United States Senate
WASHINGTON, DC 20510

August 27, 2026

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

Dear Mr. Giles:

We write to request information on why MOHELA has reportedly sent false delinquency notices to numerous student loan borrowers—as recently as this month—and on how MOHELA is responding to this serious problem.

MOHELA has a long history of making significant errors at the expense of borrowers. In 2023, the servicer allegedly reported millions of loan transfers to credit bureaus incorrectly, resulting in nearly two million credit reporting errors.[1] In addition, during the return to repayment at the end of the COVID payment pause, MOHELA sent inaccurate billing statements to hundreds of thousands of borrowers and late billing statements to millions—directly causing 800,000 delinquencies.[2] MOHELA also failed to process hundreds of thousands of borrowers' applications for affordable repayment plans in a timely manner, leading the Biden administration to temporarily stop assigning new borrower accounts to the servicer.[3]

MOHELA has now reportedly made yet another stunning error that threatens financial consequences for borrowers. On August 4, 2026, Forbes reported that MOHELA had sent an unknown number of delinquency notices to borrowers who were not actually delinquent on their loans.[4] The emails erroneously notifying borrowers of delinquency have included warnings that their loans are "severely past due," that "Payment in Full is Required" on their loan, or that they are at risk of wage garnishment and other alarming consequences of default.[5] It is currently

[1] Letter from U.S. Senator Elizabeth Warren to Consumer Financial Protection Bureau and U.S. Department of Education, December 19, 2024, https://www.warren.senate.gov/imo/media/doc/warren_senators_letter_to_cfbp_on_credit_duplicate_investigation.pdf.

[2] CNBC, "Education Department penalizes Missouri lender for error that made 800,000 student loan borrowers delinquent," Annie Nova, October 30, 2023, https://www.cnbc.com/2023/10/30/education-dept-penalizes-student-loan-servicer-mohela-for-errors.html; The New York Times, "More Than 400,000 Student Loan Borrowers Had Wrong Monthly Payments," Tara Siegel Bernard, October 16, 2023, https://www.nytimes.com/2023/10/16/your-money/student-loans-save-mistakes.html.

[3] Washington Post, "Student loan servicer MOHELA faces new punishment from Biden administration," Danielle Douglas-Gabriel, October 17, 2024, https://www.washingtonpost.com/education/2024/10/16/mohela-student-loans-punishment/.

[4] Forbes, "Borrowers Get False Notices That Their Student Loans Are Delinquent," Adam S. Minsky, August 4, 2026, https://www.forbes.com/sites/adamminsky/2026/08/04/borrowers-get-false-notices-that-their-student-loans-are-delinquent.

[5] Exhibit A: MOHELA Email #1, Exhibit B: MOHELA Email #2, [On file with the Office of U.S. Senator Elizabeth Warren].

unclear how many borrowers received these false notices, whether any borrowers paid the incorrect amounts, and to what extent the issue has been fixed.

Exhibit A – MOHELA Email #1

MOHELA | Official Servicer of Federal Student Aid

Immediate Action Required

Your Federal Student Loans Status - Not Too Late for Repair

Your loans are severely past due. Default of your student loans is possible, but can be prevented. Take immediate action by contacting us 1-888-866-4352 (Toll Free). Options besides making a payment may be available.

Consequences of Federal Student Loan Default

- Reporting of the default to nationwide consumer reporting agencies
- Garnishment of wages
- Offset of federal or state tax refunds
- Offset of other payments made by the federal government
- Ineligibility of additional financial aid funds
- Increasing the total amount owed on the loans
- Litigation

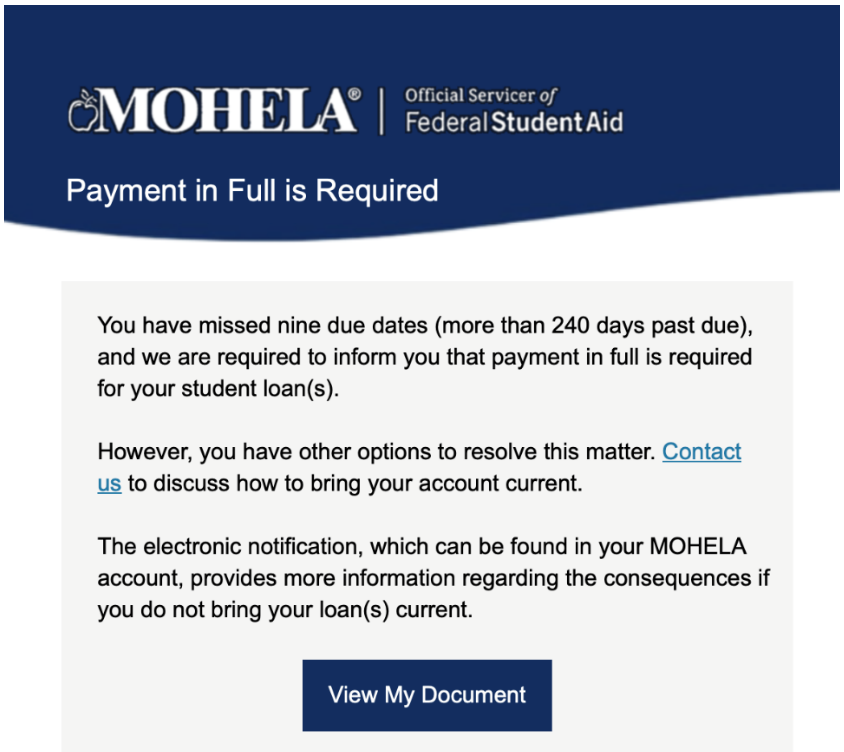
Time Sensitive! Stop Default, Negative Consumer Credit Reporting, and Attempts to Reach You!

If you are unable to make the required payment to bring your loans current, contact MOHELA immediately to discuss a variety of other options such as:

- Income-driven repayment (IDR) plans
- Other repayment plans and schedules
- Consolidation
- Postponing payments through deferment or forbearance

Thank you for your immediate attention to this matter.

Exhibit B – MOHELA Email #2



Upon logging into MOHELA's website, borrowers who have received these notices were incorrectly shown that their loans were past due for many months of payments and provided with more incorrect notices indicating that they owe a "past due amount" and "total amount due."[6] In one case, the erroneous "total amount due"—i.e., the amount that, according to MOHELA, the borrower is responsible for paying during the current billing cycle—was over $10,000.[7]

Exhibit C: Past Due Notice

[6] Exhibit C: Past Due Notice, [On file with the Office of U.S. Senator Elizabeth Warren]; Reddit, "Mega-thread for people who received the MOHELA sudden default warning/30 day notice," https://www.reddit.com/r/StudentLoans/comments/1ve17qy/megathread_for_people_who_received_the_mohela/.
[7] Exhibit C: Past Due Notice, [On file with the Office of U.S. Senator Elizabeth Warren].

Default is Approaching - Options Are Still Available!

We are required to inform you that you have not complied with the terms and conditions of your federal student loans. Please see the Loan Information section below for details about the delinquent loans. If the delinquency is not resolved within 30 days of this letter, your loans will default and payment in full will be required.

Past Due Amount: $1[redacted].[redacted]

Total Amount Due: $10[redacted].[redacted]

Although your loan account is nearing default, you still have options to resolve the delinquency.

Even making one monthly payment will reduce your delinquency and may slow the default process. Call us to make a payment at 1-888-866-4352 (Toll Free) or log in to your account at mohela.studentaid.gov.

Options may be available to bring your loans current without making a payment. We need you to contact us to discuss the options that are available to you.

Specialists Are Available
Specialists are available to discuss a customized solution to manage your account, including lowering or postponing your monthly payments. Options may include:

- Income-driven repayment (IDR) and other repayment plans: Use *Loan Simulator* at StudentAid.gov/loan-simulator to estimate monthly student loan payments and choose a loan repayment option that best meets your needs and goals.
- Consolidation: Learn more about Direct Loan Consolidation at mohela.studentaid.gov/DL/resourceCenter/consolidation.aspx.
- Postponing payments through deferment or forbearance: Learn more about deferment and forbearance at StudentAid.gov/deferment-forbearance.
- Contact us at 1-888-866-4352 (Toll Free) to review your options.

Please contact us immediately to avoid the consequences of default, which can be severe and include:

- The entire unpaid balance of your loans listed below and any interest being immediately due and payable to the federal government.

This error is a failure that has not only been highly distressing for borrowers[8] but could have led to direct financial harm. If a borrower does not realize that their false delinquency notice was issued in error and believes that they are on the verge of default, they might make the payment MOHELA has claimed they are responsible for, unnecessarily spending hundreds or even thousands of dollars. To make matters worse, if these false delinquencies have been sent to credit bureaus, borrowers' credit scores could drop.

Compounding the problem, MOHELA's customer service has allegedly failed to speedily resolve this issue for borrowers. Borrowers report calling the servicer about this issue and being told they would be transferred to a supervisor, and then immediately being sent to an automated line telling them they would be called back within two business days.[9] MOHELA has stated that "impacted borrowers will be notified by email of the error," but within days of the error becoming public, MOHELA still had not sent those emails.[10]

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[8] Reddit, "Mega-thread for people who received the MOHELA sudden default warning/30 day notice," https://www.reddit.com/r/StudentLoans/comments/1ve17qy/megathread_for_people_who_received_the_mohela/.
[9] *Id*.

Alarmingly, the Trump Administration has stripped away key safeguards against servicer errors like this one. President Trump's dismantling of the Department of Education (ED) included the elimination of ED's entire servicer oversight team, who had been responsible for identifying and addressing servicer errors.[11] In March 2026, the nonpartisan Government Accountability Office (GAO) issued a report describing the consequences of this decision, concluding that because of ED "discontinuing assessments of servicer accuracy…borrowers may face financial consequences related to overbilling or being placed in the wrong loan repayment status."[12] Furthermore, GAO noted that the Trump administration has told servicers that it "has waived financial penalties" related to inaccuracies or poor performance, disincentivizing them from allocating resources towards maintaining accuracy or fixing errors.[13] The Trump administration's policy is to look the other way when servicers fail at their job, and borrowers are suffering the consequences.

MOHELA must publicly disclose the extent of its error, correct all affected borrowers' accounts so that they no longer indicate that loans are past due (to the extent it has not already done so), notify all affected borrowers that they are not delinquent, and take all steps necessary to ensure that false delinquency notices will not continue being sent out. In addition, ED should immediately rehire the servicer oversight team and follow GAO's recommendation to resume assessing servicer accuracy. To better understand MOHELA's error and its consequences for borrowers, we request that you answer the following questions by September 10, 2026.

1. How many borrowers did MOHELA send false delinquency notices to in each month since January 2026?

2. How much, on average, did the false delinquency notices state was borrowers' "total amount due"?

3. Why did MOHELA send false delinquency notices to numerous borrowers?

4. When does MOHELA plan to notify borrowers affected by this error that they are not actually delinquent? How many borrowers have been notified so far?

5. What was the median time that it took MOHELA to remove the false delinquencies from borrowers' accounts?

6. How many borrowers made the "past due" or "total amount due" payments that the false notices told them they owed? How much did those payments sum to?

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[10] *Id.;* Business Insider, "Some student-loan borrowers mistakenly received past-due notices. Correction emails are coming.," Ayelet Sheffey, August 5, 2026, https://www.businessinsider.com/student-loan-borrowers-mistakenly-received-delinquency-emails-mohela-debt-2026-8.

[11] Yahoo Finance, "How Trump has wiped out the teams that protect student borrowers," Jordan Weissmann, April 19, 2025, https://finance.yahoo.com/news/how-trump-has-wiped-out-the-teams-that-protect-student-borrowers-173450503.html.

[12] Government Accountability Office, "Federal Student Loans: Education Needs to Address Gaps in Servicer Oversight," March 5, 2026, p. 10, https://www.gao.gov/products/gao-26-108534.

[13] *Id.*, p. 9.

7. Does MOHELA intend to proactively refund any payoff payments or overpayments made by borrowers who received this notice? If so, how?

8. Does MOHELA intend to make borrowers whole for any other financial consequences caused by making payments in response to this error? For example, will MOHELA reimburse borrowers for any tax penalties incurred if they liquidated retirement accounts to pay off loans due to MOHELA's error?

9. Please describe all steps MOHELA has taken to ensure that borrowers will not be sent false delinquency notices in the future.

Thank you for your attention to this important matter.

Sincerely,

Elizabeth Warren
United States Senator

Jeffrey A. Merkley
United States Senator

Edward J. Markey
United States Senator

Bernard Sanders
United States Senator

Richard Blumenthal
United States Senator

Chris Van Hollen
United States Senator

Tammy Duckworth
United States Senator

Mazie K. Hirono
United States Senator

Ron Wyden
United States Senator

CC: The Honorable Linda McMahon, Secretary, U.S. Department of Education