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May 27, 2020

The Honorable Betsy DeVos
Secretary, Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary DeVos,

I am writing in reference to the nearly 5 million student loan borrowers whose credit scores are at risk because of an error by one of the Department of Education (ED)'s student loan servicers.¹ It is unacceptable to let responsible student borrowers come to harm during this period of financial turmoil. I urge you to resolve this issue as soon as possible and ensure that no student borrowers see a long-term impact to their credit score because of this error.

In the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress suspended payments for most borrowers of Federal Student loans, with no interest accrual and no negative credit impact, through September 30th. This suspension is a lifeline to borrowers who might be unable to work or have increased expenses due to the coronavirus crisis, and it was supposed to occur without impacting their financial futures. Instead of executing the provision properly and responsibly, you may have created an entirely new crisis.

Great Lakes Educational Loan Services, your student loan servicer, put millions of borrowers at risk through no fault of their own. The CARES Act explicitly required that each suspended loan payment must be reported as a regularly scheduled payment made by the borrower when reporting to credit agencies. Instead of reporting the required on-time \$0 payment, they reported a deferral, which can decrease the borrower's credit score.

This mishap comes at a time when financial security and access to credit is of paramount importance. Unemployment is historically high, and the entire country is facing unprecedented economic uncertainty. Borrowers need their credit scores to secure access to housing, capital, and sometimes jobs. It's your responsibility to make sure student borrowers are treated fairly during this crisis – instead, you're adding insult to injury.

ED and Great Lakes have both made statements that they are working to resolve the problem and minimize the damage to borrowers. I urge you to do this as quickly as possible, and to make sure an error like this doesn't happen again. With that in mind, please answer the following questions:

¹ <https://www.politico.com/news/2020/05/20/emergency-relief-student-loan-272334>

1. We know that nearly 5 million borrowers might have been affected. How many of those borrowers' credit scores have decreased, temporarily or permanently, as a result of this error?
2. How long will it take to correct affected borrowers' credit scores? Will there be any permanent impacts to borrowers' credit?
3. What actions will you be taking to ensure that borrowers are protected from errors like this in the future?

Thank you for your time, and I hope to see this issue resolved swiftly.

Sincerely,

A handwritten signature in blue ink that reads "Josh Harder". The signature is fluid and cursive, with the first name "Josh" and the last name "Harder" clearly distinguishable.

Josh Harder
Member of Congress