

Student loan updates

September 2025 legislative days

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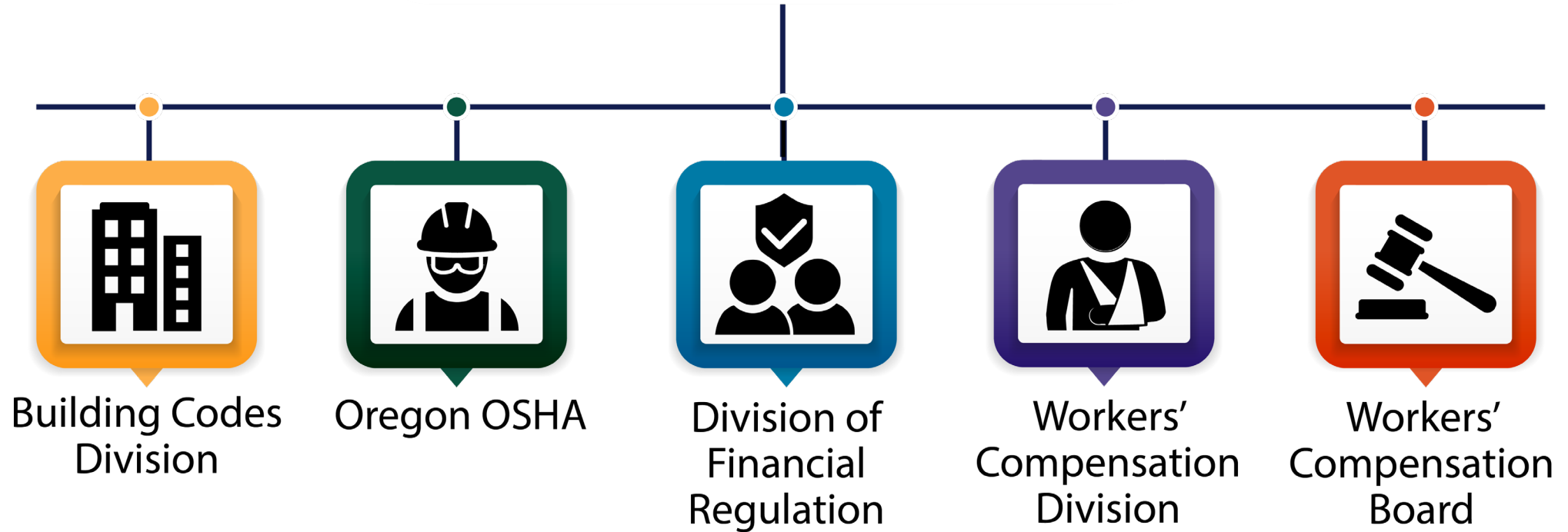
Department of Consumer
and Business Services

DFR's mission

Protecting Oregonians' access to fair products and services through education, regulation, and consumer assistance.



Department of Consumer and Business Services

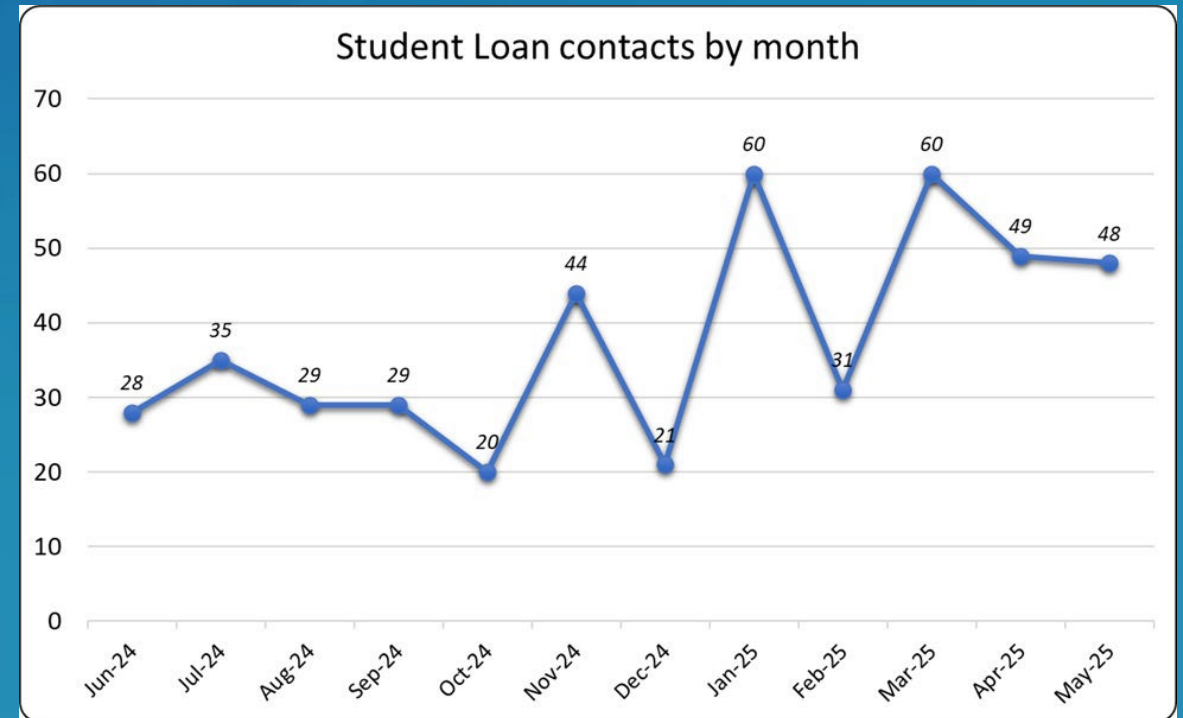


DFR Role: Licensure and ombuds position

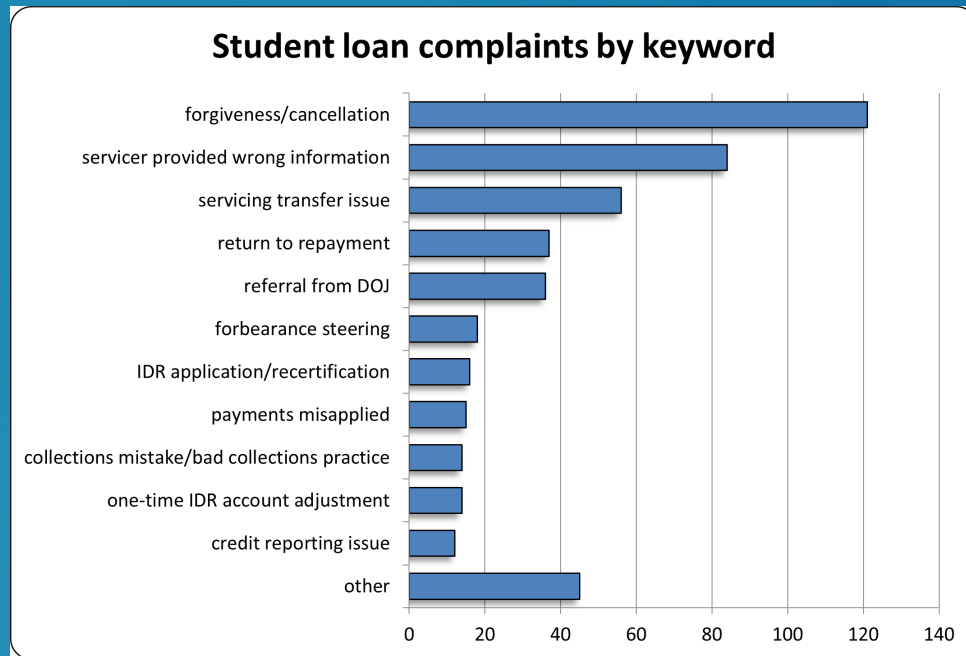
- Senate Bill 485 in 2021
- Lack of servicer accountability at federal level has prompted states to step up
- Oregon is the 15th state with a student loan ombuds or advocate
- Requires licensing for student loan servicers
- Receive, review, attempt to resolve complaints; track and provide feedback on implementation of rules and laws; provide borrower education – website, outreach, rights, and responsibilities
- <https://dfr.oregon.gov/help/student-loan-help>

Background on student debt

- Over 500,000 Oregon residents have student debt
- Loans are being sent to collections for the first time in five years
- Calls and complaints continue to increase – 454 last year
 - Injunctions, executive orders, stays, rulemakings and changing laws



Trends in student loan contacts



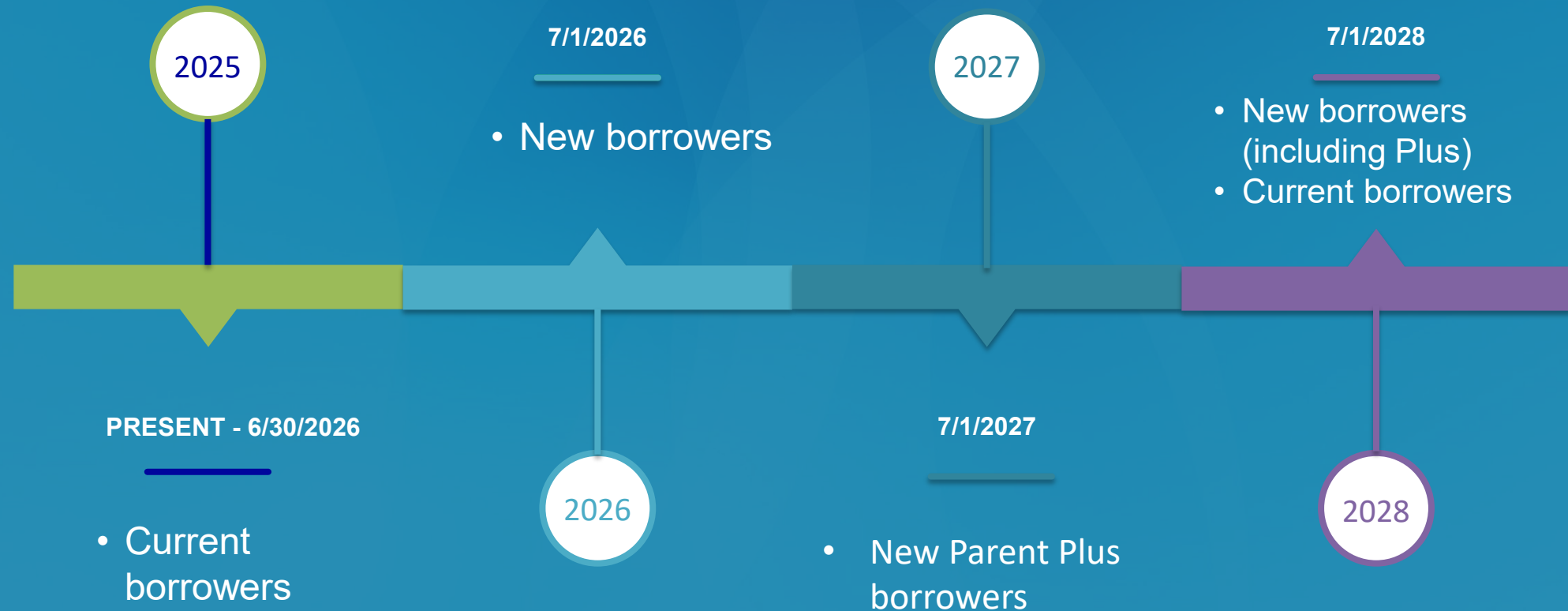
Court cases and rulemakings

- Against Saving on a Valuable Education (SAVE) by state AGs – Many borrowers are in SAVE litigation forbearance
- *American Federation of Teachers vs. Department of Education* – Public Service Loan Forgiveness (PSLF) and Income Driven Repayment (IDR) processing has been delayed
- *Sweet vs. Cardona* is ongoing – Group discharges for students who attended predatory schools but were denied relief
- PSLF rulemaking – Comment period closed in September, result of executive order
- H.R. 1 rulemaking – Negotiated rulemaking in progress

H.R. 1 general effects

- Reduction in lending caps
 - Grad Plus program ending
 - Loan limits lessened for all borrowers
- Fewer protections for borrowers
 - New IDR plan is more expensive for borrowers
 - New standard repayment term is longer for borrowers who have more than \$25,000 in debt, new IDR plan term longer than existing IDRs
 - More limited lending will push people into private market
 - Differentiating available plans based on year borrowed adds complexity

H.R. 1 student loan changes timeline



H.R. 1 effects by group

Currently repaying loans

- May not see any changes until 2028
- Can stay in SAVE forbearance, switch to IBR or standard

Taking on new loans

- Access to fewer repayment plans, longer repayment terms
- Grad Plus ending for those enrolled after July 1, 2026

For Parent Plus borrowers

- Must consolidate before July 1, 2026, to enroll in IDR
- No economic forbearance, or IDR access for new borrowers

Summary

- Less lending
- Fewer consumer protections
- Decreased enrollment, and/or more borrowers pushed into private market
- Won't resolve, and may add, to ongoing confusion

Contact the student loan ombuds

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888-877-4894 (toll-free)

Email:

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Online:

Dfr.Oregon.gov



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