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October 4, 2018

ATTORNEY GENERAL MADIGAN LEADS COALITION URGING DEPARTMENT OF EDUCATION TO IMMEDIATELY ADDRESS SERIOUS DEFICIENCIES WITH THE PUBLIC SERVICE LOAN FORGIVENESS PROGRAM

Chicago — Attorney General Lisa Madigan today led a coalition of attorneys general urging U.S. Department of Education Secretary Betsy DeVos and Federal Student Aid Acting Chief Operating Officer Jim Manning to address the 99 percent denial rate for Public Service Loan Forgiveness (PSLF) applications. The PSLF program was created in 2007 to help student loan borrowers who aspire to give back to their country or community by working in a public service field.

[In a letter to DeVos and Manning](#), Madigan expressed her dismay at recent data released by the Department indicating that less than 1 percent of PSLF applicants have had their loans forgiven – a mere 96 people out of over 28,000 applicants.

Because employers in public service fields typically offer lower wages, the PSLF program is intended to let workers in these fields make payments based on their income and, after ten years, have the remainder of their loan balance forgiven. Hundreds of thousands of borrowers across the country relied on this promise of loan forgiveness when they made the choice to work in public service.

“The promise of the Public Service Loan Forgiveness program has turned out to be empty for over 99 percent of student loan borrowers,” Madigan said. “The Department must fix the PSLF program and provide the states the data we need to help the many borrowers the Department has failed.”

Madigan is calling for the Department to make the following reforms to the program:

- Provide accurate and comprehensive information to borrowers about the PSLF program.
- Stop putting up roadblocks to requests for data. States, in their consumer protection role, must help the borrowers the Department and its servicers have abandoned. The Department needs to provide states with the data necessary to diagnose and fix the problems.
- Call on Congress to expand the scope of the Temporary Expanded PSLF Program to include borrowers who made payments under the wrong loan program. The Temporary Expanded PSLF Program is a recent effort by Congress that provided \$350 million in temporary relief for PSLF applicants who made payments on the wrong repayment plan.

In addition, Madigan is demanding that student loan servicers counsel borrowers about the requirements of the PSLF program and how to fulfill them. Specifically, borrowers need to know whether they have a qualifying job, whether they are in a qualifying repayment plan, and whether they are in the right type of loan program. This need was highlighted by the United Federation of Teacher’s lawsuit filed yesterday against Navient for failing to provide adequate information to borrowers seeking to qualify for PSLF.

Madigan has repeatedly warned the Department about problems with the PSLF program. In 2017, [she wrote a letter to the Department and the PSLF servicer](#) identifying troubling trends in the program’s administration that led directly to the current spate of application denials. Neither the Department nor the servicer responded. Last month, the Government Accountability Office (GAO) raised nearly identical concerns in a report on the PSLF program, noting that in April over half of borrowers did not meet basic eligibility requirements. In addition, the GAO found that the Department provides borrowers with information on whether an employer qualifies only after borrowers accept jobs and submit certification forms, limiting borrowers’ ability to plan for their financial futures.

Joining Madigan in sending today’s letter are the attorneys general of California, Iowa, Kentucky, Maryland, New Jersey, New York, Oregon, Pennsylvania and Washington.

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