this letter for your reference. The Playbook includes action steps focused on communications, deadlines, and a roadmap for each servicer. This roadmap outlines when FSA intends to send out communications to borrowers and via what channel, the different audiences FSA intends to reach, and how planned vendor communication beyond the standard plan should be executed. The associated timetable in the Playbook segments communications according to audience, date, communications method, and other factors. FSA will continue to provide updated versions of the Playbook to servicers as new information emerges or as other communication plans evolve to meet changing circumstances.

**6. Does the Department have the necessary resources to respond to individual concerns in a timely manner? If not, how can Congress better support the Department?**

In the President's FY 2024 budget request, additional resources have been requested that are essential to further FSA's efforts to support borrowers and ensure servicers have enough funding to provide a smooth transition to repayment. We cannot stress enough how important these resources are to delivering on this critical project. The Department will continue to do everything we possibly can to better serve students and borrowers within the constraints of the current flat-

lined budget (which actually results in concrete funding cuts, due to the inflation adjuster). However, we respectfully request that the Congress fully fund the President's FY 2024 budget request for the Student Aid Administration account. This will provide the resources needed for FSA and its contractors in our ongoing efforts to support borrowers as we seek to implement a successful transition to repayment.

Thank you for your support of the Department's work. We appreciate your perspective on these issues and your interest in the details of this important work. We also greatly appreciate the partnership of the Future Forum Caucus in assuring continued access to and affordability of postsecondary education, especially for many young Americans who would otherwise never have this opportunity to become the next generation of leaders in public service.

If you have further questions or concerns, please have your staff contact our Office of Legislation and Congressional Affairs at (202) 401-0020.

Sincerely,



Richard Cordray  
Chief Operating Officer  
Federal Student Aid

Enclosure