The Suit against Student Debt Relief Doesn't Add Up: Flawed Claims of Legal Standing in *Biden v. Nebraska*

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May 2023

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Acknowledgments

The authors would like to thank Chris Wright, Esq. for his comments and suggestions on an early draft of this piece and Alan A. Aja for technical input. Roosevelt staff Suzanne Kahn, Sonya Gurwitt, and Matt Hughes also contributed to this project.

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About the Debt Collective

The Debt Collective is the nation's first debtors' union. When people who have debt or unpaid bills unite, we can turn our individual financial burdens into a source of collective power. The Debt Collective—a membership organization—runs campaigns that use our debts as leverage to fight financial exploitation so we can abolish unjust debts and win free, reparative public goods and a world where everyone can thrive.

Executive Summary

In August 2022, President Biden announced a student debt relief plan that would benefit over 43 million borrowers. But six Republican attorneys general sued to block this cancellation. In February 2023, they argued before the Supreme Court that should the president's student debt relief proposal be enacted, Missouri's student loan servicing company MOHELA—the Higher Education Loan Authority of the State of Missouri—would lose financial revenue, thereby harming the state. However, our new analysis reveals this assertion of financial loss to be fundamentally false. After President Biden's proposal is enacted, MOHELA's direct loan revenue will actually be larger than at any prior point in the company's existence, 88 percent higher than the previous year. Should the Supreme Court affirm the plaintiffs' suit, they would not only be sanctioning a judicial process devoid of basic fact-checking; they would potentially be establishing a "no feet" theory of standing—in which plaintiffs can file suit based on claims untethered to actual, factual harms.

Introduction: Hasty, Untransparent Legal Process Undermines Factual Review of Standing Claims

In August 2022, President Biden announced his plan to cancel up to $10,000 of student debt for those who make less than $125,000. Student debtors who received Pell Grants are eligible for an additional $10,000 of relief. President Biden invoked the 2003 HEROES Act to issue this plan, with the purpose of making sure that student debtors are not in a worse position financially as a result of the COVID-19 pandemic.

Over 43 million borrowers are poised to benefit from the president's student debt relief plan. However, last fall, six Republican attorneys general sued to stop student debt cancellation, claiming that canceling debt would cause entities in their state to lose money. Now, in *Biden v. Nebraska*, the Supreme Court is deciding the fate of student debt relief, and the bottom line of a student loan servicer, the Higher Education Loan Authority of the State of Missouri (MOHELA), is being directly counterposed to millions of borrowers' financial survival.

The lawsuit did not go through the normal procedure. Rather, it was heard as part of the Supreme Court's granting of "certiorari before judgment" (Bouie 2022)—that is, taking on a case before lower courts have issued final judgments, making it less likely that "the factual and legal issues have been resolved to the maximum extent possible" (Vladeck 2022). The frequent issuance of certiorari in the past few years has troubling implications for the Supreme Court's exercise of power. It's considered emblematic of the rise of the "shadow docket," a collection of orders and decisions the court issues without full briefing or explanation (Baude 2015; Vladeck 2019).

In this case, after a George W. Bush-appointed district court judge dismissed the lawsuit against student debt relief, the Eighth Circuit issued a national injunction, effectively stopping the administration from canceling any student debt until the case is resolved. However, instead of being heard by the Eighth Circuit, which would have forced the plaintiffs to verify the factual basis of their claims, this case skipped directly to the Supreme Court.

This means that the Republican attorneys general trying to stop student debt cancellation for 43 million borrowers have at no point been obliged to verify the basic facts of this case. Instead, rigorous and factual review has been incumbent on the efforts of citizen-researchers like ourselves, who rely on basic Freedom of Information prerogatives to complete an analysis that would otherwise have been taken up by legal research teams. As a result, the Supreme Court risks making a ruling affecting millions of people's lives without essential, accurate information.

The plaintiffs' case rests on the idea that MOHELA—and therefore the state of Missouri—would be financially harmed by student debt cancellation. In their eyes, this is enough reasoning to unilaterally prevent 43 million borrowers from obtaining student debt relief. However, data shows that MOHELA's bottom line would actually improve after millions of cancellations are processed. This information suggests that the plaintiffs' claim for standing, already widely acknowledged as extravagant,[1] is even weaker than previously considered, if not completely baseless.

MOHELA's Revenue Will Be Higher than Ever, Even after Cancellation

To date, most of the discussion about this lawsuit has focused on whether the HEROES Act, passed by Congress in 2003, actually authorizes cancellation. The HEROES Act, first enacted in the aftermath of September 11, 2001, attacks, authorizes the secretary of education to grant debt relief during national emergencies—for example, a war or a pandemic.[2] But little attention has been given to claims about how MOHELA's financial situation relates to

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[1] See, for example, Bray and Baude 2022.

[2] The facts seem clear on this point. Congress passed the HEROES Act, which authorizes the secretary of education to modify or waive the obligation to pay a federal student loan as the result of a national emergency like a global pandemic. As Justice Kagan remarked during recent oral arguments, "Congress doesn't get much clearer than that. We deal with congressional statutes every day that are really confusing. This one is not."

standing in *Biden v. Nebraska*. In this case, the states must have "standing" to bring a lawsuit: They must represent some entity that would be harmed by debt relief. Without standing, there is no legal basis for the court preventing the administration from canceling student debt.

The plaintiffs' claim for standing in this case marks a bold reinterpretation of traditional conservative standing doctrine, which heretofore has narrowed standing claims for noncorporate actors (Klarman and Dobbs-Allsopp 2022).[3] Indeed, a law review article published five months before the states filed their suit speculated that virtually all potential challengers to student debt relief—including taxpayers, former borrowers, Congress, state government, and loan servicers—would lack standing in a potential suit based on traditional understandings of its requirements (Hoover 2022). For a state to qualify as a plaintiff, it would need to claim specific and unique injury, not "an injury that every state suffers" (Vladeck 2022). Thus, finding a "particularized" (Vladeck 2022) claim of harm—like a harm to MOHELA—is essential to establishing standing.

In *Biden v. Nebraska*, the six states' legal case rests on harm to a state-created (but independent) student loan servicer: MOHELA. The states claim that student debt cancellation will harm MOHELA's revenue, and that presumed financial loss might, in turn, theoretically harm the state of Missouri if MOHELA could not repay a $105 million obligation to the state's "Lewis and Clark Discovery Fund," a fund created in 2007 to finance capital improvements on Missouri campuses (Berman 2023).

It is important to note that Federal Student Aid (FSA)'s 2021 servicing contract modifications for all servicers explicitly states that FSA can remove any number of contracts from servicers, at FSA's "sole discretion." As a contractor, MOHELA agreed not to "object to or protest FSA's allocation or reallocation of existing borrower loans, and further waives and releases all current or future claims against [FSA] . . . regarding its current allocation decisions and methodology for existing borrower loans" (FSA 2021).[4]

Even without this last key fact in play, the Supreme Court was skeptical about the states' standing in oral arguments. The requirement of standing generally advantages corporate entities, which can find some causal chain of plausible harm incurred by a potential action

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[3] Progressives contend that standing doctrine is frequently manipulated so as to limit who may use the courts to address unlawful behavior, in a manner that frequently disadvantages already vulnerable communities (Anderson 2022).

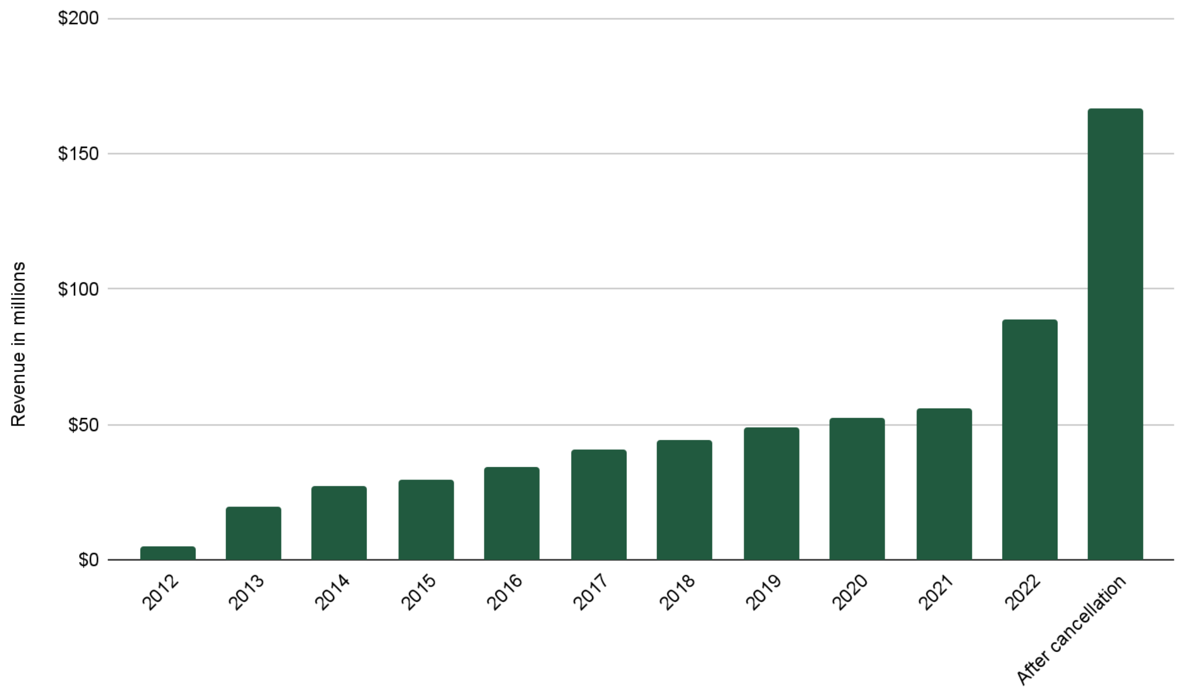
[4] The link is to Great Lakes Higher Education's contract modification, but we are informed that all servicers received identical modifications. Even if that contract clause had not existed, a loss to MOHELA would likely not meet "prudential standing" requirements. FSA's primary activities involve providing and managing student loans, not guaranteeing loan servicers a specific amount of business (see Hoover 2022).

(Klarman and Dobbs-Allsopp 2021). But in this case, multiple elements of Missouri's standing were considered dubious. For one, MOHELA is organizationally and financially independent from Missouri. For another, a recent amicus brief noted that MOHELA has not paid anything toward its Lewis and Clark obligation in 15 years. Nor does MOHELA anticipate making such payments in the future, according to its own recent financial documents (ArchCity Defenders and Legal Services of Eastern Missouri 2023; Berman 2023).

But the most fundamental question lies at the beginning of the "tenuous chain reaction" (ArchCity Defenders and Legal Services of Eastern Missouri 2023) between student debt relief and harm to Missouri: whether or not MOHELA will actually lose revenue in the wake of cancellation.

Our new research examining this claim suggests that MOHELA's year-over-year revenue from direct loans will actually *increase* substantially, even after debt relief. Assuming President Biden's proposed cancellation goes through, we estimate that MOHELA will service more than twice the number of accounts it serviced at the beginning of the COVID payment pause. It will also earn nearly twice as much revenue servicing federal direct loans as it has in any year prior to cancellation (see Figure 1, below). This finding is backed by MOHELA's own internal impact analysis (see Appendix 3), which shows *it would make more revenue the first year after cancellation is processed* than it did in 2022 or any prior year.

Figure 1. MOHELA Revenue from Servicing Federal Direct Loans



Sources: 2012-2022 revenue from MOHELA's financial statements. Revenue after cancellation based on Missouri Sunshine Law requests and authors' calculations.[5]

Below, we explain how we arrived at this conclusion.

First, we needed to know how many borrowers MOHELA currently services. We discovered that MOHELA's accounts have actually grown significantly since the payment pause, thanks to the fact that it assumed the contract for Public Service Loan Forgiveness borrowers in July 2022. Missouri Sunshine Law requests made to MOHELA revealed documents showing that in March 2020 when the payment pause went into effect, MOHELA was servicing direct loans for 2,461,237 unique borrowers (see Appendix 1). During the pandemic, though, MOHELA acquired a lucrative new contract to serve millions more additional loans. As of January 31, 2023,

[5] Estimating net direct loan servicing revenue for 2023 entails proxying 2023's deductions for subcontracting fees. MOHELA does not report gross revenues from direct loan servicing in its financial documents. Nor does it break down subcontractor fees by servicing category (MOHELA's subcontractor costs include third parties' private loans and subcontracts with other federal loan servicers). Since 2019, MOHELA has spent an average of $1.5 million per year on subcontractor fees for all its servicing, down from an average of $6 million per year from 2012 to 2018. If we conservatively deduct projected costs of $1.5 million from our estimate of 2023 revenues after cancellation, we project MOHELA's net direct loan servicing revenue for 2023 will be $166.9 million. This amounts to an 87.7 percent year-over-year increase in revenue.

MOHELA is servicing direct loans for 7,465,457 unique borrowers, a 203 percent increase since the pandemic payment pause began (see Appendix 2).

Next, to estimate its future direct loan servicing revenue, we calculated how many of MOHELA's current accounts will be completely zeroed out by Biden's cancellation plan. We know that 60 percent of all student borrowers received Pell Grants and that roughly 95 percent of student debtors meet the income requirements. The White House anticipates that 75 percent of people who qualify will actually apply for cancellation, which far exceeds the application rate for other student relief programs in the past.[6] As of January 31, 2023, MOHELA services 2,037,093 accounts with balances under $10,000, and we anticipate 1,451,429 of those accounts belong to borrowers who would be eligible and apply for full cancellation. MOHELA services an additional 1,371,388 accounts with balances between $10,000 and $20,000, and we estimate 586,268 of these accounts would be completely canceled for those who have Pell Grants, meet the income requirements, and apply for cancellation (see Appendix 2). Thus, we estimate that 2,037,697 of MOHELA's accounts will be fully canceled by Biden's debt relief policy. But even without these 2,037,697 accounts, our estimates show that after debt relief, MOHELA will be servicing federal loans for roughly 5,427,760 unique borrowers in total—more than twice as many as before the payment pause.

Finally, we estimated MOHELA's earnings from this steep increase in borrowers. MOHELA gets paid roughly $2 per account per month by Federal Student Aid to service these loans during the payment pause. After the payment pause ends, servicers will make $2.90 per current account per month. Thanks to the "Fresh Start" program, all accounts will start out as current, as long as borrowers are not otherwise in school, a grace period, or another deferment. Based on the most up-to-date account status data that exists, we estimate that after the payment pause ends, 65 percent of MOHELA's accounts will be "current" and paid $2.90 per account per month. The other 35 percent of accounts will be paid $2 per account per month.

[6] For example, even when the Department of Education identified people who qualified for a full discharge due to disability and mailed them an application, only about half applied. Likewise, only about half of people who qualify for a closed school discharge apply for one. Only about 15 percent of the people who qualified for the Public Service Loan Forgiveness waiver applied. All of this is to say that setting a 75 percent application rate target for the Biden cancellation plan is ambitious and would be an unprecedented participation rate.

A conservative estimate[7] still indicates that in the first year after cancellation, MOHELA would make $167 million in revenue servicing federal direct loans. This is 88 percent more than the amount MOHELA made in 2022, and significantly more than it has made in its entire history. In short, MOHELA will not suffer financial harm from cancellation.

Why is MOHELA in a better financial position than before cancellation, contrary to the plaintiffs' claims? Since the payment pause went into effect, the Department of Education required millions of accounts to be transferred from other servicers to MOHELA. Most significantly, FedLoan (or, the Pennsylvania Higher Education Assistance Agency [PHEAA]), which was the dedicated servicer for the Public Service Loan Forgiveness (PSLF) program, stopped servicing federal student loans. In 2021, MOHELA became the dedicated servicer for all PSLF accounts. Millions of PSLF accounts were transferred from FedLoan to MOHELA, and many more from other servicers as people applied for PSLF under the temporary waiver. The end result is that as of January 31, 2023, MOHELA is now servicing 7,465,457 federal direct loans, a steep increase since the pandemic.[8]

Instead of being harmed by cancellation, MOHELA will be in a stronger financial position post-cancellation than it was in last year—the exact opposite of what the lawsuit alleges.

MOHELA's internal impact analysis confirms our assessment, despite basing its analysis on a different snapshot in time—it ran its report on August 31, 2022, prior to another jump in borrower accounts—and uses different assumptions about borrower behavior. For example, it appears to assume everyone who qualifies for cancellation will apply, something experts and officials know will not happen.

In their brief to the Supreme Court, the six GOP attorneys general cited MOHELA's 2022 financial statement, showing it made $88.9 million in revenue from servicing 5.2 million federal direct loans, and then went on to argue that cancellation will harm MOHELA's revenues. But MOHELA's own internal impact analysis anticipates that after cancellation is

[7] We are counting unique borrowers, and a number of these borrowers have multiple accounts. That is, of the 5,427,760 unique borrowers for whom MOHELA will continue to service loans, many will have multiple accounts. Since MOHELA is paid by the account, not the borrower, our estimate for future revenue is lower than what it will really be.

[8] In October, MOHELA told Rep. Cori Bush (D-MO) that it was not participating in the states' lawsuit, but has not explained why. However, suing its contract provider could endanger MOHELA's future contracts. (MOHELA's contract expires at the end of 2023, and there is no guarantee that it will have its contract renewed.) By endangering MOHELA's federal contract through this lawsuit, Missouri might arguably be harming its own state's students. MOHELA's letter notes that, as a nonprofit, "available funds above reasonable operating needs and reserves are devoted by MOHELA to student financial aid" (MOHELA 2022). With 2023's massive expected increase in revenue, MOHELA would presumably be expected to transfer some portion of this increase to financial assistance for Missouri residents.

complete, it will make $8,096,002 a month, or $97,152,024 annually, servicing federal direct loans (see Appendix 3). This is more than a 9 percent increase, even without including the 2 million loans transferred to MOHELA since August 2022. In other words, even MOHELA admits that it will not be financially harmed by cancellation.

The reality is that MOHELA will actively *benefit* from cancellation.[9] MOHELA and other servicers will receive additional revenue to process the Biden administration's cancellation plan, which is not reflected in our figure above. MOHELA's current contract pays $11.49 per account to process a discharge, but MOHELA will likely be paid significantly more under the Biden cancellation plan. We have pending Sunshine Law requests about contract modifications that include payments for processing discharge under this plan. Based on the January 31, 2023, account information we received from MOHELA, we estimate that MOHELA will be processing reductions or complete discharges for 5,319,138 unique borrowers. If we take the conservative approach and use the $11.49 per discharge under its current contract, MOHELA would get a windfall of over $61 million.

Implications for Student Debtors

While MOHELA will not suffer financially from broad-based student loan cancellation, the same cannot be said for student debtors should the Supreme Court stop student debt cancellation. The plaintiffs' lawsuit threatens the financial well-being of 43 million Americans, who are desperately in need of relief.

The Department of Education, the Federal Reserve, and the Consumer Financial Protection Bureau (CFPB) all anticipate record levels of default if the COVID payment pause ends without cancellation. Even with student loans on pause, recent data reveals that student debtors are defaulting on credit card and auto debt at alarming rates. When the student debt payment pause ends, *especially* without any cancellation, student loan defaults are likely to spike, with long-lasting consequences. One year after defaulting, 80 percent of student debtors are still in default, and 66 to 70 percent stay in default for at least two years, if not more. Furthermore,

[9] Cancellation will minimize MOHELA's liabilities when it comes to managing the PSLF program. PSLF is a notoriously flawed program, and MOHELA faces significant legal and financial liability if it does not properly handle this extremely complicated and confusing program. We should not underestimate the legal and financial risks mishandling PSLF poses to MOHELA. The previous PSLF dedicated servicer, FedLoan, decided it was better to forgo all student loan servicing revenue entirely rather than assume the regulatory liabilities that come from managing PSLF. Since acquiring the PSLF portfolio, MOHELA has already badly mismanaged it, including sending incorrect qualifying payment counts to every single borrower who consolidates their loans to seek PSLF. Student debt cancellation will end up completely zeroing out at least some of these PSLF accounts, and so MOHELA will thus have lower liability and be better able to manage PSLF in accordance with Federal Student Aid regulations.

borrowers in student loan default are subject to a litany of harsh consequences, including wage garnishment, tax refund withholdings, and Social Security garnishment.

Research also shows that canceling student debt overwhelmingly benefits families from lower-wealth backgrounds, particularly Black and brown borrowers (Charron-Chénier et al. 2020; Eaton et al. 2021). As such, canceling student debt is widely considered a necessary precondition for closing the racial wealth gap.

Implications for Judicial Standing: The "Look, Ma, No Feet" Theory of Standing

This lawsuit endangers more than just proposed relief for tens of millions of borrowers. Its unfounded claims for standing also matter as precedent for future cases. The causal chain of standing in *Biden v. Nebraska* approaches the absurd: One incorrect claim ("MOHELA will lose money") sets off a cascade of subsequent arguments, resulting in a surprisingly disconnected conclusion ("no one's student debt shall be canceled"). Yet as we have shown above, the factual claim driving this suit doesn't add up: MOHELA will not lose revenue after debt cancellation. Should the justices affirm this claim, they would effectively confirm a "look, ma, no feet!" theory of standing—that is, one untethered from factual reality.

Moreover, if the Supreme Court ignores the law and facts and grants the states standing, it would radically expand what counts as standing. Such a ruling would effectively sanction states' lawfare against the federal government of an opposing party. In theory, that could empower the many causes and activists who have traditionally found it much harder than corporations to fight agency actions through the courts. As the defense argued in their brief, "Taken to its logical conclusion, the Eighth Circuit's theory would mean that banks could sue anyone who causes financial harm to their borrowers, credit-card companies could sue anyone who causes financial harm to their customers, and governments could sue anyone who causes financial harm to their taxpayers." Virtually any person on the planet would have standing to interfere with policies that entrench our dependency on fossil fuels, for example.

However, the Roberts court is not expected to apply this new expanded theory of standing consistently. More likely, it will grant dubious standing claims for corporations and other political aims friendly to the court, and close it off for everyone else. (Two other recent cases with upcoming Supreme Court arguments or decisions rely on similarly shaky standing grounds [Keren 2022; Gass 2023].) If Missouri is granted standing despite MOHELA making more money after cancellation than any year in its history, we will have important and concerning evidence about the state of our judicial branch: that factual evidence is secondary, even incidental, to judicial reasoning.

Conclusion

The Supreme Court's ruling on whether the federal government can eliminate the debts that it owns in order to better the lives of its populace is not merely a theoretical one. Tens of millions of Americans struggle financially with student debt, something COVID-19 has only exacerbated. President Biden's student debt relief plan is one of the largest, bottom-up economic stimulants in recent history; it could zero out 20 million accounts. Student debt relief is the difference between families having the financial freedom to make significant life decisions like starting a family or small business, purchasing a home, saving for retirement, or even having enough money for groceries.

The lawsuit that threatens this policy rests on a chain of false and flimsy claims. The entire premise of the lawsuit against student debt relief rests on the idea that 43 million student debtors shouldn't get relief for which they were already approved because one of the corporations contracted by the government to collect student debt, and thus the state of Missouri, will be financially harmed in the process. Our analysis reveals this assertion to be false. In contrast, MOHELA will earn higher revenue than ever before, even after cancellation is administered—contradicting the plaintiffs' argument and calling into question their claims to standing.

These claims evince a flawed judicial process, in which politically motivated charges get rushed to top courts, sidestepping important judicial procedures such as the rigorous scrutiny of underlying assumptions and basic fact-checking. What's more, should the justices affirm the plaintiffs' charge, the decision would signal a major shift in the court's approach to standing doctrine. Narrowing standing doctrine has been a project of conservative courts for the last three decades; this case would blow that strategy out of the water. Rather than restricting who can secure standing, this widening of standing would effectively alter the concept of standing to an unrecognizable form, enabling justices to interpret standing as they want. The long-term political implications of making standing arbitrary will not only affect 43 million borrowers: They will affect us all.

Appendix 1:

This is a report about the number of direct loan accounts MOHELA was servicing as of March 2020 when the COVID payment pause first went into effect. The most relevant number here for our analysis is the 2,461,237 unique borrowers with at least one direct loan serviced by MOHELA. This report was obtained through a Missouri Sunshine Law request to MOHELA.

MOHELA®

MONTHLY PORTFOLIO BALANCE REPORT
Provides cumulative snapshot of Servicing System portfolio balances by Loan Program at month end
Grand Total Report summarizes all Department of Education Loan Programs on Servicing System at month end
To determine monthly change on portfolio balances, subtract prior month balances from current month balance reporting
Only includes loans with balances <> $0.00

Report Date: March 2020
Loan Program: DLO - Direct Loans

LoanStatusCode	Loan Status Description	FFEL Borrower Count	DL Borrower Count	Unique Borrower Count	Total Loan Count	Principal Balance Outstanding (PBO)	Interest Receivable Balance (IRB)	Late Charge Balance	Fee Balance
GRAND TOTAL		0	2,637,095	2,461,237	8,350,568	$ 50,080,120,372.04	$ 2,491,394,775.69	$ -	$ -

Appendix 2:

This is an updated report about the number of direct loan accounts serviced by MOHELA as of January 31, 2023. It includes the total number of unique borrowers with at least one direct loan serviced by MOHELA, the number of those borrowers whose total balance is less than $10,000, and the number of those borrowers whose total balance is less than $20,000. With this information, we can estimate how many borrowers would have their accounts completely canceled and how many borrowers would have at least one account serviced by MOHELA after cancellation. This report was obtained through a Missouri Sunshine Law request to MOHELA.

Number of Direct Loan Borrowers with Total Loan Balance (Principal & Interest) $10K or under	Number of Direct Loan Borrowers with Total Loan Balance (Principal & Interest) $20K or under	Total Number of Direct Loan Borrowers Serviced (as of January 31, 2023)
2,037,093	3,408,481	7,465,457

Numbers as of: January 31, 2023

MOHELA

Appendix 3:

This is MOHELA's internal "Forgiveness Impact Summary" from August 31, 2022, obtained through a Missouri Sunshine Law request. We have circled in red the figure that is most relevant for our analysis: Even after cancellation, MOHELA anticipated making $8,096,002 in monthly revenue ($97,152,024 annually) from servicing federal direct loans.

MOHELA
Forgiveness Impact Summary - DL and FFELP
8/31/2022

	Portfolio Balance Before Forgiveness	Forgiveness $ Amount	% Forgiven	# of Borrowers Before Forgiveness	# of Borrowers Forgiven to $0 Balance	Remaining Borrowers	% Forgiven
FFELP							
with $14k forgiveness	$ 1,026,292,450	$ 458,764,493	45%	50,307	29,648	20,659	59%
with $16k forgiveness	$ 1,026,292,450	$ 497,914,938	49%	50,307	31,819	18,488	63%
	Portfolio Balance Before Forgiveness	Forgiveness $ Amount	% Forgiven	# of Borrowers Before Forgiveness	# of Borrowers Forgiven to $0 Balance	Remaining Borrowers	% Forgiven
DL							
with $10k forgiveness and $20k for 60% for Pell	$ 293,142,027,767	$ 106,405,394,355	36%	6,721,363	2,694,945	4,026,418	40%

	Actual Month of August 2022 FFELP Revenue	$ Lost Revenue	% Lost Revenue	Ongoing Monthly FFELP Revenue		
FFELP						
with $16k forgiveness @ 45%	$ 4,353,477	$ (2,112,128)	-49%	$ 2,241,349		
with $16k forgiveness @ 50%	$ 4,353,477	$ (2,176,738)	-50%	$ 2,176,738		
with $16+k forgiveness @ 75%	$ 4,353,477	$ (3,265,107)	-75%	$ 1,088,369		
	Actual Month of August 2022 Total DL Revenue	$ Lost Revenue	% Lost Revenue	Ongoing Monthly DL Revenue	Actual Month of July 2022 Total DL Revenue per Borrower	Ongoing Monthly Total DL Revenue per Borrower
DL						
with $10k forgiveness and $20k for Pell (est 60%)	$ 13,188,287	$ (5,092,285)	-39%	$ 8,096,002	$ 1.96	$ 2.01

Note: DL Lost Revenue % is different than the % Forgiven because FSA revenue is based on number of accounts instead of account balance.

Note 2: FFELP forgiveness assumes MOHELA receives forgiveness payments from FSA. If FSA requires borrowers consolidate with the Department prior to loan forgiveness, MOHELA could lose ALL FFELP loans. As such, additional forgiveness scenarios of 50% and 75% of the FFELP portfolios were added in case borrowers are required to consolidate with the Departement to receive loan forgiveness.

Note 3: DL forgiveness assumed $10,000 forgiveness and 60% receiving additional $10,000 for being Pell recipients.