

**March 31, 2021**

**ATTORNEY GENERAL RAOUL CALLS ON U.S. SECRETARY OF EDUCATION TO FURTHER ADDRESS STUDENT LOAN CRISIS**

**Chicago** —Attorney General Kwame Raoul, as part of a coalition of 23 attorneys general, today issued a letter to U.S. Secretary of Education Dr. Miguel Cardona urging him to enact reforms to ease the student loans repayment process and protect student loan borrowers from paying back debt to for-profit and defunct colleges. Since taking office in 2019, Attorney General Raoul has helped return more than \$20 million to student loan borrowers, including \$14 million to private loan borrowers.

“For millions of student loan borrowers, the struggle of making loan payments has been exacerbated by the COVID-19 pandemic’s economic impact, and these borrowers need relief,” Raoul said. “I encourage the U.S. Department of Education to support borrowers by enacting reforms that will help them repay loans and avoid default.”

[In the letter](#), Raoul and the attorneys general urge Secretary Cardona to consider several actions that would help student loan borrowers, including:

- Continuing the policy of suspending student loan payments and waiving interest for as long as necessary to support struggling borrowers.
- Continuing the policy of suspending involuntary collections activities, as well as authorizing suspended payments to count toward both Public Service Loan Forgiveness and income-driven repayment (IDR) plan forgiveness.
- Enacting reforms to allow student loan borrowers to access and remain in the IDR plans to which they are entitled, enabling borrowers to have more affordable monthly payments, to avoid the serious consequences of default, and to secure loan forgiveness when appropriate.
- Enforcing the gainful employment requirement of the Higher Education Act, which would shield borrowers from for-profit programs that fail to prepare students for careers.

Raoul and the coalition also welcomed President Joe Biden’s commitment to consider using executive authority to cancel student debt, saying, “...we strongly urge that any debt cancellation should apply to all federal loans – including Federal Family Education Loans and Perkins loans that are not owned by the Department. ... For many with student debt, the current system is highly complex and difficult to manage. This is a needless source of great anxiety and is plainly unfair. We can and must do better.”

The Illinois Attorney General’s office has long been a national leader in investigating consumer protection violations and enforcing consumer protections in the higher education field. Attorney General Raoul’s office is a leader in nationwide litigation against Navient, the country’s largest student loan servicer. Raoul has also overseen the rollout of the state’s first Student Loan Ombudsman, a position created by the Student Loan Servicing Rights Act, to provide resources for student borrowers who are struggling to make student loan payments.

Attorney General Raoul also is working with Illinois lawmakers to pass legislation to protect student loan borrowers and those who are considering taking out student loans. Raoul’s Know Before You Owe legislation was passed by an Illinois House of Representatives’ committee earlier this month and will ensure that student borrowers have information about their eligibility for federal aid before they turn to more costly private loans. The measure also is pending in the Illinois Senate. Additionally, an Illinois House committee recently passed Raoul’s legislation to protect student loan borrowers from student loan debt relief

companies, or SLDRs. SLDRs often prey on student loan borrowers by charging high fees for services they cannot provide, such as loan forgiveness and cancellation. Borrowers can apply for these benefits for free through the federal government or their loan servicer.

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 Raoul in sending the letter are the attorneys general of California, Colorado, Connecticut, District of Columbia, Delaware, Hawaii, Iowa, Massachusetts, Maryland, Maine, Minnesota, North Carolina, New Jersey, New Mexico, New York, Nevada, Oregon, Pennsylvania, Virginia, Vermont, Washington and Wisconsin.

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