

August 3, 2017

Mr. Robert Eitel and Mr. Joe Conaty
U.S. Department of Education
Union Center Plaza, RM 91F1
830 First Street, NE
Washington, District of Columbia 20202-5405
Transmitted by email: ed_reform@ed.gov

Dear Mr. Eitel and Mr. Conaty:

The Institute for College Access & Success (TICAS) is writing in response to your request for input regarding how the Department of Education (the Department) can “improve the efficiency, effectiveness, and accountability of government through [Executive Order 13781](#) (Comprehensive Plan for Reorganizing the Executive Branch).” TICAS is an independent, nonprofit organization that works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research and analysis, TICAS aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society.

We are writing today with a specific recommendation that would improve the efficiency of Department processes, reduce burden for student loan borrowers and loan servicers, and help borrowers stay on top of their loan payments. We strongly urge the Department to move forward quickly on [existing plans](#)¹ with the Department of Treasury to automate the annual recertification process for income-driven repayment (IDR) by allowing borrowers in those plans to give advance permission to automatically access their required tax information (what is commonly known as “multi-year consent”). This agreement received bipartisan [praise](#),² and borrowers would be able to revoke their permission to access their tax data at any time.

The existing annual recertification process is in dire need of improvement. Data from the Department show that [more than half](#) of borrowers (57%) enrolled in IDR plans miss their annual deadline to recertify their income,³ which can lead to unaffordable spikes in monthly payment amounts and interest capitalization. Failure to recertify on time can lead to sudden, significant jumps in monthly loan payments, sometimes when a borrower can least afford it. Automating the annual recertification process would help borrowers continue making payments based on their income.

¹ TICAS. February 14, 2017. “Progress and Bipartisan Agreement on Helping Keep Student Loan Payments Affordable.” <http://bit.ly/2pTQali>.

² Rep. Bonamici. Press Release. January 19, 2017. “Bonamici, Costello Commend Administrative Steps to Improve Income-Driven Repayment Plans.” <http://bit.ly/2vxnFQz>.

³ U.S. Department of Education. “Sample Data on IDR Recertification Rates for ED-Held Loans.” Shared on April 1, 2015 at the second negotiated rulemaking session. <http://bit.ly/2u5cXN2>.

This change will not only improve the efficiency and effectiveness of an important Department process, but will also advance ongoing Department efforts to improve federal student loan servicing. Implementing multi-year consent will contribute significantly to Secretary DeVos' [goal](#) to "modernize FSA and to leverage new technology that will not only enhance the customer service experience for borrowers but will also protect taxpayers."⁴ With bipartisan support in both the [House](#)⁵ and [Senate](#)⁶, and from a diverse array of [organizations](#),⁷ this change will help borrowers maintain affordable payments *and* shrink paperwork for both borrowers and loan servicers. By using tax data, it will also help to ensure that borrowers are always making monthly payments based on accurate income data from the IRS.

We also encourage the Administration to support the [bipartisan SIMPLE Act](#), sponsored by Representatives Suzanne Bonamici (D-OR), Ryan Costello (R-PA), Patrick Meehan (R-PA), and Seth Moulton (D-MA), and also introduced in the Senate by Senator Ron Wyden (D-OR).⁸ The SIMPLE Act automates the annual income recertification process for IDR by requiring implementation of multi-year consent and also automatically enrolls severely delinquent borrowers in an IDR plan before they default.

Thank you for this opportunity to comment on this critical process. If you have any questions about these comments, please contact Jessica Thompson at jthompson@ticas.org or at (202)854-0231.

Sincerely,

Jessica L. Thompson
Policy and Research Director
The Institute for College Access & Success (ticas.org)

⁴ US Department of Education. Press Release. August 1, 2017. "Secretary DeVos Announces Intent to Enhance FSA's Next Generation Processing and Servicing Environment." <http://bit.ly/2v3DFa0>.

⁵ Letter from U.S. Representatives to the Secretaries of Treasury and Education. October 1, 2015. <http://bit.ly/2vtWzJh>.

⁶ Letter from U.S. Senators to the Secretaries of Treasury and Education. December 16, 2016. <http://bit.ly/2jQQDBZ>.

⁷ Coalition letter to the Secretary of Treasury and Commissioner of the Internal Revenue Service. June 15, 2015. <http://bit.ly/1lnKGRk>.

⁸ Rep. Bonamici. Press Release. August 3, 2017. "Bonamici, Costello, Moulton, Meehan Introduce Bipartisan Effort to Prevent Student Loan Defaults." <http://bit.ly/2fcEVDO>.