Congress of the United States
House of Representatives
Washington, DC 20515–1304

September 4, 2026

The Honorable Linda McMahon
Secretary of Education
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary McMahon,

We write regarding recent reports that a record number of federal student loan borrowers have entered default following the resumption of repayment and other collection activity. Millions of Americans continue to face significant financial hardship as they balance the rising costs of housing, food, healthcare, childcare, and other basic necessities alongside their student loan obligations.[1] As you continue efforts to dismantle the Department of Education, we are deeply concerned that the Department is failing to meet its responsibility to protect and support federal student loan borrowers.

Nearly 10 million borrowers are now in default—more than nine months behind on their payments—representing approximately one in five federal student loan borrowers and more than $230 billion in outstanding debt. The states with the highest default rates are concentrated in the South and Midwest, and 14 of the 15 states with the highest rates were won by President Trump in the 2024 presidential election.[2]

Student loan default can have devastating long-term consequences, including damaged credit, wage garnishment, seizure of tax refunds, and barriers to homeownership and economic mobility. These outcomes disproportionately affect low-income borrowers, first-generation college students, borrowers of color, and borrowers who attended institutions with historically lower completion rates.[3] Recent changes enacted through H.R. 1 phase out several existing federal student loan repayment plans, require many borrowers to transition to new repayment options, and limit new borrowers to either a standard repayment plan or the new Repayment

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1 Heather Hollingsworth & Nicky Forster, *As Defaults on Student Loans Surge, Millions Are Trying to Get Their Lives Back on Track*, Associated Press (July 20, 2026), https://apnews.com/article/student-loan-debt-default-6732d5b28545acd10d36d743f5080d01

2 Associated Press, *Student Loan Defaults Hit Record Highs in Wake of COVID-Tied Payments Pause Expiration*, CBS News (July 20, 2026), https://www.cbsnews.com/news/student-loan-defaults-surge-covid-tied-payments-pause-expiration.

3 Consumer Fin. Prot. Bureau, Issue Spotlight: Social Security Offsets and Defaulted Student Loans (Jan. 8, 2025), https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-social-security-offsets-and-defaulted-student-loans/

Assistance Plan (RAP), raising concerns that some borrowers may face higher monthly payments or reduced access to affordable repayment options. [4]

These concerns are compounded by the Department of Education's (the Department) transfer of defaulted federal student loan collections to the Department of the Treasury under a March 2026 interagency agreement.[5] The transition raises questions about agency accountability, borrower communications, servicing continuity, and safeguards against further harm. Congress must understand the scope of the default crisis, which borrowers are most affected, and what steps the Department is taking to prevent unnecessary defaults.

Accordingly, we request a written response to the following questions no later than 30 days after receipt of this letter:

1. As the Department prepares to restart involuntary collections, how many borrowers are currently in default, and how many are currently in delinquency? Please provide this information nationally, by state, and, to the extent practicable, by:
    a. Congressional district;
    b. Race and ethnicity;
    c. Income level;
    d. Pell Grant recipient status;
    e. First-generation college student status;
    f. Institution type; and
    g. Loan balance.
2. Please provide all details regarding the transfer of default servicing from the Department to the Department of the Treasury, including the legal authority; each agency's responsibilities; changes to staffing, borrower outreach, complaint resolution, and data sharing; implementation timelines and performance metrics; and related vendor contracts or modifications.
3. What steps is the Department taking to notify borrowers before they enter default, including outreach by the Department, the Department of the Treasury, or vendors contracted by either agency? Please describe the number, timing, and methods of communication, as well as the languages in which the outreach is provided.
4. Of the borrowers currently in default, how many are eligible for an income-driven repayment plan or other repayment assistance but are not enrolled? What barriers has the Department identified that prevent eligible borrowers from accessing these options, including through loan rehabilitation or consolidation?

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4 The Institute for College Access & Success, *How the Reconciliation Law Changes the Federal Student Loan System* (July 24, 2025), https://ticas.org/affordability-2/reconciliation-2025-student-loans/.

5 Interagency Agreement Between U.S. Department of Treasury and U.S. Department of Education (Mar. 19, 2026), https://www.ed.gov/media/document/ed-treasury-interagency-agreement-federal-student-assistance-partnership-march-19-2026-113468.pdf

5. What actions is the Department taking to prevent additional borrowers from entering default, and what metrics is it using to evaluate the effectiveness of those efforts?
6. How is the Department ensuring that borrowers with limited English proficiency, first-generation college students, Pell Grant recipients, and students attending Minority-Serving Institutions have equitable access to repayment assistance and default prevention resources?

Student loan default should not become an inevitable consequence of pursuing higher education. Congress has a responsibility to ensure that federal borrowers receive accurate information, meaningful assistance, and a fair opportunity to remain in good standing with their loans.

Thank you for your prompt attention to this important matter. We look forward to your response.

Sincerely,

Jesús G. "Chuy" García
Member of Congress

Henry C. "Hank" Johnson, Jr.
Member of Congress

Shri Thanedar
Member of Congress

Jonathan L. Jackson
Member of Congress

Judy Chu
Member of Congress

Eleanor Holmes Norton
Member of Congress

Mark Pocan
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Raja Krishnamoorthi
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Alma S. Adams, Ph.D.
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