



DATE

[Primary Contact Name]  
[Address Line 1]  
[Address Line 2]  
[City, State Zip]

Borrower Defense Application #: [Case Number]

Dear [Primary Contact Name]:

**Your rights may be affected, please read carefully.**

You filed an application asking the U.S. Department of Education to cancel some or all of your federal student loan debt because the school you (or your child) attended did something wrong. This is known as a borrower defense application.

As a borrower defense applicant, you may have been previously informed that you may be part of a class action lawsuit in a case called *Sweet v. DeVos*, which challenges the Department of Education's delay in issuing final decisions on borrower defense applications, including yours.

We now write to inform you that there is a proposed settlement of the lawsuit. The settlement will not become final until it is approved by the court as fair, adequate, and reasonable. This Notice describes how your legal rights may be affected by this settlement.

**What is the case about?**

A lawsuit was filed in a federal court in California by seven borrower defense applicants who represent, with certain exceptions, all borrowers with pending borrower defense applications as of April 7, 2020. The lawsuit challenges the fact that the Department of Education did not issue a final decision on any borrower defense applications from any school between June 2018 and December 2019. The case is *Sweet v. DeVos*, No. 19-cv-3674 (N.D. Cal.).

The lawsuit is ONLY about the fact that final decisions were not issued during that period of time, NOT whether those applications should result in loan cancellation or not. Now, both parties are proposing to settle this lawsuit. This proposed settlement is a compromise of disputed claims, and Defendants continue to deny that they have acted unlawfully.

**What are the terms of the proposed settlement?**

In the proposed settlement, the Department of Education agrees to resolve pending borrower defense applications of people who have borrower defense applications pending as of April 7, 2020 on the following terms:

- The Department of Education will approve or deny all *Sweet Class* members' pending borrower defense applications **within 18 months** of when the settlement agreement is approved by the Court. The Department will notify you of whether your claim was approved, whether you will receive any loan cancellation, and if so, how much loan cancellation you will receive.
- If your application is approved and you are entitled to any loan discharge, the Department of Education will complete the process of cancelling some or all of your outstanding loan debt **within 21 months** of the date on which the settlement agreement is approved by the Court.
- The Department of Education will provide your lawyers with information about its progress making borrower defense decisions every three months, including how many decisions the Department has made, how many borrowers have received a loan discharge, and any new borrower defense findings the Department has made.
- The Department of Education confirms, consistent with governing law and existing policies, that if you are in default, it will not take action to collect your debt, such as by garnishing your wages (that is, taking part of your paycheck) or taking portions of your tax refund, while your application is pending.

### What happens next?

The Court will need to approve the proposed settlement before it becomes final. The Court will hold a public hearing, called a fairness hearing, to decide if the proposed settlement is fair. The hearing will be held on Oct. 1, 2020, beginning at 8 a.m. Pacific Time at the following address:

United States District Court  
Northern District of California  
450 Golden Gate Avenue, Courtroom 12, 19<sup>th</sup> Floor  
San Francisco, California 94102

### What should I do in response to this Notice?

IF YOU AGREE with the proposed settlement, you do not have to do anything. You have the right to attend the fairness hearing, at the time and place above, but **you are not required to do so**.

IF YOU DISAGREE WITH OR HAVE COMMENTS on the proposed settlement, you can write to the Court or ask to speak at the hearing. You must do this by writing to the Clerk of the Court, at the following mailing address:

Clerk of the Court  
United States District Court  
Northern District of California  
450 Golden Gate Avenue  
San Francisco, California 94102

Your written comments or request to speak at the fairness hearing must be postmarked by Aug. 20, 2020. The Clerk will provide copies of the written comments to the lawyers who brought the lawsuit.

### **Where can I get more information?**

There is more information about the *Sweet v. DeVos* lawsuit on Class Counsel's website at <https://predatorystudentlending.org/sweet-v-devos-class-members/> and on the Department of Education's website at [StudentAid.gov/Sweet](https://StudentAid.gov/Sweet). Check this site periodically for updated information about the lawsuit.

A copy of the proposed settlement is available online at

If you have questions about your borrower defense application or the status of your federal student loans, contact our borrower defense hotline at 1-855-279-6207. The hotline is available from 8 a.m. to 8 p.m. Eastern Time on Monday through Friday.

If you have questions about this lawsuit or about the proposed settlement, please visit this Frequently Asked Questions page, <https://predatorystudentlending.org/sweet-v-devos-class-members/>, which also has contact information for the lawyers who brought the lawsuit.

Sincerely,

U.S. Department of Education  
Federal Student Aid