

# **The System is Broken: 100+ Organizations Urge Biden Administration to Aid Millions of Student Loan Borrowers with Overdue Income-Driven Repayment (IDR) Reforms**

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*IDR program has failed borrowers for decades, organizations contend, calling on the Education Secretary to fulfill broken promises*

WASHINGTON — Today, a group of 104 diverse advocacy organizations, including the National Consumer Law Center, on behalf of its low income clients, Student Borrower Protection Center, Center for Responsible Lending, American Federation of Teachers (AFT), National Education Association (NEA), and UnidosUS, sent a letter to the Biden administration, calling on U.S. Secretary of Education Miguel Cardona to reform broken, dysfunctional income-driven repayment (IDR) programs with the creation of an IDR restoration project or waiver. While student loan cancellation under IDR has been possible since 2016, just 32 borrowers have ever successfully had their loans canceled. At the same time, over 4.4 million borrowers have been in repayment for 20 years or longer, despite theoretically being able to access forgiveness via IDR.

A copy of the letter can be found [here](#).

“Problems with the IDR program that have been kicked down the road for years are now coming to a head,” said Abby Shafroth, Director of the National Consumer Law Center’s Student Loan Borrower Assistance Project. “As we reach the point that borrowers should be receiving IDR cancellation, they are instead languishing in decades-old debt. Fixes can no longer wait—the time to act is now.”

Congress passed the first of the modern IDR programs in 1992, promising borrowers that federal student loan payments would be affordable and not a life-long burden. After nearly three decades, reforms are needed to ensure IDR can deliver on this promise, and advocates are calling on the Biden administration to cut through the red tape that has long stymied the IDR program and deliver a pathway out of student debt, particularly for low-income borrowers and borrowers of color.

“Over 4 million student borrowers have been failed by the promise of the IDR program and, despite its stated purpose, borrowers have been burdened with unaffordable debt for decades. Without action from this administration, only 1-in-23,000 borrowers will continue to have a chance at cancellation, and that is unacceptable,” said Persis Yu, Policy Director and Managing Counsel at the Student Borrower Protection Center. “The Biden administration can help millions of borrowers and restore trust in this vital program by implementing an IDR waiver.”

“While income-driven repayment plans have allowed many student borrowers to make affordable payments, only a handful of borrowers have had their loans canceled through IDR,” said Julia Barnard, Student Loan Team Co-Lead and Researcher at the Center for Responsible Lending. “Decades of bad servicing, complicated paperwork and policy failures have broken borrowers’ faith in this program. We call on the Education Department under the Biden Administration to make IDR reform an urgent priority in the months ahead.”

The letter follows the recommendations made by the Student Borrower Protection Center, National Consumer Law Center, and Center for Responsible Lending in a previously released whitepaper. Specifically, it recommends that an IDR waiver should:

1. On a retroactive basis, count all months since the borrower entered repayment following their grace period as qualifying months towards loan forgiveness, regardless of which repayment plan the borrower was in, whether they were in forbearance, and whether they were in default.
2. Provide relief automatically. All of the data that the Department of Education needs in order to implement the IDR waiver is readily available through the National Student Loan Data System (NSLDS). Borrowers should not need to affirmatively apply for this relief.
3. Ensure that all federal loan borrowers, regardless of loan program, have access to the IDR waiver. While Federal Family Education Loans (FFEL) and Perkins loans borrowers could be eligible for IDR, many borrowers were not properly advised and so have failed to benefit. The IDR waiver must apply to these borrowers who have been left behind.

Additional background materials:

- [Revisiting Relief for Borrowers Waiting for Income-Driven Repayment](#)
- [Driving Into a Dead End: Why IDR Has Failed Millions with Decades-Old Debts](#)
- [Education Department's Decades-Old Debt Trap: How the Mismanagement of Income-Driven Repayment Locked Millions in Debt](#)
- [Almost Two in Three Navient Borrowers Enrolled in IDR Plans and Making Payments During COVID-19 Federal Student Loan Payment Pause Are Underwater](#)
- [Road to Relief: Supporting Federal Student Loan Borrowers During the COVID-19 Crisis and Beyond](#)