

September 24, 2021

U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202
Submitted via electronic portal

Re: Request for Information Regarding the Public Service Loan Forgiveness Program, Docket ID: ED-2021-OUS-0082

To Whom It May Concern:

The undersigned veterans and military service organizations write to request your immediate attention to the Public Service Loan Forgiveness Program (PSLF). We have seen firsthand the issues service members, veterans, and their families experience applying for the program. The U.S. Department of Education (Department) must rectify these issues and ensure PSLF functions as intended.

We agree with the Department of Defense's (DoD) 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 PSLF encourages well-qualified individuals to start careers not only in the military but also in important public sector jobs serving veterans like at the U.S. Department of Veterans Affairs (VA), as well as at vital nonprofit veterans and military service organizations.

The implementation and oversight of the program have been subject to myriad well-documented problems. The DoD, VA, and nonprofit organizations need an operational PSLF program to attract civic-minded citizens and to compete with the high-paying private sector employers; unfortunately, there have been too many impediments to the proper administration of the program.

Veterans and military service organizations see three main problems with PSLF. First, the Department is not approving legitimate applicants. According to a 2021 Government Accountability Office (GAO) report, 94% of PSLF applicants employed by DoD were denied, while a mere combined total of 124 active duty service members have earned loan forgiveness under the program.³ Given an existing approximately 200,000 active duty service members with federal student loans, the comparatively insignificant number of approved forgivenesses illustrate just how ineffectively the program has been executed to date.

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.

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>.

³ 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>.

Second, there have been many documented cases of loss of eligibility for qualified borrowers as a result of student loan servicers' administration of PSLF.⁴ Loan servicers regularly entice service members to opt into military deferment repayment plans, which do not qualify for PSLF. Even if service members are aware of the program – a problem noted in the GAO report – and in the correct repayment plan, military transfers and deployments often preclude them from receiving notices when their loans are transferred to new servicers.

Third, delays in communications commonly result in late payments by service members at no fault of their own. Additionally, Income-Driven Repayment (IDR) can take hours to complete over the phone, which can be difficult to complete for service members deployed overseas. These issues occurring in tandem often compound the difficulty for borrowers seeking loan forgiveness, and make PSLF functionally out of reach for so many eligible applicants.

Military and veterans organizations have been consistently outspoken in their support for a working PSLF program.⁵ Under the HEROES Act of 2003, the Secretary of Education can “waive or modify any statutory or regulatory provisions 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 strongly urge the Department to use the HEROES Act to ensure the federal student loans of any military borrower who has served for 10 years are forgiven. The HEROES Act explicitly proves that the Secretary is not required to use this authority on a case-by-case basis.⁷

Further, we offer the following suggestions to the Department to improve PSLF:

- Work with Congress to require acceptance of military deferments or forbearance during active duty as qualifying payments.⁸
- Promote collaboration between the Department with DoD and VA to automatically track and update the progress of service members towards the completion of PSLF irrespective of the amount of time served.
- Disseminate information concerning PSLF more widely, with a targeted focus on service members and the broader military community.
- Work with Congress to expand the definition of qualifying employer to include veterans and military organizations incorporated under sections other than 501(c)(3) of the

⁴ See Student Borrower Protection Center and American Federation of Teachers, *Broken Promises: The Untold Failure of ACS Servicing* (Oct. 2020), available at https://protectborrowers.org/wp-content/uploads/2020/12/Broken-Promises_ACS-12_9.pdf.

⁵ Letter from 16 VSO/MSO organizations DoD & ED asking them to improve PSLF (May 7, 2021), available at <https://vetsedsuccess.org/our-letter-to-dod-ed-asking-them-to-improve-pslf/>; Letter from 17 VSO/MSO organizations to Congress regarding PSLF (Nov. 27, 2017), available at <https://vetsedsuccess.org/veterans-and-military-service-organizations-call-on-congress-to-preserve-and-expand-public-service-loan-forgiveness/>.

⁶ See 20 U.S. Code § 1098bb.

⁷ *Id.*

⁸ The Recognizing Military Service in PSLF Act would require this change, H.R. 3486, 117th Cong., available at <https://www.congress.gov/bill/117th-congress/house-bill/3486?s=1&r=3>.

Internal Revenue Code. Currently, employees of nationally recognized nonprofit veterans organizations do not qualify for PSLF due to this technical error.

In order to fulfill the promise of PSLF, we urge the Department to quickly remedy these issues and institute a fair and working program.

Sincerely,

Iraq and Afghanistan Veterans of America
Military Child Education Coalition
National Military Family Association
Reserve Organization of America
Student Veterans of America
Tragedy Assistance Program for Survivors
Veterans Education Success
Veterans for Common Sense
VetsFirst, United Spinal Association