

**CORI BUSH**  
1ST DISTRICT, MISSOURI

**WASHINGTON, DC OFFICE**  
563 CANNON HOB  
WASHINGTON, DC 20515  
(202) 225-2406

**ST. LOUIS OFFICE**  
6724-A PAGE AVE.  
ST. LOUIS, MO 63133  
(314) 955-9980



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

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SUBCOMMITTEE ON ECONOMIC AND CONSUMER  
POLICY

SUBCOMMITTEE ON THE ENVIRONMENT

October 18, 2022

Scott Giles  
Executive Officer  
Higher Education Loan Authority of the State of Missouri  
633 Spirit Drive  
Chesterfield, MO 63005

Dear Mr. Giles,

I write today on behalf of more than 43 million borrowers across the country, including more than 777,000 student loan borrowers in Missouri, to urge the Higher Education Loan Authority of the State of Missouri (MOHELA) to end your harmful attempt to block millions from accessing life-changing economic relief through the Biden Administration's historic student loan debt relief program.

It is unconscionable that your company—as one of the largest student loan companies in the world—would be involved in overtly political efforts to rob millions of their right to student loan debt relief. Earlier this month, Missouri Attorney General Eric Schmitt joined right-wing government officials across six states in an attempt to interfere with borrowers' right to cancellation by filing a preliminary injunction in federal court—acting on behalf of your company.<sup>1</sup>

In a shameful display before a federal judge last week, attorneys litigating on your behalf argued that the Biden Administration's efforts to provide millions of families with economic relief through student loan debt cancellation must grind to a halt because it would make student loan companies like yours less *profitable*.<sup>2</sup> In Missouri alone, your efforts to halt cancellation could rob Missouri families—particularly Black and brown families who are disproportionately impacted by the student debt crisis,<sup>3</sup> of more than \$12.7 billion in life-changing economic relief.<sup>4</sup> This economic relief will help reduce the staggering racial wealth gap plaguing our country and help reduce economic inequality. It will help families purchase a home, pay down other debts, and contribute to our local communities which continue to be ravaged by the ongoing economic challenges associated with the pandemic.

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<sup>1</sup> *Nebraska et al. v. Joseph R. Biden*, no. 4:22-cv-01040 (E.D. Mo. Sep. 29, 2022).

<sup>2</sup> *Nebraska et al. v. Joseph R. Biden*, no. 4:22-cv-01040 (E.D. Mo. Sep. 29, 2022);

[https://storage.courtlistener.com/recap/gov.uscourts.moed.198213/gov.uscourts.moed.198213.1.0\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.moed.198213/gov.uscourts.moed.198213.1.0_1.pdf).

<sup>3</sup> <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-quicksand-student-debt-crisis-jul2019.pdf>.

<sup>4</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2022/09/20/fact-sheet-the-biden-harris-administrations-plan-for-student-debt-relief-could-benefit-tens-of-millions-of-borrowers-in-all-fifty-states/>.

Another point of contention for policymakers involves MOHELA's treatment of public service workers attempting to access relief under the U.S. Department of Education's soon to expire Public Service Loan Forgiveness (PSLF) Waiver. Eligible PSLF recipients have shared publicly on social media waiting for up to six hours to get through to representatives at your company. These borrower stories align with findings from an investigation conducted by the Student Borrower Protection Center which revealed MOHELA has understaffed its call center and subjected borrowers to hours-long wait times, busy signals, or a message that the number does not exist.<sup>5</sup>

As the sole servicer for borrowers pursuing PSLF, these borrowers have no choice but to subject themselves to your company's egregious malpractices in an attempt to get relief. I will not stand by and watch as your company works on multiple fronts to block borrowers from relief they are entitled to in a clear attempt to continue profiteering off of the student loan debt crisis.

It is time for your company to stand with borrowers once and for all. To date, your company has remained silent about the legal efforts filed on your behalf to halt President Biden's student debt cancellation program.<sup>6</sup> The American people, including the millions of borrowers whose economic livelihoods now hang in the balance, deserve to know where you stand. Therefore, I request written responses to the following questions no later than Friday, October 28, 2022.

1. What is the extent of MOHELA executives' involvement with the Missouri Attorney General's office decision to file the preliminary injunction filed in federal court on September 29, 2022?
2. What is the nature of MOHELA's relationship with the Missouri Attorney General's office? Please provide any contractual agreements, correspondences, or communication between the two parties as it relates to student debt relief.
3. Is MOHELA supporting efforts to block millions of borrowers from accessing President Biden's debt relief plan in an effort to preserve its own profits?
4. Attorneys acting on your behalf argued before a federal judge that "MOHELA's revenue as a servicer of Direct Loan Program loans is a function of the number of accounts it services. So when student loan balances go to zero... MOHELA will lose the revenue from servicing those loans."<sup>7</sup> This suggests that it is not in your financial interest for borrowers to have their loan canceled through the PSLF program. What steps are your company taking to ensure that this clear conflict of interest is remedied and does not result in borrowers losing out on relief?

I appreciate your timely attention to this matter.

Sincerely,

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<sup>5</sup> <https://protectborrowers.org/wp-content/uploads/2022/10/FINAL-Demand-Letter-to-MOHELA-630pm.pdf>

<sup>6</sup> <https://www.businessinsider.com/student-loan-company-mohela-gets-cease-and-desist-blocking-relief-2022-10>

<sup>7</sup> *Nebraska et al. v. Joseph R. Biden*, Complaint ¶ 112, no. 4:22-cv-01040 (E.D. Mo. Sep. 29, 2022).

*Cori Bush*

CORI BUSH  
Member of Congress