

The Coalition to Preserve PSLF

October 9th, 2020

Dear Senator Kaufman,

We are a coalition of over 90 organizations committed to preserving Public Service Loan Forgiveness (PSLF). We encourage the next administration to take swift action to ensure that the Public Service Loan Forgiveness Program is efficient and easy to use for those it is intended to benefit.

As you know, our public service professionals have put their lives on the line to keep communities across the country healthy and safe during this crisis. We specifically ask that the next administration remove barriers that prevent many public servants from obtaining student loan forgiveness under PSLF and the Temporary Expanded PSLF program (TEPSLF). Specifically, The Department of Education should¹:

- **Issue new guidelines to simplify and expand the definitions of “public service,” “public service job,” and “public service organization.”**
 - Current PSLF regulations are often implemented narrowly and arbitrarily. The Department of Education should issue new guidelines that are consistent with Congress’ intent to establish PSLF as a broad-based program for service and loan forgiveness.

- **Provide transparency to borrowers around employment certification denials.**
 - Borrowers are routinely left in the dark on why an employer may have been rejected as an eligible employer. The PSLF tool created by the Trump administration to provide clarity brought additional confusion about which employers qualify. The Department of Education should provide each borrower with a clear, plain language explanation of the basis for any denial, modeled on the requirements currently in place when banks and other lenders deny consumers access to credit. When additional information is needed to determine an employer’s eligibility, the Department should clearly state what the borrower needs to show with regard to that employer.

¹ “Broken Promises: Employer Certification Failure.” *Protectborrowers.org*, American Federation of Teachers & Student Borrowers Protection Center, 12 Aug. 2020, protectborrowers.org/wp-content/uploads/2020/08/ECF-Failures.pdf.

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- **Establish a straightforward appeals process that all borrowers and organizations can access when a public service organization is rejected.**
 - The Department of Education should issue public guidance to establish a fair, consistent, and transparent appeals process and ensure final decisions are made by federal employees.
- **Publish a registry of certified public service organizations.**
 - For the benefit of its staff, contractors, and the public, the Department of Education should regularly collect and publish a list of employers considered under PSLF, indicating eligible employers, denied employers, and those pending determination. For newly unemployed public service workers, access to a registry of previously approved public service employers can ensure those with student debt can remain on track for PSLF.
 - To support our veterans, the Department should also ensure that individuals working at veteran-serving nonprofit organizations are allowed to access PSLF. [see [here](#) for more info]
- **Streamline electronic processes for borrowers.**
 - Borrowers should be able to fill out and submit an electronic version of the PSLF certification form and have an easy, real-time way to check the status of their PSLF enrollment and number of qualifying repayments made. Upon completion of the requisite 120 payments, servicers should automatically provide the loan forgiveness earned under PSLF, to the extent permitted by law.
 - The Department should create a short (one-page), branded explanation of PSLF for employers being asked to sign certification forms (to include explanation of the program, who is eligible, and who is eligible to certify).
 - Make continued enrollment in income-based repayment (a prerequisite for using PSLF) easier to access by allowing multi-year IBR-certification/automatic re-enrollment in IBR. [such as provided for in the bipartisan SIMPLE Act, HR 3554/S 1712]

- **Provide oversight of servicing entities to ensure fairness during repayment.**
 - The Department should ensure that servicers other than FedLoan Servicing (the designated PSLF servicer) are not steering borrowers away from enrolling in PSLF and (re)align incentives to ensure that servicers do not avoid helping borrowers to enroll in PSLF. It should also create servicer guidelines and training for servicers regarding PSLF, including for ALL servicers (not just for the designated PSLF servicers. These guidelines can be modeled after training for veteran programs/benefits, and include focusing on key words that may indicate eligibility (ie “I’m a teacher”).
 - FedLoan Servicing should provide detailed information and personalized assistance to borrowers who submit the PSLF certification form but are not making qualifying payments about the steps they must take to qualify, and create and enforce timelines for borrowers to receive a response to their enrollment/certification submissions.
 - The Department should ensure that borrowers placed into a non-qualifying repayment plan but who meet all other PSLF requirements have their payments counted as qualifying payments for PSLF purposes, [as provided by the bipartisan PSLF Technical Corrections Act, HR 4399/S 2136 and the Public Service Loan Forgiveness Inclusion Act, HR 4859]
 - The Department should allow an opt-out of the in-school deferment for graduate degrees and six-month post-graduation grace period if a borrower would like to start making IBR/PSLF-qualifying payments before the deferment or grace period would otherwise end.
- **Raise profile of PSLF program to encourage participation.**
 - The Secretary should ensure that the public knows about the benefits of PSLF by hosting roundtables with student loan borrowers, mentioning the program in public remarks, etc.
 - The Department of Education should also work with the Department of Treasury to review IRS data that would identify student loan borrowers who are likely eligible for PSLF (by type of employer, such as a state or local government). These potential borrowers should then be notified about the program and its potential benefits for them.

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The President should also work with Congress to:

- Eliminate the provision that requires an otherwise eligible borrower to be employed in public service at the time of forgiveness.
- Ensure payments under all federal repayment plans count toward forgiveness, including allowing borrowers to consolidate their loans without losing credit for payments made prior to consolidation while they were working in public service jobs.
- Ensure borrowers are entitled to loan forgiveness if the total amount of their payments is equal to 120 monthly qualifying payments. This includes payments made in installments, payments “paid ahead” of the amount due, and, as appropriate, retroactive payments to catch up borrowers who have fallen behind.
- Allow PSLF eligibility for borrowers working as health care practitioners at public or nonprofit hospitals or health care facilities, but who are prohibited by state law from being employed directly by the hospital or health care facility.
- Ensure that for any individuals employed full time in public service before the coronavirus emergency, student loan payments that are deferred as a result of the public health emergency still count towards PSLF, even if the employees lose their job during the “public health emergency.”

We believe that removing these barriers will significantly help public service professionals and our communities during this very difficult time. We ask that you support the health care professionals who are fighting to save lives, the educators and social workers who are serving our children and our families, and the first responders who are protecting our communities.