

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

March 7, 2022

Dear Mr. President:

In fewer than 60 days, tens of millions of student loan borrowers are slated to be thrown back into repayment on federal student loans they are ill-equipped to pay as the economy experiences the highest level of inflation in nearly four decades.<sup>1</sup> We, the undersigned 210 organizations, write to urge you to put a stop this crisis in the making before it begins and extend the current pause on student loan payments. It is clear that payments should not resume until your administration has fully delivered on the promises you made to student loan borrowers to fix the broken student loan system and cancel a substantial amount of federal student debt.

The U.S. Department of Education (“the Department”) holds nearly \$1.6 trillion in federal student loans and more than 45 million individual borrowers live in the shadow of that massive debt. Payments on most of these loans have been paused since March 2020, during which time interest charges have also been suspended and the federal government has halted collection efforts against most borrowers in default.

The Department’s own data reveal the powerful impact this payment pause has had on Americans’ lives, finding that “borrowers are saving approximately \$5 billion per month from the temporary 0% interest rate.”<sup>2</sup> This relief is not limited to borrowers repaying student loans— for two years, students and parents have been able to pay for higher education without facing the burden of student loan interest charges. This is the single largest action taken by the Biden administration to expand college affordability.

The student loan payment pause has been one of the most important investments the federal government has made in Americans’ financial lives in a generation. Before the pandemic struck, tens of millions of borrowers struggled every day to navigate a badly broken student loan system. America’s student debt crisis wreaked havoc on the financial lives of families across the country, despite payment relief and debt forgiveness programs that promised that these debts would never be a life-long burden.

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<https://protectborrowers.org/statement-on-record-inflation-as-student-loan-payments-come-due-for-millions/>

<sup>2</sup> OFFICE OF U.S. SEN. ELIZABETH WARREN, Education Department Responses to Data Request by Senator Elizabeth Warren, April 2, 2021, <https://www.warren.senate.gov/imo/media/doc/Education%20Department%20Response%20to%20Sen%20Warren%20-%20204-8-21.pdf> (last visited Oct. 15, 2021).

You ran for president on the promise that you would reform the student loan system to ensure that student loan payments would be affordable for all. Your administration's decision to extend the payment pause, alongside the Department's recent overhaul of the programs for Public Service Loan Forgiveness and Total and Permanent Disability Discharge are critical and welcome first steps. Right now, your administration has the opportunity to continue repairing the damage caused by policy failures at the federal and state level and decades of government mismanagement and industry abuses—an opportunity and an obligation that must be fulfilled before any action is taken to resume monthly student loan payments.

**It is critical that your administration continue to deliver on your promises made to student loan borrowers and their families before ending the pause in payments and collections.** Borrowers need immediate relief from the crushing burdens of massive student loan debt as the pandemic exacerbates financial strain for all Americans and throws existing racial disparities in wealth and educational attainment into especially stark relief.

Recent polling from the Student Borrower Protection Center and Data for Progress reveal that 69 percent of likely voters support your continued pause on student loan payments, including majorities of Democrats, Republicans, and Independents.<sup>3</sup> Among respondents with student debt, 65 percent expect to make “major changes to saving or spending” if payments resume. Nearly 4-in-10 borrowers are “not confident at all” in their ability to manage a student loan payment, while just 1-in-5 borrowers are “very confident.” These results underscore the need for your administration to delay the planned restart of federal student loan payments.

The burden of student debt and the costs of our broken student loan system fall disproportionately on Black and Brown borrowers—those who, as a result of decades of racially discriminatory policies and practices that created and sustain the racial wealth and income gaps, most often lack the familial wealth necessary to avoid taking on student debt.<sup>4</sup> A growing body of evidence also demonstrates that these borrowers are disproportionately blocked from accessing existing avenues for debt relief enacted by Congress.<sup>5</sup>

Each day, we are met with new evidence that the student loan system is unable to meet the needs of student loan borrowers and our country. 2021 was particularly rife with examples of that failure, including:

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<sup>3</sup>

<https://protectborrowers.org/new-poll-as-inflation-soars-large-bipartisan-majority-supports-president-biden-s-pause-on-student-loan-payments/>

<sup>4</sup>

<https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-quicksandstudent-debt-crisis-jul2019.pdf>

<sup>5</sup> <http://protectborrowers.org/wp-content/uploads/2020/12/Delivering-on-Debt-Relief.pdf#page=10>;  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3712516](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3712516) .

- The National Consumer Law Center received data through FOIA showing that, as of January 2021, only 32 borrowers had successfully navigated the IDR repayment plans and received cancellation, out of more than 4 million with decades-old debts.<sup>6</sup>
- The Education Department acknowledged a backlog of 175,000 applications for Public Service Loan Forgiveness—borrowers who may be forced to pay a student loan bill as they remain stuck in the government’s red tape.<sup>7</sup> The recent announcement of the limited and temporary PSLF waiver does offer a new path to relief for some borrowers, but inconsistent servicer implementation of the new rules threatens its promise.<sup>8</sup>
- The Education Department also acknowledged a backlog of more than 128,000 applications for Borrower Defense discharges—the number of unprocessed claims for debt relief due to fraud by a school climbed by more than 20,000 during the first months of the Biden administration.<sup>9</sup>

These are just a few recent examples of how the student loan system is failing borrowers entitled to immediate debt relief under the law. A hasty and reckless return to repayment would only expose borrowers to similar harms this year.

That is because the companies responsible for managing this transition and the system itself have repeatedly proven unable to avoid widespread failures even when performing basic functions. For example, in two separate scandals at the height of the pandemic, the Education Department and its student loan contractors improperly garnished the wages of hundreds of thousands of people and damaged the credit reports of nearly five million others.<sup>10</sup>

There is a broad consensus among borrowers, advocates, industry, regulators, enforcement officials, and lawmakers that a rush to resume student loan payments is a recipe for disaster and will result in widespread confusion and distress for student loan borrowers. Before resuming payments on student loans, the Department of Education must undertake significant structural reforms; provide real, immediate relief; and cancel a significant amount of federal student debt. This will ensure that millions of borrowers don’t remain trapped in a broken system just as the economy begins to recover.

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<sup>6</sup>[https://protectborrowers.org/wp-content/uploads/2021/10/SBPC\\_Driving\\_Into\\_A\\_Death\\_End.pdf](https://protectborrowers.org/wp-content/uploads/2021/10/SBPC_Driving_Into_A_Death_End.pdf)

<sup>7</sup>

<https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2021-06-14/federal-student-aid-posts-two-new-quarterly-portfolio-reports-fsa-data-center-and-highlights-recent-changes-public-service-loan-forgiveness-ea-id-general-21-40>

<sup>8</sup>

<https://www.npr.org/2021/11/04/1051463060/student-loan-forgiveness-overhaul-fedloan-public-service-borrowers>.

<sup>9</sup> <https://studentaid.gov/data-center/student/loan-forgiveness/borrower-defense-data>.

<sup>10</sup>

<https://www.studentloanborrowerassistance.org/lawsuit-against-devos-ends-fight-for-defaulted-borrowers-continues/>; <https://protectborrowers.org/the-student-loan-industry-failed-borrowers-during-the-pandemic-even-more-than-we-knew-the-biden-administration-must-act/>.

**For the reasons outlined above, we strongly urge you to take immediate action to extend the current pause on student loan payments.** We look forward to supporting your administration as you take this necessary action and work to deliver on the promises made to student loan borrowers across the country.

Sincerely,

Student Borrower Protection Center  
Accountable.US  
Adasina Social Capital  
Affordable Homeownership Foundation, Inc.  
African American Ministers In Action  
Alaska PIRG  
Albuquerque Mennonite Church  
Alliance for Youth Action  
American Association of University Professors  
American Baptist Home Mission Society  
American Civil Liberties Union  
American Federation of State, County and Municipal Employees (AFSCME)  
American Federation of Teachers  
American Federation of Teachers – Vermont  
American Psychological Association  
Americans for Financial Reform  
Association of Latino Administrators and Superintendents (ALAS)  
Association of Oncology Social Work  
Association of Young Americans (AYA)  
Bend the Arc: Jewish Action  
Blue Future  
California Alliance for Consumer Education (CACE)  
California Asset Building Coalition  
California Association of Nonprofits  
Californians for Economic Justice  
CAMEO - California Association for Micro Enterprise Opportunity  
Campaign for America's Future  
Campus Action for Democracy  
Carolina Jews for Justice  
Center for Economic Integrity  
Center for LGBTQ Economic Advancement & Research (CLEAR)  
Center for Responsible Lending  
Charlotte Center for Legal Advocacy  
Chicago Consumer Coalition  
Chicago Foundation for Women  
Civil Service Bar Association  
Columbia Consumer Education Council

Communities for Our Colleges, WA  
Community Service Society of New York  
Consumer Federation of America  
Consumer Federation of California  
Consumers for Auto Reliability and Safety  
Council on Social Work Education  
Debt Collective  
Debt-Free MD, Inc. (Maryland)  
Economic Mobility Pathways (EMPath)  
Faith in Action  
Forward Montana  
Fossil Fuel Divest Harvard  
Fosterus  
Franciscan Action Network  
Fresno Building Healthy Communities  
Generation Hope  
Greenpeace USA  
HBCU Collective  
HEAL (Health, Environment, Agriculture, Labor) Food Alliance  
Hildreth Institute  
Hope Center for College, Community, and Justice at Temple University  
Housing and Economic Rights Advocates  
Indivisible  
Investor Advocates for Social Justice  
Jain Family Institute (JFI)  
JANUS LLC  
Kentucky Center for Economic Policy  
League of United Latin American Citizens  
Legal Action Chicago  
Legal Aid at Work  
Legal Aid Foundation of Los Angeles  
Legal Aid Society of Milwaukee  
Loan Repayment Assistance Program of Minnesota  
Louisiana Budget Project  
Maine Center for Economic Policy  
Mainers for Accountable Leadership Action  
Maryland Consumer Rights Coalition  
Massachusetts Affordable Housing Alliance  
Media Voices for Children  
Minority Veterans of America  
Mississippi Center for Justice  
Mobilization for Justice  
NAACP, Youth & College  
National Action Network

National Association of Consumer Advocates  
National Association of Graduate-Professional Students  
National Association of Pediatric Nurse Practitioners  
National Association of Social Workers  
National Association of Social Workers – Alabama Chapter  
National Association of Social Workers – Alaska Chapter  
National Association of Social Workers – Arizona Chapter  
National Association of Social Workers – Arkansas Chapter  
National Association of Social Workers – California Chapter  
National Association of Social Workers – Colorado Chapter  
National Association of Social Workers – Connecticut Chapter  
National Association of Social Workers – DC Metro Chapter  
National Association of Social Workers – Delaware Chapter  
National Association of Social Workers – Florida Chapter  
National Association of Social Workers – Georgia Chapter  
National Association of Social Workers – Guam Chapter  
National Association of Social Workers – Hawai'i Chapter  
National Association of Social Workers – Idaho Chapter  
National Association of Social Workers – Illinois Chapter  
National Association of Social Workers – Indiana Chapter  
National Association of Social Workers – Iowa Chapter  
National Association of Social Workers – Kentucky Chapter  
National Association of Social Workers – Louisiana Chapter  
National Association of Social Workers – Maine Chapter  
National Association of Social Workers – Maryland Chapter  
National Association of Social Workers – Massachusetts Chapter  
National Association of Social Workers – Michigan Chapter  
National Association of Social Workers – Mississippi Chapter  
National Association of Social Workers – Missouri Chapter  
National Association of Social Workers – Montana Chapter  
National Association of Social Workers – Nebraska Chapter  
National Association of Social Workers – Nevada 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 – New York City Chapter  
National Association of Social Workers – New York State Chapter  
National Association of Social Workers – North Carolina Chapter  
National Association of Social Workers – North Dakota Chapter  
National Association of Social Workers – Ohio Chapter  
National Association of Social Workers – Oklahoma Chapter  
National Association of Social Workers – Oregon Chapter  
National Association of Social Workers – Pennsylvania Chapter  
National Association of Social Workers – South Carolina Chapter

National Association of Social Workers – South Dakota Chapter  
National Association of Social Workers – Tennessee Chapter  
National Association of Social Workers – Texas Chapter  
National Association of Social Workers – Utah Chapter  
National Association of Social Workers – Vermont Chapter  
National Association of Social Workers – Virginia Chapter  
National Association of Social Workers – Washington Chapter  
National Association of Social Workers – West Virginia Chapter  
National Association of Social Workers – Wisconsin Chapter  
National Association of Social Workers – Wyoming Chapter  
National Consumer Law Center (on behalf of its low-income clients)  
National Education Association  
National Equality Action Team (NEAT)  
National Labor Relations Board Union  
National League for Nursing  
National Sustainable Agriculture Coalition  
National Treasury Employees Union (NTEU) Chapter 335  
National Young Farmers Coalition  
Navigate Student Loans  
New Era Colorado  
New Hampshire Youth Movement  
New Jersey Citizen Action  
New Mexico Crisis and Access Line  
New York Legal Assistance Group  
New York Public Interest Research Group (NYPIRG)  
New Yorkers for Responsible Lending Coalition  
NextGen California  
Nonprofit Professional Employees Union, IFPTE Local 70  
North Carolina Coalition for Responsible Lending  
OCA - Asian Pacific American Advocates  
Ohio Student Association  
Our Revolution  
PAPSA  
ParentsTogether  
Partnership for College Completion  
People's Parity Project  
Physician Assistant Education Association  
Progressive Change Campaign Committee  
Protect All Children's Environment  
Public Citizen  
Public Counsel  
Public Good Law Center  
Public Higher Education Network of Massachusetts (PHENOM)  
Public Justice Center

Public Law Center  
Rachel Carson Council  
Rise  
Saint Paul's Baptist Church  
San Francisco Office of Financial Empowerment  
Service Employees International Union (SEIU)  
Service Employees International Union Local 500  
Service Employees International Union Local 509  
Sisters of St. Francis of Philadelphia  
Southern Echo Inc.  
SparkAction  
State of New Mexico  
Student Action  
Student Debt Crisis Center (SDCC)  
Student Loan Fund Inc.  
TEHope  
The Arc of the United States  
The Collaborative  
The Education Trust  
The Forum for Youth Investment  
THE ONE LESS FOUNDATION  
The United Church of Christ & The United Church of Canada  
Tzedek DC  
UFCW 400  
UnidosUS  
United Church of Christ, Justice and Local Church Ministries  
United Vision for Idaho  
United Way Bay Area  
Unity Fellowship of Christ Church  
University of California Graduate & Professional Council  
University of California Student Association  
UnKoch My Campus  
URGE: Unite for Reproductive & Gender Equity  
Virginia Poverty Law Center  
VOCAL-NY  
Voices for Progress  
We, the 45 Million  
Whitman-Walker Health  
Women Employed  
Young Invincibles  
Zero Debt Massachusetts