



June 28, 2019

The Honorable Bobby Scott  
Chairman  
House Committee on Education and Labor  
Washington, DC 20515

The Honorable Virginia Foxx  
Ranking Member  
House Committee on Education and Labor  
Washington, DC 20515

The Honorable Lamar Alexander  
Chairman  
Senate Committee on Health, Education,  
Labor and Pensions  
Washington, DC 20510

The Honorable Patty Murray  
Ranking Member  
Senate Committee on Health, Education,  
Labor and Pensions  
Washington, DC 20510

Dear Chairmen Scott and Alexander and Ranking Members Foxx and Murray:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I write to urge immediate action to fix provisions in the Deferment for Active Cancer Treatment Act included in P.L. 115-245,<sup>1</sup> enacted on September 28, 2018. NASFAA represents more than 28,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. All told, NASFAA members serve nine out of every 10 undergraduate students.

The Deferment for Active Cancer Treatment Act provides interest-free deferment for borrowers in the Federal Family Education Loan Program (FFELP), Federal Perkins Loan Program, and the William D. Ford Direct Loan (DL) Program during cancer treatment and in the six months following treatment. For FFELP and DL borrowers, this provision applies only to loans in repayment on the date of enactment and loans made on or after the date of enactment, September 28, 2018.

Because the provision became immediately effective on the date of enactment, the Department of Education (ED) had no time to prepare to implement the deferment option, and as of today, the deferment is still not available for borrowers.<sup>2</sup> As a result, borrowers seemingly eligible for the deferment are offered only an interest-bearing forbearance as ED and servicers continue to work to implement the provision.<sup>3</sup> We look forward to this provision being fully implemented so borrowers can move into the deferment that they need.

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<sup>1</sup> Public Law No: 115-245: Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019

<sup>2</sup> "Deferment and Forbearance." *Office of Federal Student Aid*. (Accessed June 26, 2019). Online at: <https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance>

<sup>3</sup> Nova, A. (2019, April 9). "Student loan borrowers with cancer are supposed to be able to pause their payments. They're hitting a wall." *CNBC*. Online at: <https://www.cnbc.com/2019/04/09/new-cancer-deferment-for-student-loan-borrowers-has-a-rocky-rollout.html>; Nova, A. (2019, January 27). "Student borrowers with cancer should be able to put their bills on hold. This woman was told she couldn't." *CNBC*. Online at: <https://www.cnbc.com/2019/01/28/she-has-stage-4-breast-cancer-her-student-loans-were-still-due.html>.

Even as ED works to implement this deferment, there remains a statutory issue that requires congressional attention. As written, current legislative language avails the new cancer treatment deferment benefit only to loans in repayment on the date of enactment and to new loans disbursed on or after the date of enactment, thereby precluding loans already originated but not in repayment status, such as for those loans of borrowers currently in school or in the six-month grace period.

For example, take a borrower in the third year of a four-year program. If she borrowed federal student loans in each of the three years in her program and originated her third-year loan before September 28, 2018, the date of enactment, her loans for her first three years would not be eligible for the cancer treatment deferment, but if she borrowed in her fourth year, that loan, and only that loan of the four, *would* be eligible for the cancer treatment deferment.

Contrary to existing deferment provisions in the Higher Education Act (HEA), as amended, that are largely borrower-based, this language creates a loan-based deferment where eligibility is based on both the borrower's active cancer treatment *and* the loan's origination date, adding considerable complexity to an already-complex loan repayment system.

While NASFAA supports the intent of the language to support borrowers who may struggle to make payments on their federal student loans due to cancer treatment, we urge Congress to make immediate changes to ensure the deferment benefit can be properly utilized by all federal student loan borrowers. A revised cancer treatment deferment provision for Federal Direct Loans should be housed in HEA Sec. 455(f)(2) with the other existing deferments, where deferment eligibility is based solely on borrower activity, not both activity-based and loan-based. Similarly, a revised deferment for FFELP loans should also seek to match existing deferments and remove any loan-based eligibility requirements.

Following the provision's revision, we encourage Congress to engage in an important wholesale consideration of simplification of the existing loan repayment plans and deferment and forbearance options as part of a continued dialogue on the overdue reauthorization of HEA.

Given the critical need for streamlined, borrower-centered repayment policy, particularly for borrowers in the midst of cancer treatment, we respectfully request timely action to ensure borrowers are able to fully realize congressional intent.

Sincerely,



Justin Draeger,  
NASFAA President and CEO

cc: House and Senate Committees on Appropriations