

U.S. Department of Education

Office of Federal Student Aid

**Fourteenth Quarterly Report under Settlement
Agreement in *Sweet, et al. v. Department, et al.*, Case
No. 4:19-cv-03674-HSG, U.S. District Court for the
Northern District of California**

August 10, 2026

FOURTEENTH 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 Fourteenth 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 Fourteenth Quarterly Report covers the progress made by the Department from April 14, 2026 through July 13, 2026¹ and states as follows:

1. The total number of Class Members with pending borrower defense applications (which number shall include members of the § 555(e) Subclass): Data suppressed²
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: 69,189³

(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: 9,324

¹ 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.”

² 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.

³ 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 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. 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 have been confirmed as substantially complete.

- (c) The total number of denial decisions that have been issued to Class Members pursuant to Paragraph IV.C.2.iii: 101
- (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: 7,781
3. (a) The number of Class Members who have been issued settlement relief decisions during the reporting period: 222
- (b) The number of Class Members who have been issued revise and resubmit notices during the reporting period: 0
- (c) The number of Class Members who have been issued final denial decisions during the reporting period: 31
- (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 7/13/2026: See Addendum to Fourteenth Quarterly Report
- (b) During the reporting period: See Addendum to Fourteenth 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 and Post-Class applicants for whom the Department did not provide a decision: 11,592⁴

⁴ The January 28, 2026 deadline for adjudicating post-class applications was extended to April 15, 2026 for post-class applicants whose borrower defense applications do not pertain to a school on Exhibit C. This decision deadline occurred during the period covered by this Report. In addition, FSA recently determined that there was an error in identifying 100 post-class applicants whose applications pertain to a school on Exhibit C and should have been captured in the data in the Thirteenth Quarterly Report as not having received a decision letter by January 28, 2026. Those post-class applicants were notified of that missed deadline during the period covered by this Report.

ADDENDUM TO FOURTEENTH QUARTERLY REPORT⁵

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.

⁵ The narrative in this Addendum is unchanged from the Addendums to the Seventh through the Thirteenth Quarterly Reports. The information in the Addendum explains the data reported for Item No. 4.

a. Cumulative through July 13, 2026: NSLDS records indicate that discharges have been fully processed for at least 195,598 for Class Members eligible for relief under Paragraph IV.A.⁶ Additionally, refunds have been fully processed for at least 195,963 Class Members eligible for relief under Paragraph IV.A. The completion status of a particular discharge and refund can fluctuate as the servicer continues to process loans and make updates. Such fluctuations explain the slight decrease in the number of completed discharges in this report compared to the last quarterly report. For example, this processing may result in loans re-opening and appearing “discharge incomplete”, additional payments being reported and class members appearing due additional refunds, or some combination thereof. *See* footnotes 8 and 9 below for more granularity regarding discharge and refund progress made since the last quarterly report.

b. April 14, 2026⁷ through July 13, 2026: NSLDS records indicate that discharges have been fully processed for approximately 72 Class Members⁸ eligible for relief under Paragraph

⁶ 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.”

⁷ As explained in prior Reports, NSLDS analysis of *Sweet* settlement relief is updated once per month. Additionally, servicers report updates to NSLDS once per week. Therefore, the end of the cumulative period in ¶b in the Thirteenth Quarterly Report Addendum was April 13, 2026 and the beginning of the cumulative period in ¶b of this Fourteenth Quarterly Report is April 14, 2026.

⁸ In addition to the 72 class members whose discharges were newly marked as “complete,” there were 322 class members whose discharges were marked as “complete” in the Thirteenth Quarterly Report but are now marked as “incomplete.” Many of these are due to a known issue with commercial FFEL loan data from the Guaranty Agencies and NSLDS updates. This issue was not resolved in time for the preparation of this quarterly report but is expected to be resolved by the next quarterly report. This issue is not specific to *Sweet* and is being actively resolved by

IV.A. Additionally, FSA determined that the refund status of at least 56 Class Members eligible for relief under Paragraph IV.A had their refund status designated as “refund complete” during the period from April 14, 2026 through July 13, 2026.⁹

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.

FSA and its partners. Some loans may re-open during the process of discharge and refund. FSA continues to work with servicers on a regular basis to reconcile these variances and monitor for complete relief.

⁹ In addition to the 56 class members whose refunds were newly marked as “complete,” there were 9 class members whose refunds were marked as “complete” in the Thirteenth Quarterly Report but are now marked as “incomplete.” Some borrowers may appear due an additional refund amount during the process of discharge and refund. *See supra* at footnote 12. FSA continues to work with servicers on a regular basis to reconcile these variances and monitor for complete relief.