

FOR IMMEDIATE RELEASE

Date: May 9, 2024

NASW National and NJ & DE Chapter Advocates Drive Key Changes in Student Loan Servicing Following Senate Hearing

WASHINGTON, D.C. - Dr. Cherese Godwin, Policy & Legislation Manager for the NASW New Jersey & Delaware Chapter, together with Sarah Butts, Public Policy Director at NASW National, met with key policymakers in Washington D.C. to confront the ongoing student loan debt crisis, collaborating directly with MOHELA, a leading student loan servicing agency. This critical engagement is part of a broader initiative to develop solutions for debt forgiveness and to enhance account management for borrowers, emphasizing the advancement of financial freedom and the rights of social workers and other public service professionals.

This advocacy effort coincided with a crucial Senate hearing on April 10, 2024, chaired by Senator Elizabeth Warren (D-MA), leader of the U.S. Senate Committee on Banking, Housing, and Urban Affairs Subcommittee on Economic Policy. The hearing, entitled "MOHELA's Performance as a Student Loan Servicer," meticulously reviewed MOHELA's management strategies, especially during the transition back to repayment and its administration of the Public Service Loan Forgiveness (PSLF) program.

Prompted by the troubling findings of "The MOHELA Papers," a comprehensive investigation released by the Student Borrower Protection Center and the American Federation of Teachers, the hearing addressed several significant servicing errors. These included incorrect payment count notifications for PSLF, miscalculations of payment amounts, and the loss of borrower records, alongside a concerning "call deflection" tactic that hindered borrower support.

In a decisive response to these challenges, the Department of Education announced in May 2024 the reassignment of one million student loan accounts from MOHELA to other servicers, a move propelled by the sustained advocacy and shared experiences of borrowers led by organizations such as the NASW.

The NASW remains steadfast in its commitment to advocate for affected borrowers and is actively gathering stories from those in states represented by Republican members of the subcommittee. These accounts are crucial for advocating comprehensive reforms in student loan servicing practices.

Join Us in Making a Difference

We encourage all interested parties and supporters in the D.C. area to participate in ongoing efforts to hold MOHELA accountable. If you cannot attend future hearings, we urge you to sign our ongoing petition calling for stricter regulatory oversight and enforcement against student loan servicers by the Department of Education. Your participation is vital in our continued fight to end the student debt crisis and ensure equitable treatment for all borrowers.

For further information or to arrange interviews, please contact:

Dr. Chereese Godwin

Policy & Legislation Manager

NASW NJ Chapter

Email: Cgodwin.naswnj@socialworkers.org

Phone: 732-296-8070 ext. 114

###

Founded in 1955, the National Association of Social Workers (NASW) is the largest membership organization of professional social workers in the world, with more than 100,000 members. The New Jersey Chapter is one of the three largest chapters in the United States, with more than 6,500 members. NASW-NJ works to enhance the professional growth and development of its members, to create and maintain professional standards, and to advance sound social policies. Learn more at www.naswnj.org.