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June 16, 2020

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

The Honorable Steven Mnuchin
Secretary, Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington DC, 20220

Dear Secretaries DeVos and Mnuchin,

I am writing in regards to the failure of your Departments to halt tax offsets for student borrowers who are in default. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, and it mandated that you cease the practice of withholding tax refunds to pay down the debts of student borrowers.¹ This legal mandate complements a commitment made by the Trump Administration to suspend all wage and social security garnishing and tax offsets for student borrowers who have defaulted.² By continuing this practice, you have broken not only the law, but also your word to the American people. You must stop immediately.

With the passage of the CARES Act, you were required to suspend tax offsets for student borrowers through September 30, 2020. Despite this, a class-action lawsuit alleges that you have withheld more than \$18.8 million from over 10,000 borrowers since April 1, 2020, in direct contravention of both the law and administrative policy.

The people who need support the most – those who had already gone through the financial hardship of defaulting on their student loans – are now subjected to more of that hardship at the absolute worst time of their lives. Borrowers were counting on the money from their tax refunds to help them get through this crisis. When Congress passed the CARES Act, these borrowers thought they could count on the Departments of Education and the Treasury to support them. However, that has not been the case. Please answer the following questions to help us better understand why these offsets happened and how to prevent them in the future:

1. If these tax offsets are intentional, what is your reasoning behind them, and why do you believe they are legal? If they are unintentional, what processes were in place to prevent them and how did they fail?
2. Will all affected borrowers receive full restitution? If so, how long will it take?

¹ <https://www.washingtonpost.com/education/2020/05/29/trump-administration-withheld-nearly-19-million-tax-refunds-student-loan-borrowers-after-congress-ordered-halt/>

² <https://www.washingtonpost.com/education/2020/03/24/student-loans-collection-coronavirus/>

3. How long will it take to bring your Departments into full compliance with this provision of the CARES Act?

Thank you for your time, and I look forward to your timely response.

Sincerely,

A handwritten signature in blue ink that reads "Josh Harder". The signature is written in a cursive, flowing style.

Josh Harder
Member of Congress