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Joe Courtney
Congress of the United States
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September 24, 2021

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The Honorable Miguel Cardona
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Re: Docket No. ED-2021-OUS-0082

Dear Secretary Cardona:

Thank you for the Department's commitment to tackling our nation's student loan debt crisis, in particular, the interest in addressing problems with student loan repayment programs. I am encouraged by the Department's decision to seek public comment and address issues and concerns related to the administration of the Public Service Loan Forgiveness (PSLF) program ahead of Negotiated Rulemaking that will hopefully result in significant improvements in the program's implementation and accessibility.

When Congress created the PSLF program in 2007 with bipartisan support, our primary goal was to reward those who have dedicated their careers to public service, and to incentivize people who want to take public service jobs but might worry about their ability to pay off their student debt with the typically lower wages associated with public service positions. Many public servants make career and financial decisions based on the assumption that they will have their student loans forgiven through the PSLF program.

Unfortunately, as you know, PSLF rejects 98% of public servants who apply. Therefore, it is not surprising that many of my constituents have contacted me over the last several years after encountering problems with the PSLF program, ranging from poor communication to misleading information to unreasonable requirements. Based on the feedback I have received from hardworking and dedicated public servants in the second district of Connecticut, I encourage you to keep the following principles in mind as you consider:

- Simplicity: Ensure that the application process is simple for public servants.
- Accessibility: Ensure that all public servants have the tools and information they need to submit a complete application.
- Communication: Ensure that there is frequent and clear communication between public servants, loan servicers, and the Department of Education.

Below, I provide more detail to demonstrate why these principles should be prioritized as you consider fixes to the PSLF program, and to ensure that you have heard from dedicated public servants in my district.

Simplicity

As you know, many PSLF applicants report being confused by the application process. I have heard from constituents who thought they were entitled to relief after completing all 120 of the required monthly payments, only to be told after ten years of payments that they did not qualify. For example, one constituent worked for 12 years at a social services organization focused on domestic violence issues in New London, CT. She thought she had been making the required 120 monthly payments but, when she submitted her paperwork to have her remaining \$5,000 in student loans forgiven, she was told by FedLoan Servicing that she had not completed all of the necessary payments.

Another constituent struggled to determine which repayment plan she needed to enter to qualify for PSLF. After failing to get clarification from FedLoan about which repayment plan to enter, she looked up the requirements for the PSLF program on the <https://studentaid.gov/> and, based on what she read online, determined that she could remain in an Income-Based repayment plan. Unfortunately, after six years of consistent payments, FedLoan told her that she needed to be on an Income-Contingent repayment plan to qualify for the PSLF program. My office was able to secure this constituent a refund of over \$2,000 for this confusion, but she should have been able to access and trust the information she sought from FedLoan and ED when making plans to pursue forgiveness.

As you consider reforms to the PSLF program, I encourage you to make the application process as easy and streamlined as possible. It is not fair for public servants to reach the end of their 10-years of payments, only to be told that they made mistakes during the process because the instructions were unclear or because they did not have the ability to have their questions or concerns answered. Currently, the application is burdensome for public servants and their employers. I encourage you to consider ways to make it easier for public servants to enroll in the program and make the required payments, for employers to verify that their employees are engaged in qualifying public service, and for all parties to confirm what steps they have to take to complete the process.

Accessibility

Congress established the PSLF program to reward public servants for their dedication and service to the nation, and I encourage you to prioritize accessibility when considering reforms to the program. One reform to consider is allowing PSLF to be applied retroactively. One of my constituents recently contacted me because she had already spent well over ten years in a public service job but had only recently learned about the PSLF program. Even though she had been paying her loans consistently and was engaged in public service, there was no way to get those periods to count for loan forgiveness. This is particularly important when considering the barriers and lack of advertising that took place under the Trump Administration. Although this reform would likely require Congressional action, I welcome your feedback about the impact this

change would have on improving the accessibility of the PSLF program for deserving public servants.

Another way to increase accessibility of the program is to have a simple appeals process for public servants who are denied. According to a [2018 GAO report](#), some reasons applicants are denied loan forgiveness include missing information on the form, not being enrolled in a qualifying repayment plans, or having loans placed in a deferment or forbearance during their repayment period. Many of these are likely mistakes that occur because of confusion with the program, and PSLF applicants should have an opportunity to correct them without having to start the application process over. For example, one of my constituents is a 53-year-old Licensed Marriage and Family Therapist (LMFT) who has been working in the mental health field for the past 30 years. She applied for her first student loan in 1985 and had been on the standard monthly plan, paying on time for over 20 years at 6.125% interest. She consolidated her graduate and undergraduate loans 10 years ago to a government-approved loan servicing company (Mohela) so that she could qualify for the student loan forgiveness program. Unfortunately, she recently found out that the standard repayment plan for Direct Consolidated Loans is not included in loan forgiveness, and her 10 years of payments to a government-approved loan servicing company did not qualify her for forgiveness. She was not informed that she needed to be on a specific repayment plan and now needs to start her qualifying payments from the beginning, despite already putting in 30-years of public service. Having an appeals process makes loan forgiveness accessible for public servants that have made mistakes in their application but have been engaged in public service for the required amount of time.

Finally, I encourage you to ensure that public servants who take advantage of opportunities for periods of student loan forbearance or deferment are not required to serve for a longer term in order to qualify for PSLF. [According to GAO](#), 94% of Department of Defense PSLF applicants are denied. In May, I introduced H.R.3486, the *Recognizing Military Service in PSLF Act*. This bipartisan, bicameral legislation would count military student loan deferment or forbearance as qualifying payments to PSLF so that service members who deploy have their periods of service appropriately counted toward their loan forgiveness. Service members are eligible for PSLF but they also have access to student loan deferment and forbearance periods during military deployments. These loan deferment and forbearance periods are intended to account for the unique financial impacts of deployment on a service member's family. Currently, if an eligible service member enrolled in PSLF chooses to put their loans into deferment or forbearance during a deployment, those periods do not count as PSLF qualifying payments, meaning that in the service member will need to complete a longer overall period of service before qualifying for student loan forgiveness. My legislation would address this oversight and help more service members qualify for PSLF. I was pleased that a version of this bill was included in the section of the Build Back Better Act that passed the House Education and Labor Committee on September 10, 2021. However, I encourage the Department to go even further by extending this benefit to other borrowers engaged in deferments or forbearances, including those who need deferments for economic hardship, those serving in the Peace Corps, and those receiving cancer treatments in the upcoming negotiated rulemaking. Because our goal should be to make the PSLF program accessible to all those engaged in more than 10 years of public service, I urge you to reduce barriers and burdens that prevent public servants from taking advantage of all of the benefits offered to them.

Communication

Finally, the Department of Education should make sure that there is frequent and clear communication between all parties involved. This includes communication between the Department of Education, loan servicers, and student loan borrowers who are engaged in public service. Many of the problems that my constituents have faced could have been avoided with stronger and more frequent communication. In fact, [GAO found](#) that the Department of Education under former-Secretary DeVos did not provide key information to PSLF servicers and borrowers. This leads to confusion for all involved in the program and makes mistakes more likely.

One of my constituents has been a practicing attorney for 8 years and has worked for the past 7 years at a Legal Aid organization in hopes that he would one day have his loans forgiven. He turned down more lucrative positions in order to serve the people of Connecticut. He recently requested an accounting of his student loan payments and was shocked to discover that only 5 years of his service had been accounted for. After investigating, we learned that this was due to inaccurate record-keeping on the part of FedLoan. During their investigation, GAO discovered that PSLF servicer officials have found that their staff is sometimes unaware of important policy clarifications and information because of the piecemeal guidance and instructions that the Department of Education sends to the PSLF servicer. GAO also determined that the Department of Education does not ensure the PSLF servicer receives consistent information on borrowers' prior loan payments from the eight other federal loan servicers. These weaknesses in the chain of communication raise the risk that borrowers may be improperly denied loan forgiveness.

In the case of my constituent, he only realized that FedLoan had committed an accounting error because he proactively asked for an accounting update. More frequent accounting updates between borrowers, servicers, and the Department of Education would ensure that problems with a borrower's application are identified early and can be addressed before a borrower submits a final application for approval. I commend the Department for making improvements to the PSLF HELP Tool, which can help borrowers track their progress in pursuing PSLF. I encourage you to continue to improve and promote the tool as a way to help borrowers successfully complete the PSLF program.

Finally, I recommend that the Department of Education conduct more outreach to qualifying employers to inform them that their employees might qualify for the PSLF program. PSLF can be used as a recruiting tool for employers and employers can help the Department distribute information about the program. The Department of Defense, for instance, does not commonly use the PSLF program for recruitment and retention, [according to a GAO report from 2021](#). Employers can also serve as a resource to their employees who are pursuing PSLF, helping them begin the process and connecting them with representatives from the PSLF loan servicer or the Department of Education.

Thank you again for soliciting public comment regarding the PSLF program. Although it is unfortunate that implementation of this program has not aligned with Congressional intent for ease and accessibility, I am grateful for your concerted efforts to improve this important tool to encourage public service careers and manage our nation's compounding student debt problem.

Public servants are vital to the success of our nation: our country's teachers, nurses, service members, and first responders deserve the student loan relief that they were promised. I look forward to any forthcoming announcements about fixes to the PSLF program and stand ready to provide any further information you may need.

Sincerely,

A handwritten signature in blue ink that reads "Joe Courtney". The signature is written in a cursive, flowing style. The first name "Joe" is written with a large, stylized "J" and "e". The last name "Courtney" is written with a large, stylized "C" and "y".

JOE COURTNEY

Member of Congress