



November 2, 2020

The Honorable Betsy DeVos
Secretary of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos,

Amid the COVID-19 crisis, we write on behalf of the National Association of Student Financial Aid Administrators (NASFAA), the Institute for College Access and Success (TICAS), and the American Council on Education (ACE) to urge the administration to move quickly to extend and expand repayment relief to federal student loan borrowers until September 30, 2021, or until the unemployment rate has fallen below 8% for three consecutive months.

We greatly appreciate the efforts the administration has already taken to support student loan borrowers who are experiencing financial hardship due to the pandemic. The president's August Executive Order (EO) extending the suspension of student loan payments and setting interest rates to 0% through the end of this calendar year has lifted a significant worry from millions of Americans who are struggling to meet day-to-day needs for themselves and their families during these difficult times. We also applaud the Department's decision to implement these provisions through an automatic process, rather than requiring borrowers to opt in.

However, the December 31, 2020 deadline is rapidly approaching and there is an urgent need to extend these borrower protections. With COVID-19 cases on the rise in nearly every state, and with state and local governments delaying or pulling back on reopening efforts, high unemployment is likely to persist or even worsen into the foreseeable future. This will force Americans who hold student loan debt to make difficult, untenable choices about how to stretch limited resources.

Further, it is critical to provide borrowers with sufficient time to budget for resuming repayment. This is why the CARES Act required six notices to borrowers over the two months leading up to the expiration of the borrower relief provisions to prepare them for the end of the repayment suspension. With less than two months before payments resume, borrowers need adequate time to prepare to resume loan repayment, which under the current deadline falls during the holiday season, a time when budgets are already stretched even in the best of times.

In light of these facts, we request that all the borrower relief provisions included in the CARES Act be extended until September 30, 2021, or until the unemployment rate has fallen below 8% for three consecutive months. This includes:

- Automatic payment suspensions and 0% interest rate
- Suspension of debt collection, including involuntary collections and garnishments
- Counting suspended payments as qualifying payments toward rehabilitation
- Counting suspended payments as qualifying payments toward Public Service Loan Forgiveness
- Counting suspended payments as qualifying payments toward discharge under income-driven repayment plans

- Reporting suspended payments as regularly scheduled payments to credit agencies

In addition to extending the above CARES Act provisions, we also ask that ED delay the income-driven repayment recertification date to September 30, 2021, or until the unemployment rate has fallen below 8% for three consecutive months.

Finally, more than 8 million federal student loan borrowers are either not benefitting at all or are not benefitting fully from the existing relief because they have Federal Family Education Loans (FFEL) or Perkins Loans that are not owned by ED. Consequently, these borrowers are only able to access relief — such as the 0% interest rate — if their loan holder or school chooses to provide such benefits. We ask that ED use its authority granted in the HEROES Act of 2001 to lower barriers that limit consolidation into the Direct Loan program and embark on a public information campaign to explain consolidation options to FFEL and Perkins borrowers, along with the pros and cons of consolidation. This will ensure borrowers are equipped with the information they need to decide whether the benefits of the existing borrower relief outweigh the downsides of consolidation.

It is critical that ED act to extend repayment relief as quickly as possible. Our respective organizations look forward to working with you on additional steps to address student debt during this emergency. We are grateful for the steps the administration has already taken to address borrowers' needs during the COVID-19 crisis, and respectfully request timely action to provide immediate relief for federal student loan borrowers, particularly those from vulnerable populations most impacted by this emergency.

Sincerely,



Justin Draeger,
President, NASFAA



Ted Mitchell
President, ACE



James Kvaal
President, TICAS

cc: Ms. Diane Auer Jones, Principal Deputy Under Secretary, Delegated Duties of the Under Secretary