

March 25, 2022

Ambassador Susan Rice, Director  
Domestic Policy Council  
1600 Pennsylvania Ave., NW  
Washington, DC 20500

Dear Ambassador Rice:

Yesterday, President Joe Biden announced that new unemployment claims are now at a level not seen since 1969 and underscored that our economic recovery is strong, signaling that Americans are getting back to work. This is great news, undoubtedly the result of this Administration's leadership.

As more jobs are being created and more Americans are returning to their pre-pandemic lives, it is becoming incredibly clear that people are able to plan for the future and meet their financial obligations, including able borrowers paying back their student loans.

Borrowers with high-incomes are in a position to restart payments on May 2 without the need for a seventh student loan payment pause extension. Data from our own members strongly indicates that many federal student loan borrowers—particularly those with law degrees, medical degrees, MBAs, and other advanced degrees—have the ability to begin repayment on their loans now.

Extending the payment relief for *all* borrowers will subsidize higher-income borrowers at the expense of distressed borrowers who are disproportionately low-income. Such an action would come at an unnecessary cost of \$15 billion per quarter.

Instead of a blanket moratorium, we are urging you and the Administration to tailor future payment pause extensions for those in severe hardship and distress. We are recommending a more targeted moratorium extension, which **importantly**, industry and student loan servicing companies can support, specifically:

- Moratorium on payments continues until Jan. 1, 2023 for all federal loan borrowers who self-certify under penalty of perjury that they are unemployed (communicated in writing or verbally and no verification required).
- Moratorium on payments continues until Jan. 1, 2023 for all federal borrowers who self-certify under penalty of perjury that they have annual income under \$60k (communicated in writing or verbally and no verification required)
- All other borrowers resume repayment on May 2, 2022.

For the avoidance of doubt we have confirmed directly with the trade association that represents student loan servicers that the servicers could implement this program without delay. This targeted measure not only aims to help those in default and distress, but it also aligns with the President's tailored approach to other student loan relief, such as discharges in borrower defense to repayment; discharges for those with disabilities; and forgiveness for those that complete the Public Service Loan Forgiveness program. Additionally, this program lowers the cost of the entire moratorium, while getting relief to those that need it.

A successful transition back to repayment in May would be yet another sign of the much-needed return to normalcy that has been possible by the hard work of the American people and tireless efforts of this Administration.

We appreciate your ongoing leadership and commitment to student borrowers and the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Garry Reeder". The signature is fluid and cursive, with the first name "Garry" written in a more stylized, looped manner and the last name "Reeder" in a more straightforward cursive script.

Garry Reeder  
Chief Executive Officer  
American Fintech Council