



Durbin, Democratic Colleagues Urge Student Loan Companies To Immediately Provide Relief To Private Student Loan Borrowers During The COVID-19 Pandemic

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WASHINGTON – U.S. Senator Dick Durbin (D-IL) joined Senators Elizabeth Warren (D-MA) and Sherrod Brown (D-OH) in leading nine of their Democratic colleagues in sending a series of letters to student loan companies asking how they are taking steps to aid private student loan borrowers affected by the COVID-19 pandemic. In their letters to Wells Fargo, SLM Corporation (Sallie Mae), Navient, Citizens Financial Group, Discover Financial Services, the PNC Financial Services Group, Truist Financial Corporation, the Pennsylvania Higher Education Assistance Agency, the Higher Education Loan Authority of the State of Missouri, Social Finance (Sofi), LendKey, Reunion Student Loan Finance Corporation and College Avenue Student Loans, the Senators urge the companies to provide immediate relief to private student loan borrowers, similar to the steps the government has taken to allow federal borrowers to pause and avoid penalties on their federal student loans.

"The outbreak of COVID-19 has resulted in an unprecedented and widespread public health and economic crisis, significantly upending life for every American," the Senators wrote. "For private student loan borrowers, these economic disruptions will be uniquely devastating due to private student loan borrowers' lack of critical protections, forgiveness programs, and repayment options available to federal student loan borrowers."

The lawmakers asked student loan companies to take the following steps to significantly mitigate harm:

1. Allow borrowers to suspend payments without fees or consequence. The letter urges companies to suspend payments without fees, restrictions, or consequences to borrowers' credit, and to make this relief automatic for all borrowers, but at a minimum, for all delinquent borrowers, to ensure that interest does not accrue or capitalize, and to provide notice and guidance to borrowers to help them resume repayment once the pandemic subsides.
2. Ensure that payment suspension does not trigger cosigner consequences. The letter urges companies to suspend monthly payments for borrowers without any penalties (financial or otherwise), payment obligations, or credit consequences for cosigners, who tend to be older Americans most vulnerable to COVID-19.
3. Immediately halt all involuntary collection efforts. The letter urges companies to immediately halt all involuntary debt collections efforts, including any lawsuits against borrowers who have defaulted or are delinquent on their loans.
4. Cancel or discharge loans of distressed borrowers. The letter urges companies to cancel or discharge as many delinquent loans as possible during this crisis, and especially the loans of borrowers who have filed for bankruptcy or who are otherwise in clear financial distress that will inhibit their ability to ever fully repay their loans.
5. Expand loan modification and affordable repayment options. The letter urges companies to permanently provide additional, affordable repayment and loan modification options for private student loan borrowers, including options for borrowers who see long-term changes in their income.

"Congress has a critical role to play here, and we will continue to fight for legislation that includes aggressive policies such as broad debt cancellation to provide all student loan borrowers with relief that both responds to the scale of this emergency and stimulates our economy," wrote the Senators. "We, however, believe that your company also has a responsibility to do more during the COVID-19 crisis."

In addition to Durbin, Warren, and Brown, the letter was signed by Senators Edward J. Markey (D-MA), Kamala D. Harris (D-CA), Brian Schatz (D-HI), Chris Van Hollen (D-MD), Cory A. Booker (D-NJ), Mazie Hirono (D-HI), Tina Smith (D-MN), Bernie Sanders (I-VT), and Amy Klobuchar (D-MN).

The lawmakers have requested responses to their letters no later than April 20, 2020.

Full text of the letters can be found [here](#).