

April 7, 2022

The Honorable Miguel Cardona
United States Department of Education
830 First Street, N.E.
Washington, D.C. 20002

Dear Secretary Cardona,

The undersigned 116 organizations representing students, student loan borrowers, teachers, workers, civil rights, veterans, people of faith, and consumers write to urge you to deliver on the promise of income-driven repayment (IDR) programs for federal student loan borrowers through the creation of an IDR restoration project.

Last week, an explosive NPR investigative report revealed that even when borrowers are able to navigate the IDR system, sweeping problems plaguing the IDR program have resulted in the time borrowers spent in repayment potentially not counting towards cancellation.¹ The report showed that this outcome was attributable to a number of striking system flaws and failures, all of which conspired to prevent borrowers from accessing the pathway to a debt-free future.

When Congress passed the first of the modern IDR plans in 1992, it made a promise to borrowers that federal student loan payments would be affordable, and that even if borrowers were low-income, through eventual cancellation, their student loans would not be a lifetime burden. IDR has failed to deliver on every aspect of that promise. **It is time now for the Biden Administration to restore faith in IDR through the creation of an IDR waiver.**

The Biden Administration recently recognized and took steps to address similar failings in the Public Service Loan Forgiveness (PSLF) program by implementing a waiver that would allow the millions of public service workers to finally benefit from the promise of PSLF. While we applaud and celebrate these efforts, we urge the Administration to simultaneously address the parallel failures of the IDR program through a similar waiver.

Cancellation under income-driven repayment has been theoretically possible since the first group of borrowers reached twenty years in repayment through the IDR program in 2016. Yet, the most recent data from ED reveals that only **32 IDR borrowers** have ever successfully canceled their loans, even though **4.4 million borrowers** have been in repayment for 20 years or longer. An internal analysis prepared by the largest student loan servicer, PHEAA, found that of its more than 8.5 million customers, only 48 borrowers would receive debt cancellation under IDR by 2025. Moreover, PHEAA's internal data projects the number of IDR borrowers receiving debt cancellation will **decline** by 83 percent between 2022 and 2025.

¹ Turner, Cory. (2022, April 1). "Exclusive: How the most affordable student loan program failed low-income borrowers." National Public Radio. Available at: <https://www.npr.org/2022/04/01/1089750113/student-loan-debt-investigation>.

The shockingly low rate of cancellation is emblematic of ED’s failure to deliver the relief Congress intended when it passed the statutes enabling the creation of these IDR programs. While they were intended to ease the burden of student debt on borrowers, IDR plans are notoriously difficult to navigate, both because of the administrative hurdles of the program and rampant servicer misconduct. To receive debt cancellation under IDR, student loan borrowers must enroll in one of the several IDR options and remain in that plan for decades. To enroll, borrowers must first know about the program, determine which plan suits their needs, submit a litany of paperwork and documentation, and then repeat this process annually for more than two decades. A September 2021 SBPC report, “Driving Into a Dead End: Why IDR Has Failed Millions with Decades-Old Debt” suggests that about half of borrowers using REPAYE—the largest IDR plan—fail to persist in the program on a year-to-year basis.

As the recent [settlement between 39 states attorneys general](#) and Navient demonstrates, servicers have consistently engaged in a variety of abusive practices and that servicers make many errors that have long-term negative consequences for borrowers. As a result, many borrowers are unable to meet annual deadlines or simply forego the very plans that could help them repay their loans successfully.

As with so many aspects of the student loan system, the failure of IDR disproportionately harms Black borrowers. The Education Trust recently published a study based on a nationwide survey of nearly 1,300 Black borrowers and in-depth interviews with 100 Black borrowers. It found that IDR plans are not easing the student debt crisis for Black borrowers; even default rates remain high, despite the availability of these plans. In short, a program created to help the most vulnerable borrowers has failed to do so on all levels. An IDR waiver is necessary to help rectify past harms done, as student loan borrowers—and, in particular, low-income borrowers and borrowers of color—have been burdened by failures in IDR program administration that created undue financial hardship.

An IDR waiver is essential to restore the broken promise of IDR. As more described in the [whitepaper](#) by the Student Borrower Protection Center, National Consumer Law Center, and Center for Responsible Lending, and IDR waiver should:

1. **On a retroactive basis, count all months since the borrower entered repayment following their grace period as qualifying months towards loan forgiveness,** regardless of which repayment plan the borrower was in, whether they were in forbearance, and whether they were in default.
2. **Provide relief automatically.** All of the data that the Department of Education needs in order to implement the IDR Waiver is readily available through NSLDS. Borrowers should not need to affirmatively apply for this relief.
3. **Ensure that all federal loan borrowers, regardless of loan program, have access to the IDR Waiver.** While FFEL and Perkins loans borrowers could be eligible for IDR, so

many borrowers were not properly advised and so have failed to benefit. The IDR waiver must apply to these borrowers who have been left behind.

We appreciate your careful consideration of these comments and look forward to further discussion with you. Please feel free to contact Persis Yu at persis@protectborrowers.org for any future follow up.

Sincerely,

Student Borrower Protection Center
Center for Responsible Lending
National Consumer Law Center (on behalf of its low-income clients)
1000 Women Strong
Accountable.US
African American Ministers In Action
Alaska PIRG
Albuquerque Mennonite Church
Alliance for Youth Action
American Association of University Professors (AAUP)
American Association of Veterinary Medical Colleges
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
American Library Association
Americans for Financial Reform Education Fund
Association of Latino Administrators and Superintendents (ALAS)
Association of Young Americans (AYA)
Autistic Self Advocacy Network
California Association of Nonprofits
Center for American Progress
Center for Economic Integrity
Center for Law and Social Policy (CLASP)
Center for LGBTQ Economic Advancement & Research (CLEAR)
CFPB Union NTEU 335
Clearinghouse on Women's Issues
Coalition on Human Needs
Community Legal Services of Philadelphia
Community Service Society of New York
Consumer Action
Consumer Federation of America
Consumer Federation of California
Consumer Reports
Cooperative Baptist Fellowship of Texas
Council on Social Work Education

Debt-Free MD, Inc. (Maryland)
Dr. N. Joyce Payne Center for Social Justice
Economic Mobility Pathways (EMPath)
Empire Justice Center
Equal Justice Works
Fosterus
Hildreth Institute
Hip Hop Caucus
Hispanic Federation
Housing and Economic Rights Advocates
International Brotherhood of Teamsters
International Federation of Professional and Technical Engineers (IFPTE)
Jobs With Justice
Legal Action Chicago
Loan Repayment Assistance Program of Minnesota
Louisiana Budget Project
Maine Center for Economic Policy
Media Voices
Mississippi Association of Educators
Mobilization for Justice
National Association of Consumer Advocates
National Association of Graduate Professional Students (NAGPS)
National Association of School Psychologists
National Association of Social Workers
National Association of Social Workers – Connecticut Chapter
National Association of Social Workers – Maine Chapter
National Association of Social Workers – New Hampshire Chapter
National Association of Social Workers – New Jersey Chapter
National Association of Social Workers – New Mexico Chapter
National Association of Social Workers – Ohio Chapter
National Association of Social Workers – Oklahoma Chapter
National Association of Social Workers – Pennsylvania Chapter
National Association of Social Workers – Texas Chapter
National Association of Social Workers – Vermont Chapters
National Association of Social Workers – West Virginia Chapter
National Education Association (NEA)
National League for Nursing
National Urban League
National Young Farmers Coalition
NAVIGATE STUDENT LOANS
New America Higher Education Program
New Era Colorado
New Hampshire Youth Movement
New Jersey Citizen Action

New York Legal Assistance Group (NYLAG)
NextGen California
Nonprofit Professional Employees Union (NPEU), IFPTE Local 70
NTEU Independent Staff Union
OCA – Asian Pacific American Advocates
Ohio Student Association
Partnership for College Completion
Physician Assistant Education Association
Portland State University Faculty Association (PSUFA-Local 3571) AFT-Oregon
Project on Predatory Student Lending
Public Citizen
Public Counsel
Public Higher Education Network of Massachusetts (PHENOM)
Public Justice Center
Public Law Center
SEIU Local 500
SEIU Local 509
Student Debt Crisis Center
Student Loan Fund Inc.
Student Public Interest Research Groups
Student Veterans of America
The Arc of the United States
The Collaborative of NC
The Education Trust
The Hope Center for College, Community, and Justice
The Institute for College Access & Success (TICAS)
The Revolving Door Project
Tzedek DC
UnidosUS
United College Employees of Fashion Institute of Technology
United State of Women
University of California Graduate & Professional Council
UnKoch My Campus
URGE: Unite for Reproductive & Gender Equity
Virginia Poverty Law Center
Women Employed
Young Invincibles
Zero Debt Massachusetts