



Julie Margetta Morgan, Senior Advisor
Office of the Under Secretary
U.S. Department of Education
400 Maryland Ave. SW, Room 7E307
Washington, DC 20202

Re: Docket ID ED-2021-OUS-0082

Dear Julie Margetta Morgan:

The National College Attainment Network (NCAN) appreciates the opportunity to submit public comments on the U.S. Department of Education's (ED) request for information regarding the Public Service Loan Forgiveness (PSLF) program, as published in the Federal Register (Docket No. ED-2021-OUS-0082).

NCAN's mission is to build, strengthen, and empower communities and stakeholders to close equity gaps in postsecondary attainment for all students. Drawing on the expertise of hundreds of organizational members across the U.S., NCAN is dedicated to improving the quality and quantity of support that underrepresented students receive to apply to, enter, and succeed in postsecondary education. Students from low-income schools served by NCAN member organizations are 26% more likely to enroll in postsecondary education directly after high school and 42% more likely to complete a credential or degree than students from low-income high schools nationally.

NCAN is pleased to see ED's interest in, and expressed commitment to, addressing the barriers that public service workers face in attaining PSLF. NCAN supports a PSLF process that better serves student loan borrowers—such as our members in the nonprofit sector with staff members who are borrowers, and the student loan borrowers whom our members serve, who wish to pursue a career in public service.

NCAN agrees, as acknowledged in the federal register notice, our nation must maintain a highly educated public service workforce for the multitude of roles that contribute vital services. By working in the public's interest, and being rewarded for a length of service, these professionals can continue to provide essential services to our nation's most underserved communities.

In concept, PSLF embodies an incredible incentive for the best and brightest in our workforce to enter and remain in public service. There is evidence that PSLF can deliver on its immense potential. Since the first public service workers with student debt became eligible to receive PSLF in 2017, ED has discharged roughly \$450 million in student debt owed by over 5,000 borrowers. While the program has delivered for these borrowers, as acknowledged in the federal register notice, there have also been ample issues with the program's implementation.

Although the majority of PSLF applicants have made some progress toward cancellation, overall, only a few percent have received forgiveness at the time of their application. The low approval percentage is a discouraging fact for borrowers and further affirms a prevalent narrative that borrowers are perplexed by the program's several eligibility requirements and how to successfully navigate the process.

NCAN thanks ED for this opportunity to comment on the persistent issues that borrowers face in attaining PSLF and how to improve the program for those in repayment.

Public Service and Student Debt

Federal student loans play a considerable role in postsecondary education finance today. As student loan borrowing grows in prevalence, the public is also increasingly aware of the issues with, and areas of needed improvement for, our system of federal lending and repayment. In these discussions, and especially since ED's release of data showing a high denial rate for initial applications, the PSLF program has become a focal point of intense scrutiny.

While the public's perception of PSLF appears affected by the approval rate data, the program maintains a high appeal among public service workers. In a [survey](#) of public service employees conducted by AIG Retirement Services, 84% of respondents with federal student loans said that they strongly value the PSLF program. This is likely due to the burden that borrowers express is associated with their debt—66% of that same survey group reported that student debt was their top financial stressor. Given this sentiment, it is important that programmatic changes help reduce undue burden for borrowers in the process of seeking PSLF.

In responding to this inquiry, NCAN asked our organizational members for their thoughts on PSLF's benefits, the incentive it poses for borrowers, and its impact on employment decisions. The survey responses that NCAN received lend confirmation to the high appeal that exists amongst those working in public service and for students wishing to pursue public service careers. Here is a selection of quotes taken from their statements:

- *"[PSLF] is one of our most valuable recruiting tools."*
- *"[PSLF] provides an excellent incentive for people to enter AND remain in public service, but PSLF is complex, burdensome, and untrustworthy in its current iteration."*
- *"[PSLF] incentivized me to work for a nonprofit, even when other opportunities were presented."*
- *"The PSLF is an essential program for many serving their communities at large, but is, in practice, broken and in desperate need of repair to serve more borrowers."*
- *"I work with Social Work students who intern with my organization. Many of them do not know about the program, but once told they are interested... social workers work hard and compensation is distinctly lower than in the private/corporate sector so I believe the concept behind this program is solid."*

Experiences with PSLF

While NCAN's members speak highly of PSLF's appeal for their students, employees and communities, those who commented on experiences with the program had less positive information to share. NCAN asked our organizational members to comment on either their personal experiences, or of those of whom they know, with PSLF. Here is a selection of responses from NCAN members:

- *"From personal experience, I am very disappointed in the program. I submitted my paperwork, was approved, had my loans transferred (as per the program), and then I was denied because my loans had been consolidated. I have since paid off my loans but I know of numerous people who have an expectation that this forgiveness program will apply to them and I am hopeful that it does in the future."*
- *"[PSLF] can be wildly confusing for applicants to apply for and to track for 10 whole years..."*
- *"[PSLF] overall sounds wonderful and gives borrowers in the public sector an opportunity to save money on student loans but it does come with a lot of criteria that can make borrowers discouraged to even apply for the program."*
- *"[PSLF] is not well articulated as an option to borrowers... employers often do not advertise it as a benefit or understand how to support employees in accessing it. Employers need to understand the PSLF so that they can communicate it to potential and current employees as a benefit."*

Opportunities to Strengthen PSLF for Borrowers Who Currently Work in Public Service

Through establishment of a negotiated rulemaking committee to soon rewrite regulations for Public Service Loan Forgiveness, ED has prioritized this program for review and reform. Aside from rulemaking, given its existing authority under current law, ED should employ all methods to better administer PSLF. Notably, those working in public service must have accessible, clear information and guidance. As reported by an NCAN member organization, improvements to PSLF should include "clearer instructions and ease getting into the process, plus clear instructions and deadlines to recertify IDR and employment."

Additionally, NCAN is hopeful that the implementation of the FUTURE Act (Public Law 116-91), that enables secure data sharing between ED and the Internal Revenue Service, will significantly address some issues that borrowers face in repayment and progress towards PSLF—including the streamlining of enrollment and re-certification in income-driven repayment plans.

Lastly, the Government Accountability Office (GAO) produced two reports with recommendations for the Office of Federal Student Aid: one on [improving PSLF](#) and a more recent one on [improving temporary expanded PSLF](#). Below is summation of their solutions:

- Provide servicer(s) and borrowers with more information about qualifying employers;
- Issue more comprehensive guidance and instructions document for servicer(s);
- Standardize borrower payment information that is exchanged by servicers;
- Ensure borrowers receive sufficiently detailed information to help identify potential payment counting errors;

- Integrate TEPSLF requests into PSLF applications;
- Provide borrowers more information about options to appeal TEPSLF decisions on the TEPSLF website and in their denial letters;
- Require all loan servicers to include TEPSLF information on their websites; and
- Include TEPSLF information in its PSLF Online Help Tool.

Effects of the COVID-19 Pandemic on Student Loan Borrowers Working in Public Service

The COVID-19 pandemic has had devastating and far-reaching impacts on our country and the economy, and is still being felt throughout the education continuum. Federal student loan borrowers, however, have had relief from making payments and interest accrual since the March 2020 federal declaration of a national emergency. During this difficult time, ED has led an effective communication effort about the relief provided to federal student loan borrowers.

Given the final extension of the relief until Jan. 31, 2022, ED should work urgently to address and prioritize the improvements that can be reasonably made to PSLF before such time. At the end of last year, the Pew Charitable Trusts published [survey research](#) that found that roughly 6 in 10 respondents benefiting from relief said that they would have difficulty affording payments upon restart. Towards our nation's economic recovery, it is crucial that borrowers re-enter repayment and, if applicable, continuation of their progress towards PSLF in a stable system. Lastly, as the months of relief will count as qualifying payments towards the PSLF, it is important that ED ensures that borrowers are credited for these months.

Conclusion

NCAN appreciates the Administration's intent to address the barriers that public service workers face in attaining PSLF, following their postsecondary education. By acting on improvements to PSLF, ED will help our nation's student loan borrowers in their pursuit of a fulfilling career path and achieve their greatest potential.

If you have any questions, please contact: Raymond AlQaisi, NCAN's policy and advocacy manager, at 202-347-4848 ext. 208, raymond@ncan.org.

Sincerely,

Kim Cook



Executive Director

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