

A report to congressional requesters

For more information, contact: Melissa Emrey-Arras at EmreyArrasM@gao.gov

What GAO Found

The Department of Education provides student loan servicers with instruction for implementing program changes via formal documents known as change requests. Change requests outline new or modified requirements for servicers and can vary in their complexity. For example, Education could require servicers to carry out tasks ranging from sending straightforward borrower communications to implementing major repayment plan changes.

Examples of Tasks Student Loan Servicers Carry Out for Education

Loan servicers work with borrowers to:



Collect loan payments



Respond to questions



Process account changes, such as enrolling in a new repayment plan

Source: The Department of Education. GAO (icons). | GAO-26-107780

The servicers reported facing challenges in implementing Education's instruction for program changes. All four servicers raised concerns about the number of clarifying questions they needed answered to implement some requested changes. GAO found that the lack of clear up-front instruction sometimes resulted in extensive back-and-forth between Education and servicers. For example, GAO observed a change request that resulted in six rounds of questions and answers with servicers over a 2-month period. All four servicers said instruction could be improved if Education coordinated with them before or immediately after requesting a change, such as by meeting to walk through new requirements.

Education officials acknowledged the value of coordinating early with servicers, but the agency has not consistently undertaken such coordination. Education said that early coordination with servicers was done at staff discretion and was based on factors such as the change request's complexity. In June 2025, officials said that early coordination was not common, citing insufficient time as a key barrier. Yet, three servicers said that early coordination allows them to respond more quickly to Education's requests. In December 2025, Education officials said that early coordination with servicers had recently improved. For example, they said they proactively solicited servicer input on draft requirements related to new student loan repayment plans, which led them to revise the related change requests before formally sending them to servicers.

Education guidance states that it can share information with servicers when developing new requirements, but it does not specify criteria for when staff should conduct early coordination. While recent reports of improved early coordination are a positive change, Education does not have formal criteria to ensure it consistently identifies early coordination opportunities and maintains increased coordination. Developing and implementing formal criteria could help ensure that Education provides servicers with the information they need to implement requested changes in a timely and efficient manner.

Why GAO Did This Study

As of September 2025, Education held over \$1.6 trillion in outstanding federal student loans. To administer these loans, Education contracts with student loan servicers. Significant program changes have added new complexities to servicers' responsibilities. For example, under Education's direction, servicers implemented temporary initiatives and major changes to the repayment plans available to borrowers.

GAO was asked to review Education's instruction to loan servicers. This report examines Education's instruction to servicers for program changes.

GAO reviewed Education's instruction to servicers, including 68 change requests associated with key program changes that the agency issued between the start of the COVID-19 payment pause in March 2020 and December 2024. GAO interviewed officials from Education and the four loan servicers it had contracts with when the payment pause ended in August 2023. GAO also reviewed relevant federal laws and regulations.

What GAO Recommends

GAO is recommending that Education develop and implement criteria for determining when to conduct early coordination with servicers. Education disagreed with GAO's recommendation, stating that such criteria would hinder its ability to implement changes in a timely and efficient manner while being responsive to administration priorities. GAO maintains the importance of identifying opportunities for early coordination and believes the recommended action would not limit Education's flexibility to determine when such coordination is appropriate.