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Oregon Department of Consumer and Business Services
Division of Financial Regulation, Bulletin No. DFR 2026-XX

TO: Entities servicing student loans in Oregon

DATE: November X, 2026

RE: SAVE transition expectations

I. Purpose

This bulletin provides guidance to all entities servicing student loans in Oregon (servicers), their staff, and any vendors or sub-servicers acting on the behalf of servicers (representatives) regarding the recent termination of the Saving on a Valuable Education (SAVE) Plan, implementation of new income-driven repayment plans, and ongoing large-scale income-driven repayment (IDR) application submission.

II. Authority

ORS 725A.521 to 725A.990

III. Background

In July 2026, federal student loan servicers, at the direction of the U.S. Department of Education (ED) began issuing guidance to all borrowers enrolled in the SAVE Plan, directing them to exit the plan and enter a different federal student loan repayment plan.[1] The guidance was sent to the 7.5 million borrowers who enrolled in the SAVE Plan. This action has prompted an ongoing transition of more than seven million federal student loan borrowers off the two-year SAVE litigation forbearance into active repayment of their loans. This will be a significant transition for both consumers and servicers. ED announced that servicers will begin sending 90-day notices to SAVE borrowers in tranches beginning on or about July 1, 2026, and continuing until the end of 2026, with the earliest involuntary plan transfers expected on or about September 29, 2026. Borrowers who do not select a plan within their 90-day window will be placed automatically in the Standard or Tiered Standard plan.

- In response to the impending deadlines and forced transfer off of forbearance, the Division of Financial Regulation anticipates significant impacts to borrowers. Over the next 9–12 months, millions of borrowers are expected to change repayment plans and enter repayment for the first time in two years. For some borrowers, this

[1] U.S. Department of Education Announces Next Steps for Borrowers Enrolled in the Unlawful SAVE Plan | U.S. Department of Education

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will be the first time since 2020 that missed payments could lead to negative credit reporting.

- Interest resumed accruing on these accounts on August 1, 2025, and months spent in the SAVE forbearance generally do not count toward Public Service Loan Forgiveness (PSLF) or income-driven repayment (IDR) forgiveness, so borrowers will re-enter repayment with larger balances and stalled progress toward forgiveness.

- At the same time, the options for student loan repayment have changed significantly. Borrowers now have access to new repayment options, but the consequences of inaccurate or incomplete servicer guidance may be more significant now than they have been in years. Potential impacts include, but are not limited to, the following:

    - Borrowers who consolidate on or after July 1, 2026, lose access to legacy IDR plans entirely—leaving only the Repayment Assistance Plan (RAP), with its 30-year forgiveness horizon and, for some borrowers, higher monthly payments.

    - Borrowers who consolidate on or after July 1, 2026, risk erasing decades of progress toward IDR forgiveness, which could prolong their repayment period considerably.

    - Unlike other plans, borrowers enrolled in the new Repayment Assistance Plan must pay a minimum of $10 per month. The new plan also restricts the eligibility of periods of deferment or forbearance for PSLF that are eligible under other plans.

    - Borrowers who do not act within the 90-day window will be placed into the Standard or Tiered Standard plan, where balance-based payments may be several times their prior IDR payment.

    - Parent PLUS (Direct PLUS loans made to parents) borrowers face permanent loss of access to IDR and PSLF if they receive incorrect guidance about consolidations.

    - Sustained high call volumes may create incentives for call deflection and blanket forbearance steering in lieu of individualized counseling about income-driven options.

    - In light of the above, borrowers will need significant assistance determining which repayment option to enroll in. Consequently, the division is expecting a significant increase in call volume and servicer contacts over the next 9-12 months. Likewise, the division anticipates a significant increase in volume of applications for deferments, forbearances, and loan discharge over the next 9-12 months.

IV. Guidance

All servicers are responsible for training staff (including staff of any vendors or sub-servicers acting on the servicers' behalf) to be able to provide accurate information to borrowers on all program changes.

Maintain compliant servicing system that conforms with Oregon's laws

Servicers must have policies and procedures in place to ensure borrowers are treated fairly and comply with Oregon's laws and rules.[2] While implementation of new repayment plan options should already be complete, the division expects servicers to continue monitoring the situation going forward.

New and old systems will face an influx of borrowers and, based on past experience, there will likely be errors requiring remediation. In this situation, the division expects servicers and representatives to engage in root cause analysis sufficient to correct the underlying errors, identify the full scope of the problem, and remediate all affected borrowers. As such, the division is reminding servicers of pertinent Oregon law requirements including:

Requirements:

- Assessing any fee against a borrower within 45 days after the borrower incurs the fee.[3]
- Accepting and crediting, or treating as credited, to the borrower's account all amounts paid.[4]
- Correcting promptly any errors and refunding promptly any fees assessed against the borrower in error.[5]
- Maintaining adequate records for not less than two years after a final payment on a student loan.[6]

Prohibitions:

- Employing any device, scheme or artifice to defraud another person[7].
- Knowingly making an untrue statement of a material fact or omitting a material fact[8].

[2] *See* OAR 441-895-0080.
[3] ORS 725A.521(1)(a)
[4] ORS 725A.521(1)(b)
[5] ORS 725A.521(1)(c)
[6] ORS 725A.521(1)(d)
[7] ORS 725A.521(2)(a)
[8] ORS 725A.521(2)(b)

- Misrepresenting the amount, nature or terms of any fee or payment due or claimed to be due on a student loan or the terms and conditions of a loan agreement or the borrower's obligations under the loan agreement[9].

- Knowingly misapplying or recklessly applying payments to the outstanding balance of a student loan[10].

- Failing to respond to a consumer complaint, or to communication from the ombudsman within 30 calendar days[11].

- Engaging in Unfair, Deceptive, or Abusive Act or Practice as Prohibited by the federal Consumer Financial Protection Act (12 USC 5531)[12].

- Penalties for failing to adhere to the above requirements include the assessment of fees, or revocation of licensure in accordance with ORS 725A.990.

This bulletin is effective upon issuance.

TK Keen, Administrator
Oregon Insurance Commissioner
Division of Financial Regulation

Date

[9] ORS 725A.521(2)(b)
[10] ORS 725A.521(2)(d)
[11] ORS 725A.521(2)(g)
[12] ORS 725A.521(2)(e)