

Contracts with Student Loan Servicers, waivers, new programs

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May 24, 2022

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The Honorable Richard Cordray
Chief Operating Officer
Office of Federal Student Aid
U.S. Department of Education
830 First Street NE
Washington, DC 20002

Dear Chief Operation Officer Cordray:

In our continued oversight of the office of Federal Student Aid's implementation of contracts with the federal student loan servicers and of the various waivers and new programs initiated by your office, we request the following information:

1. All letters sent to federal student loan servicers contracted by the Department and signed by Patrick Campbell.
2. All letters to the federal student loan servicers contracted by the Department and signed by Lisa Tessitore.
3. All responses received to the letters under questions 1 and 2.
4. All meetings, phone calls, and other calendar notices related to Mr. Campbell's and Ms. Tessitore's work with federal student loan servicers.
5. All text messages and emails related to Mr. Campbell's and Ms. Tessitore's work with federal student loan servicers, including internal and external discussions.

Please provide a schedule for production of this material within two weeks of receipt of this letter. We request that as material is available, you provide it to us and prioritize communications from 2021 through 2022 first.

Sincerely,

Virginia Foxx

Virginia Foxx
Ranking Member
U.S. House Committee on Education and Labor



December 15, 2022

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

Dear Representative Foxx:

Thank you for your May 24, 2022, letter regarding Federal Student Aid's (FSA's) contracts with federal student loan servicers.

The Department firmly believes that better oversight and guidance to loan servicers will increase servicer accountability and improve borrower outcomes. In October 2021, we announced several changes in new contracts to address longstanding deficiencies in servicer performance and transparency. For example, we added new performance standards to the contract extensions to measure servicers on a quarterly basis on how they interact with borrowers, as well as how effective they are at keeping borrowers from falling behind on their payments. Servicers that consistently fail to meet these performance standards can be denied new loans. In addition, through the Next Gen FSA initiative, non-servicing contact centers (which replaced legacy contact centers for the *Free Application for Federal Student Aid* form, Ombudsman, Office of Inspector General, Credit Appeals, and Borrower Defense) are now trained uniformly so that borrowers receive consistent and accurate information.

Further, the Department has also implemented efforts related to servicer transparency by requiring new reporting and greater access to servicers' systems and borrower data. Under the new contract terms, FSA is requiring servicers to submit comprehensive reports that provide greater insight into borrowers' experiences and allow FSA to better track servicer performance.

To further improve federal student loan servicing, our longer-term plans include building and implementing a new approach. In May, we posted the solicitation for the Unified Servicing and Data Solution (USDS), which is FSA's long-term loan servicing solution designed to provide federal student loan borrowers with a 21st century customer experience. We expect USDS to further increase servicer accountability and improve borrower outcomes, especially for borrowers who are at high risk of delinquency and default.

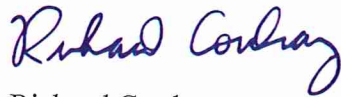
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Ensuring oversight and accountability of servicers, while also protecting borrowers, is at the heart of these efforts. Thank you for your interest in our work. If you have further questions, please feel free to call the Department's Office of Legislation and Congressional Affairs at (202) 401-0020.

Sincerely,

A handwritten signature in blue ink, reading "Richard Cordray". The signature is fluid and cursive, with the first name "Richard" and last name "Cordray" clearly distinguishable.

Richard Cordray
Chief Operating Officer
Federal Student Aid