

United States Senate

WASHINGTON, DC 20510

April 21, 2026

The Honorable Linda McMahon
Secretary
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary McMahon:

We write to urge the Department of Education (“the Department” or “ED”) to extend, for a reasonable period of time, the window of time that all borrowers have to apply and enroll in a new affordable repayment plan and take additional steps to support borrowers experiencing financial hardship because of the decision to end the popular Savings on a Valuable Education (SAVE) Plan and notify them of their eligibility for all available income-driven repayment (IDR) plan options.

We are deeply concerned that the administration’s decision to move the more than 7 million Americans who are currently enrolled in the SAVE Plan to another repayment plan within 90 days will result in millions of borrowers seeing drastically higher monthly student loan bills amidst an ongoing affordability crisis.

After a court granted the Department’s request to vacate the SAVE Plan, the Department announced that, starting on July 1, 2026, student loan servicers will begin issuing notices to borrowers enrolled in the SAVE Plan, directing them to exit the SAVE Plan and enroll in another federal student loan repayment option. If borrowers fail to transition from the SAVE Plan within 90 days of receiving a notice from their servicer, they will automatically be enrolled into either the Standard Repayment Plan, or the new Tiered Standard Plan, which will only be available to new borrowers beginning July 1, 2026. The announcement does not specify how this determination will be made.

We are extremely concerned that the Department's decision to force SAVE borrowers who do not take action in time into the Standard Plan or the new Tiered Standard Plan will result in substantially higher, and consequently unaffordable, payments. According to Protect Borrowers, the average borrower with a Bachelor's degree forced into the Tiered Standard plan could be expected to pay \$324 per month, while a borrower pushed into the current Standard plan could have to pay \$423 per month.¹ In contrast, this borrower would likely have been required to pay \$188 per month under the SAVE plan.² Since failing to act within a short timeframe may force borrowers into plans increasing their monthly payments by hundreds of dollars, at a minimum,

¹The average borrower was assumed to have approximately \$37,000 in student debt. Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers (Sept. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

the Department should extend the window of time that borrowers have to take action and place all borrowers who qualify for a \$0 payment in an IDR plan, into such plan. These steps would ensure that all borrowers are able to select and enroll in an affordable repayment plan that best suits their unique circumstances and protects borrowers experiencing financial hardship against unreasonably high surprise monthly payments.

In addition, the 90-day window requires SAVE borrowers to take action much faster than required under the One Big Beautiful Bill Act (OBBBA), which gives borrowers enrolled in other IDR plans through June 30, 2028 to switch to a different repayment plan. The Department has not indicated whether the 90-day window for SAVE borrowers to transition includes the time for both applying and enrolling in a new plan. OBBBA provided borrowers three years from the date of enactment to transition from IDR plans to new plans. The Department should provide a similar timeframe for SAVE borrowers to transition to new plans.

Further, we are concerned that the Department appears to be steering borrowers into a new IDR plan, the Repayment Assistance Plan (RAP), and the new Tiered Standard Plan, instead of other, more affordable IDR plans. Many SAVE Plan enrollees may be eligible for the currently available IDR options, including the Pay As You Earn (PAYE) plan, Income Contingent Repayment (ICR) plan and Income Based Repayment (IBR). For most borrowers, the current IDR options, particularly PAYE and IBR, may be more affordable than RAP or the new Tiered Standard Plan.

Millions of borrowers on SAVE have been stuck in financial limbo through no fault of their own as partisan lawsuits challenging SAVE have played out in court. These borrowers deserve to have the time, critical information, and support necessary to successfully enroll in another affordable repayment plan and continue to pay down their loans.

In addition to requesting the Department to extend the window, we also respectfully request responses to the following questions by Tuesday, April 28.

1. Will ED provide SAVE borrowers more time to enroll in a new plan than the 90-day window announced by the Trump Administration on March 27, 2026? If no, why not?
2. If a borrower applies for a new plan within the window of time provided, but their application is not processed by their servicer within that time or is denied – perhaps wrongly – what will happen to the borrower?
3. How will ED and its servicers ensure that borrowers are aware of other, more affordable IDR plans, not just the RAP and the new Tiered Standard Plan?
4. When will ED update its Loan Simulator to allow SAVE borrowers to estimate and compare their likely payments under the RAP Plan alongside their other options, including IBR, PAYE, and ICR?

² Jennifer Zhang, *Deep Dive: The OBBBA Law Makes Paying for College More Expensive and Risky*, Protect Borrowers (Sept. 11, 2025), <https://protectborrowers.org/resource/deep-dive-the-obbba-law-makes-paying-for-college-more-expensive-and-risky/>.

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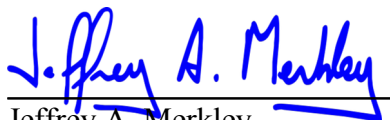
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5. What information will ED provide to borrowers about the higher costs of the other repayment plans available and what options will be provided to borrowers that cannot afford higher payments?
6. If ED forces SAVE borrowers who have not taken action within the 90-day window into either the Standard Plan or the new Tiered Standard Plan, what are ED's plans to support borrowers who may be unable to afford their new monthly payment?
7. If borrowers do not select a plan within the Department's 90-day window and are unnecessarily placed in the Standard plan or the new Tiered Standard Plan, how will the Department communicate this change to borrowers?
 - a. How will the Department determine whether a SAVE borrower is automatically enrolled in the current Standard Plan or the new Tiered Standard Plan after July 1, 2026?
 - b. On what authority will the Department place existing borrowers, with no loans disbursed after July 1, 2026, into the Tiered Standard Plan?
 - c. What will happen to SAVE borrowers who have already been in repayment for 10 or more years on loans that are not consolidated? Will they be placed in the Standard Plan with a new 10-year repayment term, since they have already exceeded the time available to repay in the Standard Plan, or will they be placed in an alternate plan – and if so, what will the terms of such plan be?
 - d. For SAVE borrowers who have been in repayment for fewer than 10 years, will the Department restart the Standard repayment term, so the borrower has a full 10 years from the date they are moved to the Standard plan to repay in full (or longer for consolidated loans)? Or will the Department require even higher payments to ensure that the borrower repays in full within 10 years of the date the borrower first entered repayment, excluding time in forbearance?
 - e. After a borrower is placed into the Standard or new Tiered Standard Plan, how much time will borrowers have before their next payment is due?
 - f. Will ED allow borrowers to switch into another IDR plan ahead of their next billing date after notifying them that they have been placed into Standard or Tiered Standard and of what their payment amount will be?
8. How does the Department and its servicers plan to communicate this transition to SAVE borrowers?
9. How will the Department of Education ensure that borrowers currently enrolled in the SAVE plan are effectively notified of and able to transition to new repayment plans when the Department's contact information on file—including mailing addresses and email addresses—is inaccurate or outdated, and what specific steps will it take to verify and update borrower contact information to prevent lapses in coverage or unintended noncompliance? Please provide an internal analysis showing the projected financial impact of forcing borrowers into other repayment plans, including the amount that borrowers' monthly payments will increase.

10. How long does ED expect it to take for servicers to process SAVE borrowers' applications for new repayment plans?
- Given the backlog of over 553,966 unprocessed IDR applications ED reported as of March 31, 2026, what steps will ED take to ensure that borrowers attempting to switch from SAVE to another IDR plan are not harmed by processing delays, such as being reported as delinquent or experiencing lost months of credit toward IDR or Public Service Loan Forgiveness?
 - If borrowers are harmed by processing delays, what recourse will be available to them if they lose out on months of credit toward loan discharge?
 - What recourse will be available to borrowers if they are unable to enroll into another IDR plan before the 90-day window due to servicer processing delays or wrongful denials of IDR applications?
11. What is ED doing to identify and correct servicer errors that are causing wrongful denials of IDR applications from borrowers attempting to switch out of the SAVE forbearance into a new IDR plan, including wrongful denials for borrowers who are applying based on their most recent tax returns if those returns were filed more than 90-day prior, and wrongful denials for borrowers based on their "not being in a repayment status"?

We believe these materials and steps are necessary to ensure transparency, accountability, and fairness for borrowers who are currently enrolled in SAVE. Thank you for your prompt attention to this matter.

Sincerely,



Jeffrey A. Merkley
United States Senator



Tim Kaine
United States Senator



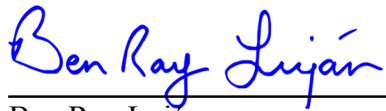
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