

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between Mary Perez, Jazmin Unruh, Claude Reed, Pamela Grace, Daniel Perry, Saibou Sidibe, Jacqueline Chretien, Catherine Assanah, Melissa Escudero, Christine Moreno, and Tomasa Rivera (“Plaintiffs”); and Miguel Cardona, in his official capacity as Secretary of the Department of Education, and Janet Yellen, in her capacity as Secretary of the Department of the Treasury (“Defendants”) (collectively, the “Parties”).

WHEREAS, on January 7, 2022, certain Plaintiffs commenced a lawsuit in the United States District Court for the Eastern District of New York, *see Perez, et al. v. Cardona*, Case No. 22-cv-1126 (E.D.N.Y.) alleging that the notices Defendants provided them regarding Defendants’ offset of their tax refunds and Social Security benefits to pay for delinquent federal student loan debt violated their Due Process Rights as well as the Administrative Procedure Act;

WHEREAS, on February 8, 2023, Plaintiffs filed an Amended Complaint, making substantially similar challenges, *see Final Amended Complaint*, ECF No. 37; *Perez, et al. v. Cardona*, Case No. 22-cv-1126 (E.D.N.Y.);

WHEREAS, the Parties have conducted good-faith settlement negotiations, and now mutually desire to resolve all of the claims asserted by Plaintiffs in *Perez, et al. v. Cardona*, Case No. 22-cv-1126 (E.D.N.Y.), Case No. 20-cv-1160 (D.D.C.) without the need for further litigation, and without any admission of liability;

WHEREAS, Defendant Department of Education has revised the pre-offset Notice defined in Paragraph 1(c) of this agreement, in the form appended hereto at Exhibit 2, and Defendant Department of the Treasury has revised the pre-offset Warning Letter described in Paragraph 1(f) of this agreement, in the form appended hereto at Exhibit 3;

WHEREAS, the Defendant Department of Education has transmitted a copy of the revised Notice defined in Paragraph 1(c) of this agreement to its default servicer and guaranty agencies administering defaulted loans under the Federal Family Education Loan program;

WHEREAS, the Defendant Department of Education will include the revised notice defined in Paragraph 1(c) as an appendix to its agreements with the guaranty agencies and as a change request modification to the contract with Maximus, and any other default servicer.

NOW THEREFORE, the Parties hereby agree to compromise, settle, and resolve all of the claims asserted by Plaintiffs in this action on the following terms and conditions:

1. Definitions:

- a. The “**Effective Date**” is the date on which this Agreement is executed by the undersigned parties.
- b. The “**Litigation**” is the lawsuit commenced by Plaintiffs, captioned *Perez, et al. v. Cardona*, Case No. 22-cv-1126 (E.D.N.Y.).
- c. The “**Notice**” is the written pre-offset notice—required by the Debt Collection Improvement Act, 31 U.S.C. §§ 3716(a)(1), 3720A(b)(1)—which the Department of Education may provide to debtors prior to submitting a debt for offset, a current version of which is appended hereto at Exhibit 2.
- d. The “**Releasees**” are Defendants and Defendants’ administrators, successors, officers, employees, and agents.
- e. The “**Releasors**” are Plaintiffs and Plaintiffs’ heirs, administrators, successors, or assigns.
- f. The “**Warning Letter**” is the written pre-offset warning letter—required by 31 C.F.R. § 285.4(f)(1)—which the Department of the Treasury may provide

to debtors prior to offsetting a debtor's Social Security benefit payments on behalf of the Department of Education, a current version of which is appended hereto at Exhibit 3.

2. Stipulation of Dismissal: Within 10 days of the Effective Date, the Parties will execute and cause to be filed, in the United States District Court for the Eastern District of New York, a Stipulation of Dismissal in the form appended hereto at Exhibit 1.
3. Consideration:
 - a. Following the Parties' filing of a stipulation of dismissal pursuant to Paragraph 2, Defendant Department of Education shall reverse the offsets assessed to certain Plaintiffs in the amounts listed below. The Department of Education shall take the steps necessary to initiate the process of reversing the offsets assessed to Plaintiffs within seven days of Plaintiffs having provided to the Department of Education the necessary information to process the refunds to be made pursuant to this Agreement, and the Department of Education shall also make good-faith efforts to provide refunds within ninety (90) days from when it submits the necessary paperwork. Upon making refunds pursuant to this subparagraph, Defendant Department of Education shall restore the refunded amounts back to the balance of the relevant Plaintiffs' student loan debt to the Department of Education.
 - i. Mary Perez: \$6,516
 - ii. Jazmin Unruh: \$1,140
 - iii. Claude Reed: \$2,686.70

- iv. Pamela Grace: \$2,824.50
- v. Daniel Perry: \$1,474
- vi. Saibou Sidibe: \$2,698
- vii. Jacqueline Chretien: \$5,200
- viii. Catherine Assanah: \$6,816
- ix. Melissa Escudero: \$752

b. Compliance with all applicable federal, state, and local tax requirements shall be the sole responsibility of Plaintiffs and their counsel. Nothing in this Agreement waives or modifies federal, state, or local law pertaining to taxes, levies, and liens that may apply to money paid under this Agreement, and Plaintiffs are executing this Agreement without reliance on any representation by Defendants as to the application of any such law.

4. Releases: Releasors hereby release, waive, acquit, and forever discharge Releasees from, and are forever barred and precluded from prosecuting, any and all claims, causes of action, or requests for any monetary or injunctive relief (whether in administrative or judicial proceedings), whether presently known or unknown, that have been or could have been asserted in the Complaint in the Litigation by reason of, with respect to, in connection with, or which arise out of, any matters alleged in the case that the Releasors, or any of them, have against the Releasees, or any of them.
5. No Admission of Liability: This Agreement is not and shall not be construed as an admission by Defendants of the truth of any allegation or the validity of any claim asserted in this action or the Defendants' liability therein. Nor is it a concession or an admission of any fault or omission in any act or failure to act, nor shall it be construed

for any purpose whatsoever as an admission or presumption of wrongdoing on the part of Defendants. Nor shall any of the terms hereof be offered or received in evidence or in any way referred to in any civil, criminal, or administrative action (except in an action to enforce its terms).

6. No Waiver of Sovereign Immunity: Nothing in this agreement shall be construed as a waiver of sovereign immunity.
7. Future Notice Revisions: Notwithstanding any other provision in this Agreement, Defendants reserve the right to revise or rewrite the Notice and/or Warning Letter at any time, including to make technical corrections, updates, and substantive revisions. Moreover, nothing in this Agreement shall be construed to require Defendants to send a Notice or Warning Letter to the extent doing so is not otherwise required by federal law.
8. Entire Agreement: The terms of this Agreement, and the attachments thereto, constitute the entire agreement of the Parties entered into in good faith, and no statement, remark, agreement, or understanding, oral or written, which is not contained herein, shall be recognized or enforced; nor does this Agreement reflect any agreed-upon purpose other than the desire of the Parties to reach a full and final conclusion of this action and to resolve the matter without the time and expense of further litigation.
9. Modification: The Parties recognize that Defendants are required to comply with applicable statutes and regulations. The Parties recognize that nothing in this Settlement Agreement shall prohibit Defendants from rewriting or making changes to

the revised Notice and Warning Letter (attached as Exhibit 2 and Exhibit 3), including technical corrections, updates, and substantive revisions.

10. Rule of Construction: This Agreement shall be considered a jointly drafted agreement and shall not be construed against any party as the drafter. Nothing contained in this Agreement shall impose upon Defendants any duty, obligation, or requirement, the performance of which would be inconsistent with federal statutes, rules, or regulations in effect at the time of such performance.
11. No Third-Party Rights: This Agreement is not intended to create, and does not create, any third-party beneficiary rights or any other kinds of rights or privileges for any person, group, or entity.
12. Duties Consistent with Federal Law: Nothing contained in this Agreement shall impose on Defendants any duty, obligation, or requirement, the performance of which would be inconsistent with federal statutes or federal regulations in effect at the time of such performance.
13. Execution: This Agreement, which may be signed in counterparts, shall take effect upon execution by all signatories below. This Agreement may be executed on copies sent by electronic mail with the same force and effect as an executed original of the same. Facsimiles and pdf versions of signatures will constitute acceptable, binding signatures for purposes of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have personally signed this Agreement or have caused this agreement to be signed by their duly authorized representatives intending to be bound.

Dated: Oct. 24, 2023

Johnson M. Tyler

JOHNSON M. TYLER
TRALANE HAYNES
SHABNAM FARUKI
Brooklyn Legal Services
105 Court Street
Brooklyn, NY 11201
(718) 237-5500

Counsel for Plaintiffs

Dated: October 24, 2023

Andrew Freidah

MARCIA BERMAN
DIANE KELLEHER
Assistant Branch Directors
LISA NEWMAN
ANDREW F. FREIDAH
Trial Attorneys
U.S. Department of Justice
Civil Division, Federal Programs Branch
1100 L Street NW
Washington, D.C. 20005
Tel.: (202) 305-0879
Email: lisa.n.newman@usdoj.gov
Email: andrew.f.freidah@usdoj.gov

Counsel for Defendants

Exhibit 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

Mary Perez, Jazmin Unruh, Claude Reed,
Pamela Grace, Daniel Perry, Saibou Sidibe,
Jacqueline Chretien, Catherine Assanah,
Melissa Escudero, Christine Moreno, and
Tomaso Rivera,

Plaintiffs,

v.

Miguel Cardona, in his capacity as Secretary
of the Department of Education; Janet Yellen,
in her capacity as Secretary of the Department
of Treasury; Coast Professional, Inc.; and
Maximus Federal Services, Inc.,

Defendants.

Case No. 22-cv-126-FB-VMS

**JOINT STIPULATION TO DISMISS
FEDERAL DEFENDANTS FROM
THIS ACTION**

1. Plaintiffs Mary Perez, Jazmin Unruh, Claude Reed, Pamela Grace, Daniel Perry, Saibou Sidibe, Jacqueline Chretien, Catherine Assanah, Melissa Escudero, Christine Moreno, and Tomasa Rivera (Plaintiffs) have reached a settlement with Defendants Miguel Cardona and Janet Yellen (Federal Defendants), by and through undersigned counsel.
2. According, Plaintiffs and Federal Defendants, by and through undersigned counsel, hereby stipulate to dismissal of this action against the Federal Defendants, with prejudice, each party to bear its own fees and costs, pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii).

Dated: _____

Respectfully Submitted,

BRIAN M. BOYNTON
Principal Deputy Assistant Attorney General

MARCIA BERMAN
DIANE KELLEHER
Assistant Branch Directors
Federal Programs Branch

LISA NEWMAN
ANDREW FREIDAH (D.C. Bar No. 1048857)
Trial Counsel
United States Department of Justice
Civil Division, Federal Programs Branch
1100 L Street NW
Washington, DC 20005
Phone: (202) 305-0879
Email: lisa.n.newman@usdoj.gov
Email: andrew.f.freidah@usdoj.gov

Counsel for Federal Defendants

BROOKLYN LEGAL SERVICES



Johnson M. Tyler
Brooklyn Legal Services
jtyler@lsnyc.org
862-202-1850

Counsel for Plaintiffs

Exhibit 2



Do not send cash.
 Make checks payable to:
U.S. DEPARTMENT OF EDUCATION
 Write your account number on your check.

Account Number	Principal Balance	Interest
NNNNNNNN	NNNNNNNNN	NNNNNNNNNN
Penalty Charges	Fees & Costs	Total Balance
		NNNNNNNNN
AMOUNT PAID:		

RETURN THIS PORTION WITH YOUR PAYMENT

NOTE: NAME/ADDRESS/PHONE NO. CHANGES ON BACK

SEND PAYMENT TO:



|||||
 1000000000 *****AAAAA
 FIRST NAME MI LAST NAME SUFFIX
 ADDRESS 1-3
 CITY ST ZIP CODE
 COUNTRY (do not print if USA)

|||||
 US DEPARTMENT OF EDUCATION
 NATIONAL PAYMENT CENTER
 PO BOX 790336
 ST LOUIS, MO 63179-0336

{OCR Code}

{OCR Code Continued}

KEEP THIS PORTION FOR YOUR RECORDS

Month DD, CCYY

Debt Statement

The U.S. Department of Education (Department) holds the defaulted student loan or grant overpayment debt(s) identified below for which you are responsible. The entire outstanding balance of the debt is now due. This Debt Statement and the enclosed notice contain important information about the consequences of default and failure to repay, such as offset of your Federal and State tax refunds and Social Security benefits, and your rights with respect to your debt.

If you are currently a debtor in an active bankruptcy case, this letter is not an attempt to collect a debt from you. Please send a copy of your notice of first meeting of creditors to the address below so that we may update our records.

This Debt Statement lists the debts to which this notice applies. The total amount that you owe for all defaulted debts held by the Department, including fees, is shown on the upper portion of this notice.

The Department will attempt to collect this debt through a number of methods, but you can avoid collection actions by establishing an agreement to repay your debt and making your payment each month. You may also be eligible to get your loan out of default to stop collections through either the loan rehabilitation or loan consolidation program. You can also contest the validity of the debt, which could include that the loan is dischargeable if you are totally and permanently disabled or the school took advantage of you. See the enclosed notices for further information regarding your rights and where to write. For more information on these programs and other options for getting out of default, visit <https://studentaid.gov/manage-loans/default/get-out>. In order to set up a repayment agreement, call the Default Resolution Group at 1-800-621-3115 and have your income information (like a copy of your most recent tax return) available when you call.

NOTE CHANGES ONLY

First Name	<input type="text"/>	MI	<input type="text"/>	Last Name	<input type="text"/>	
Address	<input type="text"/>					
City	<input type="text"/>				Home Phone	<input type="text"/>
State	<input type="text"/>	Zip	<input type="text"/>	Work Phone	<input type="text"/>	
Email	<input type="text"/>				Cell Phone	<input type="text"/>

SEND PAYMENT TO:

US DEPARTMENT OF EDUCATION
NATIONAL PAYMENT CENTER
PO BOX 790336
ST LOUIS, MO 63179-0336

At this time, the Department intends to:

- Report the default status of your debt to national credit reporting agencies and
- Refer your debt to the U.S. Department of the Treasury for collection through Treasury offset.

The Department intends to refer your debt to the U.S. Department of the Treasury for collection through Treasury offset against all payment streams that are currently authorized by law or that become authorized in the future. These payment streams may include, but are not limited to, Federal and State tax refunds, Social Security benefits, and Federal travel reimbursements. Each time an offset occurs under the Treasury Offset Program, you will be charged an additional fee.

The enclosed notice contains an explanation of your rights with respect to these collection methods and your deadlines to exercise those rights. Any in-person hearing will be held in [VARIABLE LOCATION: New York or Chicago, Atlanta or San Francisco].

In addition to Treasury offset and reporting of your debt's default status to credit reporting agencies, the Department may take the following collection actions if you do not establish and adhere to an approved repayment agreement on this debt:

- Garnish your wages via Administrative Wage Garnishment (AWG)
- Refer your debt to the U.S. Department of Justice for litigation
- Perform computer matches with Federal agencies to determine if you are a government employee or recipient of other Federal aid for purposes of offsetting all or a percentage of those funds (including your tax refund and up to 15% of your Social Security

payments) and to ensure, as required by law, that a debtor in default on a Federal debt does not obtain additional Federal loans or grants

Debts Covered by this Notice

Note: balances shown on this notice are as of [Date]

Debt Number	School	Original Amount and Date	Prior Debt Holder	Current Principal	Current Interest

If you have questions about how to make a payment, how to enter into a repayment agreement, or any other information in this letter or the enclosed notice, please call or write to us at:

U.S. Department of Education
Default Resolution Group
P.O. Box 5609
Greenville, TX 75403-5609
1-800-621-3115 (TTY: 1-877-825-9923)

Notice to Customers Making Payments by Check

If you send us a check, it will be converted into an electronic funds transfer (EFT). This means we will copy your check and use the account information to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours and will be shown on your regular account statement from your financial institution. You will not receive your original check back. We will destroy your original check but will keep a copy of it. If the EFT cannot be processed for technical reasons, you authorize us to process the copy in place of your original check. If the EFT cannot be completed because of insufficient funds, we may try to make the transfer one additional time.

For more information, visit our web site: myeddebt.ed.gov

**Notice: You May Lose Money from Your Government Payments
to Pay Your Student Debt and
Your Debt May be Reported to Credit Reporting Agencies as Referred for Collections**

You owe one or more student loans (or grant overpayments) to the U.S. Department of Education (Department). You are behind on payments, and your debt is in default.

The Department plans to collect your debt through the U.S. Department of the Treasury (Treasury). The Department will ask Treasury to “offset” (reduce) any payments that the state or federal government owes you now or in the future. These payments include but are not limited to

- Federal and State income tax refunds;
- up to 15% of your monthly Social Security Disability or Retirement benefits; and
- Federal travel reimbursements or up to 25% of federal retirement benefits

A portion of the payment offset will be applied towards the cost of the offset. In addition, the Department is required by law to report your debt to credit reporting agencies as referred for collections .

Read this letter carefully. This letter tells you how to review your records and object to (argue against) the Department collecting your debt or reporting it as referred for collections to credit reporting agencies. The Department does not have to send you any more notices before it begins collecting your debt or reporting it as referred for collections to credit reporting agencies.

Need more information or want to discuss your options? Call our Default Resolution Group at 1-800-621-3115 (TTY: 1-877-825-9923). Se habla español.

YOU HAVE OPTIONS TO STOP THIS OFFSET AND CREDIT REPORTING

To stop this offset and credit reporting, you must take one or more of the following actions within **65 days** of the date on your Debt Statement (attached in this mailing):

- Pay off the debt (see Page 2, Question 4)
- Apply to have your loan discharged (forgiven) if you have a qualifying reason—for example, if you are totally and permanently disabled (see Page 2, Question 5)
- Get your loan out of default or get on a payment plan as low as \$5 per month based on your income (see Page 2, Question 5)
- Object to the offset because, for example, you do not owe the debt or you are not behind on your payments (see Pages 3-4, Questions 8-12)

REQUESTING DOCUMENTS

1) Can I ask for documents about my debt?

Yes. You can mail your written request or the enclosed Request for Documents form to:

U.S. Department of Education
Default Resolution Group
P.O. Box 5227
Greenville, TX 75403-5227

Please include the following information in your request:

- Your Social Security number or Account number
- The debts that you want documents for
- A description of the documents you want to receive

2) What are some examples of the documents I can ask for?

You may ask for **all** documents the Department has about your debt(s), or you can ask for specific documents, such as

- a promissory note;
- a loan application;
- records of payments that you made; and
- correspondence between you and the school, loan holder, or Department about the debt.

3) Will asking for documents stop the offset or credit reporting?

No. (See Question 11.)

AVOIDING OFFSET AND CREDIT REPORTING

4) Can I pay off the debt to avoid offset and credit reporting?

Yes. To completely pay off your debt, please call the Default Resolution Group at 1-800-621-3115 (TTY: 1-877-825-9923) or visit our website at myeddebt.ed.gov. Se habla español. The Default Resolution Group will tell you how much you must pay.

You can call us to pay using a debit card or pre-paid credit card, or you can send a check or money order for the total amount. Make sure to also send the top portion of the Debt Statement. Put your Social Security number or Account Number on the face of your check or money order. Mail the payment to

U.S. Department of Education
National Payment Center
P.O. Box 790336
St. Louis, MO 63179-0336

5) Are there other ways I can avoid offset and credit reporting?

Yes. At any time, you can apply for any of the options listed below (depending on your eligibility):

- Administrative Loan Discharge: You can apply for us to discharge your loan(s) based on one of the reasons listed in the Request for Review Form that came with this notice. You will no longer owe the debt if we fully discharge your loan. Visit <https://studentaid.gov/manage-loans/forgiveness-cancellation> for more information or call 1-800-621-3115. One reason you might qualify for administrative discharge is if you are totally and permanently disabled. Visit www.disability-discharge.com or call 1-888-303-7818 for more information about disability discharge.

- **Loan Consolidation:** You can apply for a new loan to pay off your defaulted loan(s). With your new Direct Consolidation Loan, you can choose from any of our repayment plans. If you get an income-driven repayment (IDR) plan, your payment may be as low as \$0 per month. It is important to understand that when you consolidate, the interest balance you currently owe becomes part of the principal balance of your new consolidation loan, meaning interest will accrue on a higher balance and you may end up paying more to satisfy your loan. **NOTE: It typically takes 2 months to consolidate your loan if you enroll in an income driven repayment plan (an affordable and effective path out of debt) when you consolidate. Most Direct Consolidation Loans can be applied for and completed online and you do not have to return to school to get one.**
- **Loan Rehabilitation Agreement:** Ask your loan servicer for a rehabilitation agreement. In a rehabilitation agreement, your payments may be as low as \$5 per month, depending on your financial circumstances. If you make nine on-time monthly payments, you can bring your loan(s) out of default. Once you are out of default, you can choose your repayment plan. If you get an income-driven repayment plan, your payment may be as low as \$0 per month. **NOTE: It typically takes 9 months to get your loan out of default.**
- **Repayment Agreement:** You can enter into a repayment agreement with us. In this case, your loan(s) will stay in default, but you will be able to make payments based on your specific financial situation.
- **Request for Review:** You may object to collection of your debt and credit reporting by submitting the enclosed Request for Review form that came with this notice. The Request for Review form lists and explains the most common objections available. You may also submit your own written statement objecting to the debt. (See the “Objecting to the Debt” section below, Questions 8-12.)

For more information, or for help applying for any of these options, please call the Department’s Default Resolution Group at 1-800-621-3115 (TTY: 1-877-825-9923) or visit our website at myedebt.ed.gov. Se habla español.

6) Are there deadlines to avoid offset (the Department taking my payment)?

Yes. For each of the options listed above, you must send specific information within **65 days** of the date of your Debt Statement. Here is what you need to send for each option:

Administrative Discharge	Signed application for discharge
Loan Consolidation	Signed consolidation application.
Loan Rehabilitation	First payment as listed in the agreement (as long as you continue to follow the agreement)
Repayment Agreement	First payment as listed in the agreement (as long as you continue to follow the agreement)
Request for Review	Signed Request for Review and/or a written statement objecting to the debt

If we don’t receive the documents you needed to send before the deadline, the Department will begin to offset your payment and report your debt as referred for collections to credit reporting agencies. You can still apply for any of these options even if you miss the deadline, but applying late may not protect your payments, including Social Security and tax refunds, from offset immediately. If you do not want offsets to start, you must

act before the deadline.

7) Is there anything I can do after my payment has been offset or the deadline passes?

Yes. You can do any of the options listed under Questions 5 and 6 but offsets and credit reporting of your debt as referred for collections will not stop until your debt is discharged, canceled, forgiven, resolved or out of default. Some of the listed options protect you from offset of all payments, including tax refunds and social security, more quickly than others. Loan Consolidation protects all payments typically in 2 months (if you choose IDR as your repayment plan). Rehabilitation takes at least 5 months to protect your payments from being offset. Entering into a voluntary repayment plan after the 65-day deadline passes may not protect you from offset of tax refunds, Social Security or other payments.

OBJECTING TO THE DEBT (REQUEST FOR REVIEW)

8) What if I disagree with the debt and collection action? What can I do?

You may have reasons why we should not be collecting on your debt. For example, you are totally and permanently disabled, or you are currently in bankruptcy. You can object to (argue against) the debt by sending us either a written request or the Request for Review Form that came with this letter (filled out).

If you send a written statement, it must include the following:

- Your name
- Your Social Security number or Account number
- The debts that you disagree with
- An explanation of why you disagree with the debt
- Copies of any documents you want us to consider

9) Where do I send my Request for Review or written statement?

Please mail your submission to:

U.S. Department of Education
Default Resolution Group
P.O. Box 5227
Greenville, TX 75403-5227

10) Can I ask to make my arguments in person or by telephone?

Yes. But you still must send a written statement or the Request for Review Form first, explaining why you need to make your argument in person or by telephone. If we decide to give you an in-person or telephone hearing, we will contact you to schedule the time and place. But we may decide that an in-person or telephone hearing is not necessary. If so, we will make a decision based on what you sent us.

11) Will sending a Request for Review stop offset and credit reporting?

It depends on when you send your request. If you send your request within 65 days of the date on the Debt Statement, the Department will not start collecting your debt or report it to credit reporting agencies until we have decided your case. If you send your request after the 65-day period, money may be taken from your

payments and we will report your debt to credit reporting agencies while we decide your case.

12) What can I expect from the Department after I object to the debt?

The Department will send you a written decision. This document will explain

- whether we reject or accept your argument,
- the reasons why,
- any appeal rights you have, and
- what will happen next.

SPECIAL CONSIDERATIONS

13) What if I file a joint tax return?

When filing your return, include IRS Form 8379 (Injured Spouse Claim and Allocation). The form explains how your spouse can get their share of your joint income tax refund. You can also file this form after an offset has occurred on a joint return. If you are also filing joint *state* tax returns, check with your State Department of Taxation to find out what relief you can get.

TREASURY OFFSET REQUEST FOR REVIEW

NAME _____ SSN _____

CURRENT ADDRESS _____

If you object to offset against your Federal and/or State tax refunds and other payments for the student loan or grant overpayment described in the Debt Statement, you can use this form to request a review or hearing. If you object **ONLY** because you believe you cannot afford to pay this debt, **DO NOT USE THIS FORM. INSTEAD**, read about your options in the enclosed *You May Lose Government Payments* notice or write or call the Contact listed on the Debt Statement.

I. Check **ONLY ONE** of the following:

I want a review of my objection based on this written statement and the records in my debt file. **COMPLETE PARTS II AND IV OF THIS FORM.**

I want an in-person hearing in the city shown on the Debt Statement to present my objection. I understand that I must pay my own expenses to appear for this hearing. **COMPLETE PARTS II, III, AND IV OF THIS FORM.**

I want a hearing by telephone. **COMPLETE PARTS II, III, AND IV OF THIS FORM.**

II. Check the objections that apply. **ENCLOSE** the documents described here (if you do not enclose documents, your objections will be reviewed based on the information on this form and the records in your debt file). Discharge application forms can be obtained at <https://studentloans.gov/myDirectLoan/formLibrary.action> or by calling 800-621-3115. Parent borrowers should answer 8 - 13 about the student:

1. I do not owe the full amount shown because I repaid some or all of this debt. **ENCLOSE** copies of front and back of checks, and copies of money orders and receipts for payments made on the debt.

2. I am making payments on this debt as required under the repayment agreement I reached with the holder of the debt. **ENCLOSE** copies of repayment agreement and front and back of payment checks.

3. I filed for bankruptcy and my case is still open. **ENCLOSE** copies of any court document showing name of court and case number.

4. This debt was discharged in bankruptcy. **ENCLOSE** copies of discharge order and the schedule of debts filed with the court.

5. I am totally and permanently disabled. **ENCLOSE** either a completed *Discharge Application: Total and Permanent Disability* OR a notice from the U. S. Department of Education's Total and Permanent Disability Servicer showing that they have received a discharge application. To complete a discharge application, visit www.disabilitydischarge.com.

6. This is not my Social Security Number, **and** I do not owe this debt. **ENCLOSE** copies of your Driver's License or other identification issued by a government agency and your Social Security Card.
7. I believe that this debt is not an enforceable debt in the amount stated for the reasons explained in the attached letter. **ENCLOSE** a letter explaining any reason for your objection to collection of this debt by offset of your Federal and/or State tax refunds and other payments. Be as specific as possible. **INCLUDE** any records that support your reasons. If you object because you believe you cannot afford to pay this debt, but you wish to arrange payment terms, write or call the contact listed on the Debt Statement.
8. I enrolled in a school, but did not attend, withdrew, or was terminated from the school within a timeframe that entitled me to a refund of part or all of my loan proceeds, and I did not receive the benefit of a refund to which I was entitled, either from the school or from a third party. **ENCLOSE** a completed *Loan Discharge Application: Unpaid Refund*.
9. I was unable to complete my education because the school for which I borrowed this loan closed. **ENCLOSE** a completed *Loan Discharge Application: School Closure*.
10. I had no high school diploma or GED when I enrolled at the school for which I borrowed this loan, and the school improperly determined my ability to benefit from the training offered. **ENCLOSE** a completed *Loan Discharge Application: False Certification of Ability to Benefit*.
11. When I borrowed this loan, I had a condition (physical, mental, age, criminal record) that prevented me from meeting State requirements for performing the occupation for which the school trained me. **ENCLOSE** a completed *Loan Discharge Application: False Certification (Disqualifying Status)*.
12. I believe that the school without my permission signed my name on the loan application, promissory note, loan check or electronic funds transfer (EFT) authorization. **ENCLOSE** a completed *Loan Discharge Application: Unauthorized Signature/Unauthorized Payment*.
13. I believe that I have a defense to repayment of my debt (also known as a borrower defense) because _____ (school) engaged in acts or omissions that would give rise to a cause of action against the school under applicable State law and the cause of action directly relates to the loan or to the school's provision of educational services for which the loan was provided. I previously submitted a Borrower Defense to Repayment loan discharge application on or about _____. (If you did not previously submit an application, **ENCLOSE** one of the following completed applications: 1) Application for Borrower Defense to Loan Repayment; 2) Attestation for Certain Heald College Students; or 3) Attestation for Certain Everest and WyoTech Students).
14. I believe that I am the victim of identity theft. **ENCLOSE** a completed *Loan Discharge Application: False Certification (Identity Theft)*. Note: this is also known as "Certification/Agreement of Cooperation of Identity Theft Claims."
15. The borrower of this loan, or the student for whom this loan was borrowed or grant was issued, is deceased. **ENCLOSE** a certified copy of the death certificate.

III. IF YOU WANT AN IN-PERSON OR TELEPHONE HEARING, YOU MUST COMPLETE THE FOLLOWING:

The debt records and documents I submitted to support my statement in Part II do not show all the material (important) facts about my objection to collection of this debt. I need a hearing to explain the following important facts about this debt: (**EXPLAIN** below or on a separate sheet of paper the additional facts that you believe make a hearing necessary. If you have already fully described these facts in your response in Part II, **WRITE HERE** the number of the objection in which you described these facts _____.)

Note: If you do not receive an in-person or telephone hearing, your objection will be reviewed based on information and documents you supply with this form and on records in your debt file.

Phone number at which I can be reached during daytime hours: _____

Explanation of why an in-person or telephone hearing is necessary:

IV. I state under penalty of law that the statements I have made here are true and accurate to the best of my knowledge.

Date: _____ Signature: _____

Exhibit 3



01/31/22



JOHN DOE
U.S. Treasury
Financial Management Service
P.O. Box 2451
Birmingham, AL 35201-2451

Funds May Be Withheld From Your Social Security Benefit Payment

The Department of Education (Education) told the U.S. Department of the Treasury (Treasury) to collect a debt you owe to Education. Until your Education debt is paid, the Treasury Offset Program (www.fiscal.treasury.gov/TOP) will withhold (offset) up to 15 percent of your Social Security benefit payments. However, no offset will reduce your monthly payment below \$750. **Treasury may begin withholding amounts from your SSA benefit payments in March 2022.**

How Can I Stop Offsets?

If you are having difficulty paying your bills, or if you want **more information** about or to **object to the offset**, please contact the loan holder listed below:

U.S. Department of Education
TESTING ONE TWO THREE
4673 UMBER FOX RISE
REFACTOR TO RADMONIZE DIST
REFACTOR TO RANDOMIZE DIST
HARVEST STREET MS 58747

Telephone: 524-063-7003
Toll-free: 526-653-8918
TTY:
Account No.: 122122122

Options to stop or reduce offsets may include:

- **Administrative discharge**, including because you have a **total and permanent disability** (www.disabilitydischarge.com, 1-888-303-7818, *hablamos español*).
- **Financial hardship review** to ask Education to stop or reduce offsets (526-653-8918).
- **Loan rehabilitation agreement**, which after nine monthly payments as low as \$5 removes the default, after which income-driven repayments may be as low as \$0 per month (<https://studentaid.gov/manage-loans/default/get-out#loan-rehab>).
- **Loan consolidation** typically resolves default status in two months, after which income-driven repayments may be as low as \$0 per month (<https://studentaid.gov/manage-loans/default/get-out#loan-consolidation>).
- **Repayment agreement** to make payments based on your specific situation, but your loans will stay in default.
- **Fully repaying** your debt (<https://studentaid.gov/manage-loans/default/get-out#loan-repayment>).
- **Other options** that may be available to you (<https://studentaid.gov/manage-loans/default/get-out>).

What Else Do I Need To Know?

- More than one student loan debt (owed to Education and/or a guaranty agency) may be subject to offset. Your loan holder can clarify which debt is subject to offset.
- Treasury may offset your other government payments, such as tax refund payments, without additional notice, until your student loan debt is paid. You may also owe non-student loan debts subject to offset.
- **Do not contact the Social Security Administration** about this offset to pay your Education debt; the Social Security Administration does not play a role in this offset process.