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## Department of Education Botches Discharge Notifications, Raises Concerns on Ability to Transfer Loan Accounts

**WASHINGTON, D.C.** — Yesterday, nearly six months after the Department of Education [announced](#) that 72,000 defrauded borrowers who previously received partial discharges on their fraudulent student loans would receive full discharges, a majority of those borrowers were finally notified — despite the Department of Education initially asserting borrowers would receive notifications [“over the next several weeks.”](#) Notwithstanding taking six months to notify borrowers in what was described as a “streamline[d] process,” several notifications had wrong information, stating students who attended Everest or ITT Tech would receive discharges for attending “Marinello School Of Beauty,” a school which none of these students attended. Additionally, these email notifications included links to a website which publicly posted personal information online about the borrower and their claim, potentially exposing these borrowers to future scams.

These administrative errors and blunders raise serious concerns about whether the Department of Education is capable of transferring nearly [ten million](#) student loan accounts to new servicers before the [end of the year](#) without major error— including all individuals enrolled in the Public Service Loan Forgiveness program. These mistakes validate the Debt Collective’s grave concerns about the Department of Education’s ability to restart student loan payments in 2022 for 45 million debtors without seriously harming families’ financial lives. Past servicer transfers of a much smaller scale (2.5M accounts) saw [errors in one out of every five accounts](#).

“If the Department of Education struggles to properly send 72,000 people a single correct email, nevermind taking half a year to do it, then how are they going to transfer 10 million student loan accounts to new servicers before December,” **said Debt Collective Press Secretary, Braxton Brewington.** “In the past, student loan servicer transfers four times smaller than the

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The White House and Department of Education could simply avoid these errors if they administered student debt cancellation in full to everyone, rather than nitpicking defrauded borrowers here and scammed borrowers there.”

None of the fraudulent debts the Biden administration is working to eliminate would be canceled if debtors hadn’t [banded together to assert political and financial power](#). In the absence of the Debt Collective’s organizing, “borrower defense” would still be languishing in obscurity. Once the Debt Collective discovered how to make claims, we still had to fight multiple administrations tooth and nail — an especially egregious pursuit since these predatory schools should not be allowed to take advantage of students in the first place.

The [Debt Collective](#) is the nation’s first debtors’ union fighting to win full student debt cancellation and College for All.

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