



Public Service Loan Forgiveness (PSLF) is a bipartisan, educational debt forgiveness program specifically for public service professionals that was signed into law by President Bush under the College Cost Reduction and Access Act of 2007.

Through PSLF, borrowers can earn forgiveness on eligible federal educational loans after working as a full-time employee in a qualifying public service position while making ten years of on-time monthly loan payments. PSLF is the only educational debt program specifically targeted at public service professionals.

Public service professionals are essential to the safety, education, and health of communities across our country. These professions include public health workers, including first responders, social workers, nurses, doctors, and food safety professionals; public education professionals, including special education professionals, and school counselors; and public safety roles such as prosecutors, members of the armed forces, firefighters, police, corrections officers, public defenders. Public service professionals keep our communities safe, healthy, and stable, and PSLF is an essential program to attract and retain these professionals in public service.

History

When PSLF was created, there was little information for borrowers to educate them on how to navigate the program. In October 2017, when borrowers first started applying for forgiveness, the GAO found that the PSLF program had denial rates upwards of 99%. Among the reasons for denial, borrowers were told that they did not qualify because they were under the wrong loan program or had the wrong repayment plan. The Coalition was created in the face of efforts by the Administration and some Members of Congress to eliminate the program.

To mitigate some of the challenges of implementation, the Consolidated Appropriations Act, 2018 provided limited, additional conditions under which a borrower could become eligible for loan forgiveness if some or all of the payments made on their Federal Direct Loans (Direct Loan) were under a non-qualifying repayment plan for Public Service Loan Forgiveness (PSLF). The U.S. Department of Education (ED) referred to this opportunity as Temporary Expanded Public Service Loan Forgiveness (TEPSLF).

When Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), it suspended educational debt payments on federal loans. Payments are now set to resume in the fall of 2023. As part of the continued efforts to ensure accessibility of the program, in October 2021, ED announced time-limited changes to PSLF rules, allowing borrowers to receive credit for past periods of repayment that would otherwise not qualify. However, this opportunity ended on October 31, 2022. As of the beginning of May 2023, ED approved a total of \$42 billion in Public Service Loan Forgiveness for more than 615,000 borrowers since October 2021, which is an average of \$68,000 in forgiveness per borrower. This is a direct result of the time-limited changes made by the current Administration that made it easier for borrowers to reach forgiveness.

As a result of negotiated rulemaking on PSLF, in October 2022 ED announced final regulations for the PSLF program that intend to deliver improvements for borrowers. These improvements make permanent some of the fixes included in the Temporary Waiver, and will go into effect July 1, 2023. The new regulations will:

- Count more types of payment towards forgiveness, including late payments as well as credit for periods of ineligible forbearance and deferment if they make payments equivalent to what they would have owed under an IDR plan (including credit for periods where the borrower would have owed \$0 monthly payments).
- Clarify which non-501(c)(3) organizations are qualifying “public service” organizations, and simplifies what counts as “full time employment.”
- Allow borrowers to count qualifying payments on Direct Loans before they consolidate their loans towards forgiveness, using a new approach to ensure consolidation does not wipe out past progress toward forgiveness.
- Formalizes a reconsideration process for borrowers whose applications are denied.
- Simplify criteria to help borrowers certify qualifying employment.
- Help borrowers correct PSLF account problems.

About the PSLF Coalition

The PSLF Coalition consists of over 90 allied organizations representing a diverse array of professions committed to supporting the intent of the program.

Our Key Objectives are:

- Advance policies to ensure the program is accessible to borrowers and forgiveness is achievable for eligible public service professionals
- Expand outreach and education to eligible borrowers

The PSLF Coalition was formed in 2017 to ensure the promise of the original program before the first borrowers were eligible for forgiveness. Our work at this time focused Congressional engagement on understanding the value of PSLF. The work has evolved to not only educate and inform Members of Congress on the benefits of the program, but to also educate borrowers on how to earn PSLF, as well as engage with the Department of Education on fixes and improvements to the program informed by borrower experiences. We host monthly educational webinars that are free to all to support making this an accessible and achievable program.