



July 16, 2021

Dr. Miguel A. Cardona
Secretary of Education
United States Department of Education
400 Maryland, S.W.
Washington, D.C. 20202

Dear Secretary Cardona,

As the nation works towards economic recovery, we believe it is critical that the Biden administration and the Department of Education (ED) develop and publicly share a clear plan to transition federal student loan borrowers back into repayment as soon as possible.

The pandemic had a devastating impact on the country as a whole, and policymakers correctly took extraordinary actions to address the financial challenges facing many Americans, including federal student loan borrowers. These measures were always intended to address the economic impacts of the pandemic, and as the economy moves closer to full strength, it is reasonable to allow these emergency measures to expire. Indeed, it is in the mutual interests of student loan borrowers and the federal government that borrowers who are in a financial position to begin repayment do so as soon as possible and progress towards discharging their loans.

But with less than three months before repayment obligations are scheduled to resume, ED has not said whether it will resume student loan repayments or extend the moratorium. This lack of clarity means that no one affected by student loan repayments—including borrowers, parents, servicers, and institutions—has any idea what the administration intends to do. Borrowers in particular need adequate time to prepare. We urge the Department to move swiftly to announce its plans.

As the Department develops those plans, borrowers will be best served by the adoption of a plan that has clear requirements; is easy to understand; is communicated well in advance of the start of repayment; and reflects the diversity of borrower circumstances. The goal should be to ease borrowers able to voluntarily resume making payments back into repayment as soon as possible.

At the same time, the journey to economic recovery for borrowers may vary depending on where they live, the industry in which they work, and their individual family circumstances. Certain populations, including communities of color and low-income individuals, have faced disproportionate economic hardships because of the pandemic. These borrowers may require more time to transition back into repayment, and the Department should consider

and clearly communicate what options may be available.

Much of the current debate surrounding when to resume monthly payments has focused on the binary options of either resuming repayment for all borrowers on the current schedule or extending the pause for all borrowers. Because of the complexity and variation surrounding the recovery, the transition back into student loan repayment should instead be viewed as a road that will require a clear on-ramp, with more than one exit. But it is critical that, once a roadmap and timeline for the transition has been determined, ED proactively communicates its plan to borrowers, loan servicers, and stakeholders immediately.

The need for clear and timely guidance from the U.S. Department of Education has never been greater. More than 40 million borrowers may be impacted by whatever decisions you make. It is in everyone's interest that the Department act quickly.

Sincerely,



Ted Mitchell
President

On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Public and Land-grant Universities
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators