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What Student Loan Borrowers Need to Know Right Now

January 2025



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Post-Election Updates

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- President-elect Donald Trump has stated he would dissolve the Department of Education, but does not likely have enough support in Congress to do so
- Borrowers should be prepared for anything to happen, and advocates are working hard to ensure that borrowers are protected during the transition to the new administration



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What is happening right now? Lawsuits and Lame Ducks

Mass debt relief, right-wing lawfare and the fallout

- The Biden-Harris Administration spent four years trying to rewrite the rules for the student loan system.
- **Big changes delivered big relief.** Nearly 5 million people have received \$180 billion in debt relief, including more than 1 million public service workers.
- **The biggest programs never got off the ground.** Republican state attorneys general used right-wing courts to block life-changing debt relief.

Mass debt relief, right-wing lawfare and the fallout

- **The Supreme Court blocked debt relief for 40 million people.** President Biden tried again, proposing two narrower plans in 2023.
- **Right-wing state AGs rushed to conservative judges, who temporarily blocked debt relief.** The Biden-Harris administration withdrew these plans after the election.
- **Affordable monthly payments for 8 million people are also on hold.** The Biden administration created the most affordable loan payment plan in history-- the SAVE plan. Right-wing state AGs went to court and conservative judges paused this plan. This case is ongoing.

Diving Deeper: SAVE Lawsuits

- 18 Right-Wing AGs sued the Biden Administration to block SAVE.
- This summer the 8th Circuit paused SAVE temporarily.
- **Right now, there is no cancellation, no lower payments, and no waiver of interest under the SAVE plan.**
- Borrowers who have already had their debt cancelled through SAVE will not have their balances reinstated.
- Borrowers who were enrolled in SAVE will still remain in a non-interest-bearing administrative forbearance, and borrowers who apply for SAVE will be placed on one following the submission of their application.
- **This forbearance does NOT count for PSLF & IDR cancellation**

Diving Deeper: SAVE Lawsuits

- For public service workers, switching to a different payment plan may be the only way to get credit for service.
- The Biden Administration is slowly restoring access to other payment options, but is running out of time.
- **Student loan companies have told borrowers the wrong information for months, leading people to miss out on credit.**
- If you called, asked for help qualifying for PSLF, and were told to stay in forbearance, submit a complaint to Repayment_Support@ed.gov



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Important Takeaways

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- Check what type of loans you have to check your eligibility for different programs
- Consolidate your loans to make them eligible for PSLF if needed
- Use the PSLF Help Tool to log your employers if seeking PSLF
- Visit [Cancelmystudentdebt.org](https://cancelmystudentdebt.org) for more information
- Beware of scams
- File complaints!!!!

File Complaints

- Visit <https://www.cancelmystudentdebt.org/file-a-complaint>
- Three places to file complaints:
 - Consumer Financial Protection Bureau
 - Federal Student Aid Ombudsman
 - Oregon Ombuds (!!)