

Biannual Legislative Report 2023 - 2024

NRS 226.590

JANUARY 31, 2025

Student Loan Ombudsman Program
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About The Student Loan Ombudsman Program

Nevada is one of 16 U.S. states, including the District of Columbia, to have a student loan ombudsperson or student loan advocate program. The Student Loan Ombudsman program is an unbiased confidential and educational resource offered through the Nevada Treasury's Financial Literacy and Security Division. As defined by NRS 226.570, the Student Loan Ombudsman shall:

1. Receive, review and attempt to resolve any complaint from a student loan borrower, including, without limitation, attempting to resolve such a complaint in collaboration with an institution of higher education, a student loan servicer and any other person who participates in providing a student education loan.
2. Compile and analyze data on complaints as described in subsection 1.
3. Assist student loan borrowers to understand their rights ans responsibilities under the terms of student education loans.
4. Provide information to the public, governmental agencies and the Legislature regarding the problems and concerns of student loan borrowers and make recommendations for resolving those problems and concerns.
5. Analyze and monitor the development and implementation of federal, state and local laws, regulations and policies relating to student loan borrowers and recommend any changes the Student Loan Ombudsman deems necessary.
6. Review the complete history of any student education loan for any student loan borrower who has provided written consent for such a review.
7. Disseminate information concerning the availability of the Student Loan Ombudsman to assist student loan borrowers, potential student loan borrowers, institutions of higher education, student loan servicers and any other persons who participate in providing a student education loan, with any concerns relating to student loan servicing.
8. Assist student loan borrowers who are pursuing degrees in a health-related field to become aware of, qualify for and apply for the Student Loan Repayment for Providers of Health Care in Underserved Communities Program created by NRS 226.458.
9. Take any other actions necessary to fulfill the duties of the Student Loan Ombudsman.

The Role of the Ombudsman

In Nevada, the Student Loan Ombudsman program is a free resource for borrowers and residents in Nevada for when questions arise about financial aid and student loans. Typically, borrowers do not seek the Student Loan Ombudsman program as a first step when questions arise. Rather, it is considered the final step for borrowers who are not successfully communicating with their servicers and/or lenders. Although the Ombudsman program does not have the authority to process changes to loan terms or expedite the processing of loan applications, it does serve as an advocate who seeks a fair and just process for Nevada borrowers and assists with navigating issues and identifying available resources.

Evelyn Castro continues to serve as the state's first Student Loan Ombudsman since the creation of the Program in December 2019. She is located in Las Vegas, Nevada and is a member of the Financial Literacy and Security Division of the Nevada State Treasury. Although she is in Southern Nevada, she assists Nevada residents statewide. Since the program's inception, Evelyn Castro has educated Nevada borrowers about repayment and forgiveness options and how certain programs may be beneficial or detrimental. She has helped borrowers reach full forgiveness of their federal student loans and placed others on track for future forgiveness. She has also assisted borrowers to get out of default, while helping others understand the steps to qualify for repayment plans that offer lower monthly payments when they've found themselves in financial hardship. Evelyn Castro has also become a big advocate for scholarships and finding other ways for students to fund their higher education. She does so by assisting with questions regarding the Free Application for Federal Student Aid (FAFSA), and by providing resources to find scholarships and understand other ways to fund individual higher educational goals.



Program's Vision

The Student Loan Ombudsman wants Nevadans to feel at ease once they are in repayment by investigating their complaints and answering questions regarding student loan debt, thus putting them on the path to financial freedom. The goal of the Student Loan Ombudsman Program is to have as many Nevadans as possible achieve a higher education while avoiding unaffordable student loan debt.



With continued efforts, this program will assist Nevadans with their complaints and questions regarding student loan debt and put them in a path to financial freedom. Through education, advocacy, outreach, and individual support, we see a state that can overcome past challenges that have impeded Nevadans from moving towards other financial goals.

Logo and Division Transfer

In August of 2024, the Student Loan Ombudsman program was transferred from the College Savings Division, also known as NVigate, to the Financial Literacy and Security Division, a new division within the Nevada Treasury. The Student Loan Ombudsman program continues to collaborate with NVigate, primarily at events that focus on providing education and resources to high school students and their families.

The Program continues to use its logo for all promotional tools. The Ombudsman creates educational materials and also shares student loan material directly from the Department of Education, to help eliminate confusion and provide the most accurate data on student loan programs to Nevadans.

An Educational Resource

Student loans help fill financial gaps for students who wish to pursue a higher education. The process and application to receive federal student loans can be quite easy, even for those students who do not show financial need.

Engaging students and providing clear, timely, and customized information about borrowing to reduce future financial stress is vital for Nevadans. The Ombudsman continues to focus its efforts on providing information to students and their families on topics concerning student loans, including educational series and materials that promote exhausting all other financial aid before taking on student loan debt. Since the inception of the Program, the Ombudsman has developed various presentations to educate students, families, and borrowers on the importance of borrowing responsibly and managing their student loan debt and to increase knowledge on the benefits and disadvantages of student loans. The Ombudsman also develops new educational series and materials, as needed, such as when new federal student loan programs are introduced, and when immediate updates or news needs to be shared with Nevadans.

The following are educational presentations available through the Ombudsman:

1. **How to Responsibly Pay for a Post-Secondary Education:** Focuses on the different options for paying for a post-secondary education and how students and their families can begin preparing while in high school. It covers topics such as the FAFSA, grants, work-study, finding scholarships, and the different types of student loans.

2. **Know Before you Owe:** Focuses on the difference between federal vs private student loans and the terms associated with student loans. It also focuses on how interest, capitalization, and the life of the loan play a role in student loan debt, and how borrowers can estimate monthly payments and keep track of their borrowing to avoid financial burdens.

3. **Federal Student Loan Relief:** Choosing federal student loans over private student loans has its perks. One of the benefits of federal student loans is the ability for borrowers to qualify for student loan forgiveness, discharge, or cancellation. This

presentation focuses on the qualifications for federal student loan forgiveness and other types of relief such as repayment options, and how to navigate the application process.

4. **Surviving Federal Student Loan Default and Delinquency:** In 2019, Nevada had the highest rate of defaulted student loans in the nation. This presentation focuses on the options available to get out of default, and the options borrowers have to avoid defaulting again in the future.

5. **Avoiding Student Loan Scams:** Focuses on how borrowers can avoid being a victim of student loan scams by distinguishing what is real, what can be a potential scam, and what to do if they suspect they're a victim of a student loan scam.

6. **The New FAFSA:** Focuses on the Free Application for Federal Student Aid (FAFSA) and the importance of applying. It also explains the new updates to the FAFSA and terms that students and families should familiarize themselves with when applying.

7. **Financial Aid Options for DACA students (Spanish):** Focuses on the resources available for DACA students and how DACA students can prepare for their post-secondary education without taking out private student loans.

8. **Resuming Repayment:** This presentation was created in 2023 prior to the time that many loans went back into repayment. The presentation focused on preparing borrowers to resume repayment after the payment pause, and provided information for borrowers who may have had a financial hardship when repayment resumed. The presentation also provided information about the Fresh Start Program, the On Ramp program, and repayment plan options.

9. **Exit Counseling – Understanding your Federal Student Loans:** Will be available in 2025 and will serve as a quick review of the Exit Counseling that college students who have taken out student loans must complete before graduating. It will focus on the benefits associated with federal student loans and prepares borrowers on what is to come after graduation and after their grace period. It will review repayment options, forgiveness programs, deferment/forbearance options, consolidations, and the consequences of default to ensure students take the correct steps in managing their new debt.

Since the current Ombudsman is fluent in both English and Spanish, all the presentations listed above are offered to Nevadans in both languages. The Ombudsman has partnered with local schools, colleges, local organizations, etc., to bring forth these presentations both in person and virtually.

Nevada Department of Education Debt Relief Series

Due to the positive feedback after presenting to Nevada educators at the Learning for the Future Conference hosted by the Nevada Department of Education, the Ombudsman partnered with the Nevada Department of Education to bring forth a virtual series that focused on topics related to federal student debt relief to Nevada educators, counselors, and other school administrators.



The series were offered virtually in September, October, and November of 2024 to reach educators and other school administrators in all of Nevada. Each attendee received one-hour of Professional Learning for each session attended. The series was titled “Federal Student Debt Relief” and was administered in 3-parts:

Part 1: Your Journey Towards Student Loan Forgiveness
Part 2: Take Control of Your Student Loan Debt
Part 3: Prepare for the Future

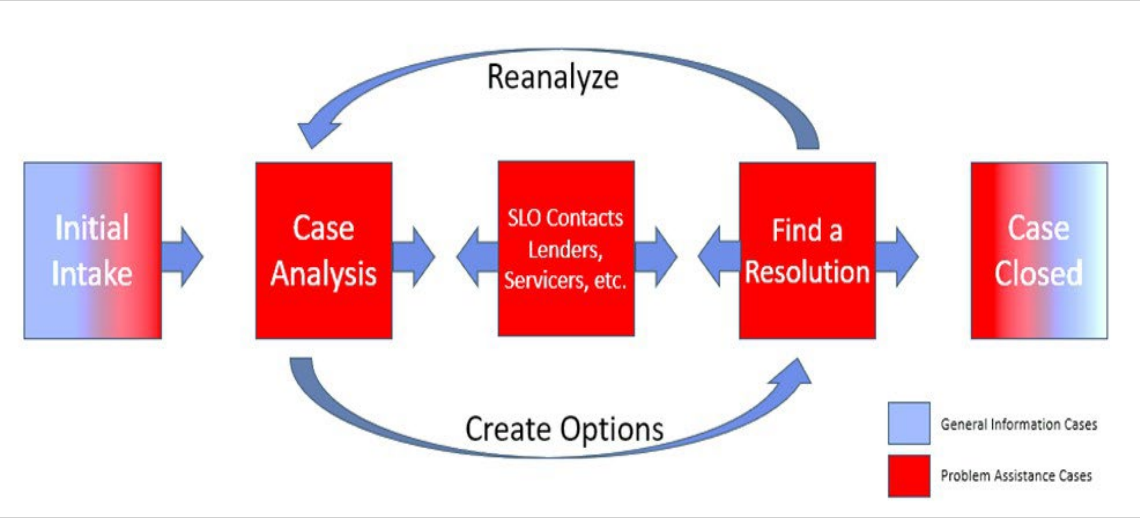
The topics of the Series were identified based upon feedback from Nevada’s educator/borrowers who were unaware of certain programs, such as Public Service Loan Forgiveness (PSLF). Most borrowers that contacted the Student Loan Ombudsman had heard of the Teacher Loan Forgiveness program, which only provides up to $17,500 of forgiveness, compared to total forgiveness using the PSLF program that they had not known about. Following the series, the Ombudsman was able to walk borrowers through the application process, while also exploring alternative debt relief options for those that may not qualify for total forgiveness.

ASK - Student Loan Borrower Inquiries

One of the main services and resources offered by the Ombudsman is the Advocacy, Support, and Knowledge (ASK) the Ombudsman. Through ASK the Ombudsman, the Ombudsman assists Nevada student loan borrowers with any questions, concerns, or complaints they may have about their student loans.

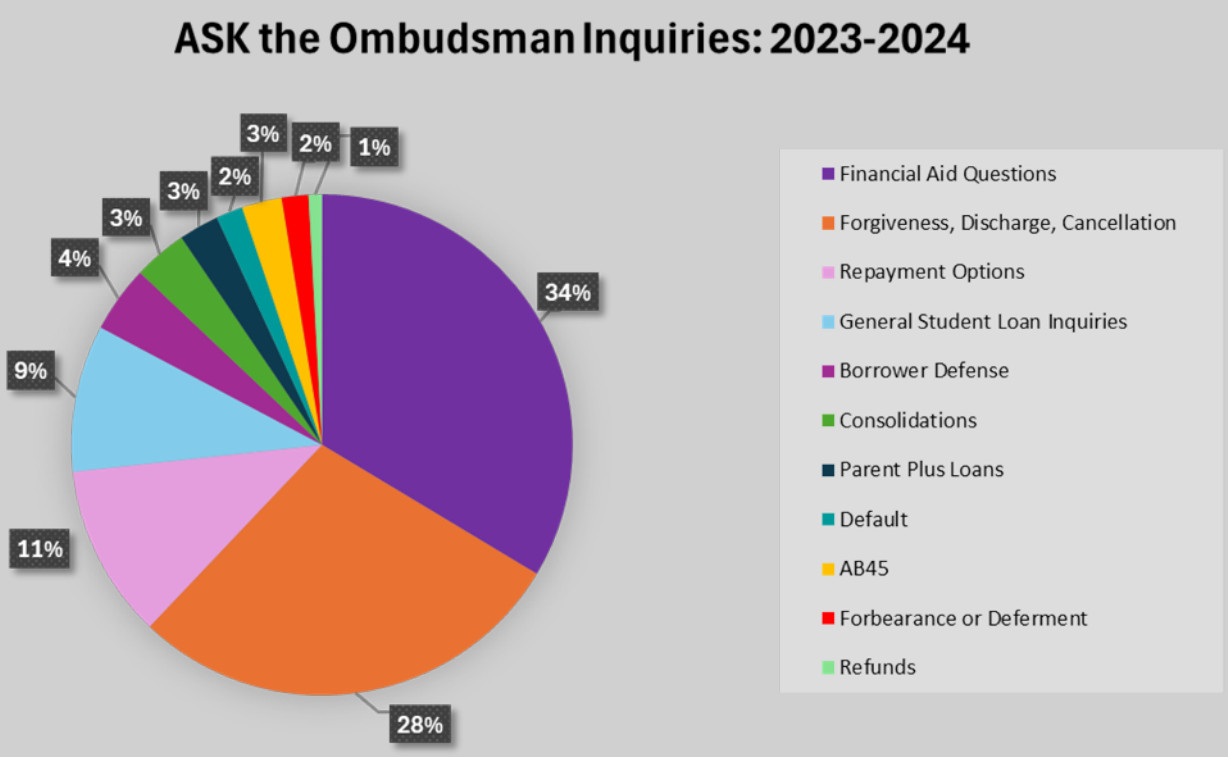
The Ombudsman works with borrowers individually to help answer their questions and/or to find a resolution to their concerns or complaints. The Ombudsman, with the permission of the borrower will also work directly with the Federal Student Aid (FSA) or the borrower's servicer to gather information of past payment history, types of loans, or anything concerning the borrower's loans to get a better perspective of what the borrower may qualify for or help the borrower better understand any concerns they may have.

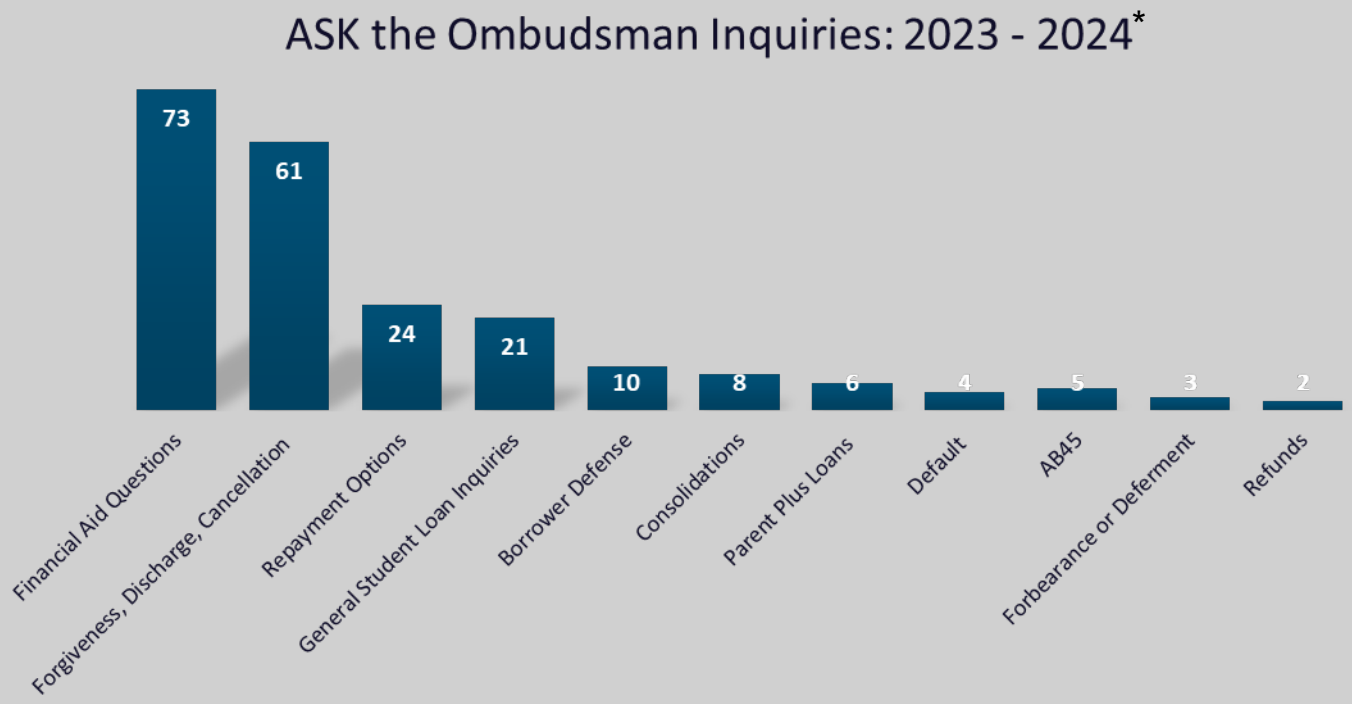
The consultations that the Ombudsman has with constituents range from general inquiries to more complicated cases. The Ombudsman will open a case for each constituent, however, while some cases are closed within a matter of days, others may remain open for months, depending on the complexities of the borrower's repayment history and the U.S. Department of Education's processing time. The following graph shows the process that inquiries received by the Ombudsman go through:



Student loan forgiveness and cancellation has been a trending topic in the media since the Biden Administration took office. It has also become one of the top reasons Nevada student loan borrowers have reached out to the Ombudsman program. Other reasons include questions or complaints about institutional settlements, repayment plans, rehabilitation, forbearance, and financial aid. Although not all Nevadans who reach out to the program are eligible for certain loan forgiveness, the Ombudsperson provides in-depth information on certain Program qualifications to ensure that these borrowers do not fall for any scams that promise them full loan forgiveness and/or lower interest rates.

The data provided in the graph below is specific to borrowers that contacted the Ombudsman program directly for individual 1:1 assistance between 2023 and 2024 and does not reflect the total number of individuals the Ombudsman assisted while performing other tasks, such as outreach, events, educations, and/or presentations. In total, 186 constituents contacted the Ombudsman. As shown below, inquiries about forgiveness, discharge, and cancellation and financial aid assistance were among the top leading inquiries:





*Some constituents contacted the Ombudsman regarding multiple topics and may be counted twice in this graph.

Student Debt Information Clinics

In June 2024, the Ombudsman partnered with Federal Student Aid (FSA), Rise Free NV, Civic Nation, and the NAACP to bring forth in-depth event titled “Student Debt Clinics” to Nevada.

Borrowers that attended received information about the Saving for a Valuable Education (SAVE) plan, consolidations for the Income-Driven Repayment (IDR) Adjustment Count and Public Service Loan Forgiveness (PSLF), and the Fresh Start program. The Student Loan Ombudsman also provided a presentation regarding the Student Loan Ombudsman program

and the services and resources offered. Borrowers were then assisted one-on-one with their student loan questions and concerns. The Ombudsman, representatives from the FSA, and other volunteers assisted borrowers individually with their student loan questions. Several borrowers who attended the Student Debt Clinics were directed to apply for the Fresh Start Program to get their loans out of default, while others were provided information on how to qualify for the SAVE program or how to consolidate their loans to receive an adjustment count for IDR or PSLF forgiveness.



Office Hours at Higher Education Institutions

It is important for college students to not only understand what it means to be a responsible borrower, but also that they are provided with the resources available to find other means to pay for their education, such as grants, scholarships, and work-study.

In 2023, the Student Loan Ombudsman expanded its office hours to include Nevada State University, University of Nevada-Las Vegas, and College of Southern Nevada campuses. During office hours, the Ombudsman hosts a table once a month at each institution's student union. Here, the Ombudsperson is accessible to students and staff at their institution to answer questions regarding student loans and financial aid. During office hours, the Ombudsman also provides tips for finding and applying for scholarships and information about student loans.



Advocacy

Advocating for Nevada borrowers continues to be a top priority of the Ombudsman. It is crucial for the Ombudsman to have the most accurate information for Nevadans as changes to policies, new program implementations, or changes in deadlines occur to ensure that the most up-to-date information is shared with Nevadans. It is also important for the Ombudsman to advocate for change that serves in the best interest of Nevada residents.

The Student Loan Ombudsman meets monthly with the Federal Student Aid in a group setting, alongside other student loan advocates and regulators to learn of any changes, processes, and new programs that the Ombudsman should share with Nevadans. The Student Loan Ombudsman also meets monthly with the Consumer Finance Protection Bureau (CFPB) to discuss re-occurring complaints or issues that Nevada and other states are experiencing. During these meetings, the Ombudsman advocates for Nevadans by speaking on repeated complaints or issues that Nevada borrowers are facing and also compares what other states share to find common issues and advocate for solutions.

In October 2024, the Student Loan Ombudsman attended the first Student Loan Professional Series in San Diego, CA. Attendees included other state student loan ombudspersons, advocates, regulators, and student loan experts. Re-occurring loan issues, successes, and challenges were discussed, as well as strategies to assist borrowers effectively.



In December 2024, the Nevada Student Loan Ombudsman was granted access to the CFPB's Government Complaint Portal. This access will allow the Ombudsman to explore complaints made by borrowers to the CFPB and gain a broader understanding of the issues that borrowers experience and how servicers and loan companies have responded.

In 2023 and 2024, The Student Loan Ombudsman, along with other state advocates and other organizations signed on to the following letters:

1. Addressed to Education Secretary Cardona regarding the SAVE plan forbearance not counting towards Public Service Loan Forgiveness nor Income-Driven Repayment Forgiveness.
2. Addressed to Education Secretary Cardona and Undersecretary Kvaal regarding Income- Driven Account Adjustment.
3. Addressed to Majority Leader Chuck Schumer, Minority Leader Mitch McConnell, Speaker Kevin McCarthy, and Minority Leader Hakeem Jeffries regarding the plans to overturn the payment pause and the debt relief plan.

Outreach Efforts

Getting information out to Nevadans is vital for the effectiveness of the Program. Bilingual in both English and Spanish, the Ombudsman has been able to provide educational presentations, media interviews, webinars, and assist Nevadans in both languages.

Media Interviews

Various methods to effectively reach Nevadans have been used to provide tips and accurate information about student loan updates. The Ombudsman appeared on various news channels, on topics such as when student loans went back into repayment. The Ombudsman appeared on KVVU FOX5, FOX5 Vegas, KRNV NBC, KRXI FOX, the Las Vegas Review-Journal en Español, KLAS CBS, KTNV CBS, 8NewsNow, and KBLR Telemundo with a combined total reach of over 5,107,300.



Community Events

Attending various community events has been another approach the Student Loan Ombudsman has taken to grow the program. By attending community events, the Ombudsman has continued to foster community relationships, connect with borrowers and potential borrowers, and demonstrate its commitment to the state's well-being. The Ombudsman has participated at events such as career fairs, college fairs, conferences, summits, parent/student events, FAFSA nights, and workshops.



Social Media

Social media has become a vital component for the marketing of the Student Loan Ombudsman program. The Program has used social media, primarily Facebook and Instagram, to regularly make posts about the program, provide tips about repayment for students and borrowers, bring forth live webinars, and give updates on program changes or upcoming deadlines of federal student loan programs. Between 2023 – 2024, social media posts about the Student Loan Ombudsman program had a total reach of over 35,000 and average reach of approximately 234 per post.



Community Partnerships

The Ombudsman continued to build and foster relationships with community partners and has worked with numerous organizations throughout Nevada to bring awareness of the program and offer its services to those who wish to receive individual assistance. Some of these partnerships have included local high schools, higher education institutions, non-profit organizations, school districts, state's department of education, financial aid offices, etc.

Student Loans in the News

Overview

Through 2024, student loans continued to be the highlight of headlines.

Federal Student Loan Repayment Pause comes to an End

On June 3, 2023, Congress and President Biden enacted the Fiscal Responsibility Act of 2023, which specified that interest and payment suspensions would no longer be effective 60 days after June 30, 2023. Interest accrual begun again on September 1, 2023, and over 300,000 Nevada student loan borrowers resumed repayment on their student loans on October 1, 2023.

The Ombudsman took this opportunity to develop a new education on what Nevadans could do to help prepare them as payments resumed. The educations were offered multiple times prior to October 1st, 2023. The Ombudsman was also interviewed by local news channels to provide tips to Nevadans on steps to take before payments resumed.

Total and Permanent Disability (TPD) Forgiveness

In 2021, the Department of Education announced the automatic discharge for those with total and permanent disabilities, which was a change all U.S. student loan ombudsmen, including Nevada's Student Loan Ombudsman, amongst other state leaders, had advocated for. Since then, the Biden-Harris Administration has approved over $126 million in debt cancellation for over 5,100 people in Nevada through the Total and Permanent Disability Forgiveness process.

Public Service Loan Forgiveness (PSLF)

The Public Service Loan Forgiveness (PSLF) program provides qualified federal student loan borrowers who work in public service to receive loan cancellation after 10 years of service in addition to other requirements. Today, over 1 million public servants have been approved for PSLF. As of early October 2024, the Biden-Harris Administration has approved over $432.4 million in debt cancellation to over 5,740 public service workers in Nevada.



In May 2024, the PSLF program transitioned from MOHELA to the Department of Education's Studentaid.gov platform, which in turn created some confusion to borrowers. The Public Service Loan Forgiveness program continues to be one of the main reasons borrowers contact the Ombudsman. The Ombudsman received calls from student loan borrowers who needed more information and guidance on PSLF and other student loan forgiveness options. The Student Loan Ombudsman provided guidance on the application process to those borrowers who met the qualifications and provided further information on student loans to those that did not meet the qualifications.

Biden Administration Student Loan Cancellation

In August 2022, the Biden Administration had announced a program to cancel up to $20,000 of student loan debt for 40 million borrowers. According to the Federal Student Aid (FSA), approximately 315,800 Nevada borrowers would have been eligible for the (up to) $10,000 debt relief and 216,900 Nevada borrowers would have been eligible for the (up to) $20,000 of debt relief.

However, the promise to cancel student loan debt came with legal challenges after the U.S. Court of Appeals blocked the government from cancelling federal student loans. The U.S. Department of Education had received 26 million applications and had approved 16 million of those applications before the nationwide injunction was issued. On June 30, 2023, the Supreme Court ruled by a vote of 6-3 that the Biden Administration lacked the requisite authority for the program, thus, no borrower would receive relief through this program. An estimated 128,000 Nevadans had been fully approved for discharge, while an additional 70,000 Nevadans had applied or were deemed automatically eligible for relief before the court case forced the suspension of the program.

In December 2024, the U.S. Department of Education submitted a "Plan B" for student loan cancellation to the Office of Management and Budget.

The Saving on a Valuable Education (SAVE) Plan

On June 30, 2023, soon after the ruling against the student loan cancellation program, the Biden Administration announced the finalization of a new income-driven repayment plan that would lower eligible borrowers' monthly payments and reduce the amount they pay back over time. The new repayment plan, the Saving on Valuable Education (SAVE) Plan, would become one of the Income Driven Repayment (IDR) plans available to eligible federal student loan borrowers. Over 35,300 Nevadans had enrolled in the SAVE program since the application opened.

Like the other IDR plans, the SAVE plan calculates the monthly payments based on the borrower's income and family size, however it also has unique benefits that significantly lower the payments for borrowers, prevents the balance from growing due to unpaid interest, and offers potential forgiveness as early as 10 years. However, in the summer of 2024, a federal court issued an injunction that has prevented the U.S. Department of Education from implementing parts of the SAVE plan as well as other IDR plans.

Borrowers enrolled in the SAVE plan were automatically placed in an interest-free forbearance, but unlike the forbearance that borrowers were placed in during the pandemic, the SAVE forbearance does not count towards PSLF nor IDR forgiveness. Many borrowers seeking Public Service Loan Forgiveness (PSLF) have been substantially affected by the injunction due to the forbearance not qualifying for PSLF payment counts, especially those that are nearing their 120 required payments. The Department of Education introduced a program called the Buy Back, however, there have been no actual implications on the terms of the agreement of the program or how exactly payments will be calculated for those who wish to buy back payments that have not been eligible for PSLF in the past, including the time in forbearance while enrolled in SAVE.

The FRESH Start

The Fresh Start initiative was introduced by the Department of Education in April 2022. It was a temporary program to help borrowers with defaulted federal student loans gain access to benefits they had lost due to default, and to avoid the negative effects of default. Some of the benefits of the Fresh Start included: (1.) Restoring access to repayment options and providing

opportunities for loan forgiveness, (2.) Restoring eligibility to receive federal student aid, (3.) Protecting borrowers from involuntary collection efforts and collection fees, (4.) Restoring eligibility for future rehabilitation, and (5.) Removing borrowers from the federal Credit Alert Verification Reporting System (CAIVRS).

Borrowers who had defaulted on their student loans were able to apply for Fresh Start and enroll into the SAVE program, which in turn provided them with a new affordable monthly payment. The application process to apply for Fresh Start was made fast and easy for borrowers to take advantage of.

In 2019, prior to the federal loans payment pause, Nevada had the highest default rates in the nation at 18.16%. The deadline to apply to Fresh Start was on September 30, 2024, thus new reports of default rates will not be available until after January 2025.

The On-Ramp Transition

After student loans went back into repayment following the pandemic pause, borrowers were shielded for a 12-month period from the consequences of missing payments. This was called the On-Ramp Transition. However, unlike the payment pause, not making payments during the On-Ramp Transition would be costly to borrowers since interest would continue to accrue, ultimately increasing the overall loan amount. During On-Ramp Transition, servicers were not reporting missed, late or partial payments as delinquent, therefore, borrowers were not negatively impacted on their credit report, nor were loans sent to collections for being in default.

During the On-Ramp Transition, the Student Loan Ombudsman advised borrowers to continue making payments since not making payments would negatively impact them in other ways, such as owing more overall, higher monthly payments after the On-Ramp Transition, and missed payments not counting towards Public Service Loan Forgiveness or Income-Driven Repayment Forgiveness. The On-Ramp Transition ended on September 30, 2024, however, on October 16, 2024, the Biden Administration announced that it had extended the collections pause for an additional 3 months. Due to this extension, the number of Nevadans in default will not be available until months after the collections pause ends.

The Income Driven Repayment Adjustment

The Income Driven Repayment Adjustment was introduced to ensure borrowers receive proper credit for progress towards Income Driven Repayment (IDR) forgiveness and Public Service Loan Forgiveness (PSLF). This payment count adjustment was first announced in April 2022 and was expected to be completed by December 2023, however, this date was extended through 2024 and has to yet to be completed.

The Department of Education begun identifying and automatically discharging borrowers as of August 2023. As of May 2024, the Department of Education had approved $49.2 billion in forgiveness for more than 996,000 borrowers not including those who had received Public Service Loan Forgiveness due to the adjustment. Of that, Nevadans had been approved for $414 million in debt forgiveness for over 8,520 borrowers. An issue that rose from this adjustment has been the lack of data available to borrowers to track their progress towards forgiveness. As deadlines for consolidations were announced, the Federal Student Aid encouraged state advocates and ombudsmen to urge borrowers to consolidate in order to gain progress towards forgiveness through the adjustment.

The Double Consolidation Loophole

Those with Parent Plus Loans have struggled differently than borrowers with other federal loans. Parent Plus do not have as many benefits compared with other federal student loans. Parent Plus Loans have higher interest rates and must be consolidated in order to qualify for certain programs such as forgiveness and the Income Contingent Repayment (ICR) plan.

The Double Consolidation Loophole is a strategy that allows parent borrowers to make their loans eligible for more favorable repayment plans, such as the SAVE plan; however, the U.S. Department of Education has shared its plan to close the loophole on July 1, 2025. Since the announcement of the Double Consolidation Loophole, the Ombudsman has shared this information with borrowers with Parent Plus Loans and has also assisted with the consolidation process so that borrowers interested in other repayment plans could qualify for them.

Borrower Defense: Sweet vs Cardona

The Sweet v. Cardona (Originally Sweet v. DeVos) involved over 200,000 federal student loan borrowers who were misled or defrauded by their higher educational institutions. Over 150 institutions were included in the Sweet v Cardona settlement, and at least $6 billion dollars in federal student loans will be forgiven through this settlement. Final approval of the settlement was granted on November 16, 2022, and it became effective on January 28, 2023, when the Department was scheduled to implement debt relief. The Department of Education was to complete implementation of the terms of the settlement by the end of January 2024. On April 26, 2024, a U.S. District judge granted the Department of Education extra time to deliver relief and also let borrowers know of the schedule for their relief. The Department of Education was given until August 31, 2024. On September 26, 2024, the Department of Education announced that it was in compliance with the settlement provisions. However, as of the date this report, the Ombudsman has heard directly from borrowers that there are still borrowers under the Sweet v Cardona settlement who have yet to receive debt relief. According to the Department of Education, they will continue to process loan relief provided by this legal settlement through 2025.

Most of the schools listed in the Sweet v Cardona settlement are for-profit institutions with several having campuses in the state of Nevada or have marketed to Nevada residents offering online courses. The Student Loan Ombudsman has helped borrowers apply for Borrower Defense to Repayment (BDTR), and while some borrowers are still awaiting approval or denial of their applications, some borrowers who received assistance from the Ombudsman already received approval of their BDTR applications and are now awaiting refunds.

The Free Application for Federal Student Aid (FAFSA)

The Free Application for Federal Student Aid (FAFSA) continues to be the only application available for students to apply for federal financial aid for higher education, which includes grants, work study, and student loans. As such, the opening of application has become an important time for the Ombudsman to educate and assist Nevada students and families with the application process and the importance of applying for scholarships and exhausting all other means before getting into student loan debt.

In 2023, the Federal Government introduced the new FAFSA, which delayed the opening of the FAFSA's original date of October 1st to December 31st, 2023, for the academic year of 2024-25. Although the new FAFSA was redesigned to simplify and streamline the application process to make it easier for students to apply for financial aid, it created more problems for applicants as they ran into technical issues, as well as other issues that prevented many students from applying for financial aid.

Before the rollout of the new FAFSA, the Ombudsman made it a priority to develop and include a new presentation to its educations to help Nevadans understand the changes that were to come with the new application. The Ombudsman, in partnership with members of the Treasury's College Savings Division partnered with local high schools and organizations to assist Nevada families create accounts and apply for the FAFSA. As families and students began to have issues with their FAFSA, the Ombudsman worked with the Federal Student Aid to find resolutions to their issues.

For the academic year 2023-2024, there was $264 million in Pell Grants dispersed to 57,000 students in Nevada, which is money that does not have to repaid. The FAFSA was again delayed in 2024 for the academic year 2025-2026.

Contacting the Student Loan Ombudsman

Constituents can contact the Student Loan Ombudsman via phone, email, by submitting a contact form on the NVigate website, or scheduling an appointment.

1. Direct Line: 702-486-3384
2. Email: SLO@nevadatreasurer.gov
3. Website: NVigate.gov/programs/ombudsman/
4. Scheduling an Appointment: The Ombudsman is available for in-person meetings by appointment only. Meetings are also available by phone or ZOOM.