

**March 3, 2020**

**ATTORNEY GENERAL RAOUL SEEKS AUTOMATIC DISCHARGE FOR PERMANENTLY DISABLED STUDENT LOAN BORROWERS**

**Chicago** — Attorney General Kwame Raoul joined a nationwide coalition in calling on the U.S. Department of Education (DOE) and the Social Security Administration (SSA) to automatically discharge federal student loans for totally and permanently disabled borrowers.

Raoul's student loan ombudsman, along with seven other state student loan ombudspersons, today [sent a letter](#) to Department of Education Secretary Betsy DeVos and SSA Commissioner Andrew Saul calling on them to proactively reduce the number of steps disabled borrowers must take in order to receive student loan discharge.

"Requiring eligible borrowers to opt in for student loan discharge prevents tens of thousands of struggling borrowers in Illinois and across the country from receiving the debt relief to which they are entitled," Raoul said. "I urge the Department of Education to protect disabled borrowers who are living on fixed incomes and take action to provide automatic relief for these students."

Raoul's office and the coalition are urging DeVos and Saul to implement a system that utilizes disability designations already issued by the SSA and shared with the DOE in order to minimize or eliminate the steps eligible borrowers are required to take to receive loan discharge. The coalition explains that the DOE already knows who eligible borrowers are through a matching process with the SSA.

As of December, 2018, only 10 percent of the eligible Illinois borrowers received discharge, demonstrating that the majority of eligible borrowers are not receiving relief, and the current system is not working in favor of the borrower. The proposed automatic relief system would eliminate the risk of loans entering default and collections for otherwise eligible borrowers because of a difficult application process.

In a May 2019 letter, Raoul and a coalition of 50 attorneys general called on DeVos to create an automatic discharge process for permanently disabled veterans. In August 2019, the DOE was ordered to create this process. Raoul's student loan ombudsman and the coalition argue that this same automatic process should be applied to disabled civilian borrowers.

The student loan ombudsman is a position within the Attorney General's office that is tasked with providing resources for borrowers who are struggling to make student loan payments. The position was created by the Student Loan Servicing Rights Act. Attorney General Raoul oversaw the rollout of the state's first student loan ombudsman in 2019.

The Illinois Attorney General's office has long been a national leader in investigating and enforcing consumer protection violations in the higher education field. In June 2019, Raoul and Colorado Attorney General Phil Weiser called for an extended closed school discharge period in connection with Dream Center owned Illinois Institute of Art. The DOE extended the date in February 2020, making hundreds of student borrowers in Illinois eligible for loan discharge. Raoul also called on the DOE to forgive the federal loans of students who attended the Illinois Institute of Art and were misled by that school's failure to disclose its lack of accreditation, a step the department followed through with in November 2019.

Student borrowers who have questions or are in need of assistance can call the Attorney General's Student Loan Helpline at 1-800-455-2456. Borrowers can also [file complaints on the Attorney General's website](#).

Joining Illinois in today's letter are the student loan ombudsperson of Colorado, the District of Columbia, Maine, Nevada, New York, Virginia, and Washington.