

State Council of Higher Education for Virginia



**Annual Report
Office of the
Qualified Education Loan
Ombudsman**

January 12, 2026



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SUMMARY

The Code of Virginia directs the State Council of Higher Education for Virginia (SCHEV) to submit an annual report to the House Committees on Labor, and Commerce and Education, and the Senate Committees on Commerce and Labor, and Education and Health on the implementation and overall effectiveness of the Office of the Qualified Education Loan Ombudsman ([§ 23.1-234](#)). Terms associated with the operation of the office are defined in [§ 23.1-231](#).

The following are the key findings from the 2025 annual report.

1. The Office of the Education Loan Ombudsman helped 1,009 Virginians with education loan issues during its first seven years of operation.
2. Primary services included: helping borrowers understand the complexity of their loans, troubleshooting eligibility issues for loan forgiveness, assisting borrowers to resume payments and helping those who felt they were defrauded or misled by their institutions.
3. The Student Loan Advocate delivered presentations to more than 215 students, parents, teachers and counselors at conferences and events hosted across the Commonwealth.
4. The Student Loan Advocate managed Virginia's student loan website (virginiastudentloanhelp.org), which saw approximately 25,000 unique users participate in one or more education modules during 2025.
5. The Student Loan Advocate served as a non-Federal negotiator for state agencies on the Reimagining and Improving Student Education (RISE) Negotiated Rule-Making Committee that reached consensus on the implementation of changes to the issuance and repayment of student loans for student and parent borrowers as a result of the One Big Beautiful Bill Act (OBBBA).
6. The Student Loan Advocate analyzed data and identified trends in borrower complaints, informing the development of policy recommendations to help borrowers.



PURPOSE OF THIS REPORT

This report fulfills the legislative requirement for the Office of the Qualified Education Loan Ombudsman (the Office), staffed by the Student Loan Advocate (the Advocate).

The General Assembly and Governor established the Office during the 2018 General Assembly Session. An excerpt of the enabling legislation and purpose is included below, along with a description of the expected annual reporting requirements. (The full legislation is in Appendix A.)

§ 23.1-232. Office of the Qualified Education Loan Ombudsman established; duties.

A. The Council shall create within the agency the Office of the Qualified Education Loan Ombudsman. The Office of the Qualified Education Loan Ombudsman shall provide timely assistance to any qualified education loan borrower of any qualified education loan in the Commonwealth. All state agencies shall assist and cooperate with the Office of the Qualified Education Loan Ombudsman in the performance of its duties under this article.

§ 23.1-234. Reports.

On or before January 1, 2019, and annually thereafter, the Council shall submit a report to the House Committees on Commerce, and Labor and Education, and the Senate Committees on Commerce and Labor, and Education and Health. The report shall address (i) the implementation of this article and (ii) the overall effectiveness of the Office of the Qualified Education Loan Ombudsman.

The report contains information on the requirements and duties of the Office, including efforts to inform the public of the availability of the Office, outcomes of the complaints and concerns registered with the Office, progress toward meeting the needs of Virginia borrowers and the status of the Qualified Education Loan Borrower Education Course.



OVERALL EFFECTIVENESS

The following is a brief summary of 2025 activities.

The primary functions of the Student Loan Advocate are to provide assistance to qualified education loan borrowers who reside in the Commonwealth develop education materials and make policy recommendations based on data collected from Virginia borrowers. Borrowers referred to the Office are asked to complete the Student Complaint Form, which is located on the Office's website (schev.edu/studentloan) and in the footer on all SCHEV website pages. Once the form is submitted, the Student Loan Advocate contacts the borrower and begins working on the case. Slightly more than one million Virginians have some type of federal student loan debt, with an average debt of more than \$40,000, which gives some indication of the number of people who could seek assistance from the Office.

In order to understand the issues that were addressed with borrowers in 2025, it's helpful to briefly review some of the major events that impacted the student loan industry. Due in large part to the pandemic, the federal government implemented an administrative forbearance from March 2020 to August 2023 whereby borrowers could pause regular payments while interest charges were suspended. This action included the cessation of placing federally backed loans into default after 270 days of non-payment. In June 2023, the U.S. Department of Education (ED) announced that the administrative pause would end in the fall and that payments would resume. As a result, the Office implemented outreach efforts and worked with individual borrowers to prepare for the resumption of payments.

As of October 2022, when data was last available, the three-year national student loan default rate dropped from 7.3% to 2.3%, continuing a downward trend since a high of 11.8% in 2015. The dramatic decline in the last decade can be attributed to several administrative factors affecting federal student loans, as described in this section. In September 2023, the national three-year default rate was reported as 0%, reflecting the forbearance's impact on accurately tracking loan default rates. The number remained close to zero for 2024 as ED implemented the *Fresh Start* program, allowing defaulted borrowers to opt into a return to payment and a restoration of financial aid eligibility. *Fresh Start* expired in September 2024, at which point the Office of Federal Student Aid (FSA) started tracking the delinquency status of loan borrowers. As of the fourth quarter of 2025, 3.39 million borrowers had loans that are 270 or more days delinquent, which typically results in ED classifying these loans as in default and subject to collections and federal offset actions. As of the date of this report, there is no official data on the number of borrowers whose loans are in default.



In 2024, ED rolled out the SAVE (Saving for a Valuable Education) repayment plan to help borrowers struggling with the resumption of payments. However, several lawsuits were filed to challenge this repayment plan, placing all SAVE plan participants back into administrative forbearance. In December 2025, a settlement was reached that ends the SAVE plan as an option and requires borrowers to return to the standard repayment plan option or choose one of the currently eligible income-driven repayment plan options. Importantly, these loans started accruing interest on August 1, 2025.

On July 4, 2025, the president signed a budget reconciliation package called the One Big Beautiful Bill Act (OBBBA). Within the bill were provisions that impact the issuance of new loans starting on July 1, 2026, as well as the repayment of current and future loans. In order to determine the impact of congressional-mandated changes to existing regulations, the U.S. Department of Education conducted a negotiated rule-making process to discuss the changes that needed to be made and to seek consensus on how those rules should be operationalized. Virginia's Student Loan Advocate served as one of 14 non-Federal negotiators and was selected to be the primary negotiator representing state officials, including state student grant agencies, state higher education executive officers, and representatives of authorizing agencies on the Reimagining and Improving Student Education (RISE) Negotiated Rule-Making Committee.

After two separate one-week sessions, the committee made key changes in the proposed regulations and consensus was reached. The proposed rules are still required to go through public comment period before the final regulations are entered into the Federal Registry. As of the date of this report, the final rules have not been posted, but the expectation is that they will be posted prior to the first implementation date of July 1, 2026. The proposed rules that led to consensus as of November 6, 2025, will be discussed in the Policy Recommendation section, but it's important to note that ED has discretion to revise the rules based on the public comment period before they are finalized.

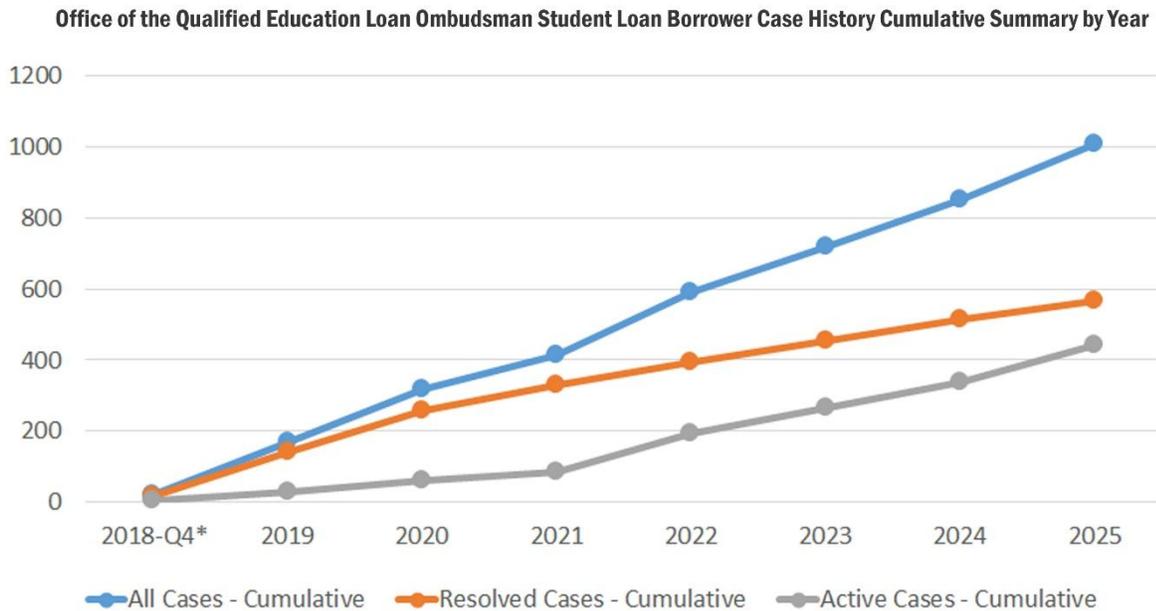
The collective impact of these changes has led to an increase in the number of new and existing borrowers requesting assistance from the Commonwealth's Office of the Education Loan Ombudsman.



Analysis of Borrower Cases

Since October 2018, the Office has handled more than 1,000 unique cases involving student loans. The chart below illustrates the steady increase in cases, along with the number of cases that were resolved.

Table 1: Annual Cumulative Summary of 1,009 Borrowers Served by the Office of the Qualified Education Loan Ombudsman



The Office began serving borrowers in October 2018, with 21 students receiving assistance in its first three months, while developing protocols and building relationships with Federal Student Aid and the loan servicers. In its first full year (2019), the Office served 149 borrowers. That number remained steady in 2020, with 146 borrowers receiving assistance. New requests for service dropped to 99 in 2021, following the introduction of the federal student loan forbearance policy. The need for services reached its highest level in 2022, with 174 borrowers needing assistance, largely as a result of the introduction of the Public Service Loan Forgiveness (PSLF) Limited Waiver. The combined effects of lifting the payment pause in October 2023, followed by complications from widespread loan transfers to new service providers, platform changes and the end of the temporary payment restoration on-ramp period in September 2024, brought a total of 264 new requests for assistance in 2023 and 2024. In the final year of this report, 156 borrowers reached out for assistance, with the majority needing help understanding the myriad of changes that came as the result of a change in the federal administration.



Notably, the rate of new cases has risen at the same level since 2021, but the rate at which those cases are resolved has stagnated. While the Office was able to close out many cases through both the PSLF program and the Borrower Defense to Repayment (BDR) claim processes, the number of new and reopened cases outpaced closures. As of December 2025, the 444 open cases have remained unresolved for an average of 32 months. In contrast, the average case length among the Office’s 565 resolved cases was less than five months. This demonstrates that, while recent support efforts by FSA have helped to resolve some outstanding cases, many Virginia borrowers have waited a significant amount of time for resolution of their complaints.

Table 2: Annual Summary of New Borrowers and Closed Cases Served by the Office of the Qualified Education Loan Ombudsman

	New Cases	Closed Cases
2018 (4th Quarter)	21	16
2019	149	124
2020	146	117
2021	99	74
2022	174	64
2023	129	59
2024	135	60
2025	156	51
TOTAL	1,009	565

With the return to repayment and the resumption of debt collections, the Office focused recent outreach to support the more than 90% of eligible borrowers who made no loan payments during the forbearance period and faced transition challenges when trying to resume timely payments. Complicating matters was the offering of the SAVE plan and its quick injunction that impacted more than nine million borrowers. The Office worked with FSA to help support borrowers as overall case volume grew. With the resumption of debt collections processes and the forthcoming changes to the student loan program, the Office expects to see an increase in the number of borrowers needing assistance in 2026.



The following tables break out self-reported data collected from borrowers the Office has served.

Table 3: Self-Reported Characteristics of Borrower Concerns Related to their Education Loans

	Most Common	Second Most Common	Other	Not Reported
College Type	Proprietary (23%)	Public (21%)	Private (19%)	37%
Completion Status	Graduated (46%)	Withdrawn (15%)	Currently enrolled (16%)	23%
Loan Type	Federal (62%)	Private (14%)	Fed & Private (7%)	16%
Degree Program	BA (30%)	Post-BA (24%)	Associates and Certificate (15%)	31%
Primary Concern (Duplicated Count)	Loan Forgiveness (50%)	College Handling of Loan (29%)	Loan Servicer (24%)	School Closure (13%)

Table 4: Demographics by Age and Amount of Debt

	Average	Range (Minimum)	Range (Maximum)	# Reported
Age of Borrower	47.5 Years	21.8 Years	79.1 Years	136
Borrower Debt	\$74,832	\$1,185	\$533,961	326

Borrowers contact the Office in various ways. The primary method is via emails sent directly to the Student Loan Advocate, followed by direct phone calls to the Office and submission of the Student Complaint Form (available through the [SCHEV website](#)). State legislators and staff from the Offices of the Governor, the Attorney General and the Secretary of Education also referred borrowers to the Student Loan Advocate.

To date, 40% of cases have required contact with another entity to better understand the details of a borrower’s loan account and to identify appropriate next steps. This included reaching out to loan servicers in nine percent of the cases and reaching out to FSA for 25% of the cases. Since the transfer of most student loans to new servicers in 2023, the Office has relied more on contacts at FSA to resolve cases. In 2025, the new administration downsized the office of the federal student loan ombudsman, which limited access to information on borrower accounts. FSA announced a refocus of the ombudsman office to include financial literacy, which aligns with the goals of Virginia’s student loan advocate.

Of the 1,009 cases opened from the establishment of the Office through December 31, 2025,



565 have been resolved. Most were closed after sharing requested information or clarifying the nature of the loan repayment schedules. Some requests for assistance involved borrowers from outside Virginia who were referred to the appropriate state or federal agency. Cases involving current students were referred to other SCHEV departments or Virginia agencies.

Most requests for assistance involve helping borrowers better understand their payment plan and loan forgiveness options. Requests tied to PSLF, meanwhile, represented 22% of service requests, of which most came from borrowers after learning they were ineligible due to restrictions on payment plans and eligible loan types. However, targeted efforts at the federal level over the past five years have increased the total number of resolved PSLF cases nationwide. To date, more than one million students received loan forgiveness through PSLF, and roughly 23,000 are Virginians.

Cases that remain open the longest include borrowers who submitted a Borrower Defense to Repayment (BDR) claim with FSA. The BDR claim process allows a borrower to request loan forgiveness if their institution of higher education did something or failed to do something related to the loan or to the educational services the loan was intended to provide. FSA continues to escalate the resolution of BDR claimants that attended specific closed institutions during specified time frames.



Outreach Efforts

Responsibilities of the Office of the Qualified Education Loan Ombudsman include outreach efforts to potential borrowers, either by direct contact or indirectly, whether through institutions of higher education or practitioners who work with borrowers. Through both virtual and in-person presentations, the Advocate briefed more than 215 individuals on the types of student loans available and services offered by the Office. Audiences in 2025 included:

- Virginia College Access Network (VCAN) Conference Presentation: Supported college access professionals from multiple organizations that work in Virginia high schools.
- Institution-Specific Public Service Loan Forgiveness Presentations and Payment Restart: Led multiple webinars for VCU and VCU Health employees in public service roles.
- Virginia Department of Human Resource Management (DHRM) Management Fellows Orientation: Helped new fellows understand their student loan situation and discussed PSLF options.
- State Committee on Transfer (SCT) Meeting: Discussed the proposed changes that impact borrowing limits for transfer students as a result of the One Big Beautiful Bill (OBBBA).
- U.S. Department of Education Negotiation Rule-Making Process: Served as a non-federal negotiator for state agencies in the proposed rules that directly impacted the future of the federal student loan.



PLANS FOR THE FUTURE

Policy Recommendations

The Student Loan Advocate analyzes data and identifies trends in borrower complaints to provide policy recommendations for legislation that would provide relief to borrowers. The Office has two new policy recommendations for 2026 and updates on policy recommendations from previous years. Included in these updates are proposed rule changes as a result of the RISE Negotiated Rule-Making process that will not be finalized until spring 2026. Currently, the state is limited in its ability to enact policy changes to address borrower concerns proactively, but local and state legislators can advocate to the federal government and lobby Virginia's congressional delegation to implement the following policy changes:

1. Federal Servicing Contracts

Initial Recommendation: Advocate for the FSA office to revisit and improve the servicing contract requirements between the federal government and student loan servicers.

Update: The reassignment of borrowers to new servicers as existing servicers withdrew from this market continues to be problematic. FSA continues to centralize its borrower communication and record-keeping processes to better account for the work of loan servicers. There are currently five loan servicers providing assistance to the 40+ million student loan borrowers. Additional contracts with other companies provide complaint resolution for borrowers, but unfortunately, there is some overlap between the companies that service the loans and companies that handle complaints against loan servicers.

Revised Recommendation: Continue to advocate for improvements in servicing contracts as deemed necessary and monitor the administration's work on all issues affecting qualified education loans. Redouble efforts on complaint resolution and draw a clearer distinction between those who service loans and those who handle complaints about servicers.

2. Public Service Loan Forgiveness (PSLF)

Initial Recommendation: Revise the PSLF application and approval process to ensure higher rates of loan forgiveness for eligible borrowers.

Update: The PSLF program is operating under its original parameters, after operating 43 months under the pandemic parameters. The ED announced an Income-Driven Repayment (IDR) review of all accounts after finding that some previous loan servicers had offered negligent payment plan advice. Under the review, borrowers were eligible for months of forbearance that count toward the 20 or 25 years needed for the IDR loan forgiveness program.



In addition, those months also will count toward eligible payments needed for PSLF loan discharge. The IDR automatic payment review was delayed into 2025, with the manual review process being postponed indefinitely. FSA removed IDR and PSLF payment counters, so most borrowers are unable to get accurate counts for their progress toward loan discharge. FSA offered a PSLF Buy-back program for borrowers whose loans were stuck in the SAVE injunction and did not receive credit for those months. There is a significant backlog of buy-back requests, along with a significant backlog of PSLF loan discharge requests.

Impact of the RISE Proposed Rule-Making: In the past, Parent PLUS borrowers could double-consolidate their loans so that they would be considered eligible loans for the PSLF program. That option no longer exists. Going forward, no new Parent PLUS loan will count as eligible loans for the PSLF program.

Revised Recommendation: Continue to monitor PSLF-related cases that are awaiting a final assessment of their eligibility for updated PSLF payment counts and loan discharge. This includes several borrowers who met the 120 payments threshold more than 12 months ago but are still waiting for the loan discharge to be completed. Continue to advocate that FSA conduct the promised manual count for borrowers who are a few payments away from loan discharge. Continue to advocate for FSA to process the PSLF buy back applications.

3. Borrower Defense to Repayment (BDR) Claim Process

Initial Recommendation: Resolve the more than 180,000 BDR claims that are mostly related to school closures. Some claimants have been waiting more than four years for a decision from FSA.

Update: None

Existing Recommendation: Continue to monitor BDR cases for Virginia borrowers and encourage FSA to expedite the review of those claims.

4. Annual Loan Counseling and Truth-In-Lending

Initial Recommendation: Require annual loan counseling for students taking out loans, including providing a truth-in-lending statement. Current policy only requires entrance and exit counseling. The ED is in the process of updating requirements for institutions to provide annual loan counseling to keep students apprised of their loan situation as total value increases each year. That implementation is delayed, but some institutions have voluntarily chosen to provide it for their students.



Update: None.

Existing Recommendation: FSA should continue to implement this annual program. It will help ensure that borrowers understand the long-term impact of debt, what their monthly loan payments will be and how long it will take to pay off their loans.

5. Loan Repayment Plan Options

Initial Recommendation: Simplify repayment plan options to reduce confusion about the payment plan process. Simplification options are included in both proposals for the reauthorization of the federal Higher Education Act.

Update: After replacing the REPAYE program with the SAVE program, court cases were filed against the plan, leading to a pause in its implementation and the placement of millions of borrowers into administrative forbearance. The SAVE plan injunction was resolved in December, requiring all borrowers to select a new income-driven repayment plan or revert to the standard plan.

Impact of the RISE Proposed Rule-Making: As a result of the OBBBA, the number of loan forgiveness options for any new loan borrowers who receive new loans after July 1, 2026, will be two: the Tiered Standard and the income-based Repayment Assistance Plan (RAP). All existing repayment plans will be phased by July 1, 2028, with exceptions for borrowers who received loans before July 1, 2026, and did not receive new loans for new degree programs or at a new institution.

Revised Recommendation: While the Office agrees with the need to simplify the number of loan repayment options, there is concern about the short timeline in which these changes are being enacted. The Office will work with FSA to ensure that all borrowers are aware of the changes and how they will impact their individual situation.

6. Spousal Consolidation Loan

Initial Recommendation: Allow borrowers to separate loans that were initially consolidated through the Spousal Consolidation Loan program. Married couples can combine federal loans into one payment for ease of repayment. However, there were no provisions for separating loans in situations such as divorce or domestic abuse. If one spouse stops paying his share of a consolidated loan, the other spouse is liable for the entire loan amount. These loans are also



ineligible for existing federal loan forgiveness programs like PSLF. The Joint Consolidation Loan Separation Act (S.1098) was introduced by Senator Mark Warner in 2021 and was signed into law in September 2022. The bill allows two borrowers who consolidated each person's individual education loans into one joint loan to submit an application to sever the consolidation into two separate loans. This action also extended eligibility for consideration to otherwise eligible public service workers under the PSLF limited waiver rules.

Update: None

Existing Recommendation: Continue to monitor each borrower's progress toward loan separation and eligibility for PSLF.

7. Loan Default and Collections

Initial Recommendation: Stop the practice of putting all defaulted loans into collections because it increases the debt load for borrowers and causes other financial restrictions. All federal loans can be rehabilitated out of default once during the life cycle of the loan. However, the defaulted loan accrues a collection fee in the process, further increasing the total principle of the loan. Borrowers in financial distress have the option of moving to an income-driven repayment (IDR) plan. In some cases where borrowers earn below a set income threshold, the payment amount is zero and the government pays the interest on that loan for the first two years. As stated earlier, use of the IRS Data Retrieval Tool would ease this process and facilitate moving delinquent loans (missing payments for more than 30 days but less than 270 days) directly into an IDR plan. The temporary *Fresh Start* program expired in September 2024, and FSA resumed tracking delinquent borrowers. Fall 2025 brought the resumption of debt collection efforts, including treasury offsets, but there is no data on the impact of the resumption as of the date of this report.

Update: None

Impact of the RISE Proposed Rule-Making: As a result of the OBBBA, borrowers will have the opportunity to apply for a second loan rehabilitation after July 1, 2027.

Existing Recommendation: Continue to evaluate the impact of default on Virginia borrowers.



8. Early Loan Repayment Incentives

Initial Recommendation: Create incentives for borrowers to pay off their loans early. Borrowers looking to fast track the repayment of their loans ahead of the 10-year standard plan should receive incentives in the form of tax breaks or reduced interest if they pay it off early.

Update: None.

Existing Recommendation: Same as Initial.

9. Incentives for Companies Assisting Borrowers with Loan Repayment

Initial Recommendation: Companies that offer to include student loan payments in employee compensation packages should receive tax incentives for those efforts. Currently, there are tax incentives for existing employees who pursue additional training; this recommendation would extend the tax incentive retroactive to training that the borrower has already received.

Update: None.

Existing Recommendation: Same as Initial.

10. Changes in the Direct PLUS Loan Program that Impact Graduate and Parent Borrowers.

New Recommendation: The proposed regulations at the time of consensus call for the elimination of the Graduate PLUS program and new limits imposed on new graduate Direct Loans and new Parent PLUS loans effective July 1, 2026. While designed to decrease the amount of federal student loan debt that graduate students will need to take and encourage institutions to lower the costs of graduate study, there are multiple examples of programs in which the expenses are significantly higher than the loan limits. Graduate borrowers and parent borrowers will need to rely on private loans or other options to fill the gap.

The Office suggests that the State Corporation Commission continue to monitor the private student lenders to ensure that they are providing their product equitably across all institutions and at a fair market rate. In addition, the Commonwealth could consider other options for funding graduate study in high-need career fields.



11. Changes in the Deferment and Forbearance Options.

New Recommendation: The proposed regulations at the time of consensus call for the elimination of economic hardships and unemployment deferments effective July 1, 2027. After this date, borrowers will be allowed to request nine months of forbearance over a 24-month period. The Office’s primary concern is the degree to which borrowers who are struggling to make payments are aware of their options that do not lead to delinquency and default. The Office will work with FSA to make sure Virginia borrowers are aware of the upcoming changes and are aware of their options.

While this list of policy recommendations requires action at the federal level, the Commonwealth can assist the work of the Student Loan Advocate in two ways:

- Continue to support collaboration between the licensure and regulatory processes that the State Corporation Commission (SCC) is implementing so that borrowers get assistance with their individual problems, and loan servicers are held accountable for any improper actions.
- Continue to support collaboration between the Virginia Department of Education and SCHEV to incorporate education loan course content into the curriculum for the Economics and Personal Finance Course required of all Virginia public high school graduates. This will help ensure that future college students clearly understand the options in funding higher education and the consequences of their decisions.



THE QUALIFIED EDUCATION LOAN BORROWER EDUCATION COURSE

The Code of Virginia charges the Office of the Qualified Education Loan Ombudsman to create and maintain an online course on education loans that is available to the public and covers key topics.

§ 23.1-233. Qualified education loan borrower education course.

On or before December 1, 2019, the Office of the Qualified Education Loan Ombudsman, in consultation with the Council, shall establish and maintain a qualified education loan borrower education course that shall include educational presentations and materials regarding qualified education loans. Topics covered by the course shall include, but shall not be limited to, key loan terms, documentation requirements, monthly payment obligations, income-driven repayment options, loan forgiveness programs and disclosure requirements. The course shall be web-based and available to the public at any time. The Office of the Qualified Education Loan Ombudsman may also establish in-person classes.

The Qualified Education Loan Borrower Education course intends to provide self-help content and serve three primary audiences: future borrowers planning to pursue higher education, current postsecondary students preparing to begin the repayment process, and first students needing assistance with their student loans.

SCHEV awarded a contract in April 2021 to a collaboration between Mapping Your Future, Decision Partners, Educational Credit Management Corporation (ECMC) and The Institute of Student Loan Advisors (TISLA). The course launched in Fall 2021 on a web platform for Virginia Student Loan Help (www.virginiastudentloanhelp.org). While the content is open to all future and current borrowers, the launch page tailors content to one of three target audiences: high school students looking to make smart decisions about paying for college; college students exploring repayment plans and loan forgiveness options; and borrowers managing repayment and seeking assistance with loan questions. The course also includes a dedicated module that aligns with the Virginia Standards of Learning in the Economics and Personal Finance Course required of all high school graduates. Below is a list of the 11 modules:



- Economics and Personal Finance Course Module
- Financial Aid 100 - Applying for Financial Aid
- Financial Aid 110 - Understanding Student Loans
- Financial Aid 120 - Private Student Loans
- Loan Repayment 200 - Basics
- Loan Repayment 210 - Payment Plans
- Loan Repayment 220 - Managing Repayment
- Loan Repayment 230 - Loans in Crisis
- Loan Forgiveness 300 - Forgiveness, Cancellation and Discharge
- Loan Forgiveness 310 - Public Service Loan Forgiveness (PSLF)
- Loan Forgiveness 320 - Teacher Loan Forgiveness

Beyond developing the course modules, vendors provided loan repayment and loan amount calculators, career exploration tools and other consumer tools. Borrowers have the option of accessing all content without an account, but they are encouraged to set up an account to save their progress and maintain access to the program. Finally, the webpage offers a library of topics related to financial aid, budgeting and spending, financial health and managing credit. Building on the legislative mandate to create course content related to education loans, the Office wanted to create a comprehensive tool that borrowers can use indefinitely. Continuous use through college and after graduation will reduce the total number of service requests submitted to the Student Loan Advocate and create a trusted relationship should the borrower have questions in the future about their student loans.



Table 5 shows the number of users accessing modules for the first time over the last year.

Table 5: Monthly New Module Enrollments for the Education Loan Course in 2025

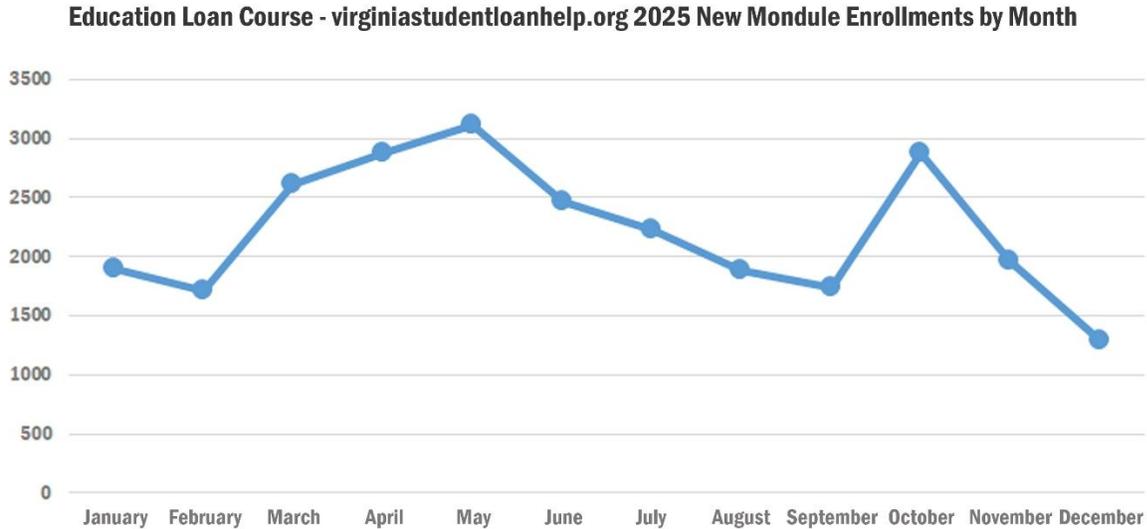


Table 6 shows the modules most commonly accessed in 2025. The most common module was ‘Financial Aid 120 – Private Student Loans.’ A link to this module is sent to all students attending a Virginia institution who apply for private education loans, per the guidelines set forth in § 23.1-233.1. in July 2021. The second most-used module is the ‘Economics and Personal Finance Course’ module, as a result of a concerted effort to promote this option for instructors teaching the course to high school students mandated to take the course for graduation.

Table 6: Monthly New Course Enrollments for the Education Loan Course

Modules	Percentage of Modules
Financial Aid 120 – Private Student Loans	52.1%
Economics and Personal Finance Course	13.5%
Financial Aid 110 – Understanding Student Loans	13.5%
Financial Aid 100 – Applying for Financial Aid	13.5%
Loan Repayment 200 – Basics and Forgiveness	7.4%



SCHEV would like to thank the General Assembly for their continued support of work that impacts the economic stability of Virginia's education loan borrowers. Student loans are a necessary tool that create and expand opportunities for higher education to many students, but the complex nature of student loans makes the work of the Student Loan Advocate vital to borrowers.



APPENDIX

Code of Virginia Authorizing Language

§ 23.1-231. Definitions.

As used in this article, unless the context requires a different meaning:

"Qualified education loan" means any qualified education loan obtained specifically to finance education or other school-related expenses. "Qualified education loan" does not include credit card debt, home equity loan or revolving debt.

"Qualified education loan borrower" means (i) any current resident of the Commonwealth who has received or agreed to pay a qualified education loan or (ii) any person who shares responsibility with such resident for repaying the qualified education loan.

"Qualified education loan servicer" or "loan servicer" means any person, wherever located, responsible for the servicing of any qualified education loan to any qualified education loan borrower.

"Servicing" means (i) receiving any scheduled periodic payments from a qualified education loan borrower pursuant to the terms of a qualified education loan; (ii) applying the payments of principal and interest and such other payments, with respect to the amounts received from a qualified education loan borrower, as may be required pursuant to the terms of a qualified education loan; and (iii) performing other administrative services with respect to a qualified education loan.

§ 23.1-232. Office of the Qualified Education Loan Ombudsman established; duties.

A. The Council shall create within the agency the Office of the Qualified Education Loan Ombudsman. The Office of the Qualified Education Loan Ombudsman shall provide timely assistance to any qualified education loan borrower of any qualified education loan in the Commonwealth. All state agencies shall assist and cooperate with the Office of the Qualified Education Loan Ombudsman in the performance of its duties under this article.

B. The Office of the Qualified Education Loan Ombudsman shall:

1. Receive, review and attempt to resolve any complaints from qualified education loan borrowers, including attempts to resolve such complaints in collaboration



with institutions of higher education, qualified education loan servicers and any other participants in qualified education loan lending;

2. Compile and analyze data on qualified education loan borrower complaints as described in subdivision 1;
3. Assist qualified education loan borrowers to understand their rights and responsibilities under the terms of qualified education loans;
4. Provide information to the public, state agencies, legislators, and other persons regarding the problems and concerns of qualified education loan borrowers, and make recommendations for resolving those problems and concerns;
5. Analyze and monitor the development and implementation of federal and state laws and policies relating to qualified education loan borrowers, and recommend any changes the Office of the Qualified Education Loan Ombudsman deems necessary;
6. Review the complete qualified education loan history of any qualified education loan borrower who has provided written consent for such review;
7. Disseminate information concerning the availability of the Office of the Qualified Education Loan Ombudsman to assist qualified education loan borrowers and potential qualified education loan borrowers, as well as public institutions of higher education, qualified education loan servicers and any other participant in qualified education loan lending, with any qualified education loan servicing concerns; and
8. Take any other actions necessary to fulfill the duties of the Office of the Qualified Education Loan Ombudsman as set forth in this article.

§ 23.1-233. Qualified education loan borrower education course.

On or before December 1, 2019, the Office of the Qualified Education Loan Ombudsman, in consultation with the Council, shall establish and maintain a qualified education loan borrower education course that shall include educational presentations and materials regarding qualified education loans. Topics covered by the course shall include, but shall not be limited to, key loan terms, documentation requirements, monthly payment obligations, income-driven repayment options, loan forgiveness programs and disclosure requirements. The course shall be web-based and available



to the public at any time. The Office of the Qualified Education Loan Ombudsman may also establish in-person classes.

§ 23.1-233.1. (Effective July 1, 2021) Qualified education loans; certain providers; contact information and summary.

Any provider of private education loans, as defined in 12 C.F.R. § 1026.46(b)(5), shall disclose to any student attending an institution of higher education in the Commonwealth, prior to issuing a qualified education loan to such student, the contact information for the Office of the Qualified Education Loan Ombudsman and a summary of the student loan information applicable to private education loans that may be found on the Council's website. Any such disclosure may be made in conjunction with or incorporated into another disclosure to such student prior to issuing the qualified education loan. The summary shall be developed by the Office of the Qualified Education Loan Ombudsman in consultation with relevant stakeholders.

§ 23.1-234. Reports.

On or before January 1, 2019, and annually thereafter, the Council shall submit a report to the House Committees on Commerce, and Labor and Education, and the Senate Committees on Commerce and Labor, and Education and Health. The report shall address (i) the implementation of this article and (ii) the overall effectiveness of the Office of the Qualified Education Loan Ombudsman.

