

Education Department Releases New Data on Public Service Loan Forgiveness Program

By [Hunter B. Martin, NASFAA Staff Reporter](#)

As Congress continues to debate the reauthorization of the Higher Education Act (HEA), the national student debt and loan forgiveness programs continue to present other challenges. New data released from the Department of Education (ED) shows that still just a fraction of applications have been approved under the Public Service Loan Forgiveness (PSLF) program.

According to [the report](#), released last week, over 110,000 applications have been submitted for PSLF as of the end of June, but only 1,216 (or about 1.1%) have been approved, resulting in an overall loan discharge of about \$52 million. The average amount of loan forgiveness per borrower was \$61,592. Of those approved, 76% work for the government and the remaining 24% work in the nonprofit 501(c)(3) sector.

Over half of the applications were rejected due to a lack of qualifying payments. Another quarter were rejected for missing information and 15% were denied for not having eligible loans. To receive PSLF, borrowers need to be on an income-driven repayment (IDR) plan and make 120 qualifying payments.

Seeking to solve that issue, the Temporary Expanded PSLF (TEPSLF) program created by Congress expanded the list of qualifying repayment plans to include the Graduated Repayment Plan, Extended Repayment Plan, Consolidated Standard Repayment Plan and Consolidated Graduated Repayment Plan. Of the borrowers whose TEPSLF applications were approved, approximately 37% achieved loan forgiveness due to the expanded allowance for other repayment plans.

Yet, according to ED, there have been just 726 approved TEPSLF applications and 16,740 rejected applications. The program has awarded just over \$28 million in loan forgiveness; the average per borrower was \$41,368.

A House education subcommittee recently [held a hearing](#) that focused on challenges with implementing PSLF. Partisan debate revealed frustrations on both sides over the complex nature of the program and difficulties for borrowers to meet all of the qualifications in order to even be eligible for loan forgiveness.

House Democrats also recently sent a [letter to ED](#), expressing concern from a recent Government Accountability Office (GAO) report that identified issues with both the PSLF and TEPSLF programs, requesting a response by October 21.

“It was never Congress’s intent to make these programs functionally inaccessible, which the Department has ensured by erecting a series of barriers throughout the application and approval processes,” the lawmakers wrote. “We hope the Department will be reminded of the guiding tenet that drove Congress’s creation of the TEPSLF and PSLF programs: that dedicating yourself to making this country better ... is an honorable and deeply-needed service. These borrowers have earned relief from their student loan debt, and we will continue conducting close oversight until your Department fulfills our nation’s promise to them.”

Publication Date: 10/9/2019