

July 2023 Update: The U.S. Supreme Court struck down the Biden Administration's one-time federal student loan forgiveness program on June 30, 2023. Interest will resume accruing on Sept. 1 and payments will be due starting in October 2023. Late or missed payments will not be reported to credit bureaus or referred for collections until October 2024. A new income-based repayment plan called SAVE has also been announced. For more information, [click here](#).

The Countdown Clock for Student Loan Forbearances

Research Brief

MAY 2023

After more than three years of no-interest deferrals, the last major borrower assistance program of the COVID-19 era is slated to end in August. Depending on the resolution of federal forgiveness initiatives, between 14 and 34 million consumers will have to begin monthly payments. Yet at-risk borrowers may be unaware of the approaching deadline, and federal budget constraints are limiting outreach and call center resources.

Student loans are the second largest type of consumer debt behind only mortgage debt, with \$1.762 trillion in outstanding loans held by nearly 43.5 million borrowers.¹ The Coronavirus Aid, Relief, and Economic Security (CARES) Act suspended required payments on more than 90% of student loans in March 2020, as well as reducing interest rates to 0% and stopping collections activity on federal loans that were already in default.² But after nine extensions, these temporary relief programs are slated to end no later than 60 days after June 30.³

Consumers whose finances have been strained by recent layoffs or rising interest rates and inflation may either be unaware of the pending deadline or waiting to see whether a Biden Administration loan forgiveness program survives Supreme Court challenges before applying for long-term repayment assistance. The Court decisions are expected by June 30, yet even if the program is upheld in its entirety, an estimated 14 million borrowers will be required to begin making payments after the forbearances end.⁴ The federal government and servicers have been preparing for a potential onslaught of inquiries and applications, but funding constraints are affecting call center staffing and outreach planning.

As part of FinRegLab's research into debt management options for distressed borrowers and building an inclusive recovery after the COVID-19 pandemic,⁵ this brief summarizes the issues facing borrowers this summer and the steps that borrowers, servicers, federal actors, and counselors can begin taking now. Early and sustained action could help to provide smoother transitions for millions of households and the broader U.S. economy.

DEBT MANAGEMENT INSIGHTS FOR DISTRESSED BORROWERS

This research brief is part of a broader project that FinRegLab announced in 2022 to evaluate ways to help consumers recover more quickly from personal and economic crises such as COVID-19. The project will evaluate pilots by nonprofit credit counseling agencies organized with assistance from the National Foundation for Credit Counseling to test new repayment plan structures and data and technology innovations.

The project focuses primarily on credit card and other general unsecured debt, which has tended to receive less research and public policy attention over the last decade than improving options for consumers who are struggling with mortgage or student loans. Other publications in the project include:

- » **Debt Resolution Options: Market & Policy Context** (October 2022).⁶ This report describes the primary options available to consumers who are struggling with unsustainable unsecured loans, as well as available research about the scope and impacts of those options. It culminates with an overview of critical policy questions as stakeholders work to improve resolution structures for consumers coming out of the COVID-19 pandemic.
- » **Credit Counseling and Lender Forbearances Post-COVID** (January 2023).⁷ FinRegLab worked with researchers from The Ohio State University and Charles River Associates to analyze changes in the credit profiles of consumers who sought counseling from non-profit agencies during the first 18 months of the pandemic as well as the unprecedented levels of lender forbearances across multiple loan markets.

Additional research to be released in 2023 will explore the importance of long-term repayment plans in helping consumers who could not stabilize their finances after receiving pandemic-related forbearances on their credit card accounts. Later empirical analyses will focus on the outcomes of different repayment plan structures—including plans that are designed to repay full balances versus those that reduce balances to promote quicker recovery and cash returns to creditors—and the use of digital platforms and cash-flow data to facilitate consumer communications, intake, and analyses.

Forbearance and Forgiveness

Because approximately 93% of student loans are held by the federal government,⁸ Congress adopted more sweeping borrower relief programs for student debt at the onset of the pandemic than for any other category of consumer lending. For nearly all federal student loans, borrowers did not have to contact their servicers to request assistance because payment requirements and interest accruals were automatically suspended. CARES Act provisions also dictated that pandemic-related forbearances on both student loans and other types of credit be reported to credit bureaus in ways that would reduce the risk of negative impacts on borrowers' credit scores.⁹

The initial forbearances on federal student loans were extended by both the Trump and Biden Administrations, even as various other major pandemic relief programs wound down over 2020 and 2021.¹⁰ In 2022, public attention and debates shifted increasingly to focus on permanent loan forgiveness, culminating in the Biden Administration's August announcement of a student relief package that included a program to provide lump-sum forgiveness up to \$20,000 to Pell Grant recipients and up to \$10,000 to non-Pell Grant recipients. Borrowers are only eligible for this relief if their individual annual income is less than \$125,000, or for married couples filing jointly, less than \$250,000.¹¹ More than 16 million borrowers were approved for relief before the Department of Education stopped processing applications in November due to litigation, and another 10 million are pending.¹²

The Biden Administration announced a further extension of the pandemic-related forbearances in November 2022 as it sought review of the lump-sum forgiveness plan by the U.S. Supreme Court before its current term ends in June 2023.¹³ Specifically, the forbearances will expire 60 days after (1) the resolution of the litigation, or (2) June 30, 2023, whichever occurs first.

This means that millions of borrowers will have to resume making their federal student loan in fall 2023 unless the Biden Administration extends the payment pause again. However, many observers believe this is unlikely in light of lawsuits, Congressional backlash, and other factors.¹⁴ For example, although previous extensions of the forbearances relied on authorities applicable in “national emergencies,” President Biden signed legislation on April 10, 2023, terminating the national emergency declaration concerning the pandemic.¹⁵ A recent challenge brought by SoFi has also challenged the November forbearance extension, and a SoFi victory in that case would serve as a major impediment to another extension.¹⁶

Even if the lump-sum forgiveness plan is upheld in its entirety, an estimated 14 million consumers’ debts would not be fully forgiven.¹⁷ However, uncertainty over the fate of the program appears to be creating both psychological hurdles and practical challenges for borrowers in deciding whether to make payments and to apply for long-term repayment plans when the amount of their balances is uncertain. Enrollments in long-term repayment plans has increased only slightly over the course of the pandemic,¹⁸ and non-profit credit counseling agencies that operate programs focused specifically on student loan debt report that volumes are extremely low. To the extent that consumers are seeking advice, the agencies report that they are primarily focused on what will happen with the lump-sum forgiveness plan rather than resuming payments. However, with the possibility that the Supreme Court could strike down the entire plan and the reality that millions of borrowers will have to resume some repayments in any event, borrowers can put themselves in a stronger financial position by preparing now for the fall.

WHAT BORROWERS CAN BE DOING NOW

Borrowers can take steps now to ensure they are well positioned to resume payments or enter alternative debt management plans. The following steps can be helpful depending on borrowers’ situations:

- » **Determining who their loan servicer is using the Department of Education’s [website](#).** Servicers may have changed since borrowers last made payments.
- » **Updating their contact information on loan servicer’s website** if their addresses, phone numbers, or email accounts have changed since 2020.
- » **Confirming the payment amount and remaining term** by contacting loan servicers or checking their websites.
- » **Seeking information from trusted sources to better understand available options.** Sources such as the [Federal Student Aid website](#) and non-profit credit counseling agencies can help to supplement information from servicers and avoid potential scams.
- » **Considering whether to make payments while the forbearance period continues.** The Administration’s lump-sum loan forgiveness plan may not be upheld and may not eliminate all balances. Payments made before the forbearance period ends will generally go directly toward loan principal, but may not be advisable for consumers who are eligible for some longer-term programs.
- » **Considering whether to enroll in auto-debit payment programs or whether opt-ins need to be refreshed,** particularly if bank account information has changed.
- » **Applying to the federal government’s [Fresh Start Program](#) to make any defaulted loans current again.**
- » **Evaluating whether an [income-driven repayment plan](#) or [long-term forgiveness plan](#) would make sense and submitting necessary paperwork,** including recertifications of income and other details for borrowers who are already enrolled.
- » **Seeking review by the [FSA Ombudsman](#)** if they believe they were inappropriately steered into a forbearance program prior to the pandemic rather than an income-driven repayment plan.

TERMINATION OF CREDIT REPORTING PROTECTIONS FOR OTHER TYPES OF CREDIT

The April 10, 2023, termination of the national emergency declaration that President Trump signed on March 13, 2020, has triggered the sunset of the CARES Act's general provisions regarding the reporting of pandemic-related accommodations to credit bureaus. Those provisions apply to forbearances or other assistance provided to borrowers who are "affected by the coronavirus disease during the covered period," which ends 120 days after the termination of the declaration.¹⁹ The law generally requires that consumers' credit accounts be reported as having the same status (e.g., current or delinquency level) as they did prior to receiving the assistance so long as they are complying with the terms of the accommodation.²⁰

While the end of the covered period in August 2023 will not affect the law's application to forbearances that have already been granted, it does affect subsequent forbearances. Although not legally required, consumer groups have been urging lenders and servicers to continue CARES Act reporting practices in connection with other forbearances, such as natural disaster accommodations after Hurricanes Fiona and Ian in 2022.²¹

Federal student loans are subject to a separate provision under the CARES Act that requires the Secretary of Education to ensure that "any payment that has been suspended is treated as if it were a regularly scheduled payment made by a borrower" for purposes of credit reporting.²² Accordingly, credit reporting practices on federal student loans are tied to the expiration of the forbearances rather than to the national emergency declaration.

Which Borrowers Are at Risk When Payments Resume?

Setting aside the lump-sum forgiveness plan, the Government Accountability Office has estimated overall that about 26.6 million borrowers will be required to resume making monthly payments once the forbearances end.²³ The Consumer Financial Protection Bureau has estimated 34 million borrowers will be affected overall, including borrowers who were still in school or had otherwise not yet begun payments in 2020, and thus will be making student loan payments for the first time.²⁴

As prior forbearance extensions were set to expire, multiple sources have attempted to determine the borrowers for whom the resumption will pose the greatest challenges. In March 2022, the California Policy Lab predicted that nearly three in ten borrowers—about 8 million consumers holding about 25% of the debt that is subject to the forbearances—were at high risk of missing payments after the relief program sunsets.²⁵ In November 2022, the CFPB estimated based on credit bureau records that 5.5 million borrowers have two or more risk factors suggesting a greater likelihood of missing payments.²⁶

Although it varies by study, borrowers are generally considered to be at higher risk of missing payments if they:

- » **did not complete their program of study,**
- » **had previous delinquencies on their student loans,**
- » **are in payment assistance plans,**
- » **have delinquencies on other credit products since the start of the pandemic,**
- » **have multiple student loan servicers, or**
- » **have debt in third-party collections.**

Impact of Resumed Payments on Borrowers

Before the pandemic, many student loan borrowers were already struggling to make their monthly payments. Estimates range depending on source and metric used. The CFPB found that one fifth of the borrowers in its sample were using payment assistance or were past due on their loans before the pandemic.²⁷ The California Policy Lab has estimated that about 7.3% of loans subject to the CARES Act forbearances were already delinquent before the pandemic.²⁸ A number of other pre-pandemic calculations fall in the range of 15% to 17% of borrowers.²⁹

Pausing payments, interest accrual, and collections provided substantial relief to many of these households. Prior to the pandemic, student loan borrowers had average monthly payments of \$236, including loans that were not subject to the CARES Act forbearance because they were private loans or were federal loans held by commercial lenders.³⁰ The CFPB has found that the median student loan borrower making payments prior to the pandemic has saved \$133 each month due to the federal student loan payment suspension, and average monthly payments have dropped by \$160.³¹ The California Policy Lab found that on average student loan borrowers saw their overall debt obligations fall by \$210 per month as a result of the pause.³²

Overall, analyses have found evidence that the payment pause contributed to “decreased delinquencies, increased credit scores, increases in the paydown of other debt, and decreased utilization of revolving credit” for many borrowers.³³ Yet rising inflation and interest rates and layoffs have contributed to increases in non-student loan delinquencies among some households. By February 2022, according to the CFPB, 15% of borrowers who were current on their student loans heading into the pandemic had experienced at least one non-student loan delinquency.³⁴ The resumption of additional monthly payments will increase the stress on such borrowers, but it is unclear whether they will prioritize making payments on their student loans, particularly to the extent that they have grown accustomed to not having to focus on those debts.

If the lump-sum forgiveness plan is struck down, some observers have expressed concern that delinquency and default rates could soon equal or exceed pre-pandemic levels.³⁵ Given income and debt distributions, resuming payments will likely put more pressure on low-income workers and African-American families.³⁶ Less educated, non-white, female, and middle-aged borrowers are also more likely to struggle in making payments when the forbearances end.³⁷ The impact could also be substantial on recent graduates and other borrowers who have never had to make student loan payments before.³⁸

The potential consequences of missed loan payments and broader financial distress are detailed in prior FinRegLab research. Borrowers have been reported as current for the past three years, but failing to make timely payments once the forbearances end could damage their credit reports and scores. Negative payment history generally remains on credit reports for seven years. When borrowers’ scores decline, it can affect their access to future credit and the cost of that credit. Credit reports are also often used for employment and tenant screening, setting utility security deposit requirements, and underwriting some forms of insurance. More broadly, financial distress is linked to declines in work productivity, marital relationships, and physical and mental health.³⁹

Relief Options for Borrowers Who Cannot Afford Resumed Payments

The federal government has launched a number of long-term repayment and forgiveness programs over the last fifteen years to help borrowers who are struggling to repay their debts, and the Biden Administration issued additional announcements in April and August 2022.⁴⁰ Information about the alternatives is available from federal agency websites such as the Office of Federal Student Aid and the Consumer Financial Protection Bureau, as well as from servicers and other student borrower assistance programs. Non-profit credit counseling agencies also frequently provide counseling on both student loans and options for resolving other kinds of debt, such as credit cards and mortgage loans.⁴¹

ADVICE ON STUDENT LOAN ASSISTANCE PROGRAMS

Federal agencies and servicers often warn consumers not to pay to apply for loan forgiveness or forbearance—or for advice on student loan programs more generally—to avoid scams and high-cost programs. They emphasize that there is no relief that companies can provide for consumers that they cannot obtain for themselves for free and note that the Department of Education both operates its own Federal Student Aid Student Loan Support Center and pays federal student loan servicers to work with borrowers on its behalf.⁴²

At the same time, concerns about servicers giving inaccurate information about repayment programs, mishandling paperwork and loan tracking, and steering borrowers into less advantageous options have skyrocketed as programs have become more complex.⁴³ A number of non-profit organizations have organized informational websites and advice programs, including credit counseling agencies and various consumer advocacy groups.⁴⁴ However, the scale of these programs varies in part because financial resources are limited, and there is no government certification program in the student loan context as there is for homeownership counseling.⁴⁵

Income-Driven Repayment Plans

Eligible borrowers may enter into income-driven repayment (IDR) plans. The Department of Education offers a variety of IDR plans based upon a borrower's income and family size.⁴⁶ IDR plans set a borrower's monthly student loan payment at an amount that is intended to be affordable. Most federal student loans are eligible for an IDR plan in which the monthly payment is capped at somewhere between 10% and 20% of the borrower's discretionary income and the outstanding amount is forgiven after a repayment period, typically 20 to 25 years.⁴⁷ There are currently four IDR plans that define "discretionary income" as the amount of the borrower's Adjusted Gross Income, as reported on their federal tax return, that exceeds the IDR plan's poverty exclusion limit, which is either 100% or 150% of the federal poverty limit for borrowers depending on their family size and the specific plan.⁴⁸

If a borrower's income is low enough, the borrower's monthly payment could be as low as \$0 per month. Borrowers enrolled in IDR plans are supposed to get credit for their monthly payments towards forgiveness after 20 to 25 years pursuant to the plan even if their current monthly payment is \$0 per month. Borrowers enrolled in IDR plans are required to recertify their income annually.⁴⁹ According to a 2019 analysis by the Center for American Progress, nearly half of all IDR borrowers were making \$0 monthly payments, which should, if appropriately tracked, qualify them for loan cancellation after 20 or 25 years.⁵⁰

Simultaneous with the announcement of the lump-sum forgiveness plan, the Biden Administration introduced a proposal to change the REPAYE IDR program that would:

- (1) cap monthly payments for undergraduate loans at 5% of a borrower's discretionary income, which is half the rate under most existing plans, and
- (2) for borrowers with original loan balances of less than \$12,000, forgive loan balances after 10 years of payments, which is half the time of most existing plans.⁵¹

While the debt relief plan before the Supreme Court has received most of the attention, it is this revised REPAYE IDR program that "will arguably help more borrowers looking forward into the future."⁵² The revised program would also increase the discretionary income calculation so that borrowers will not have to make any payments if they are earning under 225% of the poverty level, whereas prior IDR plans have 100% or 150% as the threshold.⁵³ However, it may be difficult for the Department of Education to promulgate the final rule before the end of 2023 because the Notice of Proposed Rule Making issued this past January drew 13,635 comments.⁵⁴

Borrowers who are not already on an IDR may ask to be placed on a repayment plan.⁵⁵ Borrowers who are already on an IDR, but are currently unemployed or have otherwise experienced significant changes in their income, can update (i.e., recertify) their information to see if they qualify for a new, lower payment amount.⁵⁶

Longer Term Loan Forgiveness Programs

The Public Service Loan Forgiveness (PSLF) Program will forgive the remaining balances on certain federal student loans for borrowers who have made 120 qualifying payments under an IDR while employed full time by federal, state, local, or tribal government agencies or non-profit organizations. Consumers must certify their employment for a qualifying employer annually.⁵⁷ Separately, borrowers who teach full time for five consecutive academic years in a low-income school or educational service agency may also qualify for up to \$17,500 in forgiveness of certain federal student loans under the Teacher Loan Forgiveness Program.⁵⁸

Fresh Start Program

The Department of Education announced a form of relief in April 2022 called the Fresh Start program that is targeted to the roughly 7.5 million consumers who currently have federal student loans in default, which is typically considered at least 270 days past due.⁵⁹ The program is designed to allow those borrowers an opportunity to get out of default by contacting their loan servicer to request a “fresh start” and to sign up for an IDR plan, which may qualify them for a lower monthly payment. Borrowers who receive a fresh start will be allowed to access federal student aid, will have their credit report changed to denote “in repayment” status, and will receive an extension of the collections relief beyond the payment pause (i.e., tax refunds and Social Security payments will not be withheld, wages will not be garnished, and collection calls will not be made). Borrowers can go to myeddebt.ed.gov and log into their account or call 1-800-621-3115 to request a fresh start.⁶⁰

The Fresh Start program will last for one year after the end of the pandemic forbearances. During that period, eligible loans will not be subject to collections efforts. The Department of Education has also indicated that it will also change various credit reporting practices for eligible loans to reduce the chance that negative payment history has negative effects on consumers’ credit records. However, loans that go into default after the end of the pandemic-related forbearances will not be eligible for the Fresh Start program.⁶¹

One-Time Account Adjustments

In April 2022, the Department of Education also announced that it will conduct a one-time account adjustment to count certain long-term forbearances toward IDR and PSLF timelines. Federal regulations and service contracts limit ordinary forbearances to 12 months and impose a cumulative limit of 36 months over the life of each federal student loan. However, prior to the automatic forbearances imposed by the CARES Act, many borrowers reported that they had been steered towards forbearances that exceeded these limits or that they were steered into shorter-term forbearances when they would have qualified for a more favorable IDR. Borrowers who believe they were steered into long-term forbearances in excess of these limits will receive a one-time account adjustment to give them credit towards their IDR or PSLF program. The Department of Education estimates that more than 3.6 million borrowers will receive at least three years of additional credit toward IDR forgiveness, while an additional 40,000 borrowers will receive immediate debt cancellation under the PSLF program. Borrowers who believe they were steered into shorter-term forbearance may seek an account review by filing a complaint with the FSA Ombudsman.⁶²

Other Repayment Options

Borrowers may also pursue other repayment options such as graduated or extended repayment plans,⁶³ loan consolidations, or a non-CARES Act forbearance or deferment.⁶⁴ Unlike the pandemic forbearances, however, interest generally accrues during these temporary pauses and will be capitalized if it is not paid off before the pause ends. Furthermore, unlike IDRs, ordinary forbearance plans do not offer borrowers a path toward loan cancellation.⁶⁵ Therefore, these options should generally be used only as a last resort.

Bracing for a Flood

As the sunset of the forbearance program approaches, clear and consistent communications regarding the resumption of payment and the growing range of debt management options will be critical to help financially vulnerable borrowers transition. The Department of Education has identified borrowers who will require “additional engagement before and after payments resume to reduce the risk of becoming delinquent.”⁶⁶ Since 2021, it has been requiring loan servicers to conduct phone outreach campaigns to at-risk borrowers to inform them of their payment due date and programs to help them resume repayment. The agency also began sending monthly emails to at-risk borrowers beginning in September 2021.

But even with these ongoing efforts, federal policymakers, servicers, and other actors are bracing for a flood of borrower inquiries as the status of key programs is clarified, the payment system resumes full operations, and new initiatives are implemented. Several factors will potentially complicate this process. First, significant loan servicer capacity will be necessary to help millions of borrowers resume payment at once. Second, millions of federal student loans were transferred during the payment pause, leading to potential borrower confusion and risk of information loss. Third, federal budget constraints are affecting call center resources and outreach planning.

The confluence of so many initiatives with the end of the pandemic forbearances has prompted some advocates to warn of the potential for a “train wreck” this fall.⁶⁷ News reports indicate that the Department of Education is considering a number of administrative process changes that would provide additional flexibility as payment requirements resume and financially stressed borrowers seek to transition into longer-term relief programs. Such measures could be a critical complement to efforts to strengthen communication channels and borrower awareness as federal student loan programs evolve rapidly in the next year.

Increased Demand for Loan Servicer Assistance

The size of the payment resumption will be unprecedented. If the lump-sum forgiveness plan is struck down in its entirety, more than 26 million students will have to resume payments for the first time in more than three years. Several million additional borrowers who graduated during the pandemic will be making their first student loan payments when the payment pause ends. The GAO has highlighted the importance of both staffing and training to meeting the increased demand.⁶⁸ Loan servicers have noted the potential increase in both the volume and length of calls as borrowers “get used to repaying their loans and seek to determine how changes to their financial and family circumstances since the payment freeze may impact their loan payments.”⁶⁹

Servicing Transfers

Student loan transfers over the past three years also create a risk of substantial confusion and information loss. During the pandemic, four of the nine federal student loan servicers have announced that they will stop servicing federal student loans.⁷⁰ This has prompted the largest transfer of student loans ever, involving more than 16 million borrowers with a loan volume of over \$650 billion.⁷¹ As a result, many borrowers will begin making payments when the forbearances end to a different servicer than they did in the past. With each service transfer, there is also a risk that information gets lost.⁷² Thus, simply ensuring that borrowers and servicers are connected to each other for purposes of directing critical communications and confirming payment routing details could take substantial effort as payments resume.

Budget Constraints

Perhaps the biggest transition challenge stems from the Department of Education’s budgetary constraints.⁷³ Due to political disagreements relating to the lump-sum forgiveness program, the FSA’s budget was held flat at \$2 billion in 2023, despite demands for program changes by Congress, the Biden Administration and legal settlements.⁷⁴ The funding constraints will potentially affect FSA’s ability to implement the revised REPAYE IDR plan, review millions of borrower records to determine who has been harmed by past IDR payment counting errors, and

conduct outreach to borrowers about restarting payments, in addition to implementing changes to federal student aid forms and other general initiatives in 2023.

FSA is also still working to address past servicer mismanagement issues. A 2016 FSA review found that three of seven federal student loan servicers were not tracking borrowers' payments to determine when they qualified for forgiveness.⁷⁵ In April 2022, after a GAO report on IDRs, the Department of Education announced plans to conduct a one-time revision of IDR payment counting to address past inaccuracies and to include information on what counts as a qualifying payment toward forgiveness in key communications with borrowers in IDR plans.⁷⁶

The FSA's flat budget has led to servicer funding cuts. As a result, some servicers are cutting staff and customer service center hours. For instance, Nelnet recently announced that it has laid off approximately 550 staff.⁷⁷ Advocates have expressed deep concerns about the reductions, emphasizing that "[w]e should be ramping up customer service hours if we want to turn on repayment, not ramping them down."⁷⁸

New Flexibility Proposals Emerging

As conditions continue to evolve, reports are emerging of additional steps the Department of Education may take to reduce the risk that borrowers are negatively affected by potential servicing process hiccups when repayments resume. While servicers have reportedly been told to resume charging interest in September, requirements that consumers receive billing statements 21 days in advance of any due dates could push initial payments into October.⁷⁹

News reports also suggest the Administration is considering a grace period after the pandemic forbearances end that will avoid penalizing consumers for late payments for at least 90 days and perhaps as much as a year after the expiration of the pandemic forbearances. The details of the "safety net" period are unclear and subject to change, but could potentially affect whether late fees are charged, the timing of when delinquent payments are reported to credit bureaus, and collections practices, similar to what the Department of Education has already announced in the Fresh Start program for consumers who are in default.⁸⁰

Conclusion

While it may be tempting for borrowers and other actors to wait to act until the status of the lump-sum forgiveness plan is clear, the countdown clock has begun on federal student loan forbearance programs. Regardless of the outcome of the forgiveness litigation, millions of borrowers will likely need to resume or start making payments on their federal student loans this fall, with significant financial implications for both individual household budgets and the broader U.S. economy.

A combination of short-term flexibility measures and sustained borrower engagement initiatives could be critical to smoothing the transition for borrowers who have not made payments in more than three years, particularly as servicers adjust after substantial loan transfers. While the federal government is continuing to work to improve long-term repayment options, program and process improvements can present their own challenges for borrowers who are struggling to understand additional choices and requirements. As the student loan ecosystem is set to evolve rapidly over the coming year, these developments underscore the importance of clear communications and transition support as a vital component of short-term relief programs.

Acknowledgments

FinRegLab is grateful to Jeremy Hochberg for his assistance in preparing and drafting this Research Brief.

Endnotes

- ¹ Federal Reserve Bank of New York (“FRBNY”), Quarterly Report on Household Debt and Credit, Page 3 Data, Aug. 2022, available at https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/hhd_c_report_2022q2.xlsx, last visited May 9, 2023. For the estimated amount of outstanding student loan debt, see Federal Reserve, G19 Consumer Credit Series, available at <http://www.federalreserve.gov/releases/g19/current/default.htm>, last visited May 9, 2023. For the estimated total number of student loan borrowers, see FRBNY, Number of Borrowers by State, available at <https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/xls/student-loan-by-state.xlsx>, last visited May 9, 2023.
- ² See Pub. L. 116-136, § 3513 (Mar. 27, 2020). The Department of Education made the payment pause retroactive to March 13, 2020, the date COVID-19 was declared a national emergency.
- ³ See U.S. Department of Education, Biden-Harris Administration Continues Fight for Student Debt Relief for Millions of Borrowers, Extends Student Loan Repayment Pause, Nov. 22, 2022, available at <https://www.ed.gov/news/press-releases/biden-harris-administration-continues-fight-student-debt-relief-millions-borrowers-extends-student-loan-repayment-pause>, last visited May 9, 2023; Eliza Haverstock, When Do Student Loan Payments Resume?, NerdWallet (updated Mar. 6, 2023), available at <https://www.nerdwallet.com/article/loans/student-loans/federal-student-loan-forgiveness-extended-yet-again>, last visited May 9, 2023.
- ⁴ See Student Loan Borrowers Potentially At-Risk when Payment Suspension Ends, CFPB Office of Research Special Issue Brief, Apr. 2022, available at https://files.consumerfinance.gov/f/documents/cfpb_cares-vulnerable-student-loan-borrowers_report_2022-04.pdf, last visited May 9, 2023 [hereinafter CFPB April 2022 Brief]. The Biden Administration has estimated that roughly 20 million federal student loan borrowers would have their balance entirely forgiven if the program is upheld. See Katie Lobosco, ‘We Are in limbo’: Student Loan Borrowers Still Face Months of Uncertainty about Biden’s Forgiveness Program, CNN, Mar. 5, 2023, available at <https://www.cnn.com/2023/03/05/politics/biden-student-loan-forgiveness-scotus/index.html>, last visited May 9, 2023.
- ⁵ For initial briefs on data and technology issues and innovations during initial responses to the COVID-19 pandemic, see <https://finreglab.org/covid-19-briefs>.
- ⁶ Debt Resolution Options: Market & Policy Context, FinRegLab, Oct. 2022, available at https://finreglab.org/wp-content/uploads/2022/10/DB-MarketContext_FINAL-1.pdf.
- ⁷ Debt Management Insights for Distressed Borrowers: Credit Counseling and Lender Forbearances Post-COVID, FinRegLab, Jan. 2023, available at <https://finreglab.org/wp-content/uploads/2023/04/Credit-Counseling-and-Lender-Forbearances-Post-COVID-January-2023-FinRegLab.pdf>.
- ⁸ See FinRegLab, Debt Resolution Options § 4.1 for general background. For information on federal student loans, see Federal Student Aid, Federal Student Aid Data Center, available at <https://studentaid.gov/data-center/student/portfolio>, last visited May 9, 2023 (finding \$1.6345 trillion in federal student loan debt in the fourth quarter of 2022); Federal Reserve, G19 Consumer Credit Series, available at <http://www.federalreserve.gov/releases/g19/current/default.htm>, last visited May 9, 2023 (finding \$1.7622 trillion in total student loan debt in the fourth quarter of 2022).
- ⁹ See Pub. L. 116-136, §§ 3513, 4021.
- ¹⁰ For example, pandemic-related forbearances on federally related mortgage loans were capped at 18 months and enhanced unemployment insurance benefits terminated between June and September 2021 depending on the state. Child tax credit payments ended in December 2021. Some distribution of federal rental assistance distribution continued into early 2022. See FinRegLab Debt Resolution Options §§ 4.1-4.2; FinRegLab, Debt Management Insights for Distressed Borrowers §§ 2.1, 4.2.
- ¹¹ See Fact Sheet: President Biden Announces Student Loan Relief for Borrowers Who Need It Most, The White House, Aug. 24, 2022, available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-loan-relief-for-borrowers-who-need-it-most/>, last visited May 9, 2023. The Pell Grant is a form of need-based federal financial aid to help low-income students pay for college. See Federal Student Aid, Federal Pell Grants, available at <https://studentaid.gov/understand-aid/types/grants/pell>, last visited May 9, 2023.
- ¹² See Addy Bink and Nexstar Media Wire, *Student Loans: Here’s How Soon Payments, Interest Will Restart*, The Hill, Nov. 22, 2022, available at https://thehill.com/homenews/nexstar_media_wire/3747132-student-loans-heres-how-soon-payments-interest-will-restart/, last visited May 9, 2023; see also, Cory Turner, NPR, *Supreme Court Set to Hear Challenges to Biden’s Attempt to Cancel Student Loan Debt*, Feb. 26, 2023, <https://www.npr.org/2023/02/26/1159615326/supreme-court-set-to-hear-challenges-to-bidens-attempt-to-cancel-student-loan-de>, last visited May 9, 2023.
- ¹³ In *Biden v. Nebraska, et al.*, No. 22-506 (U.S. filed Dec. 1, 2022), the Supreme Court will decide whether the Department of Education’s student-debt relief plan exceeds the Secretary of Education’s statutory authority or is arbitrary and capricious. In *Department of Education v. Brown*, No. 22-535, (U.S. filed Dec. 2, 2022), the Supreme Court will decide whether the Department of Education’s student-debt relief plan is statutorily authorized and was adopted in a procedurally proper manner.
- ¹⁴ See Vance Cariaga, *Student Loan Repayment Pause Could Be Extended Again (But 4 Factors Make It Unlikely)*, Yahoo! Finance, Mar. 9, 2023, available at <http://finance.yahoo.com/news/student-loan-repayment-pause-could-160453877.html>, last visited May 9, 2023; Jess Ullrich, *When Do Student Loan Payments Begin?*, Apr. 21, 2023, available at <https://www.efi.com/when-do-student-loan-payments-resume/>, last visited May 9, 2023; but see Lexi Lonas,

What Are the Chances Biden Extends the Student Loan Pause Again?, Apr. 11, 2023, available at <https://thehill.com/homenews/administration/3937687-what-are-the-chances-biden-extends-the-student-loan-pause-again/>, last visited May 9, 2023.

- ¹⁵ See 20 U.S.C. § 1098bb; White House, Bill Signed: H.J.Res. 7, <https://www.whitehouse.gov/briefing-room/legislation/2023/04/10/bill-signed-h-j-res-7/>, last visited May 9, 2023 (terminating the national emergency related to the COVID-19 pandemic); Sarah Turner, Student Loan Pause Has Benefitted Affluent Borrowers the Most, Others May Struggle When Payments Resume, The Brookings Institution, Apr. 13, 2023, available at <https://www.brookings.edu/2023/04/13/student-loan-pause-has-benefitted-affluent-borrowers-the-most-others-may-struggle-when-payments-resume/>, last visited May 9, 2023; Use of the HEROES Act of 2023 to Cancel the Principal Amounts of Student Loans, Memorandum Opinion for the General Counsel Department of Education, Aug. 23, 2022, available at <https://www.justice.gov/d9/2022-11/2022-08-23-heroes-act.pdf>, last visited May 9, 2023; see also, e.g., Federal Student Aid Programs, 85 Fed. Reg. 79856, Dec. 11, 2020 (relying on the HEROES Act for the payment pause). The Administration separately terminated the public health emergency declared on January 31, 2020, by the Department of Health and Human Services as of May 11, 2023. Statement of Administration Policy, Office of Management and Budget, Jan. 30, 2023, available at <https://www.whitehouse.gov/wp-content/uploads/2023/01/SAP-H.R.-382-H.J.-Res.-7.pdf>, last visited May 10, 2023.
- ¹⁶ See Turner. SoFi, a private loan provider that is in the business of refinancing federal student loans, has alleged that the most recent extension exceeds the authority granted under the HEROES Act and did not follow proper notice-and-comment procedures. SoFi has requested that the pause be overturned or, at a minimum, that borrowers who are not eligible for the Biden Administration's loan forgiveness be required to resume payments.
- ¹⁷ See note 4.
- ¹⁸ See Direct Loan Portfolio by Repayment Plan, available at <https://studentaid.gov/help-center/answers/search?q=%22Direct%20Loan%20Portfolio%20by%20Repayment%20Plan%22&tab=all&page=1>, last visited May 9, 2023.
- ¹⁹ Pub. L. 116-136, § 4021.
- ²⁰ For general background, see FinRegLab, Research Brief, Disaster-Related Credit Reporting Options, May 2020, available at <https://finreglab.org/wp-content/uploads/2020/05/FinRegLab-Disaster-Related-Credit-Reporting.pdf>.
- ²¹ Letter by National Consumer Law Center *et al.*, Oct. 23, 2022, available at <https://www.nclc.org/wp-content/uploads/2022/10/Letter-re-Credit-reporting-of-Fiona-and-Ian-Survivors.pdf>, last visited May 9, 2023.
- ²² Pub. L. 116-136, § 3513.
- ²³ See U.S. Government Accountability Office, COVID-19: Significant Improvements Are Needed for Overseeing Relief Funds and Leading Responses to Public Health Emergencies, (Jan. 2022) available at <https://files.gao.gov/reports/GAO-22-105291/index.html>, last visited May 9, 2023 [hereinafter GAO 2022].
- ²⁴ See CFPB April 2022 Brief at 5 ("Our inclusion of borrowers who had not yet entered repayment is the primary reason why our sample of 34 million is larger than GAO's estimate of 26.6 million borrowers likely to re-enter repayment when the suspension ends.").
- ²⁵ Niru Ghoshal-Datta, Vikram Jambulapati, and Evan White, Who Benefits from the Student Loan Payment Pause and What Will Happen When It Ends?, California Policy Lab, Mar. 2022, available at <https://www.capolicylab.org/wp-content/uploads/2022/03/Impact-of-the-Student-Loan-Pause-Policy-Brief-1.pdf>, last visited Apr. 25, 2023 [hereinafter Cal. Policy Lab]. The California Policy Lab used four criteria to classify borrowers as likely to struggle: (1) If they were delinquent or in default on any loan during the year prior to the payment pause, (2) If they were delinquent or in default on any pause eligible loan during the payment pause, (3) If they had a new collection or bankruptcy show up on their credit report during the payment pause, or (4) If their most recent credit rating is considered "deep subprime," meaning that they are in the group of consumers that lenders consider most likely to default.
- ²⁶ See CFPB April 2022 Brief at 16. The CFPB has identified the types of borrowers that might struggle to make their scheduled loan payments based on five potential risk factors: (1) pre-pandemic delinquencies on student loans, (2) pre-pandemic payment assistance on student loans, (3) multiple student loan servicers, (4) delinquencies on other credit products since the start of the pandemic, and (5) new third-party collections during the pandemic.
- ²⁷ See CFPB April 2022 Brief at 17.
- ²⁸ See Cal. Policy Lab at 2.
- ²⁹ See Turner; Rajashri Chakrabarti, Jessica Lu, and Wilbert van der Klaauw, *What Might Happen When Student Loan Forbearance Ends?*, Federal Reserve Bank of New York *Liberty Street Economics*, Apr. 21, 2022, [hereinafter FRBNY 2022] available at <https://libertystreeteconomics.newyorkfed.org/2022/04/what-might-happen-when-student-loan-forbearance-ends/>, last visited May 9, 2023.
- ³⁰ See CFPB April 2022 Brief at 11.
- ³¹ See CFPB April 2022 Brief at 2, 11. Not all borrowers had their total monthly payments drop to \$0 because some had private loans or federal loans held by a commercial lender. See *id.* at 11.
- ³² See Cal. Policy Lab at 2.
- ³³ *Id.* at 3.
- ³⁴ See CFPB April 2022 Brief at 13.
- ³⁵ See Carmen Reinicke, *Student Loan Delinquencies Could Return to Pre-Pandemic Rate When Payments Resume. What Borrowers Can Do Now*, CNBC, Mar. 5, 2022, available at <https://www.cnbc.com/2022/03/05/pre-covid-student-loan-delinquency-rates-may-return-on-payment-restart.html>, last visited May 9, 2023; see also Lowell R. Ricketts, *Household Debt Relief Enters Critical Transition Period*, On The Economy Blog, Mar. 1, 2022, <https://www.stlouisfed.org/on-the-economy/2022/mar/household-debt-relief-enters-critical-transition-period>, last visited May 9, 2023; FRBNY 2022.
- ³⁶ See CFPB April 2022 Brief at 13.

- ³⁷ See FRBNY 2022.
- ³⁸ See CFPB April 2022 Brief at 5.
- ³⁹ See FinRegLab, Debt Resolution Options, § 2.1.3.
- ⁴⁰ For a brief overview of changes to student loan repayment plans over the last two decades, see FinRegLab, Debt Resolution Options § 3.2.2.
- ⁴¹ See FinRegLab, Debt Resolution Options, § 2.2.3.
- ⁴² See, e.g., April Jordan, Beware! You Don't Have to Pay for Help with Your Student Loans, U.S. Department of Education, May 23, 2015, available at <https://www.ed.gov/content/beware-you-don't-have-pay-help-your-student-loans>, last visited May 9, 2023; Avoiding Student Aid Scams, Federal Student Aid, available at <https://studentaid.gov/resources/scams>, last visited May 9, 2023; Lisa Lake, Consumer Alert, Don't Pay for Help with Student Loans, Federal Trade Commission, Sept. 12, 2019, available at <https://consumer.ftc.gov/consumer-alerts/2019/09/dont-pay-help-student-loans>, last visited May 7, 2023; Consumer Advisory: Don't Give Money or Information to Scammers Promising Student Loan Forgiveness, Consumer Financial Protection Bureau, May 3, 2022, available at <https://www.consumerfinance.gov/about-us/newsroom/consumer-advisory-dont-give-money-or-information-to-scammers-promising-student-loan-forgiveness/>, last visited May 9, 2023.
- ⁴³ See, e.g., U.S. Department of Education Inspector General, Federal Student Aid: Additional Actions Needed to Mitigate the Risk of Servicer Noncompliance with Requirements for Federal Student Loans, Feb. 12, 2019, available at <https://www.oversight.gov/report/ed/federal-student-aid-additional-actions-needed-mitigate-risk-servicer-noncompliance>, last visited May 9, 2023; Donna Rosato, Complaints About Student Loan Services Mount as Protections Erode, Consumer Reports, Apr. 28, 2017, available at <https://www.consumerreports.org/student-loans/student-loan-servicers-complaints-mount-as-protections-erode/>, last visited May 9, 2023. For general background on the challenges with federal student loan servicing prior to the pandemic, see Rajeev Darolia & Andrew Sullivan, Federal Student Loan Servicing Accountability and Incentives in Contracts, Federal Reserve Bank of Philadelphia, October 2020, available at <https://www.philadelphiafed.org/consumer-finance/education-finance/federal-student-loan-servicing-accountability-and-incentives-in-contracts>, last visited May 9, 2023.
- ⁴⁴ See, e.g., Kat Tretina & Alicia Hahn, Where to Get Student Loan Help for Cheap or Free, Forbes Advisor, Dec. 17, 2021, available at <https://www.forbes.com/advisor/student-loans/student-loan-help/>, last visited May 9, 2023.
- ⁴⁵ See HUD Exchange, Housing Counseling Program Overview, available at <https://www.hudexchange.info/programs/housing-counseling/program-description/>, last visited on May 9, 2023; Housing Counseling Certification, HUD Exchange, available at <https://www.hudexchange.info/programs/housing-counseling/certification/>, last visited on May 9, 2023; Congressional Research Service, Housing Counseling: Background and Federal Role, May 3, 2012, available at https://www.everycrsreport.com/files/20120503_R41351_2127ffc25ba815db04d4d27f23350de11001d260.pdf, last visited on May 9, 2023.
- ⁴⁶ See Federal Student Aid, Income Driven-Repayment Plans, available at <https://studentaid.gov/manage-loans/repayment/plans/income-driven>, last visited Apr. 26, 2023. The Department of Education's Office of Federal Student Aid offers four income-driven repayment plans: (1) Revised Pay As You Earn Repayment Plan (REPAYE Plan), (2) Pay As You Earn Repayment Plan (PAYE Plan), (3) Income-Based Repayment Plan (IBR Plan), and (4) Income-Contingent Repayment Plan (ICR Plan). The plans are described in more detail on the FSA's website.
- ⁴⁷ See Annual Report of the CFPB Private Education Loan Ombudsman, Consumer Financial Protection Bureau, Oct. 2020, available at https://files.consumerfinance.gov/f/documents/cfpb_annual-report_private-education-loan-ombudsman_2020.pdf, last visited May 9, 2023.
- ⁴⁸ See Federal Student Aid, Discretionary Income, available at <https://studentaid.gov/help-center/answers/topic/glossary/article/discretionary-income>, last visited Apr. 25, 2023; see also Ron Lieber and Tara Siegel Bernard, *What You Need to Know About Biden's Student Loan Forgiveness Plan*, Mar. 1, 2023, available at <https://www.nytimes.com/article/biden-student-loan-forgiveness.html>, last visited May 9, 2023.
- ⁴⁹ See Federal Student Aid, Income-Driven Repayment (IDR) Plan Request, <https://studentaid.gov/idr/>, last visited on May 9, 2023.
- ⁵⁰ Ben Miller, *The Continued Student Loan Crisis for Black Borrowers*, Center for American Progress (Dec. 2, 2019), available at <http://www.americanprogress.org/article/continued-student-loan-crisis-black-borrowers/>, last visited on May 9, 2023.
- ⁵¹ See Fact Sheet: President Biden Announces Student Loan Relief for Borrowers Who Need It Most.
- ⁵² Geoffrey Bennett and Cory Turner, White House Offers New Student Loan Payment Plans as Debt Cancellation Held up in Court, PBS News Hour, Jan. 10, 2023, available at <https://www.pbs.org/newshour/show/white-house-offers-new-student-loan-payment-plans-as-debt-cancellation-held-up-in-court>, last visited May 9, 2023.
- ⁵³ Ron Lieber and Tara Siegel Bernard, *What You Need to Know About Biden's Student Loan Forgiveness Plan*, The New York Times, Mar. 1, 2023, available at <https://www.nytimes.com/article/biden-student-loan-forgiveness.html>, last visited May 9, 2023.
- ⁵⁴ See Turner.
- ⁵⁵ Federal Student Aid, 5 Things to Know About Current Repayment Flexibilities and Your Federal Student Loans, available at <https://studentaid.gov/articles/5-repayment-flexibilities/>, last visited May 9, 2023.
- ⁵⁶ See *id.*
- ⁵⁷ See Federal Student Aid, Public Service Loan Forgiveness, available at <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>, last visited on May 9, 2023.
- ⁵⁸ The TLF program requires employment for five full consecutive years, which cannot also be counted toward the PSFL program. See Federal Student Aid, Teacher Loan Forgiveness, available at <https://studentaid.gov/manage-loans/forgiveness-cancellation/teacher>, last visited on May 9, 2023.

- ⁵⁹ Although loans are typically reported to credit bureaus as delinquent after they are 90 days past due, they are usually considered to be in default by 270 days past due. The full effects of that status usually are felt by 425 days past due and can include the assignment of loans to collections companies, acceleration of amounts owed, and withholding of money from tax refunds, Social Security disability and retirement benefits, and certain other federal payments. See Student Loan Default System Needs Significant Reform, Pew, Jan. 9, 2023, available at <https://www.pewtrusts.org/en/research-and-analysis/reports/2023/01/student-loan-default-system-needs-significant-reform>, last visited on May 9, 2023.
- ⁶⁰ See Federal Student Aid, Get Out of Default with Fresh Start, <http://studentaid.gov/announcements-events/default-fresh-start>, last visited on May 9, 2023.
- ⁶¹ See Federal Student Aid, Fresh Start Fact Sheet, Aug. 16, 2022, available at <https://fsapartners.ed.gov/sites/default/files/2022-08/FreshStartFactSheet.pdf>, last visited May 9, 2023.
- ⁶² U.S. Department of Education, Department of Education Announces Actions to Fix Longstanding Failures in the Student Loan Programs, Apr. 19, 2022, available at <https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs>, last visited May 9, 2023.
- ⁶³ Ron Lieber and Tara Siegel Bernard, *What You Need to Know About Biden's Student Loan Forgiveness Plan*, *The New York Times*, Mar. 1, 2023, available at <https://www.nytimes.com/article/biden-student-loan-forgiveness.html>, last visited May 9, 2023.
- ⁶⁴ A servicer may grant a borrower's request for a forbearance if the borrower is temporarily unable to make scheduled monthly payments because of financial difficulties, medical expenses, a change in employment, or other reasons acceptable to the servicer.
- ⁶⁵ See Cory Turner, NPR Exclusive: *How the most affordable student loan program failed low-income borrowers*, Apr. 1, 2022, available at <https://www.npr.org/2022/04/01/1089750113/student-loan-debt-investigation>, last visited May 9, 2023.
- ⁶⁶ See GAO 2022. The GAO has estimated that 26.6 million borrowers will have to resume repayments after the end of forbearances, while approximately 7.2 million borrowers have loans that are in default and 9 million borrowers are still enrolled in school or are in a grace period.
- ⁶⁷ See Jill Berman, Student Loan 'Train Wreck': As Return of Regular Payments Loom, Servicers Have Less Staff to Field Expected Deluge of Calls, MarketWatch, Apr. 10, 2023, available at <https://www.marketwatch.com/story/student-loan-train-wreck-as-return-of-regular-payments-loom-servicers-have-less-staff-to-field-expected-deluge-of-calls-8d62a380?mod=family-finance>, last visited May 9, 2023.
- ⁶⁸ See GAO 2022.
- ⁶⁹ See *id.*
- ⁷⁰ See Report of the CFPB Education Loan Ombudsman, pp. 65, 78, Oct. 2021, available at https://files.consumerfinance.gov/f/documents/cfpb_education-loan-ombudsman-annual-report_2021.pdf, last visited May 9, 2023. The servicers that will no longer service federal student loans are the Utah Higher Education Assistance Authority (UHEAA), the Pennsylvania Higher Education Assistance Agency (PHEAA), Granite State, and Navient.
- ⁷¹ See *id.* at 78.
- ⁷² See Cory Turner, NPR Exclusive: *How the Most Affordable Student Loan Program Failed Low-Income Borrowers*, Apr. 1, 2022, available at <http://www.npr.org/2022/04/01/1089750113/student-loan-debt-investigation>, last visited May 9, 2023 ("Borrowers' information is transferred via what's known as an EA27 file, and every time a file is transferred, data and context can be lost, and mistakes made. In fact, earlier versions of the EA27 didn't even include payment counts for certain IDR plans. Transferring these borrower files is like a game of telephone: The more you do it, the more likely the message gets muddled.")
- ⁷³ See Bennett & Turner.
- ⁷⁴ Cory Turner, *Exclusive: New Biden Student Loan Plan Unveiled Amid Agency Funding Crisis*, CapRadio, Jan. 10, 2023, available at <https://www.capradio.org/news/npr/story?storyid=1147758692>, last visited May 9, 2023.
- ⁷⁵ See Cory Turner, *How the Most Affordable Student Loan Program Failed Low-Income Borrowers*.
- ⁷⁶ See U.S. GAO, Federal Student Aid: Education Needs to Take Steps to Ensure Eligible Loans Receive Income-Driven Repayment Forgiveness, GAO-22-103720 (released Apr. 20, 2022), available at <http://www.gao.gov/products/gao-22-103720>, last visited May 9, 2023.
- ⁷⁷ NelNet Press Release, *NelNet Announces Reduction of Staff Due to Contract Changes Impacting Student Loan Servicing*, Mar. 23, 2023, <https://nelnetinc.com/press-releases/nelnet-announces-reduction-of-staff-due-to-contract-changes-impacting-student-loan-servicing/#:~:text=Both%20the%20price%20reduction%20and%20the%20unanticipated%20transfer,were%20notified%20today%20their%20positions%20are%20being%20eliminated>, last visited May 9, 2023.
- ⁷⁸ Berman.
- ⁷⁹ Michael Stratford, Biden's Next Student Loan Headache: A Cash Crunch at the Education Department, Politico, Apr. 25, 2023, available at <https://www.politico.com/news/2023/04/25/biden-student-loans-education-department-00093302>, last visited May 9, 2023.
- ⁸⁰ Stratford; Adam S. Minsky, The Student Loan Pause May End In Phases, With Some Features Extended — Key Updates On Timing, Forbes, May 2, 2023, <https://www.forbes.com/sites/adamminsky/2023/05/02/the-student-loan-pause-may-end-in-phases-with-some-features-extended---key-updates-on-timing/?sh=2db9a9dd2299>, last visited May 9, 2023; see also Michael Stratford, Biden Quietly Deciding How to Restart Student Loan Payments, Politico, Oct. 18, 2021, available at <https://www.politico.com/news/2021/10/18/biden-student-loan-payment-restart-516194>, last visited May 9, 2023; Annie Nova, Here Are 5 Changes Student Loan Borrowers Could See in 2022, CNBC, Nov. 29, 2021, available at <https://www.cnbc.com/2021/11/29/here-are-5-changes-student-loan-borrowers-could-see-in-2022.html>, last visited May 9, 2023.