Statement in Response to Education Department’s Announcement on Automatic Cancellation for Disabled Borrowers

August 19, 2021

Boston - In response to the announcement today by the U.S. Department of Education that 323,000 borrowers who have a total and permanent disability (TPD) will receive more than $5.8 billion in automatic student loan discharges due to a new regulation, Persis Yu, director of the National Consumer Law Center’s Student Loan Borrower Assistance Project, issued the following statement:

“We are excited to see the Department of Education finally provide automatic discharges to the hundreds of thousands of disabled borrowers who have been entitled to this relief for years. This action is long overdue and will make a huge difference in the lives of hundreds of thousands of borrowers who have been trapped in unnecessary student debt. We are also encouraged to see that the Department of Education plans to pursue broader changes through its upcoming rulemaking and we look forward to working with the Department through this rulemaking to eliminate the many barriers that exist which keep borrowers with disabilities from receiving the relief they are entitled to under law. In addition to committing to eliminating the three year monitoring period during the upcoming rulemaking, which has prevented many borrowers from getting relief under the disability discharge program, we hope the Department will take this opportunity to expand the eligibility criteria to better match the intent of the law, and to find additional ways to identify borrowers who miss out on relief due to our kafkaesque student loan system.

“Make no mistake, the Department’s actions today will provide meaningful relief to hundreds of thousands of borrowers. Today’s action will take one step towards fixing a fundamentally broken system, but more still needs to be done. Millions of borrowers are still waiting for President Biden to make good on his promise to provide widespread student loan cancellation.”

Additional Resources:

- Student Loan Borrower Assistance: Disability and Death: Total and Permanent Disability Discharge
- Relief for Borrowers With Disabilities, John Whitelaw and Bethany Lilly (2020)