

United States Senate

WASHINGTON, DC 20510

October 8, 2019

The Honorable Betsy DeVos
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Secretary DeVos:

We write to express our extreme concern with the U.S. Department of Education's ("Department") management of the Temporary Expanded Public Service Loan Forgiveness Program (TEPSLF) that was recently audited by the Government Accountability Office (GAO).¹ In a new report, GAO found that the Department has created unnecessary barriers to applying for loan forgiveness and has failed to ensure that information about TEPSLF is made readily available to borrowers. Public servants such as teachers, first responders, nurses, and members of our military deserve the support of the Department, but instead the report's findings show us they are being unfairly denied the debt relief that Congress made available.

GAO's report on TEPSLF is not the first indication of flaws in the Department's administration of debt relief programs. After borrowers first became eligible for Public Service Loan Forgiveness (PSLF) in late 2017, reports began to surface about borrowers who were shut out of forgiveness due to inadvertently enrolling into the wrong loan repayment plan, often due to misinformation provided by their loan servicer.² In response, Congress created the TEPSLF program and appropriated \$700 million in the last two fiscal years to temporarily expand PSLF for borrowers who had met their service requirements but who were in graduated or extended loan repayment plans. Unfortunately, very little of this relief has reached borrowers. GAO found that the Department denied 99 percent of applicants to TEPSLF through May 2019. As a result, the Department has released only 4 percent of the funding that was provided to help borrowers.³

In the *Consolidated Appropriations Act, 2018*, Congress required the Department to create a "simple method" for borrowers to apply for TEPSLF.⁴ Instead of following Congressional intent and making a simple method of application available, the Department made the TEPSLF process needlessly difficult. GAO found that the Department's unnecessary requirement that a TEPSLF

¹ United States Government Accountability Office. "Public Service Loan Forgiveness: Improving the Temporary Expanded Process Could Help Reduce Borrower Confusion, GAO-19-595." September 5, 2019. <https://www.gao.gov/products/GAO-19-595>

² Lieber, Ron. "A Student Loan Nightmare: The Teacher in the Wrong Payment Plan." *The New York Times*. October 27, 2017. <https://www.nytimes.com/2017/10/27/your-money/paying-for-college/student-loan-payments.html>

³ U.S. Department of Education, Office of Federal Student Aid. June 2019 PSLF Report. <https://studentaid.ed.gov/sa/about/data-center/student/loan-forgiveness/pslf-data>

⁴ *Consolidated Appropriations Act, 2018*, Public Law No: 115-141. Section 315. <https://www.congress.gov/bill/115th-congress/house-bill/1625/text>

applicant first apply to be rejected for PSLF, before applying again, has resulted in 71 percent of denials.⁵ GAO noted that this bifurcated process “is not aligned with Education’s strategic goal to improve customer service to borrowers.”⁶

GAO’s review of TEPSLF revealed additional problems beyond the application process: when borrowers are denied, the Department does not fully inform them on how to contest the decision, and the Department’s outreach to borrowers about the program and their potential eligibility is limited and inadequate. The Department’s response to GAO’s findings is also troubling as it seeks to shift blame away from flawed implementation and, while concurring with GAO’s recommendations, fails to provide clear and detailed indications of how the Department will implement these recommendations and their timeline for doing so.

More than a year ago, Senate Democrats called for the Department to change its unnecessarily confusing TEPSLF application and replace it with a streamlined process.⁷ This letter also asked for a corrective action plan to deal with the extreme denial rates under TEPSLF that were already apparent, including proactive identification and outreach to borrowers for whom the temporary expansion was specifically designed. The Department did not comply with any of these requests.

The Department cannot claim it has lacked resources to implement TEPSLF. Since Congress created TEPSLF in 2018, it has set aside \$4.6 million for the Department to conduct outreach on both PSLF and TEPSLF to help inform borrowers of their options. Again, however, the Department failed to comply with Congressional intent in this area. The law requires the Department to “communicate to all Direct Loan borrowers the full requirements” for PSLF, but the Department has refused to provide a timeline by when this communication to all outstanding Direct Loan borrowers will occur; it has instead suggested “targeted” emails without any timeline.⁸

GAO’s report found that none of the Department’s contracted student loan servicers (except for the TEPSLF contractor) provide information on TEPSLF. The Department has also failed to integrate TEPSLF into its PSLF Help Tool and told GAO that it had “no specific plans to do so” at the time.⁹ It also remains unclear if the Department has conducted outreach to all outstanding borrowers who have expressed an interest in PSLF but who are in the incorrect repayment plan (the intended population who may benefit from the temporary expansion) to notify them of their options. GAO has previously criticized the Department for failing to notify borrowers of their options for relief, but the Department still refuses to act.¹⁰

The Department has repeatedly expressed that it plans to delay PSLF and TEPSLF improvements until it can complete implementation of the “Next Gen” contracting process. The

⁵ *Supra*, see note 1. Page 13.

⁶ *Supra*, see note 1. Page 2.

⁷ Letter from Senators Kaine, Whitehouse, and colleagues to The Honorable Betsy DeVos, Secretary of Education, regarding TEPSLF. June 21, 2018. <https://go.usa.gov/xVvJ5>

⁸ Responses by U.S. Department of Education to Senator Patty Murray. Questions for the Record regarding the March 28th, 2019 Hearing on the FY2020 Department of Education Budget. Pg. 8. <https://go.usa.gov/xVvJ7>

⁹ *Supra*, see note 1. Page 10.

¹⁰ United States Government Accountability Office. “Education Needs to Provide Better Information for the Loan Servicer and Borrowers, GAO-18-547.” September 27, 2018. <https://www.gao.gov/products/GAO-18-547>

Department recently testified before Congress that many changes will not occur until 2020.¹¹ These delays are unacceptable. Borrowers deserve proactive support and a path to relief as soon as possible. The GAO made four recommendations to the Department that, if implemented, would help borrowers obtain the debt relief Congress intended by creating TEPSLF.

The Trump Administration's flawed implementation of loan forgiveness programs, resistance to recommendations to improve its processes, failure to properly hold student loan servicers and debt collectors accountable, and recent interference with state and federal law enforcement agencies,¹² has combined to create a disaster for public servants applying for loan forgiveness. The millions of public servants who pursued careers in education, public health, the military, and other public service work deserve better. Accordingly, we request that you provide:

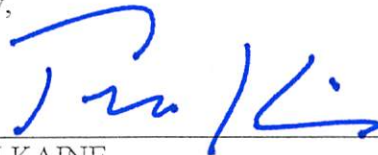
1. A specific and detailed timeline and written description of how the Department intends to comply with GAO's recommendations to improve TEPSLF administration;
2. Remedial measures the Department will take if deadlines to improve TEPSLF administration are not met;
3. A corrective action plan for all concerns raised about TEPSLF administration to-date, as requested by Members of Congress on June 21, 2018;¹³ and
4. A description of any other actions the Department will take to improve TEPSLF program administration and improve approval rates for borrowers that apply for relief.

We ask for a response to these requests to improve the administration of the TEPSLF program no later than October 30, 2019. Thank you for your attention to this important matter.

Sincerely,



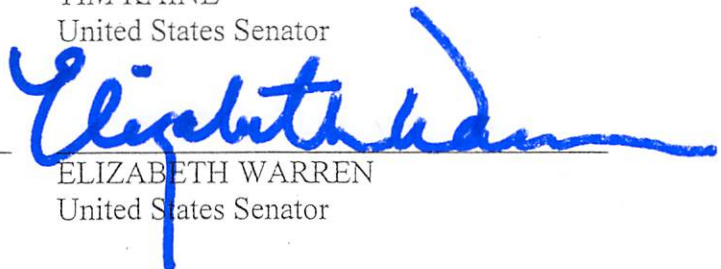
CHARLES E. SCHUMER
United States Senator



TIM KAINE
United States Senator



PATTY MURRAY
United States Senator



ELIZABETH WARREN
United States Senator

¹¹ Appel, Jeff. U.S. Department of Education. Testimony before the Higher Education and Workforce Investment Subcommittee. September 19, 2019. <https://edlabor.house.gov/hearings/broken-promises-examining-the-failed-implementation-of-the-public-service-loan-forgiveness-program>

¹² Ortiz, Erik. "Inside the Education Department's effort to 'obstruct' student loan investigations." *NBC News*. September 9, 2019. <https://www.nbcnews.com/news/education/inside-education-department-s-effort-obstruct-student-loan-investigations-n1049576>

¹³ *Supra*, see note 8.

Sherrod Brown

SHERROD BROWN
United States Senator

Patrick Leahy

PATRICK LEAHY
United States Senator

Edward J. Markey

EDWARD J. MARKEY
United States Senator

Tammy Duckworth

TAMMY DUCKWORTH
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Chris Van Hollen

CHRIS VAN HOLLEN
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Doug Jones

DOUG JONES
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Jeffrey A. Merkley

JEFFREY A. MERKLEY
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Jack Reed

JACK REED
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Chris Murphy

CHRIS MURPHY
United States Senator

Ben Cardin

BENJAMIN L. CARDIN
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Tammy Baldwin

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Debbie Stabenow

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United States Senator

Amy Klobuchar

AMY KLOBUCHAR
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Maggie Hassan

MARGARET WOOD HASSAN
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Cory A. Booker

CORY A. BOOKER
United States Senator

Tina Smith

TINA SMITH
United States Senator

Bernard Sanders

BERNARD SANDERS
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Mazie Hirono

MAZIE HIRONO
United States Senator

Jacky Rosen

JACKY ROSEN
United States Senator

Robert Menendez

ROBERT MENENDEZ
United States Senator

Richard Blumenthal

RICHARD BLUMENTHAL
United States Senator