



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, DC 20530

The Honorable Elizabeth Warren
United States Senate
Washington, DC 20510

Dear Senator Warren:

This responds to your letter to the Department of Justice (Department), dated May 23, 2024, regarding guidance implemented by the Department and the Department of Education in November 2022, to handle requests to discharge student loans in bankruptcy. The United States Trustee Program (USTP) is the component of the Department responsible for supervising the administration of bankruptcy cases and private trustees under title 11 of the United States Code. We are sending an identical response to the other Member who joined your letter.

The Department works every day to earn the trust of, and inspire confidence in, the public we serve. That includes efforts to make sure processes are as fair, accessible, and consistent as possible. The USTP's role in that mission is to promote the integrity and efficiency of the bankruptcy system for the benefit of all stakeholders—debtors, creditors, and the public. The USTP's enforcement, regulatory, and administrative responsibilities give the program a role in bankruptcy distinct from government entities that appear in bankruptcy cases as creditors. For example, although the USTP may appear and be heard on any issue in any case or proceeding in bankruptcy, other Department attorneys represent the government in adversary proceedings brought by debtors seeking to discharge their federal student loans. The Civil Division, which is more directly involved in student-loan litigation, is the component of the Department overseeing the implementation of the guidance. It has taken the lead in promoting awareness and providing training on the new guidance for student loan discharge requests in bankruptcy.

Accordingly, the USTP has provided support chiefly as a liaison with the bankruptcy community, facilitating the exchange of information about the new process and soliciting feedback from stakeholders, including judges. Among its specific efforts, the USTP included links to the guidance and related forms on its website and the web pages for each USTP region.¹ Additionally, USTP leadership routinely engages in outreach to national and local stakeholder groups on issues of interest, including the student loan guidance. For example, Director Tara Twomey spoke about the success of the new process and solicited feedback in her April 26 address to the annual convention of the National Association of Consumer Bankruptcy

¹ U.S. Dep't of Just., Student Loan Guidance, <https://www.justice.gov/ust/student-loan-guidance>.

Attorneys.² USTP leadership also collaborates with other officials to share information about the process's implementation and remains committed to reinforcing outreach efforts.

In addition, the Civil Division has promoted the new guidance procedures at the following stakeholder events in the past twelve months:

- The Connecticut Bar Association's annual Connecticut Bankruptcy Conference on September 14, 2023, in Portland, Connecticut;
- A seminar hosted by the Federal Bar Association for the Northern District of Illinois and the Bankruptcy Court for the Northern District of Illinois on September 28, 2023, in Chicago, Illinois;
- The American Bankruptcy Institute's Consumer Practice Extravaganza seminar on November 1, 2023, attended by over 300 consumer bankruptcy attorneys;
- The U.S. Trustee for Region 4's seminar for commercial law and bankruptcy practitioners in Maryland, South Carolina, Virginia, West Virginia, and the District of Columbia on December 15, 2023;
- Nationwide training for all 94 United States Attorneys' offices on May 13, 2024;
- The 59th Annual Seminar for the National Association for Chapter 13 Trustees on July 6, 2024, in Boston, Massachusetts; and
- The Tenth Circuit Bench and Bar Conference on September 5, 2024, in Colorado Springs, Colorado.

The Civil Division will continue to pursue opportunities to increase awareness of the new procedures. In addition, Civil Division attorneys continue on a daily basis to address questions from and provide assistance to United States Attorneys' offices regarding implementation of the guidance in their cases, and in recent months has provided training materials to offices conducting their own training sessions.

Finally, the Department, along with the Department of Education, have continued to monitor and evaluate the effectiveness of the new guidance. The Department has obtained data from United States Attorneys' offices demonstrating that the number of debtors successfully using the revised process continues to increase. According to the updated data:

- 1,220 cases were filed from November 2022 through March 2024, a significant increase from recent years. As anticipated, case filings have steadily increased as consumers have learned of the new process. A total of 588 new cases were filed from October 2023 to

² U.S. Dep't of Just., Remarks of Dir. Tara Twomey at the 32nd Annual Convention of the Nat'l Assoc. of Consumer Bankr. Attorneys (2024), <https://www.justice.gov/ust/speech/remarks-director-tara-twomey-32nd-annual-convention-national-association-consumer>.

March 2024 alone, which is a 36 percent increase from the prior six-month period. The departments expect this trend to continue.

- The vast majority of borrowers seeking discharge continue to benefit from the guidance. In cases decided by the courts from November 2022 through March 2024, 99 percent have provided debt relief through full or partial discharge. And the overall number of court judgments providing full or partial discharge has continued to increase, with the number of such judgments for the six months from October 2023 through March 2024, exceeding the number of judgments for the preceding 12 months.
- Borrowers continue to embrace the new process in large numbers. In filed cases, 96 percent of all borrowers are voluntarily using the streamlined process, which includes a standard attestation form that allows borrowers to more easily identify and provide relevant information in support of their discharge requests.

We hope this information is helpful. Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,


Slade Bond
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Slade Bond
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Slade Bond
Deputy Assistant Attorney General