

United States Senate

WASHINGTON, DC 20510

December 7, 2025

Scott Giles
Executive Director and Chief Executive Officer
Higher Education Loan Authority of the State of Missouri
633 Spirit Drive
Chesterfield, MO 63005-1243

Dear Mr. Giles:

Student loan borrowers during the Trump Administration are facing frequent and complex changes to loan repayment, including unprecedented uncertainty around the resumption of involuntary collections and policy shifts from the U.S. Department of Education (ED).¹ We write with questions about your ability to provide them with the customer service they need during this tumultuous time. Borrowers need quick and clear assistance from federal student loan servicers amidst the chaos and confusion, but servicers have a well-documented history of providing delayed or incorrect information to borrowers or otherwise failing to meet their responsibilities.² These egregious failures have caused undue financial and emotional distress for borrowers in the past,³ and we write to seek basic data on whether the Higher Education Loan Authority of the State of Missouri (MOHELA) is meeting its obligations to borrowers.

Student Loan Borrowers Are Struggling

Statutory and regulatory changes to student loan repayment over the past year have been described as “policy whiplash” for borrowers,⁴ who face a landscape of higher loan payments, potential sudden tax increases,⁵ resumption of forced collections for delinquent borrowers,⁶ and renewed interest accrual for loans previously placed in forbearance due to legal challenges on the

¹ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

² Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 3-6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

³ *Id.*, pp 4-5.

⁴ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

⁵ CNBC, “Student loan forgiveness delays and backlogs could lead to ‘massive’ tax bills for borrowers, advocate says,” Annie Nova, August 25, 2025, <https://www.cnbc.com/2025/08/25/student-loan-forgiveness-delays-tax-bills.html>.

⁶ U.S. Department of Education, “U.S. Department of Education to Begin Federal Student Loan Collections, Other Actions to Help Borrowers Get Back into Repayment,” April 21, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>.

Saving on a Valuable Education (SAVE) plan,⁷ the most affordable federal student loan repayment plan in history.⁸ As of August 31, 2025, more than one million income-driven repayment (IDR) applications are still unprocessed,⁹ leaving borrowers—many of whom were previously enrolled in the SAVE plan and are now in SAVE forbearance¹⁰—stuck waiting in an administrative backlog to switch to a different income-driven repayment plan, unable to make payments even as they have watched interest accrue.¹¹ This chaos has had a significant impact on borrowers: more than three in every ten student loan borrowers were in delinquency as of April 2025, the highest percentage ever recorded and a roughly 50% increase from just three months earlier in February.¹² These record-high rates of borrowers in delinquency are expected to lead to a wave of borrower defaults over the coming months, commonly referred to as a “default cliff.”¹³

Unfortunately, federal student loan servicers have a history of “chronic” and “systemic” customer service failures,¹⁴ especially during times of transition in the federal student loan system. For example, borrowers experienced unacceptably poor levels of customer service when payments resumed in October 2023 after the COVID-19 pandemic pause: the Consumer Financial Protection Bureau (CFPB) reported that the average call wait time for borrowers seeking basic assistance was a shockingly high 73 minutes.¹⁵ In the intervening two years, servicers’ performance has shown little indication of improvement. The CFPB Student Loan Ombudsman found that common servicing failures throughout 2024 included basic payment processing inaccuracies, delayed and inaccurate billing statements, and service “doom loops” in which borrowers seeking assistance are continuously redirected by the servicer.¹⁶ Under the Biden Administration, ED released data showing that some servicers are failing to meet even basic contractual obligations related to customer service performance.¹⁷ MOHELA was by far the

⁷ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

⁸ National Consumer Law Center, “What’s Happening with the SAVE Plan?,” October 29, 2025, <https://studentloanborrowerassistance.org/whats-happening-with-the-save-plan/>.

⁹ American Federation of Teachers v. U.S. Department of Education, 1:25-cv-802-RBW, Status Report (Doc. 42), p. 1 (U.S. D.D.C., 2025) <https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.42.0.pdf>.

¹⁰ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

¹¹ *Id.*

¹² TransUnion, “Following the Resumption of Federal Collection Activities in May, Nearly One in Three Federal Student Loan Borrowers Find Themselves at Risk for Default,” June 24, 2025, <https://newsroom.transunion.com/june-2025-student-loan-update/>.

¹³ CNBC, “Student loan borrowers face ‘default cliff’ as late payments climb, report finds,” Jessica Dickler, June 26, 2025, <https://www.cnbc.com/2025/06/26/student-loan-default-cliff-coming-as-late-payments-rise.html>.

¹⁴ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, p. 6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

¹⁵ *Id.*, p. 41.

¹⁶ *Id.*, pp. 3-4.

¹⁷ Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 3,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>; Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 4,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

most egregious offender, performing the worst of the five federal student loan servicers across all customer service metrics measured by ED.¹⁸

The alarming increase in borrowers delinquent on their student loans makes it more important than ever that servicers are proactively reaching out to borrowers at risk of delinquency or default, and notifying borrowers who have already entered delinquency or default in a timely and effective manner.¹⁹ Student loan servicers' administrative errors have significant financial consequences for borrowers, including delayed rent payments, loss of mortgage eligibility, postponed retirement contributions, and even risk of homelessness.²⁰ Borrowers pay the price for servicers' neglect and incompetence.

The Trump Administration Has Decimated ED's Office of Federal Student Aid

While ED has claimed it “is prioritizing efforts to improve customer service to students” and will continue to “review the performance of all our current contractors with the goal of improving service delivery on behalf of American students,”²¹ ED's actions since the beginning of the Trump Administration have generally demonstrated the opposite. Under President Trump and Secretary McMahon, ED's Office of Federal Student Aid (FSA) has been decimated by reductions in force (RIFs), limiting both its ability to serve borrowers and to oversee federal student loan servicers.²² ED laid off over 300 FSA employees in March, which represented almost one in four FSA staff members,²³ and further “decimated” the Office of the Ombudsman.²⁴ As of May 14, 2025, ED “no longer has any dedicated vendor oversight staff” after firing nearly all employees in the offices responsible for monitoring loan servicer performance.²⁵ As a result, FSA is now severely understaffed and has far less capacity to assist student borrowers amidst unprecedented changes and confusion.²⁶

¹⁸ *Id.*

¹⁹ Letter from Senator Elizabeth Warren to Secretary of Education Linda McMahon, October 14, 2025, https://www.warren.senate.gov/imo/media/doc/final_text_-_letter_to_department_of_education_on_student_loan_debt_default_cliff_101425.pdf.

²⁰ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 4-5, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

²¹ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, pp. 3-4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

²² Inside Higher Ed, “Assessing the Damage After the Education Department's Mass Layoffs,” Liam Knox and Jessica Blake, March 13, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/03/13/how-education-department-layoffs-could-affect-higher>.

²³ *Id.*

²⁴ Forbes, “Yes, Your Student Loans Will Be Impacted By The Mass Department of Education Layoffs,” Adam S. Minsky, March 12, 2025, <https://www.forbes.com/sites/adamminsky/2025/03/12/yes-your-student-loans-will-be-impacted-by-the-mass-department-of-education-layoffs/>.

²⁵ Written testimony of Bonnie Latreille, May 14, 2025, pp. 3, 7, <https://protectborrowers.org/wp-content/uploads/2025/05/Bonnie-Latreille-Senate-Testimony-May-2025-1.pdf>.

²⁶ National Association of Student Financial Aid Administrators, “NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services,” press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

Additionally, ED has repeatedly and deliberately obstructed Congress in its oversight duties and stonewalled borrowers as they seek assistance with their loan repayments.²⁷ In addition to instituting significant staffing reductions at FSA, ED has also withheld the publication of customer service metrics for federal student loan servicers and provided combative and uncooperative responses to congressional requests for other performance data.²⁸ This information is essential for determining whether servicers are meeting their obligations as federal contractors and for holding servicers accountable if they fall short. ED has even gone so far as to actively impede the collection of information on borrowers' repayment experiences.²⁹ In March 2025, ED altered the user interface of FSA's website to make the "submit a complaint" button more difficult for borrowers to find.³⁰ A leaked email from a senior ED employee revealed that this was a deliberate choice that "would help decrease contact center volume and the number of complaints," which they characterized as "an overall win."³¹ In short, ED under the Trump Administration appears to be no longer willing or able to fulfill its most basic statutory responsibilities, including conducting fundamental oversight of federal student loan servicers.

ED's actions are already hurting borrowers. A survey of over 500 higher education institutions conducted by the National Association of Student Financial Aid Administrators (NASFAA) found that, as of August 2025, 51% of institutions reported students "receiving confusing or delayed information from ED/FSA" related to their student loan repayments, and 72% of institutions experienced "noticeable declines in FSA responsiveness and processing timelines."³² The drastic decline in FSA's service and oversight capabilities makes the level of customer service provided by loan servicers even more critical. Servicers will have to adjust to increased call volume as borrowers are faced with the combination of both (1) recent policy changes to student loan payment plans and (2) fewer customer service staff at FSA. ED's refusal to release objective servicer performance metrics, however, means that borrowers and Congress are left in the dark on whether servicers are prepared to handle this influx.

Loan Re-Allocations Could Introduce New Service Failures

In a further administrative change with the potential to disrupt borrowers' repayment processes, ED plans to re-allocate loans away from underperforming servicers.³³ While loan transfers to

²⁷ Letter from Senator Elizabeth Warren, et. al. to Secretary of Education Linda McMahon, August 25, 2025, https://www.warren.senate.gov/imo/media/doc/letter_to_ed_response_to_fsa_button.pdf.

²⁸ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

²⁹ Letter from Senator Elizabeth Warren, et. al. to Secretary of Education Linda McMahon, August 25, 2025, https://www.warren.senate.gov/imo/media/doc/letter_to_ed_response_to_fsa_button.pdf.

³⁰ *Id.*

³¹ Politico Pro, "Education Department shrinks staff that fields student aid complaints," Rebecca Carballo, March 4, 2025, <https://subscriber.politicopro.com/article/2025/03/education-department-shrinks-staff-that-fields-student-aid-complaints-00210264>.

³² National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

³³ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4,

higher-performing servicers are likely to improve the borrower experience in the long run, in the short term these transfers raise the prospect of costly new servicing failures if not properly implemented.

In a July 21, 2025 letter to my office, ED disclosed that they will begin re-allocating “a portion of MOHELA’s [Public Service Loan Forgiveness (PSLF)] portfolio” to higher-performing servicers in the second half of 2025 but did not elaborate on the timeline for these transfers or which servicers would be receiving these loans.³⁴ Concurrently, there have also been recent reports of ED re-allocating loans to Central Research, Inc. (CRI), a relatively new servicer, in an ongoing effort to balance the number of loans each servicer manages.³⁵

Transfers between servicers often lead to increased administrative errors: the CFPB found that more than 20% of 2.5 million borrower accounts transferred in 2015 contained incorrect balances, missing payment records, or other errors.³⁶ Senators led an investigation into an error in a large-scale transfer of loans from NelNet to MOHELA in 2023, finding that MOHELA appeared to be responsible for contributing to nearly two million credit reporting errors impacting hundreds of thousands of borrowers.³⁷ Borrowers have continued experiencing transfer-related communication failures: in one instance reported in September 2025, one borrower reported that the only notification that her loan was being transferred was sent to an internal servicer “account inbox,” which she did not regularly check.³⁸

Given the Trump Administration is attempting to gut the CFPB³⁹—the agency tasked with protecting consumers from issues such as loan scams—the lack of communication from ED and servicers leaves borrowers at risk of falling victim to scams or ignoring legitimate communications. When borrowers first learn of a loan transfer from a new, unknown servicer, they may be more susceptible to scammers posing as legitimate loan servicers, compounding existing financial distress.⁴⁰ For instance, in the case of the borrower mentioned above who

https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³⁴ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4

https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³⁵ *Id.*; CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>

³⁶ Consumer Financial Protection Bureau, “Student loan servicing: Analysis of public input and recommendations for reform,” September 2015, p.50, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

³⁷ Letter from Senator Elizabeth Warren to Consumer Financial Protection Bureau Director Rohit Chopra and Secretary of Education Miguel Cardona, December 18, 2024, https://www.warren.senate.gov/imo/media/doc/warren_senators_letter_to_cfbp_on_credit_duplicate_investigation.pdf.

³⁸ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

³⁹ Politico, “CFPB’s breaking point,” Michael Stratford, November 4, 2025, <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

⁴⁰ CNBC, “Watch out for student loan scams as collections resume: ‘Scammers see opportunities,’ expert says,” Kamaron McNair, May 9, 2025, <https://www.cnbc.com/2025/05/09/student-loan-scams-to-watch-out-for.html>.

received an email only from her new loan servicer, a “company [she’d] never heard of,” her initial reaction was to assume it was a scam.⁴¹ To ensure clear and consistent communication and to mitigate the risks that borrowers fall prey to a loan scam, when ED determines that a loan should be re-allocated to a new servicer, it is essential that servicers inform borrowers via phone, email, and postal mail before their loan is transferred so that borrowers receive the initial communication from their original servicer, a name with which they are already familiar.

Conclusion and Questions

As the Trump Administration continues to make it more difficult for borrowers to pay their student loans, we seek updated customer service and performance information concerning your company’s readiness to assist borrowers. In order to inform our legislative responsibilities regarding the operations of ED and FSA, the student loan program, and student loan servicers, we ask that you provide answers to the following questions by December 22, 2025:

1. How many student loan borrowers does your company currently service?
 - a. How many borrowers do you anticipate your company will service by December 31, 2025?
 - b. How many borrowers have contacted your company, through either call or written communication, in each full calendar month since January 1, 2025?
2. Customer service metrics: For each of the following questions, please provide both (1) aggregate data since January 1, 2025 and (2) per-month data for each month since January 2025. Where applicable, please state whether the reported performance data meets the minimum threshold set by the terms of your federal contract with ED.
 - a. Has your company received any negative performance incentives (NPI) since January 1, 2025? If so, what percentage of contracts that your company services have received an NPI?
 - b. What is the average weekly call center volume for student loan borrowers you service? How has this volume changed since January 1, 2025?
 - c. What is the average speed to answer for borrowers contacting the customer service call center?
 - d. What is the average call “abandon rate” for borrowers, defined as “the percentage of borrowers who ask to speak with a customer service representative but hang up before being connected with a representative?”⁴²
 - e. On average, how long does it take for a borrower to receive a response to an inquiry submitted via phone or in writing? What are your projected wait times for borrowers to receive a response to inquiries through the remainder of 2025?
 - f. What is the average customer satisfaction score for call and written communications?
 - g. Given that the online application for IDR plans was restored on ED’s website in March 2025 as a result of litigation, please provide the above performance

⁴¹ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

⁴² U.S. Department of Education, “Servicer Performance Metrics and Allocations,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

statistics (including application volume, application backlog, and customer service ratings) for IDR applications specifically.

3. Customer service staff

- a. How many customer service staff did your company employ on January 1, 2025, and how many customer service staff did your company employ as of December 1, 2025? How many call center staff did your company employ on January 1, 2025, and how many call center staff did your company employ as of December 1, 2025?
- b. How did the U.S. federal government shutdown beginning in October 2025 impact the quantity or quality of customer service your company is able to provide to borrowers?
 - i. Did your company lay off any employees as a result of the shutdown?
- c. Does your company anticipate increasing either the quantity or required training of your call center staff to compensate for the recent RIFs at FSA?
- d. Does your company use AI tools at any stage of the customer service process, including internal usage?
 - i. Please describe specifics for all use cases and any internal oversight conducted to ensure output quality.
 - ii. Is there any stage in your customer service process in which a borrower interacts directly with an AI tool, such as an AI assistant or chatbot?
 - iii. If so, are borrowers given the option of transferring to a human customer service representative instead?

2. Loan re-allocations

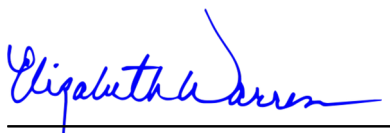
- a. Has your company received any requests from ED to re-allocate loans you previously serviced to other student loan servicers since January 1, 2025? If so, how many loans have been transferred to date, and to which servicers?
 - i. Which types of loans, if any, have been transferred?
 - ii. What percentage of transferred loans are under the PSLF program?
 - iii. What percentage of transferred loans are part of an IDR plan?
 - iv. What is the anticipated timeline for any future loan re-allocations?
- b. Has your company been the recipient of any re-allocated loans since January 1, 2025? If so, how many loans have been transferred to your company, and from which servicers?
 - i. How many borrowers transferred to your company since January 1 have set up an account with your company?
 - ii. Of borrowers transferred to your company that have completed account setup, how many borrowers were previously enrolled in auto-debit or auto-pay?
 - iii. Are borrowers previously enrolled in auto-debit through their previous servicer required to re-enroll in auto-debit with your company? If so, how long on average did it take borrowers required to re-enroll to set up auto-debit for their new account?
 - iv. After receiving a loan account transfer and associated borrower payment history data, what steps do you take to audit the information for accuracy and completeness?

3. Communication to borrowers in delinquency and default

- a. What measures is your company taking to prepare for and adequately serve the increased number of borrowers entering or approaching delinquency?
- b. Does your company proactively reach out to borrowers who are at risk of, but have not yet entered, delinquency or default? If so, please describe your company's process for determining when borrowers are considered at risk and what information is communicated to them.
- c. What information does your company provide to borrowers once they miss a payment and become delinquent?
 - i. What, if any, information does your company provide to borrowers once they are 270 days behind and have defaulted on their loans?
 - ii. Please provide what actionable steps your company suggests to borrowers.
- d. What medium(s) does your company use to communicate to borrowers that they have entered delinquency or default (e.g., mail to home address, email, phone call)?
- e. What information does your company provide to borrowers who are delinquent or in default and contact your company's customer service to discuss their options?
- f. Does your company have internal data on the number of borrowers who are delinquent or in default on their loans for each month since January 2025? If so, please provide them.

As loan repayment due dates and requirements have changed repeatedly for many borrowers under the Trump Administration, borrowers need clear and timely communication from federal student loan servicers. The quality of customer service assistance provided by loan servicers to borrowers is more critical than ever in the wake of the Trump Administration's catastrophic cuts to ED and FSA, and we look forward to your prompt response and attention to this matter.


Sincerely,



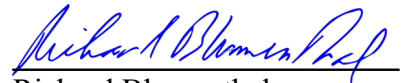
Elizabeth Warren
United States Senator



Jeffrey A. Merkley
United States Senator



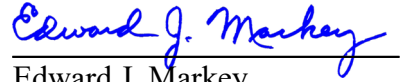
Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator



Cory A. Booker
United States Senator



Edward J. Markey
United States Senator

United States Senate

WASHINGTON, DC 20510

December 7, 2025

Jeffrey Noordhoek
Chief Executive Officer
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121 South 13th Street, Suite 201
Lincoln, NE 68508

Dear Mr. Noordhoek:

Student loan borrowers during the Trump Administration are facing frequent and complex changes to loan repayment, including unprecedented uncertainty around the resumption of involuntary collections and policy shifts from the U.S. Department of Education (ED).¹ We write with questions about your ability to provide them with the customer service they need during this tumultuous time. Borrowers need quick and clear assistance from federal student loan servicers amidst the chaos and confusion, but servicers have a well-documented history of providing delayed or incorrect information to borrowers or otherwise failing to meet their responsibilities.² These egregious failures have caused undue financial and emotional distress for borrowers in the past,³ and we write to seek basic data on whether Nelnet is meeting its obligations to borrowers.

Student Loan Borrowers Are Struggling

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¹ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

² Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 3-6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

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⁵ CNBC, “Student loan forgiveness delays and backlogs could lead to ‘massive’ tax bills for borrowers, advocate says,” Annie Nova, August 25, 2025, <https://www.cnbc.com/2025/08/25/student-loan-forgiveness-delays-tax-bills.html>.

⁶ U.S. Department of Education, “U.S. Department of Education to Begin Federal Student Loan Collections, Other Actions to Help Borrowers Get Back into Repayment,” April 21, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>.

repayment plan in history.⁸ As of August 31, 2025, more than one million income-driven repayment (IDR) applications are still unprocessed,⁹ leaving borrowers—many of whom were previously enrolled in the SAVE plan and are now in SAVE forbearance¹⁰—stuck waiting in an administrative backlog to switch to a different income-driven repayment plan, unable to make payments even as they have watched interest accrue.¹¹ This chaos has had a significant impact on borrowers: more than three in every ten student loan borrowers were in delinquency as of April 2025, the highest percentage ever recorded and a roughly 50% increase from just three months earlier in February.¹² These record-high rates of borrowers in delinquency are expected to lead to a wave of borrower defaults over the coming months, commonly referred to as a “default cliff.”¹³

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⁷ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

⁸ National Consumer Law Center, “What’s Happening with the SAVE Plan?,” October 29, 2025, <https://studentloanborrowerassistance.org/whats-happening-with-the-save-plan/>.

⁹ American Federation of Teachers v. U.S. Department of Education, 1:25-cv-802-RBW, Status Report (Doc. 42), p. 1 (U.S. D.D.C., 2025)

<https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.42.0.pdf>.

¹⁰ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

¹¹ *Id.*

¹² TransUnion, “Following the Resumption of Federal Collection Activities in May, Nearly One in Three Federal Student Loan Borrowers Find Themselves at Risk for Default,” June 24, 2025, <https://newsroom.transunion.com/june-2025-student-loan-update/>.

¹³ CNBC, “Student loan borrowers face ‘default cliff’ as late payments climb, report finds,” Jessica Dickler, June 26, 2025, <https://www.cnbc.com/2025/06/26/student-loan-default-cliff-coming-as-late-payments-rise.html>.

¹⁴ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, p. 6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

¹⁵ *Id.*, p. 41.

¹⁶ *Id.*, pp. 3-4.

basic contractual obligations related to customer service performance.¹⁷ Five percent of Nelnet's contracts received negative performance incentives for timeliness in FY2024 Q4.¹⁸

The alarming increase in borrowers delinquent on their student loans makes it more important than ever that servicers are proactively reaching out to borrowers at risk of delinquency or default, and notifying borrowers who have already entered delinquency or default in a timely and effective manner.¹⁹ Student loan servicers' administrative errors have significant financial consequences for borrowers, including delayed rent payments, loss of mortgage eligibility, postponed retirement contributions, and even risk of homelessness.²⁰ Borrowers pay the price for servicers' neglect and incompetence.

The Trump Administration Has Decimated ED's Office of Federal Student Aid

While ED has claimed it "is prioritizing efforts to improve customer service to students" and will continue to "review the performance of all our current contractors with the goal of improving service delivery on behalf of American students,"²¹ ED's actions since the beginning of the Trump Administration have generally demonstrated the opposite. Under President Trump and Secretary McMahon, ED's Office of Federal Student Aid (FSA) has been decimated by reductions in force (RIFs), limiting both its ability to serve borrowers and to oversee federal student loan servicers.²² ED laid off over 300 FSA employees in March, which represented almost one in four FSA staff members,²³ and further "decimated" the Office of the Ombudsman.²⁴ As of May 14, 2025, ED "no longer has any dedicated vendor oversight staff" after firing nearly all employees in the offices responsible for monitoring loan servicer performance.²⁵ As a result, FSA is now severely understaffed and has far less capacity to assist student borrowers amidst unprecedented changes and confusion.²⁶

¹⁷ Federal Student Aid, "Loan Servicer Performance: Fiscal Year 2024, Quarter 3," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>; Federal Student Aid, "Loan Servicer Performance: Fiscal Year 2024, Quarter 4," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

¹⁸ *Id.*

¹⁹ Letter from Senator Elizabeth Warren to Secretary of Education Linda McMahon, October 14, 2025, https://www.warren.senate.gov/imo/media/doc/final_text_-_letter_to_department_of_education_on_student_loan_debt_default_cliff_101425.pdf.

²⁰ Consumer Financial Protection Bureau, "Annual Report of the CFPB Student Loan Ombudsman," November 2024, pp. 4-5, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

²¹ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, pp. 3-4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

²² Inside Higher Ed, "Assessing the Damage After the Education Department's Mass Layoffs," Liam Knox and Jessica Blake, March 13, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/03/13/how-education-department-layoffs-could-affect-higher>.

²³ *Id.*

²⁴ Forbes, "Yes, Your Student Loans Will Be Impacted By The Mass Department of Education Layoffs," Adam S. Minsky, March 12, 2025, <https://www.forbes.com/sites/adamminsky/2025/03/12/yes-your-student-loans-will-be-impacted-by-the-mass-department-of-education-layoffs/>.

²⁵ Written testimony of Bonnie Latreille, May 14, 2025, pp. 3, 7, <https://protectborrowers.org/wp-content/uploads/2025/05/Bonnie-Latreille-Senate-Testimony-May-2025-1.pdf>.

Additionally, ED has repeatedly and deliberately obstructed Congress in its oversight duties and stonewalled borrowers as they seek assistance with their loan repayments.²⁷ In addition to instituting significant staffing reductions at FSA, ED has also withheld the publication of customer service metrics for federal student loan servicers and provided combative and uncooperative responses to congressional requests for other performance data.²⁸ This information is essential for determining whether servicers are meeting their obligations as federal contractors and for holding servicers accountable if they fall short. ED has even gone so far as to actively impede the collection of information on borrowers' repayment experiences.²⁹ In March 2025, ED altered the user interface of FSA's website to make the "submit a complaint" button more difficult for borrowers to find.³⁰ A leaked email from a senior ED employee revealed that this was a deliberate choice that "would help decrease contact center volume and the number of complaints," which they characterized as "an overall win."³¹ In short, ED under the Trump Administration appears to be no longer willing or able to fulfill its most basic statutory responsibilities, including conducting fundamental oversight of federal student loan servicers.

ED's actions are already hurting borrowers. A survey of over 500 higher education institutions conducted by the National Association of Student Financial Aid Administrators (NASFAA) found that, as of August 2025, 51% of institutions reported students "receiving confusing or delayed information from ED/FSA" related to their student loan repayments, and 72% of institutions experienced "noticeable declines in FSA responsiveness and processing timelines."³² The drastic decline in FSA's service and oversight capabilities makes the level of customer service provided by loan servicers even more critical. Servicers will have to adjust to increased call volume as borrowers are faced with the combination of both (1) recent policy changes to student loan payment plans and (2) fewer customer service staff at FSA. ED's refusal to release objective servicer performance metrics, however, means that borrowers and Congress are left in the dark on whether servicers are prepared to handle this influx.

Loan Re-Allocations Could Introduce New Service Failures

²⁶ National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

²⁷ Letter from Senator Elizabeth Warren, et. al. to Secretary of Education Linda McMahon, August 25, 2025, https://www.warren.senate.gov/imo/media/doc/letter_to_ed_response_to_fsa_button.pdf.

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³⁰ *Id.*

³¹ Politico Pro, "Education Department shrinks staff that fields student aid complaints," Rebecca Carballo, March 4, 2025, <https://subscriber.politicopro.com/article/2025/03/education-department-shrinks-staff-that-fields-student-aid-complaints-00210264>.

³² National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

In a further administrative change with the potential to disrupt borrowers' repayment processes, ED plans to re-allocate loans away from underperforming servicers.³³ While loan transfers to higher-performing servicers are likely to improve the borrower experience in the long run, in the short term these transfers raise the prospect of costly new servicing failures if not properly implemented.

In a July 21, 2025 letter to my office, ED disclosed that they will begin re-allocating “a portion of MOHELA’s [Public Service Loan Forgiveness (PSLF)] portfolio” to higher-performing servicers in the second half of 2025 but did not elaborate on the timeline for these transfers or which servicers would be receiving these loans.³⁴ Concurrently, there have also been recent reports of ED re-allocating loans to Central Research, Inc. (CRI), a relatively new servicer, in an ongoing effort to balance the number of loans each servicer manages.³⁵

Transfers between servicers often lead to increased administrative errors: the CFPB found that more than 20% of 2.5 million borrower accounts transferred in 2015 contained incorrect balances, missing payment records, or other errors.³⁶ In 2023, a large-scale transfer of loans between Nelnet to MOHELA resulted in nearly two million credit reporting errors impacting hundreds of thousands of borrowers.³⁷ Borrowers have continued experiencing transfer-related communication failures: in one instance reported in September 2025, one borrower reported that the only notification that her loan was being transferred was sent to an internal servicer “account inbox,” which she did not regularly check.³⁸

Given the Trump Administration is attempting to gut the CFPB³⁹—the agency tasked with protecting consumers from issues such as loan scams—the lack of communication from ED and servicers leaves borrowers at risk of falling victim to scams or ignoring legitimate communications. When borrowers first learn of a loan transfer from a new, unknown servicer, they may be more susceptible to scammers posing as legitimate loan servicers, compounding

³³ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³⁴ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³⁵ *Id.*; CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>

³⁶ Consumer Financial Protection Bureau, “Student loan servicing: Analysis of public input and recommendations for reform,” September 2015, p.50, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

³⁷ Letter from Senator Elizabeth Warren to CFPB Director Chopra and Secretary of Education Cardona, December 18, 2024, <https://www.warren.senate.gov/newsroom/press-releases/senate-investigation-reveals-mohela-may-have-contributed-to-nearly-2-million-student-loan-duplication-errors-appearing-on-borrowers-credit-reports>.

³⁸ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

³⁹ Politico, “CFPB’s breaking point,” Michael Stratford, November 4, 2025, <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

existing financial distress.⁴⁰ For instance, in the case of the borrower mentioned above who received an email only from her new loan servicer, a “company [she’d] never heard of,” her initial reaction was to assume it was a scam.⁴¹ To ensure clear and consistent communication and to mitigate the risks that borrowers fall prey to a loan scam, when ED determines that a loan should be re-allocated to a new servicer, it is essential that servicers inform borrowers via phone, email, and postal mail before their loan is transferred so that borrowers receive the initial communication from their original servicer, a name with which they are already familiar.

Conclusion and Questions

As the Trump Administration continues to make it more difficult for borrowers to pay their student loans, we seek updated customer service and performance information concerning your company’s readiness to assist borrowers. In order to inform our legislative responsibilities regarding the operations of ED and FSA, the student loan program, and student loan servicers, we ask that you provide answers to the following questions by December 22, 2025:

1. How many student loan borrowers does your company currently service?
 - a. How many borrowers do you anticipate your company will service by December 31, 2025?
 - b. How many borrowers have contacted your company, through either call or written communication, in each full calendar month since January 1, 2025?
2. Customer service metrics: For each of the following questions, please provide both (1) aggregate data since January 1, 2025 and (2) per-month data for each month since January 2025. Where applicable, please state whether the reported performance data meets the minimum threshold set by the terms of your federal contract with ED.
 - a. Has your company received any negative performance incentives (NPI) since January 1, 2025? If so, what percentage of contracts that your company services have received an NPI?
 - b. What is the average weekly call center volume for student loan borrowers you service? How has this volume changed since January 1, 2025?
 - c. What is the average speed to answer for borrowers contacting the customer service call center?
 - d. What is the average call “abandon rate” for borrowers, defined as “the percentage of borrowers who ask to speak with a customer service representative but hang up before being connected with a representative?”⁴²
 - e. On average, how long does it take for a borrower to receive a response to an inquiry submitted via phone or in writing? What are your projected wait times for borrowers to receive a response to inquiries through the remainder of 2025?
 - f. What is the average customer satisfaction score for call and written communications?

⁴⁰ CNBC, “Watch out for student loan scams as collections resume: ‘Scammers see opportunities,’ expert says,” Kamaron McNair, May 9, 2025, <https://www.cnbc.com/2025/05/09/student-loan-scams-to-watch-out-for.html>.

⁴¹ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

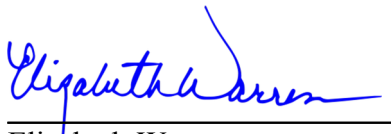
⁴² U.S. Department of Education, “Servicer Performance Metrics and Allocations,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

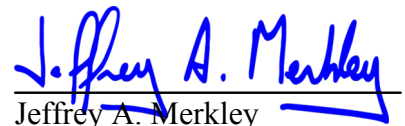
- g. Given that the online application for IDR plans was restored on ED's website in March 2025 as a result of litigation, please provide the above performance statistics (including application volume, application backlog, and customer service ratings) for IDR applications specifically.
3. Customer service staff
- a. How many customer service staff did your company employ on January 1, 2025, and how many customer service staff did your company employ as of December 1, 2025? How many call center staff did your company employ on January 1, 2025, and how many call center staff did your company employ as of December 1, 2025?
 - b. How did the U.S. federal government shutdown beginning in October 2025 impact the quantity or quality of customer service your company is able to provide to borrowers?
 - i. Did your company lay off any employees as a result of the shutdown?
 - c. Does your company anticipate increasing either the quantity or required training of your call center staff to compensate for the recent RIFs at FSA?
 - d. Does your company use AI tools at any stage of the customer service process, including internal usage?
 - i. Please describe specifics for all use cases and any internal oversight conducted to ensure output quality.
 - ii. Is there any stage in your customer service process in which a borrower interacts directly with an AI tool, such as an AI assistant or chatbot?
 - iii. If so, are borrowers given the option of transferring to a human customer service representative instead?
2. Loan re-allocations
- a. Has your company received any requests from ED to re-allocate loans you previously serviced to other student loan servicers since January 1, 2025? If so, how many loans have been transferred to date, and to which servicers?
 - i. Which types of loans, if any, have been transferred?
 - ii. What percentage of transferred loans are under the PSLF program?
 - iii. What percentage of transferred loans are part of an IDR plan?
 - iv. What is the anticipated timeline for any future loan re-allocations?
 - b. Has your company been the recipient of any re-allocated loans since January 1, 2025? If so, how many loans have been transferred to your company, and from which servicers?
 - i. How many borrowers transferred to your company since January 1 have set up an account with your company?
 - ii. Of borrowers transferred to your company that have completed account setup, how many borrowers were previously enrolled in auto-debit or auto-pay?
 - iii. Are borrowers previously enrolled in auto-debit through their previous servicer required to re-enroll in auto-debit with your company? If so, how long on average did it take borrowers required to re-enroll to set up auto-debit for their new account?


- iv. After receiving a loan account transfer and associated borrower payment history data, what steps do you take to audit the information for accuracy and completeness?
- 3. Communication to borrowers in delinquency and default
 - a. What measures is your company taking to prepare for and adequately serve the increased number of borrowers entering or approaching delinquency?
 - b. Does your company proactively reach out to borrowers who are at risk of, but have not yet entered, delinquency or default? If so, please describe your company's process for determining when borrowers are considered at risk and what information is communicated to them.
 - c. What information does your company provide to borrowers once they miss a payment and become delinquent?
 - i. What, if any, information does your company provide to borrowers once they are 270 days behind and have defaulted on their loans?
 - ii. Please provide what actionable steps your company suggests to borrowers.
 - d. What medium(s) does your company use to communicate to borrowers that they have entered delinquency or default (e.g., mail to home address, email, phone call)?
 - e. What information does your company provide to borrowers who are delinquent or in default and contact your company's customer service to discuss their options?
 - f. Does your company have internal data on the number of borrowers who are delinquent or in default on their loans for each month since January 2025? If so, please provide them.

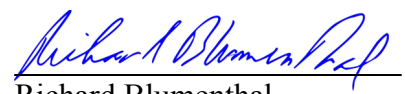
As loan repayment due dates and requirements have changed repeatedly for many borrowers under the Trump Administration, borrowers need clear and timely communication from federal student loan servicers. The quality of customer service assistance provided by loan servicers to borrowers is more critical than ever in the wake of the Trump Administration's catastrophic cuts to ED and FSA, and we look forward to your prompt response and attention to this matter.

Sincerely,


Elizabeth Warren
United States Senator

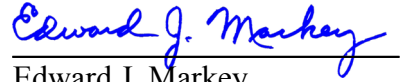

Jeffrey A. Merkley
United States Senator


Chris Van Hollen
United States Senator


Richard Blumenthal
United States Senator



Cory A. Booker
United States Senator



Edward J. Markey
United States Senator

United States Senate

WASHINGTON, DC 20510

December 7, 2025

Bruce Caswell
President and Chief Executive Officer
Maximus Federal Services, Inc.
1600 Tysons Blvd, Suite 1400
McLean, VA 22101

Dear Mr. Caswell:

Student loan borrowers during the Trump Administration are facing frequent and complex changes to loan repayment, including unprecedented uncertainty around the resumption of involuntary collections and policy shifts from the U.S. Department of Education (ED).¹ We write with questions about your ability to provide them with the customer service they need during this tumultuous time. Borrowers need quick and clear assistance from federal student loan servicers amidst the chaos and confusion, but servicers have a well-documented history of providing delayed or incorrect information to borrowers or otherwise failing to meet their responsibilities.² These egregious failures have caused undue financial and emotional distress for borrowers in the past,³ and we write to seek basic data on whether Maximus is meeting its obligations to borrowers.

Student Loan Borrowers Are Struggling

Statutory and regulatory changes to student loan repayment over the past year have been described as “policy whiplash” for borrowers,⁴ who face a landscape of higher loan payments, potential sudden tax increases,⁵ resumption of forced collections for delinquent borrowers,⁶ and

¹ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

² Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 3-6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

³ *Id.*, pp 4-5.

⁴ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

⁵ CNBC, “Student loan forgiveness delays and backlogs could lead to ‘massive’ tax bills for borrowers, advocate says,” Annie Nova, August 25, 2025, <https://www.cnbc.com/2025/08/25/student-loan-forgiveness-delays-tax-bills.html>.

⁶ U.S. Department of Education, “U.S. Department of Education to Begin Federal Student Loan Collections, Other Actions to Help Borrowers Get Back into Repayment,” April 21, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>.

renewed interest accrual for loans previously placed in forbearance due to legal challenges on the Saving on a Valuable Education (SAVE) plan,⁷ the most affordable federal student loan repayment plan in history.⁸ As of August 31, 2025, more than one million income-driven repayment (IDR) applications are still unprocessed,⁹ leaving borrowers—many of whom were previously enrolled in the SAVE plan and are now in SAVE forbearance¹⁰—stuck waiting in an administrative backlog to switch to a different income-driven repayment plan, unable to make payments even as they have watched interest accrue.¹¹ This chaos has had a significant impact on borrowers: more than three in every ten student loan borrowers were in delinquency as of April 2025, the highest percentage ever recorded and a roughly 50% increase from just three months earlier in February.¹² These record-high rates of borrowers in delinquency are expected to lead to a wave of borrower defaults over the coming months, commonly referred to as a “default cliff.”¹³

Unfortunately, federal student loan servicers have a history of “chronic” and “systemic” customer service failures,¹⁴ especially during times of transition in the federal student loan system. For example, borrowers experienced unacceptably poor levels of customer service when payments resumed in October 2023 after the COVID-19 pandemic pause: the Consumer Financial Protection Bureau (CFPB) reported that the average call wait time for borrowers seeking basic assistance was a shockingly high 73 minutes.¹⁵ In the intervening two years, servicers’ performance has shown little indication of improvement. The CFPB Student Loan Ombudsman found that common servicing failures throughout 2024 included basic payment processing inaccuracies, delayed and inaccurate billing statements, and service “doom loops” in which borrowers seeking assistance are continuously redirected by the servicer.¹⁶ Under the Biden Administration, ED released data showing that some servicers are failing to meet even basic contractual obligations related to customer service performance.¹⁷

⁷ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

⁸ National Consumer Law Center, “What’s Happening with the SAVE Plan?,” October 29, 2025, <https://studentloanborrowerassistance.org/whats-happening-with-the-save-plan/>.

⁹ American Federation of Teachers v. U.S. Department of Education, 1:25-cv-802-RBW, Status Report (Doc. 42), p. 1 (U.S. D.D.C., 2025) <https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.42.0.pdf>.

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¹¹ *Id.*

¹² TransUnion, “Following the Resumption of Federal Collection Activities in May, Nearly One in Three Federal Student Loan Borrowers Find Themselves at Risk for Default,” June 24, 2025, <https://newsroom.transunion.com/june-2025-student-loan-update/>.

¹³ CNBC, “Student loan borrowers face ‘default cliff’ as late payments climb, report finds,” Jessica Dickler, June 26, 2025, <https://www.cnbc.com/2025/06/26/student-loan-default-cliff-coming-as-late-payments-rise.html>.

¹⁴ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, p. 6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

¹⁵ *Id.*, p. 41.

¹⁶ *Id.*, pp. 3-4.

¹⁷ Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 3,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>; Federal Student Aid, “Loan Servicer

The alarming increase in borrowers delinquent on their student loans makes it more important than ever that servicers are proactively reaching out to borrowers at risk of delinquency or default, and notifying borrowers who have already entered delinquency or default in a timely and effective manner.¹⁸ Student loan servicers' administrative errors have significant financial consequences for borrowers, including delayed rent payments, loss of mortgage eligibility, postponed retirement contributions, and even risk of homelessness.¹⁹ Borrowers pay the price for servicers' neglect and incompetence.

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While ED has claimed it "is prioritizing efforts to improve customer service to students" and will continue to "review the performance of all our current contractors with the goal of improving service delivery on behalf of American students,"²⁰ ED's actions since the beginning of the Trump Administration have generally demonstrated the opposite. Under President Trump and Secretary McMahon, ED's Office of Federal Student Aid (FSA) has been decimated by reductions in force (RIFs), limiting both its ability to serve borrowers and to oversee federal student loan servicers.²¹ ED laid off over 300 FSA employees in March, which represented almost one in four FSA staff members,²² and further "decimated" the Office of the Ombudsman.²³ As of May 14, 2025, ED "no longer has any dedicated vendor oversight staff" after firing nearly all employees in the offices responsible for monitoring loan servicer performance.²⁴ As a result, FSA is now severely understaffed and has far less capacity to assist student borrowers amidst unprecedented changes and confusion.²⁵

Performance: Fiscal Year 2024, Quarter 4," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

¹⁸ Letter from Senator Elizabeth Warren to Secretary of Education Linda McMahon, October 14, 2025, https://www.warren.senate.gov/imo/media/doc/final_text_-_letter_to_department_of_education_on_student_loan_debt_default_cliff_101425.pdf.

¹⁹ Consumer Financial Protection Bureau, "Annual Report of the CFPB Student Loan Ombudsman," November 2024, pp. 4-5, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

²⁰ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, pp. 3-4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

²¹ Inside Higher Ed, "Assessing the Damage After the Education Department's Mass Layoffs," Liam Knox and Jessica Blake, March 13, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/03/13/how-education-department-layoffs-could-affect-higher>.

²² *Id.*

²³ Forbes, "Yes, Your Student Loans Will Be Impacted By The Mass Department of Education Layoffs," Adam S. Minsky, March 12, 2025, <https://www.forbes.com/sites/adamminsky/2025/03/12/yes-your-student-loans-will-be-impacted-by-the-mass-department-of-education-layoffs/>.

²⁴ Written testimony of Bonnie Latreille, May 14, 2025, pp. 3, 7, <https://protectborrowers.org/wp-content/uploads/2025/05/Bonnie-Latreille-Senate-Testimony-May-2025-1.pdf>.

²⁵ National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

Additionally, ED has repeatedly and deliberately obstructed Congress in its oversight duties and stonewalled borrowers as they seek assistance with their loan repayments.²⁶ In addition to instituting significant staffing reductions at FSA, ED has also withheld the publication of customer service metrics for federal student loan servicers and provided combative and uncooperative responses to congressional requests for other performance data.²⁷ This information is essential for determining whether servicers are meeting their obligations as federal contractors and for holding servicers accountable if they fall short. ED has even gone so far as to actively impede the collection of information on borrowers' repayment experiences.²⁸ In March 2025, ED altered the user interface of FSA's website to make the "submit a complaint" button more difficult for borrowers to find.²⁹ A leaked email from a senior ED employee revealed that this was a deliberate choice that "would help decrease contact center volume and the number of complaints," which they characterized as "an overall win."³⁰ In short, ED under the Trump Administration appears to be no longer willing or able to fulfill its most basic statutory responsibilities, including conducting fundamental oversight of federal student loan servicers.

ED's actions are already hurting borrowers. A survey of over 500 higher education institutions conducted by the National Association of Student Financial Aid Administrators (NASFAA) found that, as of August 2025, 51% of institutions reported students "receiving confusing or delayed information from ED/FSA" related to their student loan repayments, and 72% of institutions experienced "noticeable declines in FSA responsiveness and processing timelines."³¹ The drastic decline in FSA's service and oversight capabilities makes the level of customer service provided by loan servicers even more critical. Servicers will have to adjust to increased call volume as borrowers are faced with the combination of both (1) recent policy changes to student loan payment plans and (2) fewer customer service staff at FSA. ED's refusal to release objective servicer performance metrics, however, means that borrowers and Congress are left in the dark on whether servicers are prepared to handle this influx.

Loan Re-Allocations Could Introduce New Service Failures

In a further administrative change with the potential to disrupt borrowers' repayment processes, ED plans to re-allocate loans away from underperforming servicers.³² While loan transfers to

²⁶ Letter from Senator Elizabeth Warren, et. al. to Secretary of Education Linda McMahon, August 25, 2025, https://www.warren.senate.gov/imo/media/doc/letter_to_ed_response_to_fsa_button.pdf.

²⁷ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

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²⁹ *Id.*

³⁰ Politico Pro, "Education Department shrinks staff that fields student aid complaints," Rebecca Carballo, March 4, 2025, <https://subscriber.politicopro.com/article/2025/03/education-department-shrinks-staff-that-fields-student-aid-complaints-00210264>.

³¹ National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

³² Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4,

higher-performing servicers are likely to improve the borrower experience in the long run, in the short term these transfers raise the prospect of costly new servicing failures if not properly implemented.

In a July 21, 2025 letter to my office, ED disclosed that they will begin re-allocating “a portion of MOHELA’s [Public Service Loan Forgiveness (PSLF)] portfolio” to higher-performing servicers in the second half of 2025 but did not elaborate on the timeline for these transfers or which servicers would be receiving these loans.³³ Concurrently, there have also been recent reports of ED re-allocating loans to Central Research, Inc. (CRI), a relatively new servicer, in an ongoing effort to balance the number of loans each servicer manages.³⁴

Transfers between servicers often lead to increased administrative errors: the CFPB found that more than 20% of 2.5 million borrower accounts transferred in 2015 contained incorrect balances, missing payment records, or other errors.³⁵ Borrowers have continued experiencing transfer-related communication failures: in one instance reported in September 2025, one borrower reported that the only notification that her loan was being transferred was sent to an internal servicer “account inbox,” which she did not regularly check.³⁶

Given the Trump Administration is attempting to gut the CFPB³⁷—the agency tasked with protecting consumers from issues such as loan scams—the lack of communication from ED and servicers leaves borrowers at risk of falling victim to scams or ignoring legitimate communications. When borrowers first learn of a loan transfer from a new, unknown servicer, they may be more susceptible to scammers posing as legitimate loan servicers, compounding existing financial distress.³⁸ For instance, in the case of the borrower mentioned above who received an email only from her new loan servicer, a “company [she’d] never heard of,” her initial reaction was to assume it was a scam.³⁹ To ensure clear and consistent communication and to mitigate the risks that borrowers fall prey to a loan scam, when ED determines that a loan

https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³³ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4

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³⁴ *Id.*; CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>

³⁵ Consumer Financial Protection Bureau, “Student loan servicing: Analysis of public input and recommendations for reform,” September 2015, p.50, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

³⁶ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

³⁷ Politico, “CFPB’s breaking point,” Michael Stratford, November 4, 2025, <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

³⁸ CNBC, “Watch out for student loan scams as collections resume: ‘Scammers see opportunities,’ expert says,” Kamaron McNair, May 9, 2025, <https://www.cnbc.com/2025/05/09/student-loan-scams-to-watch-out-for.html>.

³⁹ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

should be re-allocated to a new servicer, it is essential that servicers inform borrowers via phone, email, and postal mail before their loan is transferred so that borrowers receive the initial communication from their original servicer, a name with which they are already familiar.

Conclusion and Questions

As the Trump Administration continues to make it more difficult for borrowers to pay their student loans, we seek updated customer service and performance information concerning your company's readiness to assist borrowers. In order to inform our legislative responsibilities regarding the operations of ED and FSA, the student loan program, and student loan servicers, we ask that you provide answers to the following questions by December 22, 2025:

1. How many student loan borrowers does your company currently service?
 - a. How many borrowers do you anticipate your company will service by December 31, 2025?
 - b. How many borrowers have contacted your company, through either call or written communication, in each full calendar month since January 1, 2025?
2. Customer service metrics: For each of the following questions, please provide both (1) aggregate data since January 1, 2025 and (2) per-month data for each month since January 2025. Where applicable, please state whether the reported performance data meets the minimum threshold set by the terms of your federal contract with ED.
 - a. Has your company received any negative performance incentives (NPI) since January 1, 2025? If so, what percentage of contracts that your company services have received an NPI?
 - b. What is the average weekly call center volume for student loan borrowers you service? How has this volume changed since January 1, 2025?
 - c. What is the average speed to answer for borrowers contacting the customer service call center?
 - d. What is the average call "abandon rate" for borrowers, defined as "the percentage of borrowers who ask to speak with a customer service representative but hang up before being connected with a representative?"⁴⁰
 - e. On average, how long does it take for a borrower to receive a response to an inquiry submitted via phone or in writing? What are your projected wait times for borrowers to receive a response to inquiries through the remainder of 2025?
 - f. What is the average customer satisfaction score for call and written communications?
 - g. Given that the online application for IDR plans was restored on ED's website in March 2025 as a result of litigation, please provide the above performance statistics (including application volume, application backlog, and customer service ratings) for IDR applications specifically.
3. Customer service staff


⁴⁰ U.S. Department of Education, "Servicer Performance Metrics and Allocations," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

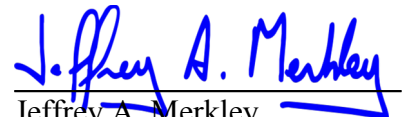
- a. How many customer service staff did your company employ on January 1, 2025, and how many customer service staff did your company employ as of December 1, 2025? How many call center staff did your company employ on January 1, 2025, and how many call center staff did your company employ as of December 1, 2025?
 - b. How did the U.S. federal government shutdown beginning in October 2025 impact the quantity or quality of customer service your company is able to provide to borrowers?
 - i. Did your company lay off any employees as a result of the shutdown?
 - c. Does your company anticipate increasing either the quantity or required training of your call center staff to compensate for the recent RIFs at FSA?
 - d. Does your company use AI tools at any stage of the customer service process, including internal usage?
 - i. Please describe specifics for all use cases and any internal oversight conducted to ensure output quality.
 - ii. Is there any stage in your customer service process in which a borrower interacts directly with an AI tool, such as an AI assistant or chatbot?
 - iii. If so, are borrowers given the option of transferring to a human customer service representative instead?
2. Loan re-allocations
- a. Has your company received any requests from ED to re-allocate loans you previously serviced to other student loan servicers since January 1, 2025? If so, how many loans have been transferred to date, and to which servicers?
 - i. Which types of loans, if any, have been transferred?
 - ii. What percentage of transferred loans are under the PSLF program?
 - iii. What percentage of transferred loans are part of an IDR plan?
 - iv. What is the anticipated timeline for any future loan re-allocations?
 - b. Has your company been the recipient of any re-allocated loans since January 1, 2025? If so, how many loans have been transferred to your company, and from which servicers?
 - i. How many borrowers transferred to your company since January 1 have set up an account with your company?
 - ii. Of borrowers transferred to your company that have completed account setup, how many borrowers were previously enrolled in auto-debit or auto-pay?
 - iii. Are borrowers previously enrolled in auto-debit through their previous servicer required to re-enroll in auto-debit with your company? If so, how long on average did it take borrowers required to re-enroll to set up auto-debit for their new account?
 - iv. After receiving a loan account transfer and associated borrower payment history data, what steps do you take to audit the information for accuracy and completeness?
3. Communication to borrowers in delinquency and default
- a. What measures is your company taking to prepare for and adequately serve the increased number of borrowers entering or approaching delinquency?


- b. Does your company proactively reach out to borrowers who are at risk of, but have not yet entered, delinquency or default? If so, please describe your company's process for determining when borrowers are considered at risk and what information is communicated to them.
- c. What information does your company provide to borrowers once they miss a payment and become delinquent?
 - i. What, if any, information does your company provide to borrowers once they are 270 days behind and have defaulted on their loans?
 - ii. Please provide what actionable steps your company suggests to borrowers.
- d. What medium(s) does your company use to communicate to borrowers that they have entered delinquency or default (e.g., mail to home address, email, phone call)?
- e. What information does your company provide to borrowers who are delinquent or in default and contact your company's customer service to discuss their options?
- f. Does your company have internal data on the number of borrowers who are delinquent or in default on their loans for each month since January 2025? If so, please provide them.

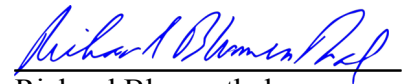
As loan repayment due dates and requirements have changed repeatedly for many borrowers under the Trump Administration, borrowers need clear and timely communication from federal student loan servicers. The quality of customer service assistance provided by loan servicers to borrowers is more critical than ever in the wake of the Trump Administration's catastrophic cuts to ED and FSA, and we look forward to your prompt response and attention to this matter.


Sincerely,

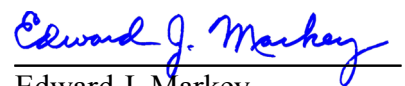

Elizabeth Warren
United States Senator


Jeffrey A. Merkley
United States Senator


Chris Van Hollen
United States Senator


Richard Blumenthal
United States Senator


Cory A. Booker
United States Senator


Edward J. Markey
United States Senator

United States Senate

WASHINGTON, DC 20510

December 7, 2025

Anthony Hollin
Chief Executive Officer
EdFinancial
298 North Seven Oaks Drive
Knoxville, TN 37922

Dear Mr. Hollin:

Student loan borrowers during the Trump Administration are facing frequent and complex changes to loan repayment, including unprecedented uncertainty around the resumption of involuntary collections and policy shifts from the U.S. Department of Education (ED).¹ We write with questions about your ability to provide them with the customer service they need during this tumultuous time. Borrowers need quick and clear assistance from federal student loan servicers amidst the chaos and confusion, but servicers have a well-documented history of providing delayed or incorrect information to borrowers or otherwise failing to meet their responsibilities.² These egregious failures have caused undue financial and emotional distress for borrowers in the past,³ and we write to seek basic data on whether EdFinancial is meeting its obligations to borrowers.

Student Loan Borrowers Are Struggling

Statutory and regulatory changes to student loan repayment over the past year have been described as “policy whiplash” for borrowers,⁴ who face a landscape of higher loan payments, potential sudden tax increases,⁵ resumption of forced collections for delinquent borrowers,⁶ and renewed interest accrual for loans previously placed in forbearance due to legal challenges on the

¹ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

² Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 3-6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

³ *Id.*, pp 4-5.

⁴ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

⁵ CNBC, “Student loan forgiveness delays and backlogs could lead to ‘massive’ tax bills for borrowers, advocate says,” Annie Nova, August 25, 2025, <https://www.cnbc.com/2025/08/25/student-loan-forgiveness-delays-tax-bills.html>.

⁶ U.S. Department of Education, “U.S. Department of Education to Begin Federal Student Loan Collections, Other Actions to Help Borrowers Get Back into Repayment,” April 21, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>.

Saving on a Valuable Education (SAVE) plan,⁷ the most affordable federal student loan repayment plan in history.⁸ As of August 31, 2025, more than one million income-driven repayment (IDR) applications are still unprocessed,⁹ leaving borrowers—many of whom were previously enrolled in the SAVE plan and are now in SAVE forbearance¹⁰—stuck waiting in an administrative backlog to switch to a different income-driven repayment plan, unable to make payments even as they have watched interest accrue.¹¹ This chaos has had a significant impact on borrowers: more than three in every ten student loan borrowers were in delinquency as of April 2025, the highest percentage ever recorded and a roughly 50% increase from just three months earlier in February.¹² These record-high rates of borrowers in delinquency are expected to lead to a wave of borrower defaults over the coming months, commonly referred to as a “default cliff.”¹³

Unfortunately, federal student loan servicers have a history of “chronic” and “systemic” customer service failures,¹⁴ especially during times of transition in the federal student loan system. For example, borrowers experienced unacceptably poor levels of customer service when payments resumed in October 2023 after the COVID-19 pandemic pause: the Consumer Financial Protection Bureau (CFPB) reported that the average call wait time for borrowers seeking basic assistance was a shockingly high 73 minutes.¹⁵ In the intervening two years, servicers’ performance has shown little indication of improvement. The CFPB Student Loan Ombudsman found that common servicing failures throughout 2024 included basic payment processing inaccuracies, delayed and inaccurate billing statements, and service “doom loops” in which borrowers seeking assistance are continuously redirected by the servicer.¹⁶ Under the Biden Administration, ED released data showing that some servicers are failing to meet even basic contractual obligations related to customer service performance.¹⁷ EdFinancial’s average

⁷ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

⁸ National Consumer Law Center, “What’s Happening with the SAVE Plan?,” October 29, 2025, <https://studentloanborrowerassistance.org/whats-happening-with-the-save-plan/>.

⁹ American Federation of Teachers v. U.S. Department of Education, 1:25-cv-802-RBW, Status Report (Doc. 42), p. 1 (U.S. D.D.C., 2025) <https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.42.0.pdf>.

¹⁰ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

¹¹ *Id.*

¹² TransUnion, “Following the Resumption of Federal Collection Activities in May, Nearly One in Three Federal Student Loan Borrowers Find Themselves at Risk for Default,” June 24, 2025, <https://newsroom.transunion.com/june-2025-student-loan-update/>.

¹³ CNBC, “Student loan borrowers face ‘default cliff’ as late payments climb, report finds,” Jessica Dickler, June 26, 2025, <https://www.cnbc.com/2025/06/26/student-loan-default-cliff-coming-as-late-payments-rise.html>.

¹⁴ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, p. 6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

¹⁵ *Id.*, p. 41.

¹⁶ *Id.*, pp. 3-4.

¹⁷ Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 3,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>; Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 4,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

call abandon rate and time to answer actually worsened, increasing by 19.2% and 23.2% respectively from Q3 to Q4 in FY2024.¹⁸

The alarming increase in borrowers delinquent on their student loans makes it more important than ever that servicers are proactively reaching out to borrowers at risk of delinquency or default, and notifying borrowers who have already entered delinquency or default in a timely and effective manner.¹⁹ Student loan servicers' administrative errors have significant financial consequences for borrowers, including delayed rent payments, loss of mortgage eligibility, postponed retirement contributions, and even risk of homelessness.²⁰ Borrowers pay the price for servicers' neglect and incompetence.

The Trump Administration Has Decimated ED's Office of Federal Student Aid

While ED has claimed it “is prioritizing efforts to improve customer service to students” and will continue to “review the performance of all our current contractors with the goal of improving service delivery on behalf of American students,”²¹ ED's actions since the beginning of the Trump Administration have generally demonstrated the opposite. Under President Trump and Secretary McMahon, ED's Office of Federal Student Aid (FSA) has been decimated by reductions in force (RIFs), limiting both its ability to serve borrowers and to oversee federal student loan servicers.²² ED laid off over 300 FSA employees in March, which represented almost one in four FSA staff members,²³ and further “decimated” the Office of the Ombudsman.²⁴ As of May 14, 2025, ED “no longer has any dedicated vendor oversight staff” after firing nearly all employees in the offices responsible for monitoring loan servicer performance.²⁵ As a result, FSA is now severely understaffed and has far less capacity to assist student borrowers amidst unprecedented changes and confusion.²⁶

¹⁸ *Id.*

¹⁹ Letter from Senator Elizabeth Warren to Secretary of Education Linda McMahon, October 14, 2025, https://www.warren.senate.gov/imo/media/doc/final_text_-_letter_to_department_of_education_on_student_loan_debt_default_cliff_101425.pdf.

²⁰ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 4-5, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

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²² Inside Higher Ed, “Assessing the Damage After the Education Department's Mass Layoffs,” Liam Knox and Jessica Blake, March 13, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/03/13/how-education-department-layoffs-could-affect-higher>.

²³ *Id.*

²⁴ Forbes, “Yes, Your Student Loans Will Be Impacted By The Mass Department of Education Layoffs,” Adam S. Minsky, March 12, 2025, <https://www.forbes.com/sites/adamminsky/2025/03/12/yes-your-student-loans-will-be-impacted-by-the-mass-department-of-education-layoffs/>.

²⁵ Written testimony of Bonnie Latreille, May 14, 2025, pp. 3, 7, <https://protectborrowers.org/wp-content/uploads/2025/05/Bonnie-Latreille-Senate-Testimony-May-2025-1.pdf>.

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³⁰ *Id.*

³¹ Politico Pro, "Education Department shrinks staff that fields student aid complaints," Rebecca Carballo, March 4, 2025, <https://subscriber.politicopro.com/article/2025/03/education-department-shrinks-staff-that-fields-student-aid-complaints-00210264>.

³² National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

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Given the Trump Administration is attempting to gut the CFPB³⁸—the agency tasked with protecting consumers from issues such as loan scams—the lack of communication from ED and servicers leaves borrowers at risk of falling victim to scams or ignoring legitimate communications. When borrowers first learn of a loan transfer from a new, unknown servicer, they may be more susceptible to scammers posing as legitimate loan servicers, compounding existing financial distress.³⁹ For instance, in the case of the borrower mentioned above who received an email only from her new loan servicer, a “company [she’d] never heard of,” her initial reaction was to assume it was a scam.⁴⁰ To ensure clear and consistent communication and to mitigate the risks that borrowers fall prey to a loan scam, when ED determines that a loan should be re-allocated to a new servicer, it is essential that servicers inform borrowers via phone,

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³⁴ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4

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³⁵ *Id.*; CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>

³⁶ Consumer Financial Protection Bureau, “Student loan servicing: Analysis of public input and recommendations for reform,” September 2015, p.50, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

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³⁸ Politico, “CFPB’s breaking point,” Michael Stratford, November 4, 2025, <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

³⁹ CNBC, “Watch out for student loan scams as collections resume: ‘Scammers see opportunities,’ expert says,” Kamaron McNair, May 9, 2025, <https://www.cnbc.com/2025/05/09/student-loan-scams-to-watch-out-for.html>.

⁴⁰ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

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1. How many student loan borrowers does your company currently service?
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 - a. Has your company received any negative performance incentives (NPI) since January 1, 2025? If so, what percentage of contracts that your company services have received an NPI?
 - b. What is the average weekly call center volume for student loan borrowers you service? How has this volume changed since January 1, 2025?
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 - d. What is the average call "abandon rate" for borrowers, defined as "the percentage of borrowers who ask to speak with a customer service representative but hang up before being connected with a representative?"⁴¹
 - e. On average, how long does it take for a borrower to receive a response to an inquiry submitted via phone or in writing? What are your projected wait times for borrowers to receive a response to inquiries through the remainder of 2025?
 - f. What is the average customer satisfaction score for call and written communications?
 - g. Given that the online application for IDR plans was restored on ED's website in March 2025 as a result of litigation, please provide the above performance statistics (including application volume, application backlog, and customer service ratings) for IDR applications specifically.
3. Customer service staff
 - a. How many customer service staff did your company employ on January 1, 2025, and how many customer service staff did your company employ as of December 1, 2025? How many call center staff did your company employ on January 1,

⁴¹ U.S. Department of Education, "Servicer Performance Metrics and Allocations," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

2025, and how many call center staff did your company employ as of December 1, 2025?

- b. How did the U.S. federal government shutdown beginning in October 2025 impact the quantity or quality of customer service your company is able to provide to borrowers?
 - i. Did your company lay off any employees as a result of the shutdown?
 - c. Does your company anticipate increasing either the quantity or required training of your call center staff to compensate for the recent RIFs at FSA?
 - d. Does your company use AI tools at any stage of the customer service process, including internal usage?
 - i. Please describe specifics for all use cases and any internal oversight conducted to ensure output quality.
 - ii. Is there any stage in your customer service process in which a borrower interacts directly with an AI tool, such as an AI assistant or chatbot?
 - iii. If so, are borrowers given the option of transferring to a human customer service representative instead?
2. Loan re-allocations
- a. Has your company received any requests from ED to re-allocate loans you previously serviced to other student loan servicers since January 1, 2025? If so, how many loans have been transferred to date, and to which servicers?
 - i. Which types of loans, if any, have been transferred?
 - ii. What percentage of transferred loans are under the PSLF program?
 - iii. What percentage of transferred loans are part of an IDR plan?
 - iv. What is the anticipated timeline for any future loan re-allocations?
 - b. Has your company been the recipient of any re-allocated loans since January 1, 2025? If so, how many loans have been transferred to your company, and from which servicers?
 - i. How many borrowers transferred to your company since January 1 have set up an account with your company?
 - ii. Of borrowers transferred to your company that have completed account setup, how many borrowers were previously enrolled in auto-debit or auto-pay?
 - iii. Are borrowers previously enrolled in auto-debit through their previous servicer required to re-enroll in auto-debit with your company? If so, how long on average did it take borrowers required to re-enroll to set up auto-debit for their new account?
 - iv. After receiving a loan account transfer and associated borrower payment history data, what steps do you take to audit the information for accuracy and completeness?
3. Communication to borrowers in delinquency and default
- a. What measures is your company taking to prepare for and adequately serve the increased number of borrowers entering or approaching delinquency?
 - b. Does your company proactively reach out to borrowers who are at risk of, but have not yet entered, delinquency or default? If so, please describe your company's process for determining when borrowers are considered at risk and what information is communicated to them.

- c. What information does your company provide to borrowers once they miss a payment and become delinquent?
 - i. What, if any, information does your company provide to borrowers once they are 270 days behind and have defaulted on their loans?
 - ii. Please provide what actionable steps your company suggests to borrowers.
- d. What medium(s) does your company use to communicate to borrowers that they have entered delinquency or default (e.g., mail to home address, email, phone call)?
- e. What information does your company provide to borrowers who are delinquent or in default and contact your company's customer service to discuss their options?
- f. Does your company have internal data on the number of borrowers who are delinquent or in default on their loans for each month since January 2025? If so, please provide them.

As loan repayment due dates and requirements have changed repeatedly for many borrowers under the Trump Administration, borrowers need clear and timely communication from federal student loan servicers. The quality of customer service assistance provided by loan servicers to borrowers is more critical than ever in the wake of the Trump Administration's catastrophic cuts to ED and FSA, and we look forward to your prompt response and attention to this matter.

Sincerely,



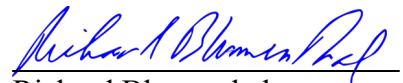
Elizabeth Warren
United States Senator



Jeffrey A. Merkley
United States Senator



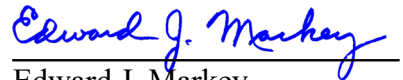
Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator



Cory A. Booker
United States Senator



Edward J. Markey
United States Senator

United States Senate

WASHINGTON, DC 20510

December 7, 2025

Andra Grasis
President and Chief Executive Officer
Central Research, Inc. (CRI)
106 N. Bloomington, Suite S
Lowell, AR 72745

Dear Ms. Grasis:

Student loan borrowers during the Trump Administration are facing frequent and complex changes to loan repayment, including unprecedented uncertainty around the resumption of involuntary collections and policy shifts from the U.S. Department of Education (ED).¹ We write with questions about your ability to provide them with the customer service they need during this tumultuous time. Borrowers need quick and clear assistance from federal student loan servicers amidst the chaos and confusion, but servicers have a well-documented history of providing delayed or incorrect information to borrowers or otherwise failing to meet their responsibilities.² These egregious failures have caused undue financial and emotional distress for borrowers in the past,³ and we write to seek basic data on whether CRI is meeting its obligations to borrowers.

Student Loan Borrowers Are Struggling

Statutory and regulatory changes to student loan repayment over the past year have been described as “policy whiplash” for borrowers,⁴ who face a landscape of higher loan payments, potential sudden tax increases,⁵ resumption of forced collections for delinquent borrowers,⁶ and renewed interest accrual for loans previously placed in forbearance due to legal challenges on the

¹ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

² Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, pp. 3-6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

³ *Id.*, pp 4-5.

⁴ Boston Globe, “Amid sweeping changes in federal student aid, student debt is harder to pay off than ever,” Mara Kardas-Nelson and Diti Kohli, October 14, 2025, <https://www.bostonglobe.com/2025/10/14/metro/federal-student-loan-chaos/>.

⁵ CNBC, “Student loan forgiveness delays and backlogs could lead to ‘massive’ tax bills for borrowers, advocate says,” Annie Nova, August 25, 2025, <https://www.cnbc.com/2025/08/25/student-loan-forgiveness-delays-tax-bills.html>.

⁶ U.S. Department of Education, “U.S. Department of Education to Begin Federal Student Loan Collections, Other Actions to Help Borrowers Get Back into Repayment,” April 21, 2025, <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>.

Saving on a Valuable Education (SAVE) plan,⁷ the most affordable federal student loan repayment plan in history.⁸ As of August 31, 2025, more than one million income-driven repayment (IDR) applications are still unprocessed,⁹ leaving borrowers—many of whom were previously enrolled in the SAVE plan and are now in SAVE forbearance¹⁰—stuck waiting in an administrative backlog to switch to a different income-driven repayment plan, unable to make payments even as they have watched interest accrue.¹¹ This chaos has had a significant impact on borrowers: more than three in every ten student loan borrowers were in delinquency as of April 2025, the highest percentage ever recorded and a roughly 50% increase from just three months earlier in February.¹² These record-high rates of borrowers in delinquency are expected to lead to a wave of borrower defaults over the coming months, commonly referred to as a “default cliff.”¹³

Unfortunately, federal student loan servicers have a history of “chronic” and “systemic” customer service failures,¹⁴ especially during times of transition in the federal student loan system. For example, borrowers experienced unacceptably poor levels of customer service when payments resumed in October 2023 after the COVID-19 pandemic pause: the Consumer Financial Protection Bureau (CFPB) reported that the average call wait time for borrowers seeking basic assistance was a shockingly high 73 minutes.¹⁵ In the intervening two years, servicers’ performance has shown little indication of improvement. The CFPB Student Loan Ombudsman found that common servicing failures throughout 2024 included basic payment processing inaccuracies, delayed and inaccurate billing statements, and service “doom loops” in which borrowers seeking assistance are continuously redirected by the servicer.¹⁶ Under the Biden Administration, ED released data showing that some servicers are failing to meet even basic contractual obligations related to customer service performance.¹⁷

⁷ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

⁸ National Consumer Law Center, “What’s Happening with the SAVE Plan?,” October 29, 2025, <https://studentloanborrowerassistance.org/whats-happening-with-the-save-plan/>.

⁹ American Federation of Teachers v. U.S. Department of Education, 1:25-cv-802-RBW, Status Report (Doc. 42), p. 1 (U.S. D.D.C., 2025) <https://storage.courtlistener.com/recap/gov.uscourts.dcd.278527/gov.uscourts.dcd.278527.42.0.pdf>.

¹⁰ CNBC, “Nearly 8 million student loan borrowers will see their balances start growing again this month,” Kameron McNair, August 1, 2025, <https://www.cnbc.com/2025/08/01/interest-accruing-again-for-student-loan-borrowers-on-save-plan.html>.

¹¹ *Id.*

¹² TransUnion, “Following the Resumption of Federal Collection Activities in May, Nearly One in Three Federal Student Loan Borrowers Find Themselves at Risk for Default,” June 24, 2025, <https://newsroom.transunion.com/june-2025-student-loan-update/>.

¹³ CNBC, “Student loan borrowers face ‘default cliff’ as late payments climb, report finds,” Jessica Dickler, June 26, 2025, <https://www.cnbc.com/2025/06/26/student-loan-default-cliff-coming-as-late-payments-rise.html>.

¹⁴ Consumer Financial Protection Bureau, “Annual Report of the CFPB Student Loan Ombudsman,” November 2024, p. 6, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

¹⁵ *Id.*, p. 41.

¹⁶ *Id.*, pp. 3-4.

¹⁷ Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 3,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>; Federal Student Aid, “Loan Servicer Performance: Fiscal Year 2024, Quarter 4,” <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.

The alarming increase in borrowers delinquent on their student loans makes it more important than ever that servicers are proactively reaching out to borrowers at risk of delinquency or default, and notifying borrowers who have already entered delinquency or default in a timely and effective manner.¹⁸ Student loan servicers' administrative errors have significant financial consequences for borrowers, including delayed rent payments, loss of mortgage eligibility, postponed retirement contributions, and even risk of homelessness.¹⁹ Borrowers pay the price for servicers' neglect and incompetence.

The Trump Administration Has Decimated ED's Office of Federal Student Aid

While ED has claimed it "is prioritizing efforts to improve customer service to students" and will continue to "review the performance of all our current contractors with the goal of improving service delivery on behalf of American students,"²⁰ ED's actions since the beginning of the Trump Administration have generally demonstrated the opposite. Under President Trump and Secretary McMahon, ED's Office of Federal Student Aid (FSA) has been decimated by reductions in force (RIFs), limiting both its ability to serve borrowers and to oversee federal student loan servicers.²¹ ED laid off over 300 FSA employees in March, which represented almost one in four FSA staff members,²² and further "decimated" the Office of the Ombudsman.²³ As of May 14, 2025, ED "no longer has any dedicated vendor oversight staff" after firing nearly all employees in the offices responsible for monitoring loan servicer performance.²⁴ As a result, FSA is now severely understaffed and has far less capacity to assist student borrowers amidst unprecedented changes and confusion.²⁵

Additionally, ED has repeatedly and deliberately obstructed Congress in its oversight duties and stonewalled borrowers as they seek assistance with their loan repayments.²⁶ In addition to instituting significant staffing reductions at FSA, ED has also withheld the publication of

¹⁸ Letter from Senator Elizabeth Warren to Secretary of Education Linda McMahon, October 14, 2025, https://www.warren.senate.gov/imo/media/doc/final_text_-_letter_to_department_of_education_on_student_loan_debt_default_cliff_101425.pdf.

¹⁹ Consumer Financial Protection Bureau, "Annual Report of the CFPB Student Loan Ombudsman," November 2024, pp. 4-5, https://files.consumerfinance.gov/f/documents/cfpb_2024-annual-student-loan-ombudsmans-report_2024-11.pdf.

²⁰ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, pp. 3-4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

²¹ Inside Higher Ed, "Assessing the Damage After the Education Department's Mass Layoffs," Liam Knox and Jessica Blake, March 13, 2025, <https://www.insidehighered.com/news/government/student-aid-policy/2025/03/13/how-education-department-layoffs-could-affect-higher>.

²² *Id.*

²³ Forbes, "Yes, Your Student Loans Will Be Impacted By The Mass Department of Education Layoffs," Adam S. Minsky, March 12, 2025, <https://www.forbes.com/sites/adamminsky/2025/03/12/yes-your-student-loans-will-be-impacted-by-the-mass-department-of-education-layoffs/>.

²⁴ Written testimony of Bonnie Latreille, May 14, 2025, pp. 3, 7, <https://protectborrowers.org/wp-content/uploads/2025/05/Bonnie-Latreille-Senate-Testimony-May-2025-1.pdf>.

²⁵ National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

customer service metrics for federal student loan servicers and provided combative and uncooperative responses to congressional requests for other performance data.²⁷ This information is essential for determining whether servicers are meeting their obligations as federal contractors and for holding servicers accountable if they fall short. ED has even gone so far as to actively impede the collection of information on borrowers' repayment experiences.²⁸ In March 2025, ED altered the user interface of FSA's website to make the "submit a complaint" button more difficult for borrowers to find.²⁹ A leaked email from a senior ED employee revealed that this was a deliberate choice that "would help decrease contact center volume and the number of complaints," which they characterized as "an overall win."³⁰ In short, ED under the Trump Administration appears to be no longer willing or able to fulfill its most basic statutory responsibilities, including conducting fundamental oversight of federal student loan servicers.

ED's actions are already hurting borrowers. A survey of over 500 higher education institutions conducted by the National Association of Student Financial Aid Administrators (NASFAA) found that, as of August 2025, 51% of institutions reported students "receiving confusing or delayed information from ED/FSA" related to their student loan repayments, and 72% of institutions experienced "noticeable declines in FSA responsiveness and processing timelines."³¹ The drastic decline in FSA's service and oversight capabilities makes the level of customer service provided by loan servicers even more critical. Servicers will have to adjust to increased call volume as borrowers are faced with the combination of both (1) recent policy changes to student loan payment plans and (2) fewer customer service staff at FSA. ED's refusal to release objective servicer performance metrics, however, means that borrowers and Congress are left in the dark on whether servicers are prepared to handle this influx.

Loan Re-Allocations Could Introduce New Service Failures

In a further administrative change with the potential to disrupt borrowers' repayment processes, ED plans to re-allocate loans away from underperforming servicers.³² While loan transfers to higher-performing servicers are likely to improve the borrower experience in the long run, in the

²⁶ Letter from Senator Elizabeth Warren, et. al. to Secretary of Education Linda McMahon, August 25, 2025, https://www.warren.senate.gov/imo/media/doc/letter_to_ed_response_to_fsa_button.pdf.

²⁷ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

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²⁹ *Id.*

³⁰ Politico Pro, "Education Department shrinks staff that fields student aid complaints," Rebecca Carballo, March 4, 2025, <https://subscriber.politicopro.com/article/2025/03/education-department-shrinks-staff-that-fields-student-aid-complaints-00210264>.

³¹ National Association of Student Financial Aid Administrators, "NASFAA Survey Shows U.S. Department of Education Turbulence Continues to Disrupt Financial Aid Services," press release, August 20, 2025, https://www.nasfaa.org/nasfaa_survey_shows_us_department_of_education_turbulence_continues_disrupt_financial_aid_service.

³² Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4, https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

short term these transfers raise the prospect of costly new servicing failures if not properly implemented.

In a July 21, 2025 letter to my office, ED disclosed that they will begin re-allocating “a portion of MOHELA’s [Public Service Loan Forgiveness (PSLF)] portfolio” to higher-performing servicers in the second half of 2025 but did not elaborate on the timeline for these transfers or which servicers would be receiving these loans.³³ Concurrently, there have also been recent reports of ED re-allocating loans to Central Research, Inc. (CRI), a relatively new servicer, in an ongoing effort to balance the number of loans each servicer manages.³⁴

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³³ Letter from Department of Education Acting Assistant Secretary for Legislation and Congressional Affairs Sarah Ursprung to Senator Elizabeth Warren, July 21, 2025, p. 4 https://www.warren.senate.gov/imo/media/doc/ed_response.pdf.

³⁴ *Id.*; CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>

³⁵ Consumer Financial Protection Bureau, “Student loan servicing: Analysis of public input and recommendations for reform,” September 2015, p.50, https://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

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³⁷ Politico, “CFPB’s breaking point,” Michael Stratford, November 4, 2025, <https://www.politico.com/newsletters/morning-money/2025/11/04/cfpbs-breaking-point-00634453>.

³⁸ CNBC, “Watch out for student loan scams as collections resume: ‘Scammers see opportunities,’ expert says,” Kamaron McNair, May 9, 2025, <https://www.cnbc.com/2025/05/09/student-loan-scams-to-watch-out-for.html>.

³⁹ CNBC, “My student loan servicer changed without my knowing. It may happen to you, too — here’s what to do,” Annie Nova, September 15, 2025, <https://www.cnbc.com/2025/09/15/student-loan-servicer-transfer-can-come-without-notice-what-to-know.html>.

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 - a. How many customer service staff did your company employ on January 1, 2025, and how many customer service staff did your company employ as of December 1, 2025? How many call center staff did your company employ on January 1, 2025, and how many call center staff did your company employ as of December 1, 2025?


⁴⁰ U.S. Department of Education, "Servicer Performance Metrics and Allocations," <https://studentaid.gov/data-center/business-info/contracts/loan-servicing/servicer-performance>.


- b. How did the U.S. federal government shutdown beginning in October 2025 impact the quantity or quality of customer service your company is able to provide to borrowers?
 - i. Did your company lay off any employees as a result of the shutdown?
 - c. Does your company anticipate increasing either the quantity or required training of your call center staff to compensate for the recent RIFs at FSA?
 - d. Does your company use AI tools at any stage of the customer service process, including internal usage?
 - i. Please describe specifics for all use cases and any internal oversight conducted to ensure output quality.
 - ii. Is there any stage in your customer service process in which a borrower interacts directly with an AI tool, such as an AI assistant or chatbot?
 - iii. If so, are borrowers given the option of transferring to a human customer service representative instead?
- 2. Loan re-allocations
 - a. Has your company received any requests from ED to re-allocate loans you previously serviced to other student loan servicers since January 1, 2025? If so, how many loans have been transferred to date, and to which servicers?
 - i. Which types of loans, if any, have been transferred?
 - ii. What percentage of transferred loans are under the PSLF program?
 - iii. What percentage of transferred loans are part of an IDR plan?
 - iv. What is the anticipated timeline for any future loan re-allocations?
 - b. Has your company been the recipient of any re-allocated loans since January 1, 2025? If so, how many loans have been transferred to your company, and from which servicers?
 - i. How many borrowers transferred to your company since January 1 have set up an account with your company?
 - ii. Of borrowers transferred to your company that have completed account setup, how many borrowers were previously enrolled in auto-debit or auto-pay?
 - iii. Are borrowers previously enrolled in auto-debit through their previous servicer required to re-enroll in auto-debit with your company? If so, how long on average did it take borrowers required to re-enroll to set up auto-debit for their new account?
 - iv. After receiving a loan account transfer and associated borrower payment history data, what steps do you take to audit the information for accuracy and completeness?
- 3. Communication to borrowers in delinquency and default
 - a. What measures is your company taking to prepare for and adequately serve the increased number of borrowers entering or approaching delinquency?
 - b. Does your company proactively reach out to borrowers who are at risk of, but have not yet entered, delinquency or default? If so, please describe your company's process for determining when borrowers are considered at risk and what information is communicated to them.
 - c. What information does your company provide to borrowers once they miss a payment and become delinquent?


- i. What, if any, information does your company provide to borrowers once they are 270 days behind and have defaulted on their loans?
 - ii. Please provide what actionable steps your company suggests to borrowers.
- d. What medium(s) does your company use to communicate to borrowers that they have entered delinquency or default (e.g., mail to home address, email, phone call)?
- e. What information does your company provide to borrowers who are delinquent or in default and contact your company's customer service to discuss their options?
- f. Does your company have internal data on the number of borrowers who are delinquent or in default on their loans for each month since January 2025? If so, please provide them.

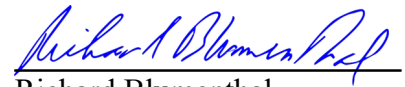
As loan repayment due dates and requirements have changed repeatedly for many borrowers under the Trump Administration, borrowers need clear and timely communication from federal student loan servicers. The quality of customer service assistance provided by loan servicers to borrowers is more critical than ever in the wake of the Trump Administration's catastrophic cuts to ED and FSA, and we look forward to your prompt response and attention to this matter.

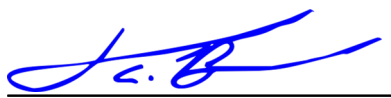
Sincerely,

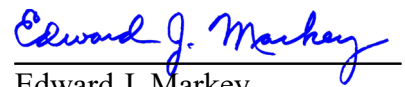

Elizabeth Warren
United States Senator


Jeffrey A. Merkley
United States Senator


Chris Van Hollen
United States Senator


Richard Blumenthal
United States Senator


Cory A. Booker
United States Senator


Edward J. Markey
United States Senator