

# United States Senate

WASHINGTON, DC 20510

August 11, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Charles E. Schumer  
Minority Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Leader McConnell and Leader Schumer:

We write in support of our nation's federal student loan borrowers, specifically the millions of those whose ability to repay their loans has been negatively impacted by the novel coronavirus (COVID-19) pandemic and resulting economic crisis. Although the President recently issued an Executive Order temporarily extending forbearance for some borrowers and waiving interest through the end of the year, Congress must act to ensure this relief is reliably available until the public health emergency ends. Further, only congressional action will ensure that all of our nation's 43 million federal student loan borrowers are able to access full relief. Just as the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* provided six months of relief following administrative action, we strongly believe that student loan forbearance should be codified for the duration of our economic crisis in the next COVID-19 response legislation.

For the 19<sup>th</sup> consecutive week, over 1 million Americans have filed for new unemployment benefits.<sup>1</sup> This unprecedented increase in job loss in the U.S. resulting from the coronavirus has left many people unable to afford even basic necessities. Despite the sudden and rapid rise in unemployment numbers, the U.S. is likely to experience high unemployment levels for a significant time. A recent report from the Congressional Budget Office (CBO) estimates that unemployment will still be over 9% by 2021.<sup>2</sup> As families continue to face sudden joblessness, high medical bills, and other financial setbacks resulting from the crisis, tens of millions of student loan borrowers have continued to worry about when they will have to resume their payments.

We appreciate your leadership in ensuring that the CARES Act provided relief to certain federal student loan borrowers through September 30, 2020. Congress extended a critical lifeline by not requiring payments on most federally-held loans, suspending interest accrual for such loans, prohibiting forced collections and negative credit reporting, and ensuring that student loan borrowers continue receiving credit toward Public Service Loan Forgiveness, income-driven repayment forgiveness, and loan rehabilitation. These key details were an important part of the relief provided to borrowers.

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<sup>1</sup> <https://www.forbes.com/sites/jackkelly/2020/07/30/over-14-million-americans-filed-for-unemployment-economy-falls-to-record-low/#4563db90b0cf>

<sup>2</sup> <https://www.cbo.gov/publication/56368>

Unfortunately, nearly 8 million borrowers were not eligible for the CARES Act relief, and will not benefit from the President's Executive Order. These donut holes must be closed. And, while administrative action extending the forbearance will provide relief to many borrowers, it is not clear how the U.S. Department of Education will handle crucial issues related to credit toward forgiveness, credit reporting, loan rehabilitation, and collections that were addressed by the CARES Act. It is critical that Congress provide this relief legislatively so that payments do not resume before the economy is showing signs of recovery, borrowers do not experience collateral damage from further donut holes in the Executive Order, and no one faces unnecessary uncertainty about the status and treatment of their loans during this difficult time.

We also know that the burden of student debt is even heavier for Black and Latino borrowers. About 90% of Black students and 72% of Latino students take out loans, compared to 66% of white students.<sup>3</sup> The student loan crisis has always contributed to inequality in the U.S., and, without further Congressional action, COVID-19 will only exacerbate the problem. Given the dire circumstances for many student loan borrowers, we urge you to ensure that an extension of reprieve on student loan payment is codified in future COVID-19 related legislation.

The U.S. House of Representatives passed the *Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act* on May 15, 2020. The bill would extend the current suspension of payments, interest, and involuntary collections through September 2021. This timeline is essential given the projected length of the economic crisis borrowers are facing. The bill also extends the relief in the CARES Act to all federal student loans. We request your leadership in ensuring that the Senate adopts these HEROES Act provisions, and appreciate your continued work in getting essential relief to our nation's student loan borrowers.

Sincerely,



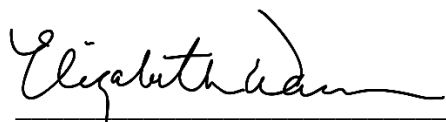
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Mark R. Warner  
United States Senator



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Michael F. Bennet  
United States Senator



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Elizabeth Warren  
United States Senator



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Jacky Rosen  
United States Senator



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Tim Kaine  
United States Senator



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Debbie Stabenow  
United States Senator

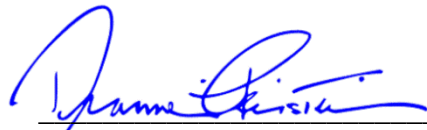
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<sup>3</sup> <https://www.consumerfinance.gov/about-us/blog/significant-impact-student-debt-communities-color/>



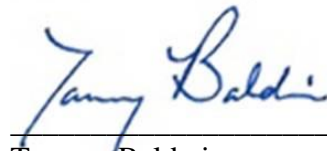
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Jeanne Shaheen  
United States Senator



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Dianne Feinstein  
United States Senator



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Tammy Baldwin  
United States Senator



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Sheldon Whitehouse  
United States Senator



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Sherrod Brown  
United States Senator



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Bernard Sanders  
United States Senator

/s/ Chris Van Hollen

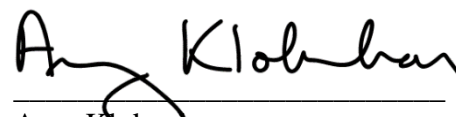
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Chris Van Hollen  
United States Senator



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Tina Smith  
United States Senator



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Amy Klobuchar  
United States Senator



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Cory A. Booker  
United States Senator

/s/ Richard J. Durbin

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Richard J. Durbin  
United States Senator