

April 11, 2017

TO: James W. Runcie, Chief Operating Officer
Federal Student Aid

FROM: Betsy DeVos, Secretary /s/
U.S. Department of Education

SUBJECT: Student Loan Servicer Re compete

As the Department strives toward our stated goal of increasing college access, affordability and quality, it is imperative to exercise due diligence in acquiring new federal student loan servicing capabilities. Our mission in the student loan servicing procurement process is to provide high quality customer service to federal loan borrowers in a cost-efficient and effective manner. I write today to reiterate the importance of the task ahead and reaffirm the Department's commitment to achieving its mission.

Unfortunately, this process has been subjected to a myriad of moving deadlines, changing requirements and a lack of consistent objectives. We now find ourselves in a situation where we must promptly address not only these shortcomings but also any other issues that may impede our ability to ensure borrowers do not experience deficiencies in service. This must be done with precision, timeliness and transparency. As we move forward with this procurement, I am withdrawing (1) the June 30, 2016 memorandum to you from former Secretary John King, (2) the July 20, 2016 memorandum to you from former Under Secretary Ted Mitchell, and (3) the October 17, 2016 addendum to the July 20, 2016 memorandum to you from former Under Secretary Mitchell, to negate any impediment, ambiguity or inconsistency in the approach needed to accomplish this critical mission.

I greatly appreciate the work and effort you and your team have put forward thus far. Our work continues in earnest today. The student loan servicing procurement affords us a significant opportunity to improve outcomes and experiences for federal student loan borrowers, as well as demonstrate sound fiscal stewardship of public dollars. We must create a student loan servicing environment that provides the highest quality customer service and increases accountability and transparency for all borrowers, while also limiting the cost to taxpayers.

We have a duty to do right by both borrowers and taxpayers, and I look forward to working with your team at FSA, as well as others, in order to acquire new federal student loan capabilities that will provide borrowers with the tools necessary to efficiently repay their debt.