

February 9, 2022

The Honorable Miguel Cardona  
United States Department of Education  
830 First Street, N.E.  
Washington, D.C. 20002

Dear Secretary Cardona,

The undersigned 104 organizations representing students, student loan borrowers, teachers, workers, civil rights, veterans, people of faith, and consumers write to urge you to deliver on the promise of income-driven repayment (IDR) programs for federal student loan borrowers through the creation of an IDR restoration project, or an IDR waiver.

When Congress passed the first of the modern income-driven repayment (IDR) plans in 1992, it made a promise to borrowers that federal student loan payments would be affordable, and that even if borrowers were low-income, through eventual cancellation, their student loans would not be a lifetime burden. IDR has failed to deliver on every aspect of that promise. It is time now for the Biden Administration to restore faith in IDR through the creation of an IDR waiver.

The Biden Administration recently recognized and took steps to address similar failings in the Public Service Loan Forgiveness (PSLF) program by implementing a waiver that would allow the millions of public service workers to finally benefit from the promise of PSLF. While we applaud and celebrate these efforts, we urge the Administration to simultaneously address the parallel failures of the IDR program through a similar waiver.

Cancellation under income-driven repayment has been theoretically possible since the first group of borrowers reached twenty years in repayment through the IDR program in 2016. Yet, the most recent data from ED reveals that only **32 IDR borrowers** have ever successfully canceled their loans, even though **4.4 million borrowers** have been in repayment for 20 years or longer. An internal analysis prepared by the largest student loan servicer, PHEAA, found that of its more than 8.5 million customers, only 48 borrowers would receive debt cancellation under IDR by 2025. Moreover, PHEAA's internal data projects the number of IDR borrowers receiving debt cancellation will **decline** by 83 percent between 2022 and 2025.

The shockingly low rate of cancellation is emblematic of ED's failure to deliver the relief Congress intended when it passed the statutes enabling the creation of these IDR programs. While they were intended to ease the burden of student debt on borrowers, IDR plans are notoriously difficult to navigate, both because of the administrative hurdles of the program and rampant servicer misconduct. To receive debt cancellation under IDR, student loan borrowers must enroll in one of the several income-driven repayment options and remain in that plan for decades. To enroll, borrowers must first know about the program, determine which plan suits their needs, submit a litany of paperwork and documentation, and then repeat this process annually for more than two decades. A September 2021 SBPC report, "Driving Into a Dead End:

Why IDR Has Failed Millions with Decades-Old Debt” suggests that about half of borrowers using REPAYE—the largest IDR plan—fail to persist in the program on a year-to-year basis.

As the recent [settlement between 39 states attorneys general](#) and Navient demonstrates, servicers have consistently engaged in a variety of abusive practices and that servicers make many errors that have long-term negative consequences for borrowers. As a result, many borrowers are unable to meet annual deadlines or simply forego the very plans that could help them repay their loans successfully.

As with so many aspects of the student loan system, the failure of IDR disproportionately harms Black borrowers. The Education Trust recently published a study based on a nationwide survey of nearly 1,300 Black borrowers and in-depth interviews with 100 Black borrowers. It found that IDR plans are not easing the student debt crisis for Black borrowers; even default rates remain high, despite the availability of these plans. In short, a program created to help the most vulnerable borrowers has failed to do so on all levels. An IDR waiver is necessary to help rectify past harms done, as student loan borrowers—and, in particular, low-income borrowers and borrowers of color—have been burdened by failures in IDR program administration that created undue financial hardship.

An IDR waiver is essential to restore the broken promise of IDR. As more described in the [whitepaper](#) by the Student Borrower Protection Center, National Consumer Law Center, and Center for Responsible Lending, and IDR waiver should:

1. **On a retroactive basis, count all months since the borrower entered repayment following their grace period as qualifying months towards loan forgiveness,** regardless of which repayment plan the borrower was in, whether they were in forbearance, and whether they were in default.
2. **Provide relief automatically.** All of the data that the Department of Education needs in order to implement the IDR Waiver is readily available through NSLDS. Borrowers should not need to affirmatively apply for this relief
3. **Ensure that all federal loan borrowers, regardless of loan program, have access to the IDR Waiver.** While FFEL and Perkins loans borrowers could be eligible for IDR, so many borrowers were not properly advised and so have failed to benefit. The IDR waiver must apply to these borrowers who have been left behind.

We appreciate your careful consideration of these comments and look forward to further discussion with you. Please feel free to contact Persis Yu at [persis@protectborrowers.org](mailto:persis@protectborrowers.org) for any future follow up.

Sincerely,

Student Borrower Protection Center  
Center for Responsible Lending  
National Consumer Law Center (on behalf of its low-income clients)  
1000 Women Strong  
Accountable.US  
African American Ministers In Action  
Alaska PIRG  
Albuquerque Mennonite Church  
American Association of University Professors (AAUP)  
American Association of Veterinary Medical Colleges  
American Federation of State, County and Municipal Employees (AFSCME)  
American Federation of Teachers (AFT)  
American Library Association  
Americans for Financial Reform Education Fund  
Association of Latino Administrators and Superintendents (ALAS)  
Association of Young Americans (AYA)  
Autistic Self Advocacy Network  
Center for Economic Integrity  
Center for Law and Social Policy (CLASP)  
Center for LGBTQ Economic Advancement & Research (CLEAR)  
CFPB Union NTEU 335  
Clearinghouse on Women's Issues  
Coalition on Human Needs  
Community Legal Services of Philadelphia  
Community Service Society of New York  
Consumer Action  
Consumer Federation of America  
Consumer Federation of California  
Consumer Reports  
Council on Social Work Education  
Debt-Free MD, Inc. (Maryland)  
Dr. N. Joyce Payne Center for Social Justice  
Economic Mobility Pathways (EMPath)  
Empire Justice Center  
Equal Justice Works  
Fosterus  
Hildreth Institute  
Hip Hop Caucus  
Hispanic Federation  
Housing and Economic Rights Advocates  
International Brotherhood of Teamsters  
International Federation of Professional and Technical Engineers (IFPTE)

Jobs With Justice  
Legal Action Chicago  
Loan Repayment Assistance Program of Minnesota  
Louisiana Budget Project  
Maine Center for Economic Policy  
Media Voices  
Mississippi Association of Educators  
Mobilization for Justice  
National Association of Consumer Advocates  
National Association of Graduate Professional Students (NAGPS)  
National Association of School Psychologists  
National Association of Social Workers  
National Association of Social Workers – Connecticut Chapter  
National Association of Social Workers – Maine Chapter  
National Association of Social Workers – New Hampshire Chapter  
National Association of Social Workers – New Jersey Chapter  
National Association of Social Workers – New Mexico Chapter  
National Association of Social Workers – Ohio Chapter  
National Association of Social Workers – Oklahoma Chapter  
National Association of Social Workers – Pennsylvania Chapter  
National Association of Social Workers – Texas Chapter  
National Association of Social Workers – Vermont Chapters  
National Association of Social Workers – West Virginia Chapter  
National Education Association (NEA)  
National Urban League  
National Young Farmers Coalition  
NAVIGATE STUDENT LOANS  
New Era Colorado  
New Jersey Citizen Action  
New York Legal Assistance Group (NYLAG)  
NextGen California  
Nonprofit Professional Employees Union (NPEU), IFPTE Local 70  
NTEU Independent Staff Union  
OCA – Asian Pacific American Advocates  
Ohio Student Association  
Partnership for College Completion  
People's Parity Project  
Physician Assistant Education Association  
Project on Predatory Student Lending  
Public Citizen  
Public Counsel  
Public Higher Education Network of Massachusetts (PHENOM)  
Public Justice Center  
Public Law Center

SEIU Local 500  
SEIU Local 509  
Student Debt Crisis Center  
Student Public Interest Research Groups  
Student Veterans of America  
The Collaborative of NC  
The Education Trust  
The Hope Center for College, Community, and Justice  
The Institute for College Access & Success (TICAS)  
Tzedek DC  
UnidosUS  
University of California Graduate & Professional Council  
UnKoch My Campus  
URGE: Unite for Reproductive & Gender Equity  
Virginia Poverty Law Center  
Women Employed  
Young Invincibles  
Zero Debt Massachusetts