

March 26, 2020

**ATTORNEY GENERAL RAOUL REQUESTS EMERGENCY RELIEF FOR FEDERAL STUDENT LOAN
BORROWERS IN RESPONSE TO CORONAVIRUS PANDEMIC**

Raoul, 26 Attorneys General Send Letter to Education Department Requesting Relief

Chicago — Illinois Attorney General Kwame Raoul today joined a coalition of 27 attorneys general in calling on the U.S. Department of Education to provide federal student loan borrowers with crucial emergency measures to help in the wake of the new coronavirus (COVID-19) pandemic. [In a letter to Education Secretary Betsy DeVos](#), the coalition asks the department to take steps to protect borrowers from further financial burden and debt collection due to job losses and lost wages, resulting from the exponential rise in national unemployment in the last few weeks.

“As more and more employers close or suspend operations due to the COVID-19 pandemic, student loan borrowers are facing increased pressure to find money in their limited budgets to pay for their mortgage, rent and health care needs,” Raoul said. “Allowing repayment flexibility will help alleviate some pressure for borrowers who are facing economic uncertainty. My office will assist student loan borrowers in every way possible during and following this public health crisis.”

In the letter, Raoul and the coalition urge the Department of Education to immediately implement emergency measures to protect federal student loan borrowers. The letter notes that while the federal government has already taken a series of initial steps to help student loan borrowers — including ceasing some collection actions — the department must do more, including:

- Halting **all** new and continuing involuntary collection activities — including wage garnishment and the offset of government benefits, such as Social Security and tax refunds — and refunding 2019 tax refund offsets for all federal student loan borrowers for the duration of the crisis.
- Automatically enrolling all federal student loan borrowers in a \$0-per-month Income Driven Repayment (IDR) plan if they are in or enter into forbearance, are or become delinquent on their loans, or request enrollment IDR plan. Borrowers should be enrolled without being required to submit an IDR application or provide verification of income or recertification for the duration of the crisis. This would permit struggling borrowers to suspend payments while continuing to make progress toward Public Service Loan Forgiveness or IDR loan forgiveness.
- Extending eligibility for all additional relief available pursuant to previously announced modifications for those affected by national emergencies to all federal loan borrowers for the duration of the crisis.

Raoul and the coalition’s letter urges the department to extend this emergency relief to all federal student loan borrowers, including borrowers whose Federal Family Education Loans or Federal Perkins loans are not held by the Department of Education.

Student borrowers who have questions or are in need of assistance can call the Attorney General’s Student Loan Helpline at 1-800-455-2456. Borrowers can also file complaints on the [Attorney General’s website](#).

Joining Raoul in sending the letter are the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, Wisconsin, American Samoa and Puerto Rico.



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

LETITIA JAMES
ATTORNEY GENERAL



STATE OF PENNSYLVANIA
OFFICE OF THE ATTORNEY GENERAL

JOSH SHAPIRO
ATTORNEY GENERAL

March 26, 2020

The Honorable Elisabeth DeVos
Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: Emergency Measures to Protect Student Loan Borrowers

Dear Secretary DeVos:

We, the undersigned Attorneys General of New York, Pennsylvania, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, Vermont, Virginia, Washington, Wisconsin, the District of Columbia, and Puerto Rico write to urge the U.S. Department of Education (“Department”) to immediately implement emergency measures to protect federal student loan borrowers in the wake of the COVID-19 crisis. This crisis has created major economic upheaval. Numerous businesses are closed, and countless workers have lost wages or been laid off. Hundreds of thousands of federal student loan borrowers risk delinquency and default, ruined credit, and even the garnishment of government benefits, such as Social Security, that are critical to the most vulnerable borrowers. Emergency measures are urgently needed to protect federal student loan borrowers.

Over 43 million Americans have federal student loan debt. Even before the public health crisis, more than 5 million of these borrowers were in default, and millions more struggled to meet their obligations. The economic ramifications of the COVID-19 virus will exacerbate this problem and significantly increase the number of federal student loan borrowers who enter delinquency or default.

President Trump has acknowledged the severe effect of the public health crisis on student loan borrowers. The President announced on March 13, 2020, that interest on all federally-held student loans would be waived for the foreseeable future. The Department also announced that it would extend administrative forbearances to federal student loan borrowers who request them for

at least 60 days and cease at least some collection action. While these actions are helpful first steps, additional measures must be taken to provide critical relief to struggling borrowers.

As Secretary, you have broad authority under the Higher Education Relief Opportunities for Students Act of 2003 (the “HEROES Act”) to “waive or modify any statutory or regulatory provision applicable to the student financial assistance programs under title IV of the [Higher Education] Act as the Secretary deems necessary in connection with a ... national emergency.” 108 P.L. 76, 117 Stat. 904, Sec. 2(a)(1).

We are encouraged by the Department’s recent announcement that it will cease at least a substantial portion of involuntary collection activities, including wage garnishment and offset of government benefits such as Social Security benefits and tax refunds. We also thank the Department for its decision to refund approximately \$1.8 billion in offsets to more than 830,000 borrowers.

However, the Department can do more. It must utilize its broad authority under the HEROES Act to immediately institute additional emergency relief for federal student loan borrowers. This emergency relief must, at minimum, include:

(1) Ensuring that *all* new and continuing involuntary collection activities are halted for *all* federal student loan borrowers for the duration of the crisis. The Department’s recent announcement was unclear on the extent of its directive to halt collections, so we ask that the Department ensure that all affected borrowers will benefit from your recent action.

(2) for all federal student loan borrowers who either (a) are currently in or request a forbearance, (b) are or become delinquent on their loans, (c) or voluntarily opt in via a request to a servicer;¹ automatically enrolling the borrowers into an Income Driven Repayment (IDR) Plan with a \$0-per-month payment, without requiring submission of an IDR application, verification of income, or recertification, for the duration of the crisis, which will permit struggling borrowers to suspend payments while continuing to make progress toward Public Service Loan Forgiveness or IDR loan forgiveness; and

(3) extending eligibility for all additional relief available pursuant to previously announced modifications under the HEROES Act to all federal loan borrowers for the duration of the crisis.²

The Department should extend this emergency relief to all federal student loan borrowers, including borrowers whose Federal Family Education Loans or Federal Perkins loans

¹ Given the impact of the crisis on servicer call centers, we urge the Department to require servicers to give borrowers as much control as possible through online account portals (including, without limitation, opting into \$0-per-month IDR or turning off auto-pay).

² Existing modifications under the HEROES Act include, for example: waiver of the requirement that a borrower who has dropped below half-time enrollment in school begin loan repayment, and a direction that payments missed during a disaster may not be treated as an interruption of the consecutive months of payments needed to rehabilitate a defaulted loan. *See* 82 Fed. Reg. 45469 -70 (Sept. 29, 2017).

are not held by the Department. These emergency measures are not only necessary, fair, and appropriate for borrowers, but they would also aid in the overall recovery of the nation's economy. We urge the Department to act immediately to provide emergency relief to federal student loan borrowers in this time of national crisis.

Sincerely,



LETITIA JAMES
New York Attorney General



JOSH SHAPIRO
Pennsylvania Attorney General



XAVIER BECERRA
California Attorney General



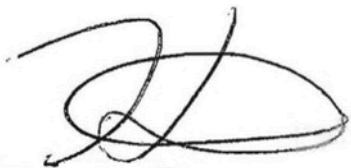
PHIL WEISER
Colorado Attorney General



WILLIAM TONG
Connecticut Attorney General



KATHLEEN JENNINGS
Delaware Attorney General



KARL A. RACINE
District of Columbia Attorney General



STEPHEN H. LEVINS
Executive Director, Hawaii Office of
Consumer Protection



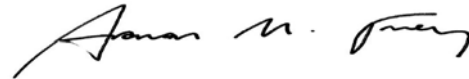
CLARE CONNORS
Hawaii Attorney General



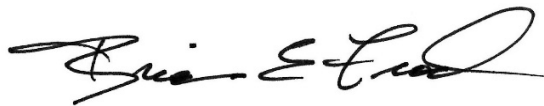
KWAME RAOUL
Illinois Attorney General



TOM MILLER
Iowa Attorney General



AARON M. FREY
Maine Attorney General



BRIAN E. FROSH
Maryland Attorney General



MAURA HEALEY
Massachusetts Attorney General



DANA NESSEL
Michigan Attorney General



KEITH ELLISON
Minnesota Attorney General



AARON D. FORD
Nevada Attorney General



GURBIR S. GREWAL
New Jersey Attorney General

HECTOR BALDERAS
New Mexico Attorney General

JOSHUA H. STEIN
North Carolina Attorney General

ELLEN F. ROSENBLUM
Oregon Attorney General

PETER F. NERONHA
Rhode Island Attorney General

THOMAS J. DONOVAN, JR.
Vermont Attorney General

MARK R. HERRING
Virginia Attorney General

BOB FERGUSON
Washington Attorney General

JOSHUA L. KAUL
Wisconsin Attorney General

DENNISE N. LONGO QUINONES
Puerto Rico Attorney General