



MEMORANDUM

October 2021

TO: Interested Parties
FROM: Student Borrower Protection Center

RE: All Hands on Deck: Paving the Way for Public Service Loan Forgiveness Reform

Introduction

The Public Service Loan Forgiveness (PSLF) program was created in 2007 based on a simple idea and a basic promise: in return for a decade of service to their communities and our country, public service workers would have their federal student loans forgiven.

Unfortunately, the program has been plagued by problems at every turn. More than nine out of every ten borrowers who apply for PSLF are denied. Millions of teachers, nurses, frontline workers, and other public service workers have been cheated out of their right to loan forgiveness and are now forced to shoulder debts that should have been canceled.

As PSLF breakdowns continue to cause misery and financial turmoil for borrowers, a broad coalition of stakeholders including consumer advocates,¹ veterans service organizations,² legislators,³ and labor unions⁴ representing tens of millions of public service workers joined together to advocate for President Biden to deliver promised relief as part of his pledge to repair the broken student loan system. This call was quickly echoed by dozens of U.S. Senators and Members of Congress.⁵

In response to this outcry, the Department of Education opened a public inquiry into the future of the PSLF program. Advocates immediately doubled down, launching a nationwide PSLF campaign. A groundswell of support quickly emerged from all corners of the country that was overwhelming and resounding: PSLF is broken and must be immediately fixed. Public service workers have done their part—now it is time for the administration to deliver on its promises.

By the Numbers

These tireless efforts to make borrowers' voices heard, highlight the effects of PSLF breakdowns, and press the administration to fulfill the promise of PSLF include:

- More than 45,000 public comments submitted to the agency’s public inquiry into PSLF;⁶
- Borrowers from all 50 states, the District of Columbia, Guam, and Puerto Rico sharing PSLF experiences and breakdowns;
- Over 200 organizations representing millions of educators, firefighters, legal aid attorneys, students, consumer advocates, faith leaders, and veterans demanding that the Department of Education immediately take action to restore the promise of PSLF;⁷
- 22 state attorneys general calling on the Department of Education to use existing legal tools to fix PSLF;⁸
- Eight state student loan borrower advocates and ombudspersons alerting the Department of Education about their residents facing PSLF breakdowns and calling for immediate action to deliver promised relief;⁹
- Dozens of state, local, and national press reports highlighting the plight of borrowers and PSLF policy failures, including stories in the Washington Post,¹⁰ Yahoo News,¹¹ the Hill,¹² 60 Minutes,¹³ Marketwatch,¹⁴ NPR,¹⁵ and more;
- Tens of thousands of public service workers attending town halls and digital events hosted by labor unions, civil rights organizations, and other national and state advocacy organizations to advocate for the Biden Administration to reform PSLF; and
- Hundreds of thousands of digital engagements registering across social media channels as part of an online campaign to spotlight the experiences of frontline workers struggling to access PSLF.

Building the Case for Change

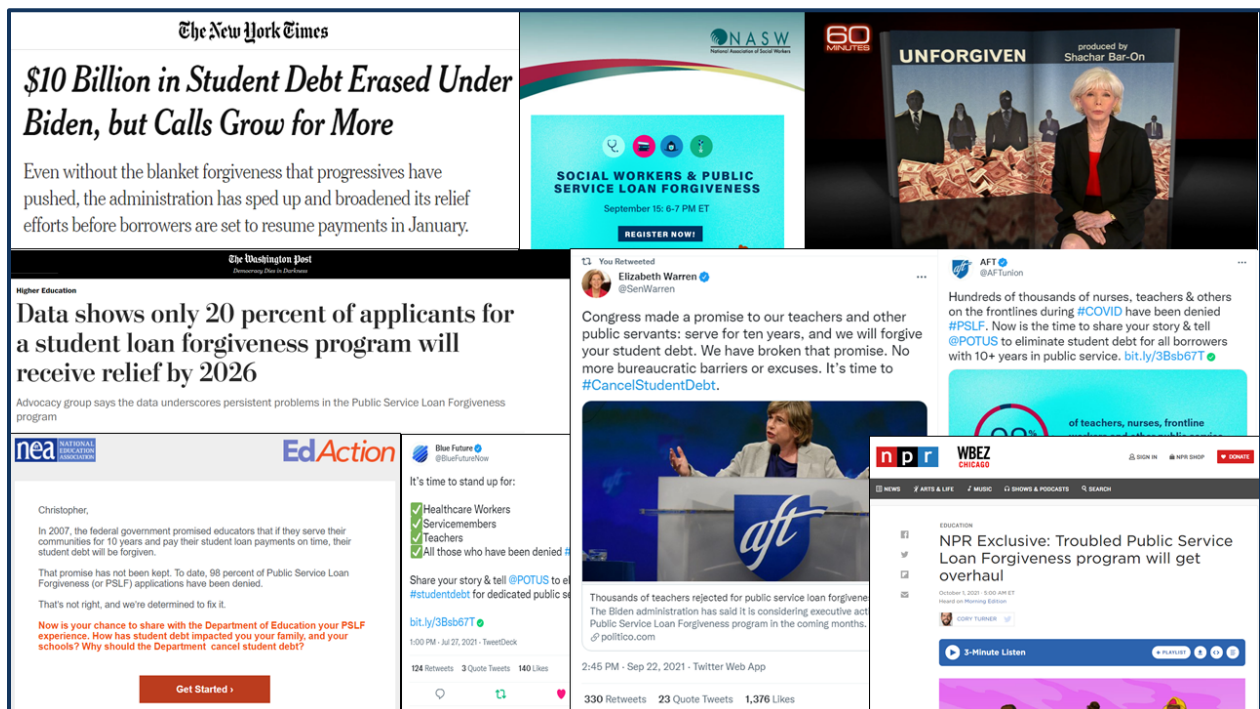
Organizations representing tens of millions of public service workers lent their voices to make the case for sweeping reforms, including:

- New investigative data obtained by the SBPC revealing problems with PSLF will persist over time—more than 80 percent of applicants will continue to be rejected through 2026—without sweeping changes from the Department of Education;¹⁶
- A joint investigation by the SBPC, the American Federation of Teachers, and the National Education Association unearthing new data showing thousands of public school teachers were wrongfully rejected from PSLF due to student loan servicing breakdowns and minor paperwork errors;¹⁷

- Detailed comments calling for root-and-branch reforms to PSLF submitted on behalf of working people and public service organizations across the country, including comments from the Service Employees International Union,¹⁸ the National Education Association, the National Association of Social Workers,¹⁹ and the National Council of Nonprofits;²⁰
- A call to action by eight veterans and military service organizations that joined together to demand the Department of Education to fix PSLF;²¹ and
- A detailed roadmap of specific actions the Department of Education can take to fix PSLF²²— developed through a joint investigation by the American Federation of Teachers and the Student Borrower Protection Center exposing failures plaguing the PSLF program.²³

Debt Relief on the Horizon

Taken together, these efforts to demand borrowers' voices be heard and to call on the Biden Administration to restore the promise of PSLF have paved the way for meaningful change. New reports of a PSLF program overhaul suggest relief may be in sight for millions of Americans whose lives have been derailed by tricks, traps, and breakdowns when seeking to access their right to loan forgiveness.



Participating Organizations Included:

Alliance for Youth Action
American Association of University Professors
American Federation of Government Employees (AFGE)
Americans for Financial Reform Education Fund
American Federation of Teachers (AFT)
Association of Oncology Social Work (AOSW)
Blue Future, California Association of Nonprofits
Center for Responsible Lending
Clinical Social Work Association (CSWA)
Consumer Action, Consumer Federation of America
Consumer Reports
Council on Social Work Education (CSWE)
Debt Collective
Equal Justice Works
the Forum for Youth Investment
Generation Progress
Hildreth Institute
International Association of Fire Fighters
International Federation of Professional and Technical Engineers (IFPTE)
Maine Center for Economic Policy
National Association of Graduate-Professional Students (NAGPS)
National Association of Social Workers (NASW)
National Education Association
National Treasury Employees Union (NTEU)
New Era Colorado
New Jersey Citizens Action
New Hampshire Youth Movement
New Yorkers For Responsible Lending
Ohio Student Association
Rise
Progress Virginia
Service Employees International Union (SEIU)
SEIU Local 509
SparkAction
Student Debt Crisis Center
Teamsters (Public Sector Division)
UnidosUS
United Church of Christ
Justice and Local Church Ministries
United States Student Association
U.S. PIRG
University of Maine System Divest
United University Professions
Virginia Poverty Law Center
Veterans Education Success

¹ <https://protectborrowers.org/97-advocacy-organizations-call-on-the-secretary-of-education-to-cancel-student-debt-for-all-public-service-workers-with-10-or-more-years-of-service/>

² <https://vetsedsuccess.org/our-letter-to-dod-ed-asking-them-to-improve-pslf/>

³ https://sarbanes.house.gov/sites/sarbanes.house.gov/files/05.05.2021_LETTER_Sec-Cardona-PSLF-Improvements.pdf

⁴ <https://educationvotes.nea.org/wp-content/uploads/2021/04/FINAL-labor-letter-on-emergency-PSLF-action.pdf.pdf>

⁵ https://sarbanes.house.gov/sites/sarbanes.house.gov/files/05.05.2021_LETTER_Sec-Cardona-PSLF-Improvements.pdf

⁶ <https://www.regulations.gov/document/ED-2021-OUS-0082-0001>

⁷ <https://protectborrowers.org/advocates-call-on-president-biden-to-cancel-student-loan-debt-for-public-service-workers/>

⁸ <https://coag.gov/app/uploads/2021/09/PSLF-RFI-Comment-Letter-9-24-21.pdf>

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https://illinoisattorneygeneral.gov/pressroom/2021_09/Ombuds%20PSLF%20Final%20comment_92421.pdf

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- 10 <https://www.washingtonpost.com/education/2021/09/09/pslf-approval-projections/>
 - 11 <https://finance.yahoo.com/news/student-loans-public-servant-forgiveness-program-154129545.html>
 - 12 <https://thehill.com/blogs/congress-blog/education/567643-we-must-deliver-on-the-promise-of-public-service-loan>
 - 13 <https://thehill.com/blogs/congress-blog/education/567643-we-must-deliver-on-the-promise-of-public-service-loan>
 - 14 <https://www.marketwatch.com/story/public-servants-including-members-of-the-military-were-given-wrong-information-on-student-loan-forgiveness-watchdog-says-11625060896>
 - 15 <https://www.npr.org/2021/10/01/1041872045/education-dept-plans-to-overhaul-the-troubled-public-service-loan-forgiveness-pr>
 - 16 <https://www.businessinsider.com/student-loan-forgiveness-public-servants-rejected-through-2026-sbpc-2026-2021-9>
 - 17 <https://www.politico.com/news/2021/09/21/teachers-rejected-loan-forgiveness-program-513396>
 - 18 <https://www.regulations.gov/comment/ED-2021-OUS-0082-41364>
 - 19 <https://www.regulations.gov/comment/ED-2021-OUS-0082-46710>
 - 20 <https://www.regulations.gov/comment/ED-2021-OUS-0082-40514>
 - 21 <https://www.regulations.gov/comment/ED-2021-OUS-0082-47871>
 - 22 <https://www.regulations.gov/comment/ED-2021-OUS-0082-46781>
 - 23 <https://protectborrowers.org/public-service-loan-forgiveness-2/>