

**Congress of the United States**  
**Washington, DC 20515**

September 28, 2012

Arne Duncan  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

Dear Secretary Duncan:

We write today to encourage you to take additional steps to increase awareness of the Income-Based Repayment Plan. Obtaining a post-secondary education is both part of the American dream and critical to people looking to succeed in today's economy. Unfortunately, increased tuition costs make it difficult for many Americans to further their education without borrowing and too many Americans struggle to manage their student loan debt. The Federal Reserve Bank of New York reports that borrowers owed an average of \$23,300 in 2011 and that more than 5 million borrowers have at least one student loan past due.

The Income-Based Repayment Plan already provides vital relief to over 900,000 students with high loan debt relative to their incomes by capping their monthly loan payments at 15 percent of their discretionary income. That is why we commend the recent Presidential Memorandum that directs the Department to streamline the Income-Based Repayment Plan application process, improves outreach to eligible students, and enhances the information resources available to borrowers.


To ensure that more student borrowers benefit from these positive changes and understand the advantage of the Income-Based Repayment Plan, we believe that the U.S. Department of Education should by December 2012 take the following additional steps to expand access to the current Income-Based Repayment Plan; the pending Pay as You Earn program that makes 10 percent cap available to some borrowers as soon as the end of 2012; and the Income-Based Repayment Plan benefits available to new borrowers in 2014:

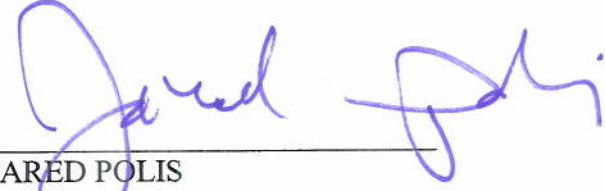
- Allow current Income-Based Repayment Plan participants and Federal Family Loan Program (FFEL) borrowers to electronically transfer and submit their income data online. The Presidential Memorandum directs the Department of Education and the Internal Revenue Service (IRS) to allow new Direct loan borrowers -- beginning not later than this September -- to have this option.
- Reach out on an ongoing basis to the following at-risk borrowers:
  - Borrowers in forbearance, unemployment deferment, or economic hardship deferment for more than 60 days;
  - Borrowers more than 60 days late in their loan payments; and
  - Borrowers with high student loan balances.

- Launch an outreach campaign to colleges, alumni associations, public service organizations, unemployment offices, social service agencies, and other relevant member organizations, using print and online materials.
- Develop and implement additional accountability measures to ensure that servicers provide borrowers with consistent, accurate information about the Income-Based Repayment Plan, and adequate support throughout the application process. In particular, we urge the Department to publish monthly data on the number of Income-Based Repayment Plan applications received, pending, denied, and approved for each of the major loan servicers of Direct and FFEL loans.
- Establish a toll-free helpline for borrowers with questions about the Income-Based Repayment Plan and related plans.

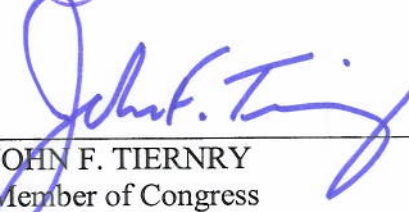
These steps will help ensure that borrowers have the information they need to make responsible decisions and keep their loan payments manageable. We look forward to your response to these recommendations. In addition, we request a briefing on the Department's plans and any steps already underway to improve Income-Based Repayment Plan awareness and access. We look forward to working with you to improve borrowers' repayment options.

Sincerely,


  
 ALLYSON Y. SCHWARTZ  
 Member of Congress

  
 JARED POLIS  
 Member of Congress

  
 CHARLES B. RANGEL  
 Member of Congress

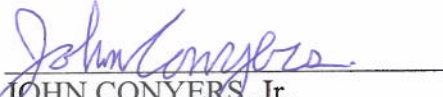
  
 JOHN F. TIERNRY  
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 Member of Congress

  
 JOHN CONYERS, Jr.  
 Member of Congress

  
 PETER WELCH  
 Member of Congress

*Joe Courtney*

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JOE COURTNEY  
Member of Congress

*Albio Sires*

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ALBIO SIRES  
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