

Congress of the United States

Washington, D.C. 20515

September 28, 2021

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Ave SW
Washington, D.C. 20202

Dear Secretary Cardona:

On June 2, 2021, we wrote you inquiring about the Department's plan for returning federal student loan borrowers into repayment status.¹ Without receiving a response to that letter, nor to the follow up letter we sent on July 29, 2021,² you announced a "final extension of the pause on student loan repayment, interest, and collections" which is set to expire on January 31, 2022.³ Unfortunately, the questions in those previous letters remain unanswered. The lack of clarity and guidance about the process surrounding returning borrowers to repayment is as troubling as the process is uncertain.

We remain deeply concerned about the ability of the Department to ensure a smooth transition to repayment in four months. It is our understanding that these concerns are also shared by several stakeholders, including those who are tasked with executing the plans your Department has yet to provide. Moreover, with two servicers declining to extend their servicing contract with the Department, approximately one-quarter of federal student loan borrowers will begin repayment with a new servicer. This includes the 8.5 million individuals currently being served by the Pennsylvania Higher Education Assistance Agency (PHEAA) who have yet to be assigned to a new servicer. Ranking Member Foxx sent two letters inquiring about the Department's plan for transitioning these borrowers, which again went unanswered.

Speaking to the National Association of Financial Aid Administrators on June 24, Chief Operating Officer of Federal Student Aid (FSA), Mr. Richard Cordray, noted that the monumental task of resuming repayment is "unprecedented in the history of our country" and

¹ <https://republicans-edlabor.house.gov/news/documentsingle.aspx?DocumentID=407538>

² <https://republicans-edlabor.house.gov/news/documentsingle.aspx?DocumentID=407668>

³ <https://www.ed.gov/news/press-releases/biden-administration-extends-student-loan-pause-until-january-31-2022>

that FSA and other stakeholders share “the responsibility to communicate effectively and show that we can get it right.”⁴ We agree with this statement. If this transition is going to be successful, it is critical the Department immediately begins to work collaboratively with its partners and Congress. There has been ample time to plan. It is now your responsibility to execute on the return to repayment, beginning with clear and continuous communication with stakeholders detailing expectations, the communication protocol, and the timeline under which they will begin their process. These are the minimum requirements for ensuring that partners and Congress can effectively support 45 million borrowers through this transition.

In light of this, we ask that you provide the Committees with answers to the questions posed in the June 2, 2021 letter, as well as to those posed in the letter sent by Ranking Member Foxx on July 12, 2021, regarding PHEAA’s departure from the federal student loan servicing business.⁵ In addition to those answers, we request that the Department provide bipartisan briefings every one to two weeks to update Committee staff on the status of the repayment transition beginning no later than two weeks from the date of this letter.

Please contact Chance Russell (chance.russell@mail.house.gov) with the Committee on Education and Labor staff and Lauren Schwensen (lauren_schwensen@help.senate.gov) with the Committee on Health, Education, Labor, and Pensions staff should you have any questions about the request.

Sincerely,



Virginia Foxx
Ranking Member
U.S. House Committee on Education
and Labor



Richard Burr
Ranking Member
U.S. Senate Committee on Health,
Education, Labor, and Pensions

⁴ https://www.nasfaa.org/uploads/documents/off_the_cuff_ep198.pdf

⁵ <https://republicans-edlabor.house.gov/news/documentsingle.aspx?DocumentID=407615>