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August 21, 2025

Mr. James Bergeron
Acting Chief Operating Officer
Office of Federal Student Aid (FSA)
United States Department of Education
830 First Street, NE,
Washington, DC 20002

Sent via email and U.S. mail

Re: Total and Permanent Disability (TPD) Program.

Dear Mr. Bergeron,

The National Consumer Law Center, on behalf of its low-income clients, writes to urge the Department to renew the Total and Permanent Disability (TPD) discharge data matching agreement with the Social Security Administration (SSA) and to bring to your attention complaints we have received from disabled Americans and their representatives regarding the TPD application process.

We commend the Department for renewing the TPD data-matching agreement with the Department of Veterans Affairs (VA) and now urge it to also renew the data-matching agreement with SSA, which is scheduled to expire on September 30, 2025.

The TPD discharge program is vital for the economic security of individuals with disabilities, who are significantly more likely to experience unemployment and live in poverty than those without disabilities.¹ For years, many eligible borrowers were unable to access relief through the TPD program due to administrative barriers, complex regulatory requirements, and an

¹ Jonathan Vespa & Caitlin Carter, [Trends in Veteran Disability Status and Service-Connected Disability: 2008–2022](#), U.S. Census Bureau, (November 2024).

unnecessarily burdensome application process.² Disabled veterans were particularly affected; more than half of those who qualified for a discharge were unable to obtain one.³

Recognizing the need for reform, the Trump administration in 2019 directed the Department to streamline the TPD process and expedite relief for eligible veterans.⁴ In response, the Department established a data-matching agreement with the VA to automate loan discharges for qualifying veterans.⁵ Building on that effort, in 2021, the Department entered into a similar agreement with SSA to automatically discharge loans for borrowers identified as totally and permanently disabled based on SSA's data.⁶ As a result of the data-matching agreements with the VA and SSA, thousands of borrowers with disabilities have received TPD discharges without having to navigate bureaucratic red tape.⁷

We are urging the Department to build on this progress by renewing existing data matching agreements and accelerating TPD discharges for eligible borrowers. We commend the Department for renewing its agreement with the VA, which expired on May 30, 2025. Similarly, the Department must act to renew its data matching agreement with SSA, which is set to expire on September 30. Despite the looming deadline, the Department has not indicated whether it intends to renew the agreement or continue processing automatic discharges for eligible SSA beneficiaries beyond that date. Failing to renew the TPD data matching agreement with SSA would lead to defaults and extreme and unnecessary financial hardship for many disabled SSA beneficiaries who are unable to work and cannot make student loan payments due to limitations imposed by their disabilities, and whom Congress targeted for relief.⁸

The Department must take immediate action to address the escalating problems with the TPD application process.

On December 20, 2024, the Department announced that the TPD discharge program would transition from Nelnet to StudentAid.gov.⁹ Under the new USDS servicing environment, the Department's Business Process Operations (BPO) vendors assumed responsibility for servicing TPD borrowers, including reviewing and processing individual discharge applications.¹⁰ While we welcome certain improvements—such as allowing borrowers and their designated representatives to submit TPD applications online—the transition has been rocky, leaving many

² Clare Lombardo & Cory Turner, [Student Loan Borrowers with Disabilities Aren't Getting Help They Were Promised](#), NPR, (Dec. 2019).

³ Trump White House Archives, [Presidential Memorandum on Discharging the Federal Student Loan Debt of Totally and Permanently Disabled Veterans](#), (August 2019).

⁴ *Id.*

⁵ Privacy Act of 1974; [Matching Program. Notice of a new matching program](#), 86 Fed. Reg. 22640, (Apr. 29, 2021).

⁶ U.S. Dep't of Educ., [New Automatic Total and Permanent Disability \(TPD\) Discharge Process](#), Federal Student Aid (FSA), (last visited July 30, 2025).

⁷ *Id.*

⁸ Lexi West, Ama Takyi-Laryea & Ilan Levine, [Student Loan Borrowers with Certain Demographic Characteristics More Likely to Experience Default](#), Pew Research Center, (Jan. 24, 2023).

⁹ U.S. Dep't of Educ., [TPD Discharge Information-TPD Servicing Transition Planned for March 2025](#), Federal Student Aid (FSA), (Dec. 20, 2024).

¹⁰ U.S. Dep't of Educ., [USDS: Next Generation of Loan Servicing](#), Federal Student Aid (FSA), (Last visited July 30, 2025).

borrowers in limbo. Borrowers report being unable to get answers or updates on applications submitted months ago. The new TPD contractors are struggling to resolve backlogs of cases that accumulated during the processing pause. Borrowers who submitted paper applications before or during the transition to StudentAid.gov have, in many cases, yet to receive updates or written decisions. Compounding the issue, after TPD application processing resumed in March, the Department imposed another temporary pause on the processing of TPD applications submitted based on medical certification. This pause further contributed to the backlog and deepened confusion among borrowers and their representatives.

The initial pause in TPD application processing—followed by the subsequent pause in processing medical certification forms—has created a storm of delays, miscommunications, and uncertainty for TPD borrowers. Over the past several months, borrowers with disabilities and their advocates have brought the following concerns to our attention regarding the administration of the TPD program:

Failure to provide automatic forbearance to TPD applicants.

The applicable TPD regulations require the Department to place a borrower in temporary forbearance upon receipt of a completed TPD discharge application.¹¹ During this period, the borrower is not obligated to make loan payments, and all collection activity must cease while the Department reviews the application.¹² This forbearance is essential as it keeps the borrower's loans in good standing, prevents negative credit reporting, and provides critical financial relief to the borrower. However, borrowers and their advocates have informed us that the Department's TPD contractors are failing to place borrowers in automatic forbearances after receiving their completed TPD applications. In some cases, even when forbearance is requested, the contractors are mistakenly applying only a 90-day forbearance instead of keeping the borrower in forbearance during the full application review period. The contractors' failure to comply with the TPD program regulations increases the risk of delinquency and default for eligible disabled borrowers, exposing them to unnecessary financial harm, including negative credit reporting.

In addition, advocates report that when borrowers call the TPD discharge hotline to request a forbearance, they are told that they must request the forbearance from their loan servicers rather than from the contractor handling the application. After receiving this information, one advocate attempted calling MOHELA to request a forbearance for a borrower, but was unable to get through by phone. She therefore had to submit a forbearance request in writing to MOHELA. Unrepresented borrowers are likely to be confused about the difference between their servicer and the contractor handling their discharge and not understand how to request a forbearance. Instead of placing this burden on the borrowers, the TPD discharge contractor should make the request to the borrower's loan servicer and ensure that the forbearance is granted (as required by federal regulations).

Failure to process TPD applications supported by a medical professional certification.

¹¹ 34 C.F.R. § 685.213(b)(3)(i).

¹² *Id.*

Under the Department's regulations, a borrower may apply for TPD discharge by submitting a certification of total and permanent disability from a qualified medical professional, such as a doctor, physician assistant, nurse practitioner, or psychologist.¹³ The regulations require the borrower to submit the certification within 90 days of the date of the certification.¹⁴ Then, upon receipt of the application and timely certification, the Department must confirm whether the application is complete and, if so, process it.¹⁵ However, borrowers and their advocates have reported that while contractors admit that they see, in the data system, that a medical professional certification was timely submitted, the contractors state that they do not have a copy of the medical certification from the prior TPD discharge loan servicer, and therefore cannot process the discharge application. In these circumstances, as well as when the contractor has a copy of a certification dated more than 90 days prior, contractors are telling borrowers and their authorized representatives that they will deny their timely submitted TPD applications unless borrowers provide a new medical professional certification, based on factually inaccurate claims that the medical certification forms were submitted outside the required 90-day window.

Having to obtain a new medical professional certification is a hardship for many clients. One legal aid client was required to pay his doctor an additional \$150 for the certification, which he could barely afford. Others have a hard time seeing their doctors due to mobility issues, or simply cannot get another certification despite repeated requests to their doctors.

For example, one borrower submitted her discharge application and doctor certification on February 12, 2025, to the mailing address provided by the Department. The doctor's certification was dated January 20, 2025. In June 2025, the borrower and her representative called the TPD discharge hotline to find out the status of her application. The TPD contractor acknowledged that her application had been received with a doctor's certification. However, the contractor stated that it did not have a copy of the certification. The attorney therefore faxed to the contractor a copy of the doctor's certification that she had already submitted on the client's behalf and requested that the loan servicer process the discharge application based on the timely-submitted certification. In response, the borrower received the attached letter, stating that the borrower's certification is "missing or invalid" and that the TPD discharge application will be denied if the borrower fails to submit a new doctor certification by October 20, 2025.

Even when borrowers submit legible medical professional certifications with a date within the last 90 days (online or by fax), contractors are telling them that the certifications were not received when there is proof that they were received, that the certification is illegible when it is completely legible, or that the certifications are invalid for a reason that the contractor cannot specify. For example, another borrower representative shared the following account:

We have submitted my client's medical professional certification several times now, and each time, there's been a problem. First, they said it was received after the 90-day window (I have proof that's not true); then, after she had her doctor redo the form with an updated signature and date as instructed, they claim they never received it (it was sent via fax and USPS, and I have proof of delivery for

¹³ 34 C.F.R. § 685.213(b)(2)(i)–(ii).

¹⁴ 34 C.F.R. § 685.213(b)(3).

¹⁵ 34 C.F.R. § 685.213(b)(4).

both). Then, after instructing us to upload the newly re-signed form via StudentAid.gov, it was rejected, and nobody could tell us why. I spoke to three different customer service representatives, and none of them could provide any useful information. One person said we should mail it or fax it – which we've already done. Twice, I asked to speak to a supervisor or manager, and the call center rep simply terminated the call.

Borrowers who timely submit their medical professional certification forms under the regulations should not be penalized for the contractors' failure to timely process the TPD application or for the prior TPD discharge servicer's failure to provide a copy of the medical professional certification to the new contractor. Nor should their applications be arbitrarily denied based on inaccurate claims that a contractor did not receive a certification or that it is illegible. This dysfunctional process is causing emotional stress and harm to many borrowers who suffer from grave disabilities and who are clearly eligible for a discharge.

Failure to send TPD acknowledgment or approval letters to borrowers.

Under the Department's regulations, once a contractor receives a complete TPD discharge application, it is required to notify the borrower and inform him/her that no payments are due while the application is being processed and explain the TPD discharge process.¹⁶ Very few borrowers are receiving such notifications.

In addition, once a borrower is determined to be totally and permanently disabled, the Department is required to send a written notice confirming that the borrower's loans have been discharged, outlining the consequences of the discharge, and return any payments made after the borrower's disability date.¹⁷ However, borrowers and their representatives have reported waiting for months without receiving any formal written notification regarding their TPD applications. When contacting the TPD contractors through the FSA call center, they are told their applications have been approved, but an internal hold is preventing the issuance of official approval letters. The Department's failure to issue borrowers approval letters as required under the TPD regulations leaves them in a state of uncertainty and unnecessarily delays a final decision on their applications.

Failure to acknowledge applicants' designated representatives.

The TPD regulations permit a borrower's representative to submit a TPD application on their behalf and assist them during the TPD application process.¹⁸ The Department requires borrowers to submit an Applicant Representative Designation form before it can work with designated representatives or share information about the borrower's TPD application with them.¹⁹ Over the past several months, borrowers and their representatives have submitted the required representative designation forms, but many of these forms have yet to be processed. In some cases, TPD contractors are denying the existence of forms that were timely submitted to them. In

¹⁶ 34 C.F.R. § 685.213(b)(3)(iii), (iv).

¹⁷ 34 C.F.R. § 685.213(b)(4).

¹⁸ 34 C.F.R. § 685.213(a)(4).

¹⁹ U.S. Dep't of Educ., [Total and Permanent Disability Discharge](#), Federal Student Aid (FSA), (Last visited July 30, 2025).

others, although TPD contractors acknowledge having a copy of the forms, they refuse to speak to the designated representative without the borrower being present.

One applicant representative shared the following regarding the contractors' failure to process the representative designation forms:

I submitted four TPD applications, along with four representative designation forms, by mail in a single envelope on February 25, 2025. I have proof of delivery from USPS that the applications were delivered to the address specified in the TPD application. The TPD contractor acknowledged receipt of the four TPD applications, but could not account for the four representative designation forms despite the forms being mailed with the applications. When we contacted FSA, a contractor representative told us the representative designation forms "go to a different department."

By failing to acknowledge timely submitted Applicant Representative Designation forms, the Department—through its contractors—is making the TPD application process extremely burdensome for disabled borrowers who are entitled to relief but are unable to apply on their own due to physical or mental disabilities.

Failure to identify borrowers in written correspondence to designated representatives.

Designated representatives play a critical role in ensuring access to the TPD discharge program for borrowers who are unable to complete and submit their TPD applications due to physical or mental limitations. In many cases, advocates, including legal aid organizations, serve as the designated representative for multiple borrowers. For this reason, the Department's written communications to designated representatives must clearly identify the borrower referenced in the TPD application.

Unfortunately, since the transition of the TPD program to the new contractors, this has not been the case. As shown in the attached letter, contractors have been sending communications to designated representatives without identifying which borrower's application the correspondence concerns. This practice creates unnecessary confusion, particularly for advocates and legal aid organizations supporting multiple borrowers. To address this, the Department should require the TPD contractors to include the borrower's name in all written communications with designated representatives regarding the borrower's TPD application. This simple step would eliminate a significant barrier to accessing relief under the program.

In authorizing the TPD discharge program, Congress intended to create an accessible program for eligible disabled borrowers to obtain a discharge. While the program has seen meaningful improvements over the years, the upcoming expiration of the SSA data-matching agreement and uptick in complaints of administrative errors by contractors paid to manage the program pose a serious risk of financial harm to eligible disabled borrowers who depend on this relief. These individuals are already navigating the significant challenges of living with physical or mental disabilities—they should not also have to struggle to access the loan discharge they are legally entitled to.

Mr. James Bergeron

August 21, 2025

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We welcome the opportunity to discuss this issue further with your office and to work together on improving services to federal student loan borrowers. Please contact us if we can be of additional assistance.

Sincerely,

/s/ Alpha Taylor

Staff Attorney

National Consumer Law Center

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

07-22-2025



Dear [REDACTED],

There is an issue with your Total and Permanent Disability (TPD) discharge application.

Required information from your submission is **missing or invalid**. We can't process your form without this information. You have until 10/20/2025 to fix the following issue(s) to ensure your application is successfully processed:

- The medical professional did not sign the application within the 90-day limit.

HOW TO CONTACT US:

If you have any questions about this letter, or the TPD program, visit [StudentAid.gov](https://studentaid.gov) or call us at **1-888-303-7818**.

Log in to [My Aid](#) to view your financial aid information.

Sincerely,
Federal Student Aid
U.S. Department of Education

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

08-13-2025

Milo Schaberg
5211 E Washington Blvd Suite 2-457
Commerce, CA 90040

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10001789



Dear Milo,

We have stopped processing your Total and Permanent Disability (TPD) discharge application because:

- You previously submitted an application that is currently being reviewed. We will close the new application and continue reviewing the original application you submitted. If you would like us to reconsider this decision or have more questions, please contact us.

HOW TO CONTACT US

If you have any questions about this letter, or the TPD program, visit StudentAid.gov to learn more or call us at **1-888-303-7818**.

Log in to [My Aid](#) to view your financial aid information.



Sincerely,

Federal Student Aid
U.S. Department of Education