

Comment

Many people have dedicated their careers to public service in part because they were PROMISED that their loans would be forgiven. It would not be fair to break your promise to these hard working Americans. Please do not pull the rug out from these hard working, devoted citizens.

Thank you for your comment about Public Service Loan Forgiveness. However, your comment is outside the scope of the comments that were requested. Only comments related to the Employment Certification Form and Application for Public Service Loan Forgiveness are being considered at this time.

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Comment

Please do not get rid of this program. I am depending on it. I am a social worker and have a mortgage in student loan debt (over 130k). I'm in my mid thirties and have not bought a house and live paycheck to paycheck trying to provide for myself and my daughter (I'm a single mom) and if something happens we will be screwed. I haven't been able to save for emergencies because of my massive payments that are already based on my income. The idea of having my loans forgiven was the one thing giving me hope. Something has to be done about student debt. Myself and others from my cohort are working multiple jobs barely seeing our kids and family trying to make ends meet, and also unable to

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save for our children's college education because we are trying to pay off our own debt. Student loan debt is a crisis. Please hear us and save this program. Improve this program. Please.

Thank you for your comment about Public Service Loan Forgiveness. However, your comment is outside the scope of the comments that were requested. Only comments related to the Employment Certification Form and Application for Public Service Loan Forgiveness are being considered at this time.

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Comment

See attached file(s)

Attachments (1)

PSLF Comment

View Attachment:



I am writing on behalf of The John Marshall Law School in Chicago, Illinois, to comment on the draft Public Service Loan Forgiveness (PSLF) Application. We have many graduates who work in the public sector and intend to apply for Public Service Loan Forgiveness after making the required 120 qualifying payments. In reviewing the draft application for forgiveness, there are two clauses in Section 2 that can have a severe negative impact on the borrower if there is a significant amount of time between when a borrower submits an application for review and when it is approved/denied. The second clause, which reads “to qualify for PSLF, I must be employed full-time by a qualifying employer when I apply for and receive PSLF” can possibly impact a borrower’s ability to take advantage of PSLF. If a borrower applies for PSLF and the review period takes an unreasonably long-time, his/her employment status may very well change within that period. It seems unfair to have someone’s eligibility for such a major benefit as PSLF to be partially determined by the efficiency of the review period. If a borrower is unfortunate enough to be laid-off during the review period but has been in qualifying employment for the required 10 years and meets all other eligibility requirements, it only seems fair that his/her loans should be forgiven should the review period take an unreasonable amount of time.

Additionally, the sixth clause which reads “If the Department determines that I am not eligible for forgiveness, I will be notified of this determination and why the determination was made. The forbearance [that] was granted on my Direct Loans will end and the Department may capitalize (add to my loan’s principal balance) unpaid interest that accrued during the forbearance period” has the risk of negatively impacting borrowers should the review time be extensive. Without knowing how long the review period will be, the borrower is taking the risk of having interest accrue in a potentially large amount. If guidelines were provided regarding a timeframe of when a decision will be made on the borrower’s application, he/she may choose to continue to pay at least the interest on his/her loans to avoid this penalty. This would especially be the case for a borrower who is not entirely confident that he/she has met all of the requirements of the program. I understand that these clauses are stating conditions that are already established in the regulations. However, if a timetable regarding the application review process was established the potential negative impact would be minimized. That way, applicants would be able to make more informed decisions regarding their employment and loan repayment practices. Understandably, the Department most likely is not certain how long the review process will take as this is the first year that borrowers will be eligible to apply for forgiveness. Therefore, a provision should be added stating that if the review process takes longer than the timeframe provides for then these two clauses will be void. That way borrowers will not be unfairly

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impacted as a result of a review process that takes longer than anticipated.

Thank you for your comments.

Generally, we are unable to provide time estimates with regard to how long it will take to process an application for Public Service Loan Forgiveness (PSLF). There are two reasons for this. The first reason is that we have never forgiven a loan under the PSLF Program. The second is that we believe that the period of time it will take to process a PSLF application will depend, in large part, on whether the borrower has submitted prior employment certification forms, and, if so, how many qualifying payments the borrower has already been determined to have made.

With regard to the comment that we nullify the requirement that a borrower need to be employed at the time that forgiveness is granted, we are unable to do so. This is a requirement of the PSLF regulations. See 34 CFR 685.219(c)(1)(ii)(B)-(C).

With regard to the comment that we either not accrue interest or forego interest capitalization if the period of time it takes to process a PSLF application is longer than some to-be-determined standard, we decline to make this change. First, the outstanding principal and interest balance to be forgiven is the entire remaining balance. Therefore, any interest that accrues while the borrower's application is being processed will be forgiven if the borrower's application is approved. For those who are concerned as to whether their application will be approved, those borrowers are free to decline the forbearance that will otherwise automatically be applied or accept the forbearance to avoid interest capitalization if the application is denied. For those who make payments while their application is being processed, we will only hold the borrower responsible for payments that were due up until the 120th qualifying payment. Therefore, any payments made over and above that amount will be treated as overpayments on the loan being forgiven.