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NEWS FOR IMMEDIATE RELEASE

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AG Kaul and Multistate Coalition Fighting for Emergency Relief for Federal Student Loan Borrowers in Response to Coronavirus Pandemic

27 AGs Write Letter to Secretary of Education Requesting Relief

MADISON, Wis. – Attorney General Josh Kaul and a coalition of 27 attorneys general from around the nation today called on the U.S. Department of Education to provide federal student loan borrowers with crucial emergency measures to help in the wake of the COVID-19 pandemic. In a <u>letter</u> to Education Secretary Betsy DeVos, the coalition asks the Department of Education to take specific steps to protect borrowers from further financial burden and debt collection due to job losses and lost wages, resulting from the exponential rise in national unemployment in the last few weeks.

"We should be doing what we can to provide relief to those whose ability to repay student loan debt has been impacted by the coronavirus," said Attorney General Kaul. "The federal government should act to implement these emergency measures."

Today's letter urges the Department of Education to immediately implement emergency measures to protect federal student loan borrowers. The letter notes that while the federal government has already taken a series of initial steps to help student loan borrowers — including ceasing some collection actions — the Department of Education must do more, including:

1) Halting all new and continuing involuntary collection activities — including wage garnishment and the offset of government benefits, such as Social Security and tax refunds — and refunding 2019 tax refund offsets for all federal student loan borrowers for the duration of the crisis.

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- 2) Automatically enrolling all federal student loan borrowers who are in or enter into forbearance, who are or become delinquent on their loans, or who request enrollment in an Income Driven Repayment (IDR) Plan in an IDR plan with a \$0-per-month payment, without requiring submission of an IDR application, verification of income, or recertification for the duration of the crisis. This would permit struggling borrowers to suspend payments while continuing to make progress toward Public Service Loan Forgiveness or IDR loan forgiveness.
- 3) Extending eligibility for all additional relief available pursuant to previously announced modifications for those affected by national emergencies to all federal loan borrowers for the duration of the crisis.

The coalition's letter urges the Department of Education to extend this emergency relief to all federal student loan borrowers, including borrowers whose Federal Family Education Loans or Federal Perkins loans are not held by the Department of Education.

Joining Attorney General Kaul in signing today's letter to the Department of Education are the attorneys general of California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, the District of Columbia, American Samoa, and Puerto Rico.