

April 12, 2021

The Honorable Miguel Cardona  
Secretary  
United States Department of Education  
400 Maryland Avenue SW  
Washington, DC 20202

Secretary Cardona:

We, the 97 undersigned student, consumer, higher education, public health, workforce, public interest, professional, military, and faith organizations representing millions of public service workers and student loan borrowers are writing to urge you to immediately undertake a review of the broken Public Service Loan Forgiveness (PSLF) program and ensure that all public service workers who have completed a decade of service receive the debt relief they were promised. This review must guarantee that any and all changes to the program are not just prospective but provide immediate relief, and justice, to dedicated public service workers. Throughout the pandemic, these borrowers have remained on the hook for debts they should not owe, taking a heavy psychological and financial toll month after month.

Congress, in a bipartisan fashion, made a promise more than a decade ago that public service workers who choose to give back to their communities and our country wouldn't be locked in a lifetime of debt. This promise ensured aspiring nurses, teachers, and millions of others were not precluded from pursuing these careers due to the dual financial pressures of stagnant wages and ever rising student loan balances.

**It is clear, however, that this promise has been broken.**

Since the first public service workers became eligible for debt cancellation in 2017, 98 percent of those who applied have been rejected. Despite reassurances from the Department of Education that these were just initial missteps and that rates of debt cancellation granted under this program would improve over time, year after year we continue to see widespread denials without explanation and no serious effort to address the underlying problems driving this systemic failure.

Throughout the history of this program, government mismanagement and industry abuses have knocked a generation of dedicated public service workers off track, including student loan borrowers across the public sector and those serving at nonprofit organizations. This led to

predictably poor results, highlighted in warnings from government auditors,<sup>1</sup> regulators,<sup>2</sup> law enforcement officials,<sup>3</sup> and Members of Congress.<sup>4</sup>

Millions of people who planned their lives and livelihoods around the promise of PSLF deserve better.

The Department must immediately take critical steps to restore the promise of the PSLF program, and accordingly following these three central principles:

- **A review of PSLF cannot wait any longer.** We call on you to immediately announce a 90-day review of the Public Service Loan Forgiveness program, during which time the Department of Education should conduct an audit of the student loan accounts of every potentially-eligible student loan borrower working in public service and establish new, streamlined criteria for a simple, straightforward path to cancel debt for all who have served for a decade or more. We should use the unique opportunity the payment pause presents to bring an end to the mismanagement and abuse that have become the hallmarks of PSLF. Simply, our remedy cannot require dedicated public service workers to start anew, following an equally complicated 10 year pathway to access relief, as the prior Administration had done. This 90-day review, and the cancellation of public service workers' debts that result from it, must be complete before any action is taken to restart student loan payments.
- **Immediately cancel all student debt owed by those who have served for a decade or more.** At the conclusion of the 90-day review described above, the Administration must deliver on the promise of PSLF: immediately cancel student debt for every public service worker in America who owes a federal student loan and has served for a decade or more. Further, this effort should grant prorated credit toward PSLF for every public service worker with student debt who has served for less than a decade. Regardless of borrowers' loan type, loan status, or repayment plan, the Department of Education must recognize and reward borrowers' service, consistent with congressional intent. To the maximum extent possible, the Department should automate the process of verifying and cancelling these debts, relying on information already collected or available through other government agencies.

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<sup>1</sup> <https://www.gao.gov/products/gao-18-547>

<sup>2</sup> [https://files.consumerfinance.gov/f/documents/201706\\_cfpb\\_PSLF-midyear-report.pdf](https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf)

<sup>3</sup> <https://www.mass.gov/news/ag-healey-sues-to-protect-public-service-loan-forgiveness>; <https://ag.ny.gov/press-release/2019/ag-james-sues-student-loan-servicer-mismanaging-loan-forgiveness-program>; <https://oag.ca.gov/news/press-releases/attorney-general-becerra-sues-secretary-devos-and-us-department-education>

<sup>4</sup>

<https://www.cardin.senate.gov/imo/media/doc/Bicameral%20Oversight%20Letter%20to%20Ed%20Dept%20on%20PSLF%20Implementation.pdf>;

<https://quigley.house.gov/sites/quigley.house.gov/files/PSLF%20IL%20Letter%202019.05.03.pdf>

- **Give public service workers a seat at the table.** As the Administration completes the 90-day review described above, it is critical that it hears directly from advocates and the affected public service workers who sought debt relief but have been derailed or denied. These borrowers can explain with precision the myriad of ways the current program has conspired to knock them off track-- from unfair and deceptive tactics employed by student loan companies, to narrow and often arbitrary eligibility decisions made by private contractors and Education Department employees. The Department must also ensure it hears directly from the federal and state law enforcement officials who have meticulously documented far-reaching abuses by lenders in the federally guaranteed student loan program and by the Department's largest contractors. The Department must also be transparent with these borrowers and the public about the reforms being considered and ensure that there is an opportunity for those closest to our broken student loan system to provide meaningful input to improve PSLF.

During your confirmation hearing, you committed to using all the tools at your disposal to provide student loan borrowers with immediate relief. You also committed to “boldly address” inequities across our education system.<sup>5</sup> The burden of student debt falls disproportionately on Black and Brown borrowers— those who, as a result of a racial wealth gap driven by systemic racism, most often lack the familial wealth necessary to obtain a debt-free higher education in America. Unfortunately, a growing body of evidence also demonstrates that these borrowers frequently miss out on existing avenues for debt relief enacted by Congress.<sup>6</sup> For these reasons, fixing existing loan forgiveness programs so that the Department lives up to the promises required under law should be one of the first places you start.

Should the Department identify legal, statutory, or regulatory barriers to implementing the steps described above, we believe you must invoke your authority under the Higher Education Relief Opportunities for Students Act or other statutory authorities, that allow you to waive or modify statute and regulations as necessary.<sup>7</sup>

As you take the actions described above, we look forward to meeting with you and your staff to discuss the timeline and tactics the Department will deploy to fix the Public Service Loan Forgiveness program. We stand ready to assist you and President Biden in this effort.

Sincerely,

Student Borrower Protection Center

Equal Justice Works

Accountable.US

Affordable Homeownership Foundation Inc.

Alaska PIRG

American Association of Colleges for Teacher Education

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<sup>5</sup> <https://www.help.senate.gov/imo/media/doc/Cardona.pdf>

<sup>6</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3726183](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3726183)

<sup>7</sup> P.L. 108-76

American Association of University Women (AAUW)  
American Library Association  
American Occupational Therapy Association  
American Psychological Association  
American School Counselor Association  
Americans for Financial Reform Education Fund  
Anti-Poverty Network of New Jersey  
Association of Schools Advancing Health Professions  
Association of Schools and Programs of Public Health  
Association of Young Americans (AYA)  
Blue Wave New Jersey  
California Association of Nonprofits  
California Reinvestment Coalition  
CBF Texas  
Center for Charlotte Legal Advocacy  
Center for Law and Social Policy (CLASP)  
Center for LGBTQ Economic Advancement & Research (CLEAR)  
Center for Responsible Lending  
Civil Service Bar Association  
Community Service Society of New York  
College Now Greater Cleveland  
Congregation of Our Lady of Charity of the Good Shepherd, US Provinces  
Consumer Action  
Consumer Credit Counseling Service of Rochester  
Consumer Federation of America  
Consumer Federation of California  
Consumer Reports  
Council on Social Work Education  
Debt Collective  
District Council 37 Municipal Employees Legal Services  
Fair Opportunity Project  
Fosterus  
Hildreth Institute  
HOPE for All: Helping Others Prosper Economically  
Housing and Economic Rights Advocates  
Independent Sector  
Ironbound Community Corporation  
Lawyers for Good Government (L4GG)  
Long Island Housing Services, Inc.  
Louisiana Budget Project  
League of United Latin American Citizens (LULAC)  
Margert Community Corporation  
Minority Veterans of America  
Mobilization for Justice

Mountain State Justice, Inc.  
National Advocacy Center of the Sisters of the Good Shepherd  
National Association for College Admission Counseling  
National Association of Consumer Advocates  
National Association of Consumer Bankruptcy Attorneys (NACBA)  
National Association of Social Workers  
National Consumer Law Center (on behalf of its low-income clients)  
National Employment Law Project  
National Housing Resource Center  
National Partnership for Women & Families  
National Women's Law Center  
New Era Colorado  
New Hampshire Youth Movement  
New Jersey Citizen Action  
New Yorkers for Responsible Lending  
NextGen California  
NJ Communities United  
NJ Working Families  
Northeast Ohio Black Health Coalition  
Oakes Law Offices PC  
Ohio Student Association  
People's Parity Project  
Physician Assistant Education Association  
Policy Matters Ohio  
Public Citizen  
Public Counsel  
Public Good Law Center  
Public Higher Education Network of Massachusetts (PHENOM)  
Public Law Center  
Revolving Door Project  
Social Security Works  
S.C. Appleseed Legal Justice Center  
Staten Island Center for Independent Living, Inc.  
Student Debt Crisis  
Texas Appleseed  
The Forum for Youth Investment  
UnidosUS  
U.S. Public Interest Research Group  
United Church of Christ, Justice and Witness Ministries  
United Parents and Students  
United States Student Association  
Virginia Poverty Law Center  
Western Center on Law and Poverty  
Western New York Law Center

Women Employed  
Young Invincibles  
Zero Debt Massachusetts