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Lawsuit Seeks to Force Department of Education to Implement SAVE Student Loan Plan

Lawsuit says government is unlawfully blocking lower payments and loan discharge for millions

Washington, D.C. — Public Goods Practice, LLP filed a federal lawsuit today on behalf of four student loan borrowers seeking to compel the U.S. Department of Education to fully implement the SAVE student loan repayment plan and deliver relief without delay.

On Feb. 27, a District Court Judge in Missouri dismissed a case brought by a coalition of Republican attorneys general, paving the way for borrowers to start benefiting under SAVE immediately. In the days following the dismissal, borrowers eagerly reached out to the Department to ask for SAVE Plan benefits and [Senators demanded information](#) about how and when the SAVE Plan would be implemented. The Department of Education refuses to provide the lower monthly payments, loan discharge, and other relief required under the regulation.

“Millions of borrowers have already waited years for repayment terms that the law requires,” said **Austin Hinkle, Managing Partner of Public Goods Practice**. “Today, they are eligible to have their loans cancelled, but the government simply refuses to do it.”

Four borrowers are suing the administration and alleging that the Department’s refusal to implement the rule violates federal administrative law by denying them the relief they are entitled by regulation and statute.

The borrowers, represented by Public Goods Practice, LLP, a public-interest litigation firm founded by Austin Hinkle, a former Consumer Financial Protection Bureau official, have asked the court to order the Department of Education to:

- Fully implement the SAVE repayment plan as required under its Final Rule
- Provide loan discharge to borrowers currently eligible under the program

- Restore access to SAVE repayment benefits for borrowers denied relief

The full complaint is available here:

<https://www.courtlistener.com/docket/72379585/havens-v-us-department-of-education/>

Background:

As Trump scrambles to contain the economic fallout of skyrocketing gas prices, his administration is blocking working class families' rights to affordable loan payments and debt relief. The SAVE plan lowers monthly payments for borrowers enrolled in income-driven repayment and prevents unpaid interest from causing loan balances to balloon — reforms designed to ensure that student loan repayment remains affordable.

For many borrowers, the difference between SAVE and other repayment programs can amount to thousands of dollars in additional costs each year and many additional years of repayment. But the Administration is giving borrowers the run around and denying access to the most affordable payment plan in history.

“The number one question we receive during our student loan workshops is what borrowers should do if they are enrolled in the SAVE program,” **said Natalia Abrams, President and Founder of the Student Debt Crisis Center**, “Over the past two years, SDCC worked extensively with many of the millions of borrowers enrolled in SAVE. Today, these borrowers remain in prolonged uncertainty due to nearly two years of administrative forbearance. Immediate action is necessary to provide clear guidance and meaningful relief for borrowers who enrolled in SAVE in good faith and have been left in limbo.”

Tens of thousands of borrowers are now immediately eligible for loan discharge, while millions more qualify for significantly lower monthly payments under the SAVE rule.

The Administration is Siding With Servicers Over Congress and American's Pocketbooks

Without access to SAVE millions of people simply lack the money to make their monthly payments. Record numbers of student borrowers defaulted on their student loans this year and the Administration is fighting the most direct way to make Americans lives more affordable - by following the law and implementing SAVE. “The Department of Education should stop colluding with student loan servicers and cynically breaking the law by denying benefits to debtors,” **said Julia Barnard, former Student Loan Ombudsman of the Consumer Financial Protection Bureau and current Debt Collective Higher Education Director**. “In the end, this lawsuit provides the Trump Administration with a golden opportunity to do the right thing.”

Congress recently ratified the SAVE program in passing the One Big Beautiful Bill Act by reaffirming the legal authority underlying the plan and establishing a transition period allowing borrowers to remain in the program through July 1, 2028. Rather than complying with this direction and smooth borrowers' transitions, the Administration is putting millions of borrowers at risk of delinquency and default.

"Congress designed income-driven repayment to ensure that student loans remain affordable," Hinkle said. "When the government finalizes a rule implementing that promise, it has a legal obligation to follow it."

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Plaintiff Comments

Plaintiff Elizabeth Robeson of South Carolina qualified for cancellation when she entered the SAVE Plan in 2024 on a \$12,000 loan from 1987 that financed a graduate degree from the University of Mississippi. Despite having made 325 qualifying payments of the 216 required under SAVE, she now owes more than \$93,000. "I have never been out of compliance on this loan and have paid for decades," said Robeson. "The student loan crisis has cruelly forced millions of working Americans like me to live in a labyrinth with no clear exit despite our having followed the law." Plaintiff Heather Havens is eligible for loan cancellation under the SAVE Plan because she has made 303 payments out of the required 300. "I simply want SAVE borrowers like myself to be able to fulfill the terms of the plan we signed up for," said Havens. "To be able to repay our loans in good faith, buy back the months we were put into forbearance, and qualify for loan discharge if we meet the plan's requirements. To me, it's about fairness."