

United States Senate

WASHINGTON, DC 20510

April 15, 2019

The Honorable Roy Blunt, Chairman
Subcommittee on Labor, HHS, Education &
Related Agencies
United States Senate
Washington, DC 20510

The Honorable Patty Murray, Ranking Member
Subcommittee on Labor, HHS, Education, &
Related Agencies
United States Senate
Washington, DC 20510

Dear Chairman Blunt and Ranking Member Murray,

We write to thank you for creating the Temporary Expanded Public Service Loan Forgiveness (TEPSLF) program and providing appropriations for the U.S. Department of Education (“the Department”) to better target outreach for the Public Service Loan Forgiveness (PSLF) program in the *Consolidated Appropriations Act of 2018* and for continuing support in the Fiscal Year (FY) 2019 appropriations agreement for the Departments of Defense, Labor, Health and Human Services, Education and all related agencies. However, in light of recent data showing a 96 percent denial rate for TEPSLF,¹ we are concerned with the unnecessary hurdles the Department created for borrowers and a lack of targeted outreach to all borrowers considering the TEPSLF or PSLF program. We urge you to include language in the FY2020 appropriations bill for the U.S. Departments of Labor, Health and Human Services, and Education, to ensure that the Department is faithfully implementing the intent of Congress.

Our country’s public servants including teachers, nurses, social workers, and military personnel – work tirelessly, far too often, for much less pay than they deserve. In 2007, Congress recognized this and established the PSLF program to provide student loan debt relief and encourage public service. The program allows eligible Direct Loan borrowers to eliminate their student debt after making 120 qualifying monthly payments while working full time in a federal, state, local, or tribal government organization or an eligible nonprofit organization.

Due to inconsistent, unclear, and sometimes incorrect guidance from loan servicers many borrowers enrolled in the incorrect repayment plan and therefore did not qualify for loan forgiveness through the PSLF program.² In response to constituent concerns about misinformation and confusion around the complex PSLF requirements, Congress included in Section 315 of the *Consolidated Appropriations Act of 2018*, \$350 million to allow loan cancellation for public service borrowers who were enrolled in the wrong repayment plan, which the Department named the TEPSLF program. Congress additionally, appropriated \$2.3 million for the Department to conduct outreach to improve borrowers’ knowledge of the benefits, terms, and conditions of the PSLF program to help stop these problems from happening again. In the FY2019 appropriations agreement for the Departments of Defense, Labor, Health and Human Services, Education, and all related agencies, Congress appropriated an additional \$350 million for TEPSLF (for a total of \$700 million) and an additional \$2.3 million for outreach (for a total of \$4.6 million).

¹ Letter from Principal Deputy Under Secretary Diane Auer Jones, U.S. Department of Education, to Senators Kaine, Whitehouse, and Colleagues regarding TEPSLF. March 25, 2019. [<https://www.kaine.senate.gov/imo/media/doc/kaine.pdf>]

² See https://files.consumerfinance.gov/f/documents/201706_cfpb_PSLF-midyear-report.pdf

Under TEPSLF, Congress required the Department to make available “a simple method for borrowers to apply for loan cancellation.” Unfortunately, the Department has created unnecessary hurdles to determining borrowers’ eligibility for TEPSLF and is therefore out of compliance with this directive. For example, the Department failed to communicate to TEPSLF applicants that they must either have been denied, or have a full PSLF Application for Forgiveness in process in order to be considered. Additionally, instead of communicating necessary steps borrowers can take to be considered for TEPSLF, some emails have misled borrowers to believe they are ineligible for the program. The Department’s unnecessarily restrictive approach has led to 96 percent of TEPSLF applications being denied.³

The FY2020 appropriations bill presents a critical opportunity to rectify the missteps of the Department. We request that the Committee take steps to expand TEPSLF to ensure that more federal student loan borrowers who have been repaying their loans while in public service for at least a decade can access the promise of PSLF. The Committee should remove the bureaucratic hurdle requiring borrowers’ most recent monthly payments and the monthly payments made a year before they applied for TEPSLF be greater than what their monthly payment would have been under an income-driven plan. This restriction is an unnecessary hurdle that has prevented nearly 2,000 hardworking American from accessing TEPSLF, when they, too, have likely been victims of poor student loan servicing practices. With this in mind, we respectfully request for the FY2020 appropriations bill to:

- **Strike in section 315 of the bill the following restriction:** *“That monthly payment made 12 months before the borrower applied for loan cancellation as described in the matter preceding this proviso and the most recent monthly payment made by the borrower at the time of such application were each not less than the monthly amount that would be calculated under, and for which the borrower would otherwise qualify for, clause (i) or (iv) of section 455(m)(1)(A) regarding income-based or income contingent repayment plans, with exception for a borrower who would have otherwise been eligible under this section but demonstrates an unusual fluctuation of income over the past 5 years”.*
- **Include bill text stating:** *“The Secretary of Education shall inform all borrowers who have an Employment Certification Form on file and are in the incorrect repayment program about the Temporary Expanded Public Service Loan Forgiveness Program and qualification requirements”;* and
- **Add the following report language:** *“The Committee directs the Secretary to provide a simple method for borrowers to apply specifically for Temporary Expanded Public Service Loan Forgiveness (TEPSLF) program without the need to first apply and be denied for the Public Service Loan Forgiveness (PSLF) program. The Committee further directs the Secretary to provide within 30 days of denial customized responses and assistance for each applicant depending on reason for their denial or inability to be considered for TEPSLF. Finally, the Committee directs the Secretary to proactively expand outreach to potential applicants for TEPSLF to include borrowers who are likely eligible for the program now or within the next two calendar years, including by regularly contacting all borrowers who have previously submitted an Employment Certification Form and have been informed that at least one monthly payment is ineligible for PSLF due to enrollment in an incorrect repayment plan.”*

³ See https://www.washingtonpost.com/education/2019/04/03/education-dept-rejects-vast-majority-applicants-temporary-student-loan-forgiveness-program/?utm_term=.ddfabd069cd1

Finally, the Committee should consider further expanding TEPSLF by allowing public service borrowers with federal student loans disbursed after the creation of PSLF – including borrowers with Federal Family Education Loans (FFEL) – to access TEPSLF, provided that they meet the other PSLF employment and eligibility criteria. Over 1,000 borrowers have been denied TEPSLF due to this restriction. We encourage the Committee to increase the available fund by the highest possible amount to account for the expanded access to TEPSLF resulting from these changes.

Given the dedication of our nation's public servants, it is imperative that they receive the forgiveness they earned. Thank you for your consideration of this request.

Sincerely,



Tim Kaine
United States Senator



Elizabeth Warren
United States Senator



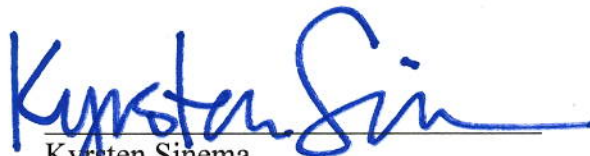
Tina Smith
United States Senator



Tammy Baldwin
United States Senator



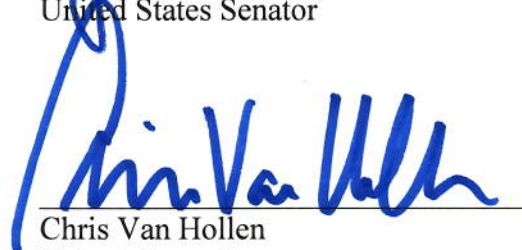
Richard Blumenthal
United States Senator



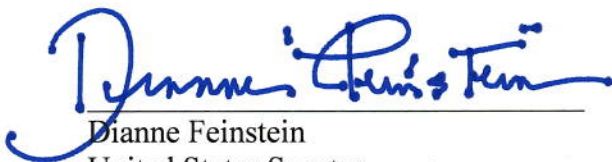
Kyrsten Sinema
United States Senator



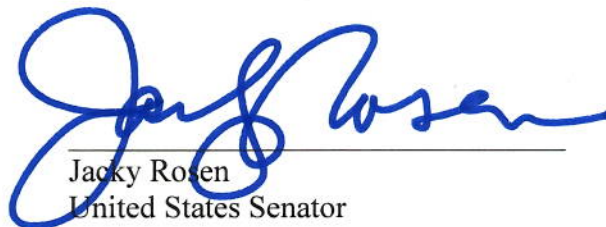
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