



JUL 25 2018

The Honorable Patty Murray  
Ranking Member  
Committee on Health, Education, Labor & Pensions  
United States Senate  
Washington, D.C. 20515

Dear Ranking Member Murray:

As requested in both the joint explanatory statement accompanying the *Consolidated Appropriations Act of 2018*, and Senate Report 115-150, we are transmitting to Congress the enclosed information regarding borrower defense applications made pursuant to Section 455(h) of the *Higher Education Act of 1965*, as amended, 20 U.S.C. § 1087e(h), and our implementing regulations.

The enclosed report provides information regarding the total borrower defense applications received and discharged as of March 31, 2019, both nationally and by state. The report also provides the median outstanding debt for borrower defense applicants prior to discharge, as well as the median loan debt remaining for applicants who received a partial discharge. The report also calculates the percentage of the approved applications that received a tiered relief discharge of less than 100% relief and the percentage of the total approved applications that received 100% relief.

As of this quarterly report, we remain subject to the preliminary injunction issued<sup>6</sup> in the case of *Manriquez v. DeVos*, No. 17-cv-7210 (N.D. Cal.). The injunction enjoins us from using a methodology we had developed to quantify the amount of relief that borrowers would receive for certain types of approved borrower defense applications. Furthermore, we are devoting significant resources to implementing the 2016 borrower defense to repayment final regulations (the “2016 final regulations”) that we promulgated on November 1, 2016, at 81 Fed. Reg. 75,926, and supporting oversight and transparency efforts.

Even with our limited resources being devoted to implementation, oversight, and transparency work, we plan to increase our adjudication of borrower defense applications in the future. The total amount discharged and the number of approved and denied applications included in the enclosed report has not changed from what we previously reported, as a result of ongoing

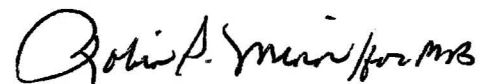
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<sup>6</sup> The Department has filed an appeal of the preliminary injunction order with the Ninth Circuit Court of Appeals, and that appeal is pending.

litigation and the prioritization of the implementation of the 2016 final regulations. As promised in the last quarterly report, the Department augmented this quarterly report with additional information. You will notice that we added a new column to each separate subcategory of information that shows the changes from the prior quarter. In the coming weeks, we plan to post the attached report in its entirety on the Federal Student Aid Data Center at [StudentAid.gov/data-center](http://StudentAid.gov/data-center).

If you have any questions about this report, please have your staff contact [REDACTED] in the Office of Legislation and Congressional Affairs by email at [REDACTED].

Sincerely,

A handwritten signature in black ink that reads "Mark A. Brown" with a stylized flourish at the end.

Mark A. Brown  
Chief Operating Officer

**Borrower Defense - Quarterly Report - for quarter end 3/31/2019\***

<b>Total Received Applications</b>	<b>239,937</b>	<b>Percentage of the total approved applications receiving partial discharge</b>	<b>31.3%</b>
<b>Total Pending Applications</b>	<b>179,377</b>	<b>Percentage of the total approved Applications receiving 100% discharge</b>	<b>68.7%</b>
<b>Total Approved Applications</b>	<b>47,942</b>	<b>Total dollar amount of outstanding debt prior to discharge</b>	<b>\$ 602,445,930</b>
<b>Total Denied Applications</b>	<b>9,077</b>	<b>Median dollar amount of outstanding debt prior to discharge</b>	<b>\$ 11,542</b>
<b>Total Closed Applications</b>	<b>3,541</b>	<b>Median loan debt remaining for applications receiving partial discharge</b>	<b>\$ 7,851</b>
<b>Total Amount Discharged</b>	<b>\$534,765,563</b>		

**State Level Breakouts:**

Total Received			Total Pending			Total Approved			Total Denied			Total Closed			Total Amount Discharged		
Borrower State of Residence	Total Received	Change since Last Quarter	Borrower State of Residence	Pending	Change since Last Quarter	Borrower State of Residence	Approved	Change since Last Quarter	Borrower State of Residence	Denied	Change since Last Quarter	Borrower State of Residence	Closed	Change since Last Quarter	Borrower State of Residence	Total Discharged	Change since Last Quarter
<b>TOTAL</b>	<b>239,937</b>	<b>21,571</b>	<b>TOTAL</b>	<b>179,377</b>	<b>21,267</b>	<b>TOTAL</b>	<b>47,942</b>	<b>NA</b>	<b>TOTAL</b>	<b>9,077</b>	<b>NA</b>	<b>TOTAL</b>	<b>3,541</b>	<b>304</b>	<b>TOTAL</b>	<b>\$ 534,765,563</b>	<b>NA</b>
California	52,711	2,907	California	34,821	2,850	California	15,047	NA	California	1,053	NA	California	1,160	57	California	\$ 161,534,402	NA
Florida	20,122	1,321	Florida	15,768	1,904	Massachusetts	3,957	NA	Texas	299	26	Texas	299	26	Florida	\$ 42,888,639	NA
Texas	18,590	1,822	Texas	13,555	1,797	Texas	3,464	NA	Illias	862	NA	Florida	188	17	Massachusetts	\$ 30,688,621	NA
Illinois	12,390	1,118	Illinois	9,439	1,104	Florida	3,230	NA	Florida	896	NA	Georgia	166	28	Texas	\$ 25,655,187	NA
Georgia	10,813	1,054	Georgia	8,044	1,026	Washington	2,289	NA	Georgia	529	NA	Illinois	155	14	Georgia	\$ 21,552,981	NA
Washington	8,399	521	Ohio	6,362	804	Georgia	1,875	NA	Washington	486	NA	Hawaii	119	0	Washington	\$ 19,933,760	NA
Ohio	7,428	817	New York	5,997	707	Illinois	1,727	NA	Michigan	318	NA	Washington	112	0	Illinois	\$ 14,977,977	NA
New York	6,539	720	Pennsylvania	5,536	871	Michigan	1,463	NA	Michigan	278	NA	Massachusetts	107	0	Illinois	\$ 14,869,393	NA
Pennsylvania	6,386	865	Washington	5,512	521	Virginia	1,039	NA	Virginia	245	NA	Ohio	103	0	Michigan	\$ 14,153,896	NA
Massachusetts	6,550	284	North Carolina	5,020	620	North Carolina	976	NA	Virginia	241	NA	Maryland	100	14	Hawaii	\$ 12,586,221	NA
Michigan	6,519	652	Michigan	4,683	652	Pennsylvania	972	NA	Oregon	210	NA	North Carolina	99	13	Pennsylvania	\$ 12,221,510	NA
North Carolina	6,210	633	Virginia	4,309	520	Ohio	913	NA	Hawaii	163	NA	New York	83	13	Ohio	\$ 10,492,104	NA
Virginia	5,658	520	Indiana	4,000	513	Ohio	841	NA	Nevada	160	NA	Ohio	65	0	Virginia	\$ 10,464,715	NA
Indiana	4,718	513	Arizona	3,847	515	Oregon	836	NA	New York	160	NA	Mesouri	64	0	Mesouri	\$ 10,213,707	NA
Missouri	4,611	543	Missouri	3,680	543	Colorado	774	NA	Indiana	159	NA	Michigan	55	0	New York	\$ 9,693,155	NA
Arizona	4,237	520	New Jersey	3,241	392	Missouri	729	NA	Hawaii	155	NA	Mississippi	52	0	Colorado	\$ 8,620,865	NA
Colorado	4,021	374	Minnesota	3,091	317	New York	699	NA	Missouri	138	NA	Minnesota	48	0	Missouri	\$ 7,151,531	NA
New Jersey	3,899	382	Colorado	3,055	371	Minnesota	643	NA	Ohio	122	NA	Nevada	46	0	Wisconsin	\$ 6,375,115	NA
Minnesota	3,619	317	Tennessee	3,024	497	Indiana	522	NA	North Carolina	115	NA	New Jersey	40	0	South Carolina	\$ 6,033,202	NA
Maryland	3,605	427	Maryland	2,964	427	New Jersey	515	NA	Wisconsin	105	NA	Oregon	39	0	Indiana	\$ 5,863,532	NA
Oregon	3,563	282	Massachusetts	2,593	284	Nevada	433	NA	New Jersey	103	NA	Indiana	37	0	Tennessee	\$ 5,714,017	NA
Tennessee	3,453	504	Nevada	2,536	283	South Carolina	382	NA	Massachusetts	93	NA	Alabama	33	0	Maryland	\$ 5,222,339	NA
Nevada	3,164	283	Oregon	2,478	283	Arizona	369	NA	Arizona	58	NA	Nevada	33	0	Mississippi	\$ 4,894,864	NA
Wisconsin	2,776	247	Wisconsin	2,394	247	Tennessee	359	NA	South Carolina	57	NA	Maryland	31	0	Maryland	\$ 4,859,559	NA
South Carolina	2,710	405	South Carolina	2,240	403	Mississippi	342	NA	Utah	48	NA	**South Carolina	31	31	New Jersey	\$ 4,527,620	NA
Hawaii	2,628	95	Alabama	2,053	389	Alabama	307	NA	West Virginia	47	NA	Alabama	29	0	Alabama	\$ 4,442,081	NA
Alabama	2,438	399	Kentucky	1,966	247	Kentucky	307	NA	Tennessee	45	NA	Louisiana	27	79	Louisiana	\$ 4,015,068	NA
Kentucky	2,189	296	Louisiana	1,619	216	Louisiana	273	NA	Tennessee	44	NA	Mississippi	26	0	Arizona	\$ 3,850,660	NA
Louisiana	1,953	220	Hawaii	1,441	95	Arkansas	235	NA	Ohio	42	NA	District of Columbia	22	NA	Kentucky	\$ 3,021,453	NA
Mississippi	1,747	189	Mississippi	1,315	189	Wisconsin	231	NA	Mississippi	38	NA	Wisconsin	20	0	Wisconsin	\$ 2,842,269	NA
Utah	1,507	126	Utah	1,267	123	West Virginia	230	NA	Minnesota	37	NA	Arkansas	19	0	Arkansas	\$ 2,693,604	NA
Oklahoma	1,402	191	Oklahoma	1,227	186	Utah	182	NA	Utah	33	NA	Alabama	18	0	West Virginia	\$ 2,475,106	NA
Kansas	1,258	132	Kansas	1,096	132	Kentucky	177	NA	Alabama	30	NA	Kansas	17	0	Kansas	\$ 2,074,561	NA
Arkansas	1,206	120	Arkansas	932	117	Iowa	147	NA	Utah	27	NA	Utah	16	0	Utah	\$ 1,821,799	NA
West Virginia	1,172	126	Connecticut	894	110	Kansas	138	NA	Kansas	138	NA	Iowa	15	0	Iowa	\$ 1,681,706	NA
Connecticut	1,038	111	West Virginia	871	128	Oklahoma	137	NA	Oklahoma	137	NA	Oklahoma	14	0	Oklahoma	\$ 1,618,205	NA
Iowa	1,004	132	Iowa	826	128	Connecticut	130	NA	Connecticut	130	NA	Connecticut	14	0	Connecticut	\$ 1,467,437	NA
New Mexico	833	79	New Mexico	737	79	Idaho	109	NA	Idaho	109	NA	Idaho	10	0	Idaho	\$ 1,242,733	NA
Idaho	816	103	Idaho	691	101	Wyoming	109	NA	Wyoming	109	NA	Nevada	9	0	Nevada	\$ 1,050,695	NA
Nevada	689	90	Nevada	569	88	Nebraska	101	NA	Nebraska	101	NA	New Mexico	9	0	New Mexico	\$ 1,023,916	NA
District of Columbia	558	53	District of Columbia	423	50	New Hampshire	97	NA	New Hampshire	97	NA	Wyoming	8	0	Wyoming	\$ 1,023,545	NA
New Hampshire	447	43	New Hampshire	338	43	New Mexico	87	NA	District of Columbia	81	NA	Delaware	7	0	Delaware	\$ 997,437	NA
Delaware	410	38	Delaware	322	36	District of Columbia	81	NA	Foreign Country	71	NA	New Hampshire	6	0	New Hampshire	\$ 975,657	NA
Montana	375	32	Montana	297	32	Foreign Country	71	NA	Foreign Country	71	NA	Montana	5	0	Foreign Country	\$ 918,270	NA
Maine	369	50	Maine	295	50	Delaware	70	NA	Delaware	70	NA	Montana	4	0	Montana	\$ 899,874	NA
Wyoming	344	30	Rhode Island	264	37	Montana	64	NA	Montana	64	NA	District of Columbia	3	0	District of Columbia	\$ 797,028	NA
Rhode Island	316	38	South Dakota	239	28	Maine	62	NA	Maine	62	NA	Alaska	3	0	Alaska	\$ 688,928	NA
South Dakota	299	28	Wyoming	224	30	Alaska	56	NA	Alaska	56	NA	Maine	2	0	Maine	\$ 685,578	NA
Alaska	287	29	Alaska	198	29	South Dakota	49	NA	South Dakota	49	NA	Rhode Island	2	0	Rhode Island	\$ 612,237	NA
North Dakota	225	0	North Dakota	177	0	Rhode Island	46	NA	Rhode Island	46	NA	South Dakota	1	0	South Dakota	\$ 559,250	NA
Foreign Country	190	0	Foreign Country	97	0	North Dakota	43	NA	North Dakota	43	NA	North Dakota	1	0	North Dakota	\$ 432,410	NA
Vermont	137	13	Vermont	94	13	Vermont	36	NA	Vermont	36	NA	US Virgin Islands	1	0	US Virgin Islands	\$ 357,365	NA
Puerto Rico	84	11	Puerto Rico	74	11	Puerto Rico	36	NA	Puerto Rico	36	NA	Vermont	1	0	Vermont	\$ 300,486	NA
US Virgin Islands	64	0	US Virgin Islands	39	0	US Virgin Islands	39	0	US Virgin Islands	39	0	Armed Forces Europe	1	0	Armed Forces Europe	\$ 134,534	NA
Armed Forces Europe	51	0	Armed Forces Europe	37	0	Armed Forces Europe	37	0	Armed Forces Europe	37	0	Guam	1	0	Guam	\$ 133,611	NA
**Armed Forces Pacific	30	30	**Armed Forces Pacific	166	90	Less than 30	71	NA	Less than 30	227	NA	Less than 30	1	0	Less than 30	\$ 179,611	NA
Less than 30	200	90	Less than 30	166	90	Less than 30	71	NA	Less than 30	227	NA	Less than 30	1	0	Less than 30	\$ 179,611	NA

**NOTES:**  
 Enhanced functionality, now available in borrower defense system, Customer Engagement Management System (CEMS), allows the U.S. Department of Education (ED) to more quickly identify potential duplicate Applications. As a result, the methodology of this report now excludes duplicate applications. Due to this change, it is possible that the counts of Applications in various categories may decrease from previous quarters' reports.  
 Outstanding and remaining debt amounts exclude consolidation loans and loans previously paid off by consolidation.  
 As referenced in the letter submitted from ED regarding the 6/30/2018 Borrower Defense Quarterly Congressional report, data provided at the state level presents an inadvertent disclosure risk. Therefore, the state data has not been updated in the event that the borrower count has changed less than 10 since the previous report. These changes are included in the bucket, "Less than 30," as to not impact the total numbers.  
 All dollar amounts and percent elements in the 3/31/2019 Quarterly report that are unchanged from the 9/30/2018 Quarterly report reflect the fact that ED deferred processing of discharges during this quarter as a result of ongoing litigation. This includes the values referenced: Total Amount Discharged, Percentage of the total approved Applications receiving partial discharge.  
 \*\*This is the first time the location reached the 30-application threshold for the indicated status. Previously, the location was reported in the "Less than 30" category.

**Data Descriptions:**  
 Total Received Applications: Total count of applications received by ED that have passed initial intake reviews and deemed ready for further review and adjudication.  
 Total Denied Applications: Total count of applications that ED reviewed and signed off as denied applications.  
 Total Closed Applications: Total count of applications closed with no need for adjudication, (e.g. borrower requests that ED stop processing application.)  
 Total Pending Applications: Total count of applications under review prior to a determination.  
 Total Approved Applications: Total count of applications approved for discharge.  
 Total Amount of Discharges: Total dollar amount associated with discharged applications.

**Sources:**  
 CEMS Borrower Defense System  
 NSLDS (National Student Loan Data System)