July 21, 2022

The Honorable Miguel Cardona
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary Cardona:

We applaud the significant steps you have taken to expand relief opportunities for federal student loan borrowers. To ensure successful implementation of these efforts — and to give the Department more time to carry out related policies, including any plans for debt cancellation — we urge you to extend the current pause on interest, payments, and collections beyond August 31.

An extension will enable the Department to better implement ongoing relief programs, including the PSLF waiver (for which we also encourage an extension beyond its current closing date); borrower defense discharges (including implementation of any final settlement in the Sweet case plus any and all group discharges); the transfer of borrowers to new servicers and the implementation of the Unified Servicing and Data Solution; and efforts to address shortcomings in the IDR system.

We appreciate the Department’s intent to provide a “fresh start” for borrowers who were facing delinquency or default before the payment pause; we urge the Department to share critical additional details about the scope of this program and its implementation. We also strongly encourage the Department to provide this benefit automatically, without requiring borrowers to apply or opt in, and to target resources to help these and other struggling borrowers stay out of default. Further, we encourage the Department to incorporate key stakeholder input to fulfill its commitment to providing this fresh start to incarcerated borrowers, in line with upcoming implementation of Pell Grant eligibility restoration.

We also commend the Department for recognizing the harmful, poverty-compounding effects of the Treasury Offset Program and planning to pause TOP collections for six months after repayment resumes. We now ask you to protect vulnerable borrowers by permanently ending this practice, as well as the practice of administrative wage garnishment.

Reportedly, the Department also plans to implement broader hold-harmless provisions for all borrowers when repayment resumes, such as an extended grace period during which borrowers will not face consequences of delinquency or default. We urge the Department to share more details on these plans and to clearly and directly communicate such benefits to borrowers and the public.

We welcome the opportunity to discuss these recommendations; please do not hesitate to contact us for additional information.

Sincerely,

Center for American Progress
New America Higher Education Program
The Institute for College Access & Success (TICAS)
cc:

Mr. James Kvaal, Under Secretary, U.S. Department of Education

Dr. Michelle Asha Cooper, Acting Assistant Secretary for Postsecondary Education & Deputy Assistant Secretary for Higher Education Programs, U.S. Department of Education

Mr. Richard Cordray, Chief Operating Officer, Federal Student Aid