

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

May 12, 2023

Honorable Miguel Cardona  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, D.C. 20202

Dear Secretary Cardona:

As Chairman of the Committee on Oversight and Accountability (Oversight Committee) and Chairwoman of the Committee on Education and the Workforce (Committee on Ed and Workforce) – committees authorized to conduct oversight of the U.S. Department of Education (Department) – we write to express our grave concerns about the Department’s unannounced decision to relax the income verification requirements for federal student loan borrowers who enroll in income-driven repayment (IDR) plans. According to the website of the Office of Federal Student Aid, the Department has determined that, because of the COVID-19 pandemic and the subsequent pause in student loan repayments, a student loan borrower enrolling in IDR will not be required to provide the necessary tax documentation to verify the income on which a borrower’s monthly payments are calculated.<sup>1</sup>

For a student loan borrower with excessive repayment burdens, IDR offers lower monthly payments based on a share of a borrower’s discretionary income rather than the amount borrowed.<sup>2</sup> Normally, borrowers must provide their tax return information to enroll in an IDR plan and must recertify that information each year. However, allowing borrowers to “self-report . . . [their] income” “without needing to submit tax documentation” and not requiring borrowers to “recertify before payments restart”<sup>3</sup> raises serious concerns that individuals may fraudulently misrepresent their income to reduce their loan payments and ultimately have their student loans transferred to taxpayers.

The Oversight Committee has held two hearings about COVID-19 relief programs, including programs that relied on self-certification, and has heard testimony that self-certification contributed to improper payments and fraud.<sup>4</sup> For example, the Small Business Administration’s Paycheck Protection Program and Economic Injury Disaster Loans and the Department of Labor’s Pandemic Unemployment Assistance program all relied on self-certification, and each

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<sup>1</sup> *COVID-19 Relief: Income-Driven Repayment (IDR) Plans*, FEDERAL STUDENT AID, AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION, <https://studentaid.gov/announcements-events/covid-19/income-driven-repayment>.

<sup>2</sup> *Income-driven Repayment – What Is It? How Do I Get It?*, GREAT LAKES.

<sup>3</sup> *Supra* note 1.

<sup>4</sup> *Federal Pandemic Spending: A Prescription for Waste, Fraud and Abuse: Hearing Before H. Comm. on Oversight & Accountability*, 118<sup>th</sup> Cong.; *Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease: Hearing Before H. Subcomm. on Gov’t. Operations and the Fed. Workforce*, 118<sup>th</sup> Cong.

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program experienced significant fraud attributed in part to the ability to self-certify.<sup>5</sup> The Comptroller General testified that “federal and state agencies [that] relied on self-attestation or self-certification for individuals to verify their eligibility or identity to receive assistance from some emergency relief programs...left the agencies open to significant fraud risks.”<sup>6</sup> Furthermore, he observed that “reliance on applicant self-certifications can make a program more vulnerable to exploitation by criminal actors or ineligible applicants.”<sup>7</sup> To put it succinctly, self-certification “invites fraud.”<sup>8</sup>

In light of the Oversight Committee’s observations about self-certification in multiple COVID-19 pandemic relief programs, we are concerned about the extent to which the Department is leaving taxpayers vulnerable to waste, fraud, and abuse.<sup>9</sup> The Government Accountability Office (GAO) shares this concern and identified the threat to taxpayers from a lack of income verification in IDR several years ago.<sup>10</sup> Comptroller General Gene Dodaro recently testified before the Committee, stating, “We’ve seen . . . [in the past] on the [IDR] plans...the Education Department...didn’t verify the incomes, and a lot of people who reported zero income really didn’t have zero income.”<sup>11</sup>

Given the correlation between self-certification and fraud, we request a staff-level briefing no later than May 19, 2023, about the following points: (1) the Department’s specific legal authority to waive income verification requirements; (2) a detailed explanation of when and why the decision to relax income verification was made; and (3) the Department’s internal controls and procedures used to prevent fraud in student loan repayments. To schedule the briefing or to ask any related follow-up questions, please contact the Majority staff of the Committee on Oversight and Accountability at (202) 225-5074, or the Majority staff of the Committee on Education and the Workforce at (202) 225-4527.

The Oversight Committee is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Similarly, the Committee on Ed and Workforce is charged with oversight of all education matters under its jurisdiction, including the *Higher Education Act of 1965*. Thank you for your attention to this matter.

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<sup>5</sup> GOV’T ACCOUNTABILITY OFF., GAO-23-106556, TESTIMONY BEFORE THE H. COMM. ON OVERSIGHT & ACCOUNTABILITY, EMERGENCY RELIEF FUNDS: SIGNIFICANT IMPROVEMENTS ARE NEEDED TO ADDRESS FRAUD AND IMPROPER PAYMENTS (Feb. 1, 2023).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *The Government Accountability Office’s 2023 High Risk List: Hearing Before H. Comm. on Oversight & Accountability*, 118<sup>th</sup> Cong. (April 26, 2023).

<sup>9</sup> *Federal Pandemic Spending: A Prescription for Waste, Fraud and Abuse: Hearing Before H. Comm. on Oversight & Accountability*, 118<sup>th</sup> Cong.; *Waste, Fraud, and Abuse Go Viral: Inspectors General on Curing the Disease: Hearing Before H. Subcomm. on Gov’t. Operations and the Fed. Workforce*, 118<sup>th</sup> Cong.

<sup>10</sup> GOV’T ACCOUNTABILITY OFF., GAO-19-347, FEDERAL STUDENT LOANS: EDUCATION NEEDS TO VERIFY BORROWERS’ INFORMATION FOR INCOME-DRIVEN REPAYMENT PLANS (June 2019).

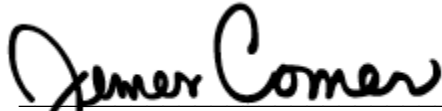
<sup>11</sup> *Supra* note 8.

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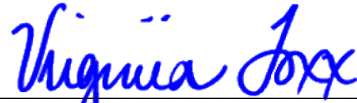
Sincerely,



James Comer

Chairman

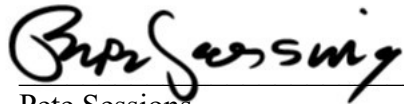
Committee on Oversight and Accountability



Virginia Foxx

Chairman

Committee on Education and the Workforce



Pete Sessions

Chairman

Subcommittee on Government Operations  
and the Federal Workforce

cc: The Honorable Jamie B. Raskin, Ranking Member  
Committee on Oversight and Accountability

The Honorable Bobby Scott, Ranking Member  
Committee on Education and the Workforce

The Honorable Kweisi Mfume, Ranking Member  
Subcommittee on Government Operations and the Federal Workforce