

United States Senate

WASHINGTON, DC 20510

May 2, 2025

The Honorable Linda McMahon
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary McMahon,

I write to you with concern over the Department of Education's plans to begin involuntarily withholding the incomes of federal student loan borrowers in default on May 5, 2025.ⁱ As you note, in a few months, nearly 10 million borrowers are in danger of having their wages, pensions, Social Security benefits, and tax refunds garnished.ⁱⁱ Withholding income from borrowers will unnecessarily exacerbate economic strains in local economies while new Yorkers worry about a tenuous economy and potential recession.ⁱⁱⁱ

One in eight New Yorkers have student loan debt, totaling approximately \$93 billion^{iv} and federal student loan borrowers who work in all industries are vulnerable to these unnecessary actions – my office has heard from K-12 teachers, computer science engineers, pharmacists, and doctors. These professions provide New York communities with vital services and many are public servants. Yet this Administration so far has made the federal student loan process a nightmare. These workers report their payments increasing by as much as 450% as a result of issues on the Federal Student Aid website. Some New Yorkers have had their federal student loans put into forbearance without their request.

Many borrowers have dreams of opening their own businesses or working directly with people in their community, but perfectly put by one constituent, “believe there will be no help for me or others who are drowning in debt.” These New Yorkers want to make their student loan payments, and they deserve a fair system that rewards what they have worked for and earned.

Seniors who take out loans to help family members pay for college are impacted too, and some are still in debt from their own education.^v My office has heard from seniors who are nearing retirement but remain unable to move forward with any confidence or security until their loans are fully paid or forgiven.

I'm concerned that the timing could not be worse for any changes in student loan repayment policies for constituents bracing for an economic downturn, but also because of continuing staff cuts at the Department of Education. An expanded administrative burden on reduced staff aimed at garnishing wages and benefits in a tenuous economic environment is not in the best interest of New Yorkers. To be very clear, wage garnishment should always be considered a last resort, and this Administration's staffing cuts have impacted existing programs to such an extent that this new policy exacerbates a problem and undermines a purpose.¹

¹ <https://www.newsweek.com/student-loans-how-trump-admins-update-impacts-nearly-2-million-borrowers-2064276>

I respectfully request answers to the questions below by May 16, 2025.

1. Please describe in detail any outreach campaign being planned, including what languages it will be conducted in and through what means.
2. What immediate actions have been or will be taken to resolve recent and ongoing disruptions to federal student loan services?
3. Many borrowers have waited for years to exercise alternative payment arrangements through income-based repayment options; please provide details as to how the Administration will accommodate borrowers who remain unable to make full repayment.
4. How will the Administration define financial hardship and what will be done to accommodate borrowers requesting a review based on financial hardship? What actions will be taken to address hardship requests in time to avoid additional financial consequences for borrowers in default, such as eviction or canceled medical procedures?
5. How is the Administration planning for the increased administrative burden of this policy amidst the RIFs at the Department of Education?

Sincerely,



Kirsten Gillibrand
United States Senator

ⁱ <https://www.ed.gov/about/news/press-release/us-department-of-education-begin-federal-student-loan-collections-other-actions-help-borrowers-get-back-repayment>

ⁱⁱ <https://www.nytimes.com/2025/04/22/business/education-department-student-loan-debt.html>

ⁱⁱⁱ <https://www.nbcnews.com/business/economy/us-will-absolutely-recession-2025-high-tariffs-stay-apollos-slok-says-rcna202213>

^{iv} <https://cnycentral.com/news/local/new-yorkers-shoulder-93-billion-in-student-debt-as-lawmakers-push-for-relief-and-reform>

^v <https://www.nclc.org/resources/the-growing-impact-of-student-loan-debt-on-older-adults/>