

# United States Senate

SPECIAL COMMITTEE ON AGING  
WASHINGTON, DC 20510-6400  
(202) 224-5364

April 23, 2015

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Dodaro:

Student loans play an important role in ensuring postsecondary access for millions of students every year. More than \$115 billion in federal student loans are borrowed each year by students and their families to help pay the cost of postsecondary education. Although many of these loans help finance college education for younger Americans, some of these loans may also be used for worker retraining or career changes later in life. As your recent report found, the percentage of households headed by those aged 65 to 74 having student loan debt quadrupled between 2004 and 2010.

Your recent report on student loan debt of older Americans raises new concerns about the student loan debt of older Americans and its impact on their retirement security. These concerns are exacerbated by policies that allow the Department of the Treasury to garnish older Americans' Social Security payments to pay back student loans in default. And with student loan debts increasing for younger Americans, the potential exists for this to be a much bigger problem in the future.

Thus, we request that GAO conduct an additional study on this issue and address the following questions:

- How do offsets affect incomes for those older Americans with outstanding student loan debts?
- What is the average income for seniors after their benefits are offset?
- How long has the average offset loan been in default and what is the average number of years remaining on the loan?
- To what extent is the Treasury offset program reducing outstanding balances on defaulted student loans rather than covering the interest and fees?
- How does student loan debt affect saving for retirement?

- How much of the Department of Education's recovery revenue from outstanding student debt is recovered from Treasury offsets and how much is recovered by cross-servicing efforts (i.e., recovery by private collection agencies hired by Treasury)?
- Finally, what is the typical duration of offsets for individuals and what proportion of Social Security benefits die without successfully paying off their loans?

Thank you for your consideration to this request. Please contact Joel Eskovitz of the Committee staff at (202) 224-3505 if you have any questions.

Sincerely,



Claire McCaskill  
Ranking Member  
U.S. Senate Special Committee on Aging



Elizabeth Warren  
Member  
U.S. Senate Special Committee on Aging