

United States Senate

WASHINGTON, DC

September 15, 2020

Christopher Chapman
President and CEO
Access Group
5500 Brandywine Parkway
Wilmington, DE 19803

Dear Mr. Chapman:

We write to ask that you take additional measures to support federal student loan borrowers during the COVID-19 pandemic. Although the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* and recent administrative action automatically provide forbearance, waive all interest, and halt collections on student loans held directly by the U.S. Department of Education (“Department”) until at least December 31, 2021, this relief has not yet been extended to all federal student loan borrowers. Approximately eight million borrowers with other types of loans backed by federal taxpayers but not held directly by the Department—including loans currently held by your organization—have not been extended the same benefits as those available on federally-held loans due to donut holes in the CARES Act and recent executive action.

It is critical that all federal student loan borrowers have access to relief during this unprecedented period of economic turmoil. Millions of student loan borrowers continue to worry about when their payments may resume and must navigate unnecessary paperwork to receive only temporary extensions of their forbearance. Borrowers with non-qualifying loans are also missing out on the waiver of interest that can help them avoid falling deeper into debt in the face of other financial difficulties. They may also fail to receive additional benefits such as progress toward forgiveness or loan rehabilitation or the pause on adverse credit reporting, both of which are mandated by the CARES Act. Temporary forbearance options that must be repeatedly requested by borrowers is far inferior to the automatic and extended relief. Consolidation is a simple solution to help non-covered borrowers get access to the same benefits available to those with non-federally-held loans.

A total of 6.9 million commercial Federal Family Education Loan (FFEL) borrowers have one or more loans that do not qualify for full federal student loan relief. Of these borrowers, 1.5 million have a mix of FFEL loans that qualify for relief, and some that do not qualify. All borrowers of non-covered federal student loans have the option of consolidating these loans into Federal Direct Loans (at www.studentaid.gov) to gain access to the full range of CARES Act benefits.

As a loan holder, it is your duty to fully inform borrowers of their options, including consolidation.

Congress is still considering the path forward for additional COVID-19 response legislation. At this time, however, negotiations remain stalled due to partisan opposition to relief that meets the scale of this crisis. Among the proposals under consideration for the next package is bipartisan legislation known as the *Student Loan Fairness Act*, which would guarantee all federal student borrowers are equitably extended the same relief without the need for additional steps on their part. In any event, your organization does not need to wait for this legislation to receive the President's signature in order to help borrowers today.

Any borrower with a commercially-held FFEL, school-held Perkins Loan, or loan issued under the Public Health Service Act can consolidate such loan into a Federal Direct Loan to obtain full CARES Act forbearance and related benefits. Borrowers can either consolidate these loans *with* other existing loans that qualify for such relief (if they have a mix of covered and non-covered loans) or choose to “consolidate” only their non-covered loans into covered loans—in essence, dividing these loans into two groups.

While borrowers may see a minor change to their listed interest rate after consolidation, this interest is currently being waived for covered loans. Additionally, while borrowers could lose some credit toward income-driven repayment (IDR) forgiveness if they consolidate a loan they had previously been paying under an IDR plan, they do not have to consolidate those loans together and therefore do not need to lose any such progress. Most borrowers are not enrolled in IDR plans, and your organization holds specific information on which borrowers would see no change in their IDR forgiveness timeline after consolidation because they have not been enrolled in an IDR plan. Borrowers need support and transparent information from you to help them understand their options, including the costs and benefits of consolidating.

The benefits of consolidation are particularly clear for the 1.2 million borrowers who are in default on a commercially-held FFEL loan. Unlike borrowers who are currently making payments on these loans, borrowers in default are continuously contacted by debt collectors and urged to take steps to pay the entire balance of these debts or take steps to get out of default and back into repayment—or else face wage garnishment and other extraordinary consequences. This set of limited options for borrowers reveals the urgent need to inform these borrowers about the benefits of consolidation. Should a loan holder advise a borrower to “rehabilitate” a defaulted loan rather than consolidate their loan out of default—or worse, fail to mention consolidation at all—the borrower would be steered toward a far worse financial deal both in the immediate term and over the life of a loan. Rehabilitation would lock a borrower into a loan that contains none of the benefits offered by CARES Act.

In short, there are a wide range of borrowers for whom loan consolidation is in their clear financial interest, and they deserve to receive this information from you, as their loan holder. We request that your organization immediately implement a phone, email, or mobile text campaign to all of your current borrowers to inform them of their options to consolidate their loans and obtain full CARES Act benefits. Such a campaign should have distinct information for borrowers

who have solely non-covered loans in repayment, those who have a mix of covered and non-covered loans in repayment, those whose non-covered loans are currently being paid under an IDR plan and would lose credit towards IDR forgiveness if consolidated, and those whose loans are currently in default. This campaign should further provide information and instructions to borrowers who have covered loans on how they can exclude those loans from their application for consolidation, and an unbiased description of the benefits and tradeoffs of consolidation.

Please confirm receipt of this communication and provide the expected date(s) of your outreach plan to Jan Singelmann with Senator Brown's office at Jan_Singelmann@banking.senate.gov no later than September 29, 2020. Thank you for your attention to this important matter.

Sincerely,

/s/ Sherrod Brown

Sherrod Brown
United States Senator

/s/ Ron Wyden

Ron Wyden
United States Senator

/s/ Patty Murray

Patty Murray
United States Senator

/s/ Chris Van Hollen

Chris Van Hollen
United States Senator

/s/ Jack Reed

Jack Reed
United States Senator

/s/ Richard Blumenthal

Richard Blumenthal
United States Senator

/s/ Elizabeth Warren

Elizabeth Warren
United States Senator

/s/ Robert P. Casey, Jr.

Robert P. Casey, Jr.
United States Senator

/s/ Cory A. Booker

Cory A. Booker
United States Senator

/s/ Richard J. Durbin

Richard J. Durbin
United States Senator

/s/ Mazie K. Hirono

Mazie K. Hirono
United States Senator

/s/ Sheldon Whitehouse

Sheldon Whitehouse
United States Senator

/s/ Tammy Baldwin

Tammy Baldwin
United States Senator

/s/ Kirsten Gillibrand

Kirsten Gillibrand
United States Senator

/s/ Amy Klobuchar

Amy Klobuchar
United States Senator

/s/ Tina Smith

Tina Smith
United States Senator

/s/ Tammy Duckworth

Tammy Duckworth
United States Senator

/s/ Christopher S. Murphy

Christopher S. Murphy
United States Senator

/s/ Jeffrey A. Merkley

Jeffrey A. Merkley
United States Senator

/s/ Jacky Rosen

Jacky Rosen
United States Senator

CC: Mr. James P. Bergeron, President, National Council of Higher Education Resources

Mr. Scott Buchanan, Executive Director, Student Loan Servicing Alliance

Ms. Debra J. Chromy, President, Education Finance Council