

SEP 19 2018

The Honorable Patty Murray  
Ranking Member  
Subcommittee on Labor, Health and Human Services,  
Education, and Related Agencies  
United States Senate  
Washington, DC 20510

Dear Ranking Member Murray:

In accordance with Senate Report 115-150 and the *Consolidated Appropriations Act of 2018*, the U.S. Department of Education (Department) is required to transmit to Congress information regarding Borrower Defense to Repayment (borrower defense) claims made pursuant to section 455(h) of the *Higher Education Act of 1965, as amended*.

The Department's first report is attached and is comprised of data that are manually derived. For upcoming quarters, the process will be automated and submitted quarterly.

This report, as required, provides information regarding total borrower defense claims received as of June 30, 2018 as well as pending, approved, denied, and closed claims, both in aggregate and disaggregated by state. The report also provides the median outstanding debt prior to discharge, as well as the median loan debt remaining for claims receiving partial discharge.

The Department has one concern with the requested data. Data provided at the state level presents an inadvertent disclosure risk due to small cell sizes. We, therefore, propose the submission of the aggregate data on a quarterly basis and the state disaggregated data biannually, contingent on the change in data between the reports being sufficient to avoid such a disclosure risk. Therefore, while we will likely be unable to provide disaggregated State data in the next quarterly report, we expect, along with aggregated data, to be able to provide received claims by State.

The Department will post the aggregated data on the Federal Student Aid Data Center at <https://studentaid.ed.gov/sa/data-center>.

If you have any questions about this report, please have your staff contact Molly Petersen in the Office of Legislation and Congressional Affairs by email at [molly.petersen@ed.gov](mailto:molly.petersen@ed.gov) or by phone at 202-401-0020.

Sincerely,



James F. Manning  
Acting Chief Operating Officer

Enclosure

## Borrower Defense - Quarterly Report - for quarter end 6/30/2018

Total Received Claims	165,880	Percentage of the total approved claims receiving partial discharge	31.3%
Total Pending Claims	105,998		
Total Approved Claims	47,942	Total dollar amount of outstanding debt prior to discharge	\$602,445,930
Total Denied Claims	9,077	Median dollar amount of outstanding debt prior to discharge	\$ 11,542
Total Closed Claims	2,863	Median loan debt remaining for claims receiving partial discharge	\$ 7,851
Total Amount Discharged	\$534,765,563		

### State Level Breakouts:

Total Received	
Borrower State of Residence	Total Received
<b>TOTAL</b>	<b>165,880</b>
CA	39,455
FL	13,354
TX	12,612
IL	8,698
GA	7,229
WA	6,255
MA	5,596
OH	4,800
MI	4,520
PA	4,432
NY	4,403
NC	4,076
VA	3,891
MO	3,035
IN	3,006
MN	2,719
CO	2,716
OR	2,641
AZ	2,538
NJ	2,503
MD	2,311
HI	2,208
TN	2,089
NV	2,081
WI	1,861
SC	1,684
AL	1,450
KY	1,283
LA	1,199
MS	1,190

Total Pending	
Borrower State of Residence	Pending
<b>TOTAL</b>	<b>105,998</b>
CA	21,825
FL	9,025
TX	7,963
IL	5,811
GA	4,679
OH	3,757
NY	3,484
WA	3,407
PA	3,114
NC	2,920
MI	2,688
VA	2,546
IN	2,287
AZ	2,157
MO	2,118
MN	1,967
NJ	1,854
CO	1,755
MD	1,670
TN	1,663
MA	1,552
OR	1,550
WI	1,485
NV	1,456
SC	1,225
AL	1,085
KY	1,061
HI	1,038
LA	875
UT	776

Total Approved	
Borrower State of Residence	Approved
<b>TOTAL</b>	<b>47,942</b>
CA	15,047
MA	3,857
TX	3,464
FL	3,230
WA	2,289
GA	1,875
IL	1,727
MI	1,463
VA	1,039
NC	976
PA	972
HI	913
OH	841
OR	836
CO	774
MO	729
NY	699
MN	643
IN	522
NJ	515
NV	433
SC	382
MD	369
TN	359
MS	342
AL	307
AZ	307
LA	273
AR	235
WI	231

Total Denied	
Borrower State of Residence	Denied
<b>TOTAL</b>	<b>9,077</b>
CA	1,683
IL	1,039
TX	962
FL	936
GA	528
WA	486
MI	318
PA	278
VA	245
MD	241
OR	210
CO	163
NV	162
NY	160
IN	159
HI	155
MO	138
OH	122
NC	115
WI	105
NJ	103
MA	93
AZ	58
SC	57
UT	48
WV	47
TN	45
LA	44
DC	42
MS	38

Total Closed	
Borrower State of Residence	Closed
<b>TOTAL</b>	<b>2,863</b>
CA	900
TX	223
FL	163
GA	147
IL	121
HI	102
MA	94
OH	80
WA	73
MN	72
PA	68
NC	65
VA	61
NY	60
MI	51
MO	50
MS	45
OR	45
WI	40
IN	38
MD	31
NJ	31
NV	30
Less than 30	273

Total Amount Discharged	
Borrower State of Residence	Total Discharged
<b>TOTAL</b>	<b>\$ 534,765,562.65</b>
CA	\$ 181,534,401.68
FL	\$ 42,988,608.01
MA	\$ 30,668,620.67
TX	\$ 25,655,187.48
GA	\$ 21,052,060.65
WA	\$ 18,933,759.95
IL	\$ 14,977,976.71
NC	\$ 14,869,392.57
MI	\$ 14,153,986.21
HI	\$ 12,586,220.53
PA	\$ 12,221,509.98
OR	\$ 10,492,103.89
OH	\$ 10,464,714.95
VA	\$ 10,213,706.62
NY	\$ 9,693,154.96
CO	\$ 8,620,865.33
MO	\$ 7,151,531.27
NV	\$ 6,375,114.85
SC	\$ 6,033,202.05
IN	\$ 5,863,531.95
TN	\$ 5,714,017.12
MD	\$ 5,222,338.59
MS	\$ 4,884,963.73
MN	\$ 4,859,558.93
NJ	\$ 4,527,620.08
AL	\$ 4,442,080.99
LA	\$ 4,015,068.21
AZ	\$ 3,850,660.42
KY	\$ 3,021,453.11
WI	\$ 2,842,268.55

UT	1,011
OK	863
WV	808
KS	798
AR	771
IA	682
CT	624
NM	551
ID	523
NE	464
DC	375
NH	304
DE	252
WY	252
MT	237
ME	220
FC	218
RI	204
AK	202
SD	199
ND	168
VT	105
AE	47
PR	43
VI	40
Less than 30	84

MS	765
OK	693
KS	639
IA	510
WV	508
AR	498
CT	475
NM	456
ID	397
NE	347
DC	243
NH	192
DE	171
MT	162
RI	154
ME	150
SD	138
AK	134
WY	132
FC	129
ND	119
VT	62
PR	36
AE	31
Less than 30	64

WV	230
UT	182
KY	177
IA	147
KS	138
OK	137
CT	130
ID	109
WY	109
NE	101
NH	97
NM	87
DC	81
FC	71
DE	70
MT	64
ME	62
AK	56
SD	49
RI	46
ND	43
VT	36
Less than 30	71

MN	37
AL	33
Less than 30	227

AR	\$	2,693,604.27
WV	\$	2,475,106.47
KS	\$	2,074,560.94
UT	\$	1,821,799.26
IA	\$	1,681,706.17
OK	\$	1,618,205.02
CT	\$	1,467,437.04
ID	\$	1,242,733.49
NE	\$	1,050,694.52
NM	\$	1,023,915.71
WY	\$	1,023,544.83
DE	\$	997,436.54
NH	\$	975,557.41
FC	\$	918,270.21
MT	\$	889,873.78
DC	\$	797,027.97
AK	\$	688,927.93
ME	\$	685,577.58
RI	\$	612,236.75
SD	\$	559,249.52
ND	\$	432,409.52
VI	\$	357,365.20
VT	\$	300,486.42
AE	\$	134,933.88
GU	\$	133,610.94
Less than \$100,000	\$	179,611.24

Data Descriptions:

*Total Received Claims: Total count of applications received by the Department that have passed initial intake reviews and deemed ready for further review and adjudication.*

*Total Denied Claims: Total count of applications the Department reviewed and signed off as denied applications.*

*Total Closed Claims: Total count of applications closed with no need for adjudication. (e.g. duplicate applications; borrower requests that the Department stop processing application.)*

*Total Pending Claims: Total count of applications under review prior to a determination.*

*Total Approved Claims: Total count of applications approved for discharge.*

*Total Amount of Discharges: Total dollar amount associated with discharged applications.*

Sources:

*Borrower Defense database at NGDC (Next Generation Data Center)*

*NSLDS (National Student Loan Data System)*

*Federal Servicers (via Borrower Defense Reporting)*

*Borrower Defense Applications*

Other Notes:

*Outstanding and remaining debt amounts exclude consolidation loans and loans previously paid off by consolidation.*