

**U.S. Department of Education**

**Office of Federal Student Aid**

**Tenth Quarterly Report under Settlement Agreement  
in *Sweet, et al. v. Department, et al.*, Case No. 3:19-cv-  
03674-WHA, U.S. District Court for the Northern  
District of California**

**August 20, 2025**

## **TENTH QUARTERLY REPORT**

Pursuant to the Settlement Agreement executed June 22, 2022 (“Agreement”) and granted final approval by the Court on November 16, 2022 (ECF No. 345), the U.S. Department of Education through its Federal Student Aid office submits this Tenth Quarterly Report as required by Paragraph IV.G of the Agreement. As required by Paragraph IV.G.3 and IV.G.4 of the Agreement, this Tenth Quarterly Report covers the progress made by the Department from April 28, 2025 through July 26, 2025<sup>1</sup> and states as follows:<sup>2</sup>

1. The total number of Class Members with pending borrower defense applications (which number shall include members of the § 555(e) Subclass): 31,589
2. (a) The total number of settlement relief decisions that have been issued to Class Members pursuant to Paragraph IV.C.2.i of the Agreement: 37,916<sup>3</sup>  
  
(b) The total number of revise and resubmit notices that have been issued to Class Members pursuant to Paragraph IV.C.2.ii, of the Agreement: 5,842

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<sup>1</sup> As Paragraph IV.G.4 directs, each reporting period “exclude[s] a period not exceeding 30 calendar days immediately preceding the submission of a report, during which Defendants pull, confirm, and validate the data provided in each report.”

<sup>2</sup> As provided in Paragraph IV.G.5 of the Agreement, all data in in this Quarterly Report is subject to privacy restrictions and will be suppressed where the total number of Class Members for any data point is less than 10.

<sup>3</sup> Cohorts of class members are issued required notices via the Adobe Campaign platform, which is managed through Federal Student Aid’s (“FSA”) contractor, Accenture. FSA provides Accenture with a list of class members with various data elements to populate the required notice, and then Accenture sends the notice to the identified class members. As disclosed in the Seventh Quarterly Report, FSA discovered that some notices reported to FSA by Accenture as having been sent may not have been sent due to errors in how Accenture loaded the data onto the Adobe Campaign system. After researching this issue to assess its scope, FSA has now determined that 41 of the revise and resubmit cases reported in the Seventh Quarterly Report as having been sent (based on reporting from Accenture) were not actually sent. Because those notices were not actually sent by the deadline, those impacted borrowers are entitled to full settlement relief and they have been notified. In the time since the Ninth Quarterly Report was posted, FSA has worked to identify the loans eligible for discharge. On July 17, 2025, FSA sent the servicers the names of the 41 missed borrowers with directions to discharge and provide full relief to those borrowers. These discharges and other relief are in progress by the servicers.

- (c) The total number of denial decisions that have been issued to Class Members pursuant to Paragraph IV.C.2.iii: 25
- (d) The total number of revise and resubmit notices issued to Class Members that became final decisions of denial pursuant Paragraph IV.C.2.ii of the Agreement because the Class Member did not revise and resubmit his or her application within 6 months after being sent a deficiency notice: 5,338
3. (a) The number of Class Members who have been issued settlement relief decisions during the reporting period: 75
- (b) The number of Class Members who have been issued revise and resubmit notices during the reporting period: 116
- (c) The number of Class Members who have been issued final denial decisions during the reporting period: Data suppressed
- (d) The number of Class Members whose revise and resubmit notices became final decisions of denial during the reporting period because the Class Member did not revise and resubmit his or her application within 6 months after being sent a deficiency notice: 0
4. The total number of Class Members for whom Defendants have effectuated relief pursuant to Paragraph IV.A:
- (a) Cumulative through 7/26/2025: See Addendum to Tenth Quarterly Report
- (b) During the reporting period: See Addendum to Tenth Quarterly Report
5. For any quarterly report covering the time period during which a deadline established in Paragraphs IV.C.3(i) through (v) and Paragraph IV.D falls, the total number of Class Members for whom the Department did not provide a decision: N/A this reporting period because no such deadlines passed during the period covered by this Report.<sup>4</sup>

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<sup>4</sup> Although no such deadlines passed during the period covered by this Tenth Quarterly Report, there are 47 class members whose decision deadlines fell in prior quarterly reporting periods who did not receive timely decisions. Because their decision deadlines were missed, those class members have been approved for Full Settlement Relief. They received their approval notices during the period covered by this Tenth Quarterly Report.

## **ADDENDUM TO TENTH QUARTERLY REPORT**<sup>5</sup>

Item No. 4 covers Class Members eligible for relief pursuant to Paragraph IV.A. As explained in the Addenda beginning with the Fourth Quarterly Report and in the Department's written response to the Plaintiffs' Motion to Enforce and at the April 24, 2024 hearing, the discharge data reported to the Department by servicers (and, in turn, included in the first three quarterly reports) had not accounted for a series of adjustments that have to be made when a borrower has consolidated underlying loans. Those adjustments should have been made before the discharge relief was considered complete. Data reported in the Fourth, Fifth and Sixth Quarterly Reports regarding relief pursuant to Paragraph IV.A. took those adjustments into account. Subsequently, the parties agreed, and the Court directed, that a different methodology be applied to this group of class members. As a result, for borrowers in this automatic relief group who have mixed consolidated loans, servicers have been instructed to discharge the terminal consolidated loan in full (rather than apply the series of adjustments as had been done previously). As the Department has also previously explained, data in Item 4 in the first three quarterly reports did not include data for how many borrowers (cumulatively and during each reporting period) had received refunds and had their credit trade lines deleted. For all these reasons, this Addendum includes discharge data reflected in records in the National Student Loan Data System ("NSLDS") for *Sweet*-eligible debt and for terminal consolidation loans, and accounts for refunds to be issued to borrowers who have made payments on *Sweet*-eligible debt or on terminal consolidation loans, consistent with the Court's orders in this case.

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<sup>5</sup> The narrative in this Addendum is unchanged from the Addendums to the Seventh, Eighth and Ninth Quarterly Reports. The information in the Addendum explains the data reported for Item No. 4.

a. Cumulative through August 7, 2025:<sup>6</sup> NSLDS records indicate that discharges have been fully processed for at least 195,761<sup>7</sup> Class Members eligible for relief under Paragraph IV.A. Additionally, refunds have been fully processed for at least 193,623<sup>8</sup> Class Members eligible for relief under Paragraph IV.A.

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<sup>6</sup> NSLDS analysis of *Sweet* settlement relief is updated once per month. Additionally, servicers report updates to NSLDS once per week. Therefore, this data reflects the analysis of NSLDS data that was done on August 7, 2025, although the reporting period ended on July 26, 2025.

<sup>7</sup> This number includes commercial FFEL loans and federally held loans and reflects borrowers whose relevant loan debt has a \$0 balance reported in NSLDS, or whose relevant loan debt is a commercially held FFEL mixed consolidation loan which has been sent to the appropriate Guaranty Agency to ensure *Sweet* relief is effectuated. As noted in the Addendum to the Fourth Quarterly Report, “[f]or commercial Federal Family Education Loans (‘FFEL loans’), the Guaranty Agencies (‘GA’) also regularly update the Department on the progress of fulfilled discharge requests, but BD discharges for FFEL loans are manually recorded in NSLDS, which requires additional time.”

<sup>8</sup> The cumulative number of borrowers with “refunds complete” decreased by about 300 borrowers compared to what was reported in the 9th Quarterly Report. This decrease does not mean that any borrowers lost refunds. FSA has identified two reasons that could cause a borrower’s refund completion status to change from “complete” to “not complete.” First, the formulas on the compilation spreadsheets for Exhibit C class members had minor edits to align with the calculation process used for Decision Group class members. These edits result in some Exhibit C class members being potentially eligible for higher refund amounts than previously calculated. Until any such additional amounts are refunded, impacted borrowers will remain in a “not complete” status. Second, FSA updated the data for refunds issued to class members to account for and correct a data issue that sometimes occurs when a refund check is issued, then canceled (for example, because the borrower never received it) and then reissued. The Department’s Financial Management System (“FMS”) records: (1) the status (negotiated) and amount of the check that was originally issued (e.g., check no. 123 in the amount of \$50.00); (2) an updated status of check no. 123 (\$50.00) to “void” after the check is cancelled; and then (3) the status (negotiated) and amount (\$50.00) of the replacement check no. 124. Those data points are correct for FMS’s purposes, but the query run of the data for purposes of determining a class member’s refund status (complete v. not complete) shows all of those amounts (\$50 negotiated + \$50 voided + \$50 reissued), the result being that it appears that the borrower received a refund of \$150.00 (and that the class member’s refund status is complete) when in fact the borrower actually received just \$50.00, the amount of check no. 124. As a result of continuing validation efforts, FSA has determined that in some instances, when the amount of the reissued check (\$50 check no. 124 in the example), rather than the tripled amount (\$150) is compared to the class member’s payment history, the refund is not actually complete. FSA is working with FMS to ensure that any additional refunds that are due are issued and then the class members will be

b. May 8, 2025<sup>9</sup> through August 7, 2025: NSLDS records indicate that discharges have been fully processed for approximately 30 Class Members eligible for relief under Paragraph IV.A. Additionally, FSA determined that the refund status of at least 124 Class Members eligible for relief under Paragraph IV.A had their refund status designated as “refund complete” during the period from May 8, 2025 through August 7, 2025.<sup>10</sup>

The Department appreciates the importance of providing full settlement relief to borrowers as promptly as possible. The Department will continue to work on improving that process and on verifying the status of Class Members’ relief, including refunds and the deletion of credit tradelines. The Department is also committed to working with the servicers, the guaranty agencies, and plaintiffs’ counsel so that reports to Class Members provide the data figures necessary to most accurately reflect the status of Class Members’ relief.

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moved back to “refund complete” status. The FMS data queries do determine whether class members’ refunds are complete are now being run differently so that the apparent “tripling” of the refund amounts is no longer happening.

<sup>9</sup> NSLDS analysis of *Sweet* settlement relief is updated once per month. Additionally, servicers report updates to NSLDS once per week. Therefore, the cumulative period in Addendum ¶b in the Eighth Quarterly Report ended January 30, 2025 (instead of January 25, 2025 – the end of the reporting period for the Eighth Quarterly Report) because data reflected the analysis of NSLDS data that was done on January 30, 2025. *See* fns. 6 & 8 to the Eighth Quarterly Report. The Ninth Quarterly Report Addendum used a period of January 31, 2025 through May 7, 2025. Therefore, the beginning of the cumulative period in ¶b in this Tenth Quarterly Report Addendum is May 8, 2025 instead of April 27, 2025.

<sup>10</sup> Because the formula edits described in footnote 8, *supra*, took place during the reporting period captured in this report, it is difficult to determine how many refunds were actually issued versus how many borrowers’ refunds are considered “refund complete.”