

Income Driven Repayment (IDR) Notification Pilots

On March 10, President Obama announced a series of actions designed to help student loan borrowers in a [Student Aid Bill of Rights](#), including the development and implementation of behaviorally designed pilots to identify the most effective ways to communicate with borrowers to maximize successful borrower repayment. In an effort to improve communication to borrowers in IDR plans and ensure a smooth, on-time renewal process, Federal Student Aid (FSA) and the White House Social and Behavioral Sciences Team (SBST) are collaborating on a series of Income-Driven Repayment Plan Notification Pilots, scheduled to run from April 2015 through September 2015.

During the first session of the negotiated rulemaking on expanding and targeting the benefits of Pay As You Earn, dated March 23, 2015 – March 25, 2015, several non-Federal negotiators on the committee asked if the communications borrowers receive before renewing their Income-Driven Repayment (IDR) plans could be revised to improve their effectiveness.

The first IDR Notification Pilot will take place during April 2015, for cohorts of borrowers whose IDR anniversary dates occur during the month of July. During this initial pilot, FSA and the SBST will develop communications to be sent to borrowers via e-mail that supplement the regulatorily required communications that servicers already send to borrowers. These communications will remind borrowers to renew their Income Driven-Repayment Plan income documentation and family size. E-mails from the Department of Education will notify borrowers that they should have received similar correspondence from their servicer and will provide a direct link into the StudentLoans.gov Income-Driven Repayment Plan application.

The next phase of the IDR Notification Pilot will occur over two IDR renewal cycles. FSA will require that specific Federal loan servicers with large IDR loan portfolios to suppress their notification process for borrowers whose IDR anniversary dates occur in August and September 2015. During this time, FSA will send the regulatorily required IDR notifications and test a variety of messages to assess the impact of the communication and the influence of e-mails sent from a Department of Education e-mail address (e.g., donotreply@studentloans.gov), as opposed to a loan servicer e-mail address, on borrower IDR renewal rates.