

Congress of the United States
Washington, DC 20515

March 7, 2017

The Honorable Steven Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Betsy DeVos
Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Mnuchin and Secretary DeVos:

We commend the U.S. Department of the Treasury and the U.S. Department of Education (the Departments) for reaching an agreement to simplify participation in income-driven repayment (IDR) plans. We respectfully ask that you implement this agreement as expeditiously as possible.

The Departments' Memorandum of Understanding (MOU) outlining a multi-year consent system that uses tax data to automatically recertify student loan borrowers' income information will help millions of borrowers access affordable payments and avoid delinquencies and defaults. In 2015, bipartisan Members of Congress urged the Departments to use borrowers' tax data to automatically recertify their income information each year. We are pleased that the Departments have taken the first step toward developing such a system.

Student loan borrowers who are enrolled in IDR plans must submit updated family size and income information each year. If borrowers do not provide the documentation by their annual deadline, interest on their loans is capitalized, which may cause sharp increases in monthly payments and add thousands of dollars to their repayment liability. These payment spikes may force borrowers to place their loans in forbearance, where their progress toward repayment and forgiveness is halted. A 2015 survey of borrowers found that 57 percent did not recertify their income information on time.

All too often, failure to meet annual recertification deadlines increases the risk of default and leads to long-term financial hardship for a borrower. Today, more than 8 million borrowers are in default. Many more are behind on their payments. These people—roughly one quarter of student loan borrowers—face serious long-term consequences. Borrowers in default can lose access to federal student aid, see their Social Security benefits and tax refunds withheld, and have their wages garnished. Additionally, credit reporting agencies register defaults, which may affect borrowers' access to financing in the future for a car, a business, or a home.

With a multi-year consent system in place, more borrowers will be able to avoid these negative outcomes. As we continue working in Congress to further simplify the enrollment and recertification process for student loan borrowers who are struggling to manage their payments, we encourage you to advance a multi-year consent system without delay, and in a manner that eliminates unnecessary complexity for borrowers. We respectfully request an update on the Departments' progress toward implementing the MOU that was announced last month.

We appreciate your attention to our request, and we look forward to working with you to make sure millions of student loan borrowers have easy access to the affordable repayment options that can protect them from financial turmoil.

Sincerely,



Suzanne Bonamici
Member of Congress



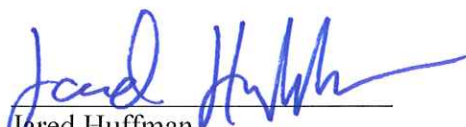
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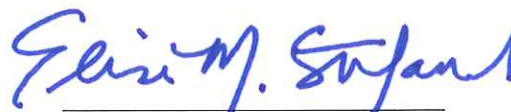
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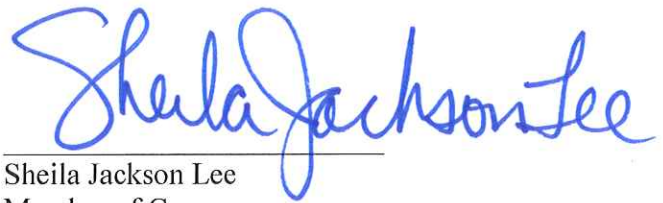
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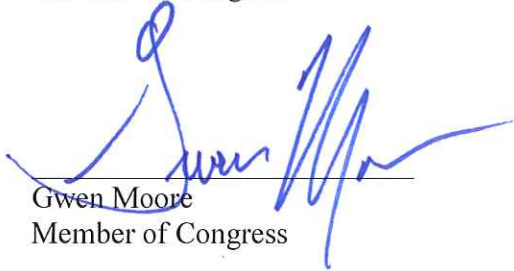
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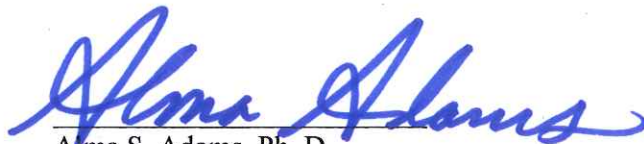
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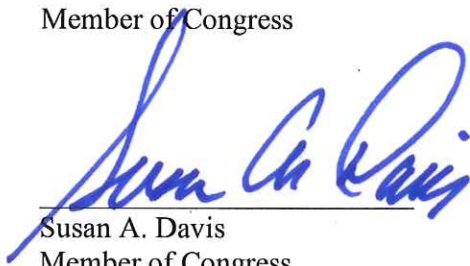
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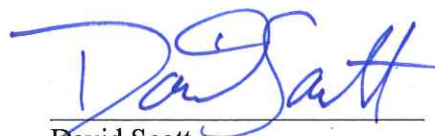
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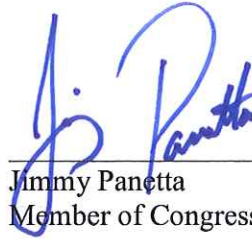
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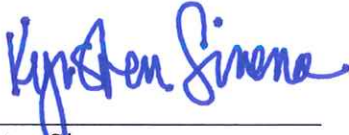
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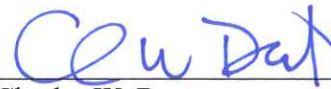
Mark Takano
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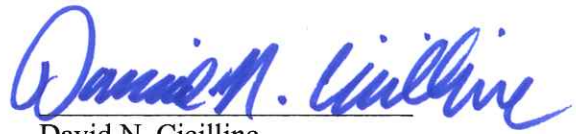
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