

September 22, 2021

The Honorable Miguel Cardona  
Secretary  
United States Department of Education  
400 Maryland Avenue SW  
Washington, DC 20202

Secretary Cardona:

We, the X undersigned organizations, represent millions of public service workers, student loan borrowers, XXXX, XXXXX and we are writing to urge you to take administrative action to ensure that all public service workers who have completed a decade of service receive the debt relief they were promised. As part of this administrative action, the Department of Education must guarantee that any and all changes to the Public Service Loan Forgiveness (PSLF) program aren't just prospective but provide retroactive relief to all dedicated public service workers with student debt. This action should be immediate and need not wait for the Department of Education to write new rules.

Since the Department of Education called for comments on the future of PSLF, more than XX,XXX individual student loan borrowers from all 50 states have shared their stories—demanding the Biden Administration restore the promise of this critical protection. These public comments describe how workers across the country have faced widespread, systemic barriers to PSLF while responding to an unprecedented public health emergency, navigating a deep economic recession, and struggling to emerge from an unequal economic recovery. Throughout the pandemic, public service workers have remained on the hook for debts they should not owe, taking a heavy psychological and financial toll month after month.

Congress, in a bipartisan fashion, made a promise more than a decade ago that public service workers who choose to give back to their communities and our country wouldn't be locked in a lifetime of debt. This promise ensured aspiring nurses, educators, and millions of others were not precluded from pursuing these careers due to the dual financial pressures of stagnant wages and ever rising student loan balances, and that underserved communities were able to attract public service professionals to their communities.

This promise has been broken.

Since the first public service workers became eligible for debt cancellation in 2017, 98 percent of those who applied have been rejected. Despite reassurances from the Department of Education that these were just initial missteps and that rates of debt cancellation granted under this program would improve over time, year after year we continue to see widespread denials without explanation and no serious effort to address the underlying problems driving this systemic failure.

Throughout the history of this program, government mismanagement and industry abuses have knocked a generation of dedicated public service workers off track, including student loan borrowers across the public sector and those serving at nonprofit organizations. This led to predictably poor results, highlighted in warnings from government auditors,<sup>1</sup> regulators,<sup>2</sup> law enforcement officials,<sup>3</sup> and Members of Congress.<sup>4</sup>

Millions of people who planned their lives and livelihoods around the promise of PSLF deserve better. That's why, earlier this year, the largest international labor unions<sup>5</sup>; organizations representing servicemembers, veterans, and their families<sup>6</sup>; a coalition of 100 student, consumer, civil rights, and public interest organizations<sup>7</sup>; and more than 50 U.S. Senators and Members of Congress<sup>8</sup> called on you to immediately take critical steps to restore the promise of the PSLF program.

Building on this call to action, we urge you to follow these three central principles when delivering overdue debt relief to our nation's dedicated public service workforce:

- **Eliminate all student debt owed by those who have served for a decade or more.**

We call on you to establish new, streamlined criteria for a simple, straightforward path to cancel debt for all who have worked in public service for a decade or more. The current payment pause presents a unique opportunity to bring an end to the mismanagement and abuse that have become the hallmarks of PSLF. Simply, our remedy cannot require dedicated public service workers to start anew, following an equally complicated multi-year pathway to access relief, as the prior Administration had done. This relief must also be extended regardless of current employment status, ensuring all who have served can benefit. The elimination of public service workers' debts must be underway before restarting student loan payments and before the imminent departure of the Education

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<sup>1</sup> <https://www.gao.gov/products/gao-18-547>

<sup>2</sup> [https://files.consumerfinance.gov/f/documents/201706\\_cfpb\\_PSLF-midyear-report.pdf](https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf)

<sup>3</sup> <https://www.mass.gov/news/ag-healey-sues-to-protect-public-service-loan-forgiveness>; <https://ag.ny.gov/press-release/2019/ag-james-sues-student-loan-servicer-mismanaging-loan-forgiveness-program>; <https://oag.ca.gov/news/press-releases/attorney-general-becerra-sues-secretary-devos-and-us-department-education>

<sup>4</sup>

<https://www.cardin.senate.gov/imo/media/doc/Bicameral%20Oversight%20Letter%20to%20Ed%20Dept%20on%20PSLF%20Implementation.pdf>;

<https://quigley.house.gov/sites/quigley.house.gov/files/PSLF%20IL%20Letter%202019.05.03.pdf>

<sup>5</sup>

<https://educationvotes.nea.org/wp-content/uploads/2021/04/FINAL-labor-letter-on-emergency-PSLF-action.pdf.pdf>

<sup>6</sup> <https://vetsedsuccess.org/our-letter-to-dod-ed-asking-them-to-improve-pslf/>

<sup>7</sup> <https://protectborrowers.org/advocates-pslf-letter/>

<sup>8</sup>

[https://sarbanes.house.gov/sites/sarbanes.house.gov/files/05.05.2021\\_LETTER\\_Sec-Cardona-PSLF-Improvements.pdf](https://sarbanes.house.gov/sites/sarbanes.house.gov/files/05.05.2021_LETTER_Sec-Cardona-PSLF-Improvements.pdf)

Department's primary PSLF loan contractor— ensuring no public service worker who has served for a decade ever receives another student loan bill.

- **Grant one year of credit for each year of service for all public service workers who owe any type of federal student loan.** This effort should grant prorated credit toward PSLF for every public service worker with student debt who has served for less than a decade. Regardless of borrowers' loan type, loan status, or repayment plan, the Department of Education must recognize and reward borrowers' service, consistent with congressional intent. By reorienting the criteria for eligibility to focus solely on the duration of public service performed, the Department of Education will also make public service workers whole where they have been the victims of widespread deception and fraud by the student loan industry.<sup>9</sup>
- **Ensure relief to public service workers is automatic.** To the maximum extent possible, the Department of Education should automate the process of verifying and awarding credit to borrowers who owe these debts, relying on information already collected or available through other government agencies. Last month, the Department of Education used this approach to protect military borrowers, delivering debt relief to more than 47,000 current and former active duty service members by leveraging existing government records about borrowers' employment to automatically waive interest charges.<sup>10</sup> The Department of Education should build on this framework, leveraging a wide range of federal, state and local government records—including employment records maintained by the federal Office of Personnel Management, Internal Revenue Service records of employer tax status, and personnel logs maintained by public school districts—to identify and automate access to PSLF for all borrowers who can be identified as public service workers.

As noted above, in the weeks since launching this public inquiry, ED has received more than XX,000 comments from affected student loan borrowers and other stakeholders, offering new insight into the myriad failures of the failed program. These comments have come from educators, frontline workers, legal aid workers and public defenders, firefighters, contingent faculty members, workers laid off due to COVID-19, social workers, among other key segments of our nation's public service workforce. Yet the consequences of breakdowns around PSLF cannot be captured in a rejection rate or an average loan balance. Individual borrowers' narratives illustrate the heavy toll that widespread government mismanagement and industry abuses have taken from public service workers with student loan debt.<sup>11</sup>

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<sup>9</sup> <https://protectborrowers.org/public-service-loan-forgiveness-2/>

<sup>10</sup>

<https://www.ed.gov/news/press-releases/us-department-education-grants-interest-rate-benefit-more-47000-service-members>

<sup>11</sup> **SBPC memo.**

During your confirmation hearing, you committed to using all of the tools at your disposal to provide student loan borrowers with immediate relief. You also committed to “boldly address” inequities across our education system.<sup>12</sup> The burden of student debt falls disproportionately on Black and Brown borrowers— those who, as a result of a racial wealth gap driven by systemic racism, most often lack the familial wealth necessary to obtain a debt-free higher education in America. Unfortunately, a growing body of evidence also demonstrates that these borrowers frequently miss out on existing avenues for debt relief enacted by Congress.<sup>13</sup> For these reasons, fixing existing loan forgiveness programs so that the Department lives up to the promises required under law should be one of the first places you start.

Should the Department identify legal, statutory, or regulatory barriers to implementing the steps described above, we believe you must invoke your authority under the Higher Education Relief Opportunities for Students Act or other statutory authorities, that allow you to waive or modify statute and regulations as necessary.<sup>14</sup>

Once again, we urge you to take immediate administrative action outside of the rulemaking process to deliver the promise that all public service workers who have completed a decade of service see their student debt eliminated, that those workers who have completed less than a decade of service have their past work credited toward full relief, and ensure any action is not limited to prospective change, but delivers retroactive relief for all public service workers. As you take the actions described above, we look forward to meeting with you and your staff to discuss the timeline and tactics the Department will deploy to fix the Public Service Loan Forgiveness program. We stand ready to assist you and President Biden in this effort.

Sincerely,

Student Borrower Protection Center

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<sup>12</sup> <https://www.help.senate.gov/imo/media/doc/Cardona.pdf>

<sup>13</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3726183](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3726183)

<sup>14</sup> P.L. 108-76