

United States Senate

WASHINGTON, DC 20510

September 7, 2025

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

Dear Secretary McMahon:

We write with grave concern regarding the Trump Administration's decision to summarily reject 460,000 borrowers' applications for more affordable monthly student loan payments under income-driven repayment (IDR). Under federal law, student loan borrowers have the right to tie their monthly student loan payment to their income, but over a million borrowers have been forced to wait in limbo as unprecedented backlogs prevent them from accessing these desperately needed affordable payments. We call on you to immediately reverse this decision and ensure that borrowers can enroll in the most affordable repayment option that is available to them. As working families already navigate rising costs and unprecedented economic uncertainty, your decision to recklessly deny these applications will leave hundreds of thousands of borrowers in the lurch and exacerbate the financial uncertainty that workers and families are experiencing today.

On July 18, 2025, Politico reported that the Department of Education "will deny 460,000 federal student loan borrowers who selected the 'lowest monthly option' for a payment plan based on their income." The Department's stated rationale for this mass denial was that for many borrowers the Saving on a Valuable Education Plan (SAVE) was the most affordable option and that "[l]oan servicers cannot process these applications as SAVE is no longer an option, as it is illegal." While the SAVE plan remains blocked due to ongoing litigation, the Department has provided no rationale for why it has not advised student loan servicers to simply enroll these applicants in one of the other remaining IDR options that provides them the most affordable monthly payment option—such as the Pay As You Earn (PAYE) Plan, or Income-Based Repayment (IBR) Plan—as provided for by the terms and conditions of the application these borrowers submitted. Those terms unambiguously state that "if [the borrower's] loan holder is determining which of the income-driven plans [they] qualify for, that [the] loan holder use the following order in choosing [a] plan: SAVE (if my repayment period is 20 years), PAYE, SAVE (if my repayment period is 25 years), IBR, and then ICR." Yet, the Department has failed to abide by this promise.

Instead, these borrowers, many of whom have already been waiting months to be enrolled in an affordable repayment plan, will now be forced to start the entire process from square one. This decision is particularly egregious, as until at least 2024 the Department's IDR plan application form listed this "lowest monthly payment option" as the "(Recommended)" option. Undoubtedly, many borrowers selected this option under the belief that the Department would enroll them in the most affordable plan available, regardless of the legal status of any specific plan. According to a recent court-mandated status update, as of July 31, 2025, there are

approximately 1.4 million applications stuck in a backlog from Americans desperately seeking a more affordable IDR plan. The mass denial of 460,000 applications will mean that about 31% of the current backlog will be automatically rejected. This is an unacceptable strategy for decreasing this backlog, and millions of student loan borrowers and their families deserve better.

The implications of your decision are serious. These rejected borrowers may now face increased monthly payments, extended repayment timelines, and missed progress toward forgiveness. Additionally, borrowers who are left waiting as their application processes still accrue interest, causing many borrowers to pay significantly more over the life of the loan because of the Department's failure to process their application in a timely manner. These borrowers are doing everything right and are trying to access their rights to affordable monthly payments. Mass denying hundreds of thousands of borrowers for circumstances outside their control is both unjust and counterproductive.

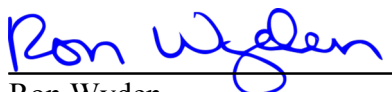
Although the Trump administration claims it supports lowering everyday costs for Americans, the Department's actions to deny 460,000 IDR applications in addition to its recent decision to resume interest charges for 8 million borrowers enrolled in the SAVE plan are pushing working families further into debt.

We request answers to the following questions by September 26, 2025:

1. As of September 7, 2025, how many IDR applications has the Department rejected from borrowers that selected the recommended "lowest monthly payment" option? Please provide the number of rejected applications total and across each student loan servicer.
2. How long were these borrowers forced to wait as the Department was processing these applications? Please provide the average amount of time these borrowers were forced to wait as well as the average wait time across each student loan servicer.
3. How did the Department notify borrowers affected by this decision to mass reject these applications? What guidance, if any, has the Department offered to these borrowers on how they can reapply for an IDR plan? Will borrowers forced to reapply be provided with expedited processing?
4. For borrowers who recently had their application rejected, were they placed into the standard repayment plan?
 - a. What guidance has the Department provided to student loan servicers to ensure that borrowers are getting consistent information and guidance on how to reapply for an IDR plan?
5. How does the Department plan to ensure their servicers provide timely consideration of their IDR applications?
6. Between July 1 and July 31, 2025, the Department reported deciding (i.e. approving or denying) 304,844 IDR applications. Were any of these applications among the 460,000 who had applied for the "most affordable monthly payment"? If so, how many?

7. Please provide updated numbers on the current backlog of IDR applications as of September 7, 2025. Please provide the current number of IDR applications pending across each servicer.
8. Since February 1, 2025, how many complaints has each servicer received directly related to IDR applications?
9. Since February 1, 2025, how many complaints has FSA received, including disputes, feedback, and control mail, related to IDR applications?

Sincerely,



Ron Wyden
United States Senator



Kirsten Gillibrand
United States Senator



Elizabeth Warren
United States Senator



Jeffrey A. Merkley
United States Senator



Cory A. Booker
United States Senator



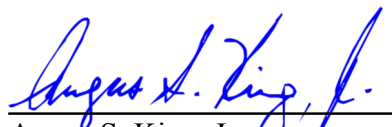
Bernard Sanders
United States Senator



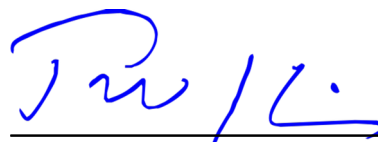
Richard Blumenthal
United States Senator



Mazie K. Hirono
United States Senator



Angus S. King, Jr.
United States Senator



Tim Kaine
United States Senator



Alex Padilla
United States Senator



Chris Van Hollen
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