

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
BANKING, HOUSING,
AND URBAN AFFAIRS
BUDGET
ENVIRONMENT AND
PUBLIC WORKS

February 14, 2020

The Honorable Betsy DeVos
Secretary
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

Dear Secretary DeVos,

I write with ongoing concerns regarding the U.S. Department of Education's ("Department") continued backlog of federal student loan discharge requests under "borrower defense" and the Department's ongoing efforts to dismantle debt relief for students who have been cheated, misled, or defrauded by colleges or been displaced by a closed school.

Under the Borrower Defense to Repayment provision in the Higher Education Act, the Department has the legal authority to cancel the loans of students who were cheated, misled, or defrauded by colleges. The Obama Administration's 2016 borrower defense rule, which remains in effect, clearly articulates and details processes for students applying for borrower defense discharges or closed school discharge for students whose colleges collapse in the middle of their program. However, we remain deeply concerned by the Department's refusal to help the thousands of borrowers who remain waiting for relief and efforts to effectively end debt relief.

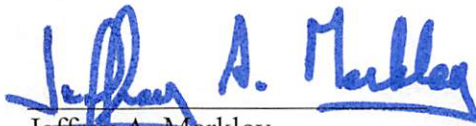
On Monday, February, 10, 2020 Concordia University in Portland, Oregon abruptly announced that it would be closing at the end of the Spring 2020 semester. More than 6,000 students are currently enrolled. This latest closure underscores the need for the Department to take action on existing, pending borrower defense claims and new claims for borrower defense or applications for closed school discharge without delay.

Earlier this year, I wrote to you about the status of the two-thirds of the 3,281 applications from Oregon borrowers that remain pending, including a group discharge application submitted over two years ago. Your response stated that the request for group relief was in "various stages of review" by the Department. Based on your actions to collect debt on loans by students seeking borrower defense and inaction on pending borrower defense applications, I request answers to the following questions no later than Friday, March 13, 2020.

1. Has the Department taken any action to provide discharges to Oregon borrowers with pending borrower defense claims? If not, why not?

2. Has the Department notified borrowers who may be eligible for closed school discharge, including current Concordia University students and students who have withdrawn during the 120-day window prior to the school closure?
3. Has, or will, the Department notify borrowers attending Concordia University under what circumstances, based on current law and regulations, they may be eligible for a closed school discharge or borrower defense to repayment and the time frame for filing such an application or claim? When will that notification occur?
4. Has, or will, the Department notify borrowers attending Concordia University about financial options available to them, including the following:
 - a. Closed school loan discharge
 - b. Debt relief on Title IV student loans under a borrower defense to repayment claim
 - c. Adjustment to Title IV student loan annual and aggregate loan limits
 - d. Pell eligibility restoration and adjustment to Pell eligibility caps
 - e. GI Bill education benefits restoration and GI education benefit limits
 - f. Placing federal loans in forbearance until a discharge decision is made, allowing students to stop or reduce the monthly payments on their federal loans
5. Has, or will, the Department notify students who may be eligible for closed school discharge or borrower defense of a hotline number and business hours for such a hotline?
6. Please provide copies of any documents, notifications, memoranda, or communications related to the Department's efforts to communicate with current Concordia University students about their potential eligibility for borrower defense or closed school discharge.

Sincerely,



Jeffrey A. Merkley
United States Senator