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FACT SHEET: AFT v. U.S. DEPARTMENT OF EDUCATION

Trump Education Department's Broken Promises Lead to Unaffordable Monthly Payments and Deny Public Service Workers Progress Towards Debt Relief, According to New Lawsuit

March 19, 2025 | WASHINGTON, D.C. — AFT filed a lawsuit against the United States Department of Education (ED) for denying student loan borrowers access to affordable loan payments and blocking progress towards Public Service Loan Forgiveness (PSLF), in violation of federal law. The AFT is represented by the Student Borrower Protection Center (SBPC) and Berger Montague PC.

A copy of AFT's complaint in *AFT v. U.S. Department of Education* is available here:

<https://protectborrowers.org/aft-v-u-s-department-of-education-lawsuit-complaint/>

A copy of the press release announcing this lawsuit is available here:

<https://protectborrowers.org/aft-sues-u-s-department-of-education-demands-justice-for-student-loan-borrowers-blocked-from-affordable-loan-payments/>

For nearly a month now, Trump Administration education officials have blocked access to all income-driven repayment (IDR) plans—Congressionally required student loan repayment options that give millions of people the right to make loan payments they can afford. On February 21st, the Trump Education Department removed all online IDR applications from ED's website and [secretly ordered](#) student loan servicers to halt processing all applications. In addition to providing millions of borrowers with the ability to tie their monthly payment to their income and family size, these IDR plans are the only way for public service workers to benefit from PSLF, a critical lifeline for teachers, nurses, first responders and millions of other public service workers across the country.

Prior to the Trump Administration's decision to remove IDR applications and halt application processing, more than [1 million borrowers](#) remained in a backlog waiting for their application to be processed. The Department has not provided any guidance to borrowers as to when applications will be restored and when borrowers can expect to see their payments lowered.

The Trump Administration's decision to block access to affordable student loan payments far exceeds the decision out of the 8th Circuit Court of Appeals.

ED claims the [decision to remove all IDR applications](#) is responsive to the 8th Circuit's February 18th decision in a case challenging the Saving on a Valuable Education repayment plan (the SAVE plan), one of the IDR plans. The order—which was issued in an appeal of the lower court's preliminary injunction of the SAVE plan and which expanded that earlier injunction—blocks millions of student loan borrowers from accessing lower monthly payments and cancellation under only the SAVE plan. However, ED's

decision to stop all IDR application processing greatly exceeds the order scope and has wreaked havoc on millions of borrowers and their families who are in desperate need of affordable monthly payments.

The Trump Administration's move to block access to IDR is illegal, unprecedented, and diverges from the longtime bipartisan consensus around the importance of providing borrowers with affordable monthly payments.

In the early 1990's and again in 2007, Congress passed bipartisan higher education legislation creating and then expanding access to IDR plans. The College Cost Reduction and Access Act of 2007, signed into law by President George W. Bush, created an IDR option that has never been challenged in court and is not affected by any of the right-wing lawfare that has jeopardized other aspects of the student loan safety net. This option, known as Income-Based Repayment, was nonetheless halted by the Trump Administration in its illegal February 2025 stop-work order.

The Trump Administration's effort to block access to IDR threatens to push PSLF out of reach for public service workers entitled to relief under federal law.

In order to benefit from PSLF, public service workers must be enrolled in an eligible IDR plan and make 120 qualifying payments while working for a qualifying public service employer. In order to remain in an IDR plan and continue to make progress towards PSLF cancellation, a borrower must recertify their income annually. For public service workers who had applied to recertify their income, or who had applied to switch to another IDR plan, but whose applications were not processed by the time of the stop order, their loans are being held in limbo and their current public service work will not count toward PSLF.

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About the AFT

[The AFT](#) represents 1.8 million pre-K through 12th-grade teachers; paraprofessionals and other school-related personnel; higher education faculty and professional staff; federal, state and local government employees; nurses and healthcare workers; and early childhood educators.

Learn more at aft.org or follow AFT on Twitter [@AFTunion](https://twitter.com/AFTunion).

About Student Borrower Protection Center

[Student Borrower Protection Center](#) (SBPC) is a nonprofit organization focused on eliminating the burden of student debt for millions of Americans. We engage in advocacy, policymaking, and litigation strategy to rein in industry abuses, protect borrowers' rights, and advance racial and economic justice.

Learn more at protectborrowers.org or follow SBPC on Twitter [@theSBPC](https://twitter.com/theSBPC).

About Berger Montague

[Berger Montague](#) is the nation's preeminent law firm representing plaintiffs in complex civil litigation. For over half a century, Berger Montague has played lead roles in precedent-setting cases and has recovered over \$50 billion for its clients and the classes they have represented. The firm's award-winning attorneys

include leaders in the fields of antitrust, commercial litigation, consumer protection, defective products, environmental law, employment law, securities, and whistleblower cases, among many other practice areas. Berger Montague is headquartered in Philadelphia and has offices in Chicago, Minneapolis, San Diego, San Francisco, Toronto, Washington, D.C., and Wilmington.