

May 7, 2021

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

Secretary Lloyd Austin
US Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Re: Streamlining Public Service Loan Forgiveness for Past & Present Active Duty Servicemembers

Dear Secretaries Cardona and Austin:

We write to request your assistance ensuring the Public Service Loan Forgiveness (PSLF) is more accessible for our nation's Uniformed Services.

We share the Department of Defense (DoD)'s view that PSLF is "an important recruitment and retention tool for the military to compete with the civilian sector"¹ and the Department of the Navy's view that PSLF is "a powerful incentive for public service-minded people to pursue a career in the Armed Forces of the United States."²

As you may know, nearly 200,000 active duty servicemembers hold nearly \$3 billion in federal student loan debt.³ Many of them have been planning their finances around the promise of PSLF. However, a recent Government Accounting Office (GAO) report found that only 124 active duty servicemembers have had their federal student loans discharged through the PSLF program, and that only 1,410 active duty borrowers had even applied to do so.⁴ According to DoD, in early 2018 only 6,800 active duty servicemembers were currently participating in PSLF.⁵

Unfortunately, servicemembers commonly have difficulties meeting the basic requirements of the program. Income-Driven Repayment (IDR) recertification can take hours on the phone to successfully complete the process, which is particularly difficult for servicemembers deployed overseas. Further, student loan servicers often steer servicemembers towards military deferment, a repayment plan which does not qualify for PSLF. Even if servicemembers are in the correct repayment plan, military transfers

¹ Department of Defense, Department of Defense Information Paper (2018), https://www.insidehighered.com/sites/default/server_files/media/Department-of-Defense-on-PROSPER-Act.pdf (last visited March 15, 2021).

² Department of the Navy, Department of the Navy Information Paper (2018), <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5b16a2b3f950b7054030bc37/1528210099259/Navy-on-PROSPER-Act.pdf> (last visited Feb 21, 2021).

³ Seth Frotman, Prepared Remarks of Seth Frotman, Assistant Director and Student Loan Ombudsman, Consumer Financial Protection Bureau, to the Judge Advocate General's Legal Center and School (2017), https://files.consumerfinance.gov/f/documents/201710_cfpb_Frotman-Remarks-JAG-School.pdf.

⁴ U.S. Government Accountability Office, GAO-21-65, Public Service Loan Forgiveness: DoD and Its Personnel Could Benefit from Additional Program Information (Apr 22, 2021), available at: <https://www.gao.gov/products/gao-21-65> (last visited April 27, 2021).

⁵ Department of Defense, *supra* note 1.

and long deployments mean they frequently do not receive their new bills or notices when their loans are transferred to new servicers, causing late payments.

We recommend you employ the HEROES Act of 2003, which provides the Secretary of Education the necessary authority to correct the problem. Specifically, the HEROES Act authorizes the Education Secretary to “waive or modify any statutory or regulatory provision applicable... as the Secretary deems necessary in connection with a war or other military operation or national emergency to provide... waivers or modifications... to ensure that recipients of student financial assistance... are not placed in a worse position financially... because of their status as affected individuals.”⁶ We have been a nation at war since September 11, 2001, easily meeting the first requirement of the law, and, as mentioned above, the very nature of military service impedes servicemembers’ ability to participate in PSLF.

Please note, the HEROES Act explicitly provides that the “Secretary is not required to exercise the waiver or modification authority under this section on a case-by-case basis.”⁷ The previous Administration used the national emergency provision contained within this law to pause student loan payments for all federally-held student loans late last year.⁸ We urge you to use the HEROES Act to ensure that the federal student loans of any military borrower who served for 10 years through either military service or a combination of military service and other government service is forgiven.⁹

We also urge your Departments collaborate to automatically track and update military students' progress towards the 120 payment requirement for PSLF even if they served less than ten years.

Finally, as the GAO report suggested, we request the Defense Department implement a plan to ensure that information concerning PSLF requirements is disseminated throughout the ranks.

We would also welcome a meeting with your staff to discuss the issue further.

Sincerely,



Army Aviation Association of America



AMSUS, the Society of Federal Health Professionals



Coast Guard Chief Warrant and Warrant Officers Association



Iraq and Afghanistan Veterans of America

⁶ See 20 U.S. Code § 1098bb.

⁷ *Id.*

⁸ See generally <https://www.federalregister.gov/documents/2020/12/11/2020-27042/federal-student-aid-programs-student-assistance-general-provisions-federal-perkins-loan-program>.

⁹ Drew Silver, How Veterans and Non-Veterans Fare in the U.S. Job Market (2019), <https://www.pewresearch.org/fact-tank/2019/09/17/how-veterans-and-non-veterans-fare-in-the-u-s-job-market/> (last visited February 24, 2021).

High Ground Veterans Advocacy

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Veterans Education Success