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U.S. Department of Education Announces Transformational Changes to the Public Service Loan Forgiveness Program, Will Put Over 550,000 Public Service Workers Closer to Loan Forgiveness

Today, the U.S. Department of Education announced an overhaul of the Public Service Loan Forgiveness (PSLF) Program that it will implement over the next year to make the program live up to its promise. This policy will result in 22,000 borrowers who have consolidated loans—including previously ineligible loans—being immediately eligible for \$1.74 billion in forgiveness without the need for further action on their part. Another 27,000 borrowers could potentially qualify for an additional \$2.82 billion in forgiveness if they certify additional periods of employment. All told, the Department estimates that over 550,000 borrowers who have previously consolidated will see an increase in qualifying payments with the average borrower receiving another two years of progress toward forgiveness. Many more will also see progress as borrowers consolidate into the Direct Loan program and apply for PSLF, and as the Department rolls out other changes in the weeks and months ahead.

“Borrowers who devote a decade of their lives to public service should be able to rely on the promise of Public Service Loan Forgiveness. The system has not delivered on that promise to date, but that is about to change for many borrowers who have served their communities and their country,” said U.S. Secretary of Education Miguel Cardona. “Teachers, nurses, first responders, servicemembers, and so many public service workers have had our back especially amid the challenges of the pandemic. Today, the Biden Administration is showing that we have their backs, too.”

The changes announced today include:

A limited PSLF waiver that allows all payments by student borrowers to count toward PSLF, regardless of loan program or payment plan. This waiver will allow student borrowers to count all payments made on loans from the Federal Family Education Loan (FFEL) Program or Perkins Loan Program. It will also waive restrictions on the type of repayment plan and the requirement that payments be made in the full amount and on-time for all borrowers. To receive these benefits, borrowers will have to submit a PSLF form by October 31, 2022, which is a single application used to certify employment and evaluate a borrower for forgiveness.

Borrowers who currently have FFEL, Perkins, or other non-Direct Loans, will get the benefit of this limited waiver if they apply to consolidate into the Direct Loan program and submit a PSLF form by October 31, 2022. The waiver applies to loans taken out by students.

Allowing active duty service members to count deferments and forbearances toward PSLF. This solves a problem for service members who have paused payments while on active duty but were not getting credit toward PSLF.

Automatically providing credit toward PSLF for military service members and federal employees using federal data matches. The Department will implement data matches next year to give these borrowers credit toward PSLF without an application.

Reviewing denied PSLF applications for errors and giving borrowers the ability to have their PSLF determinations reconsidered. These actions will help identify and address servicing errors or other issues that have prevented borrowers from getting the PSLF credit they deserve.

On Wednesday afternoon, Secretary Cardona and Under Secretary James Kvaal will meet with a group of public servants who stand to benefit from these changes, including a member of the Army National Guard, a math teacher, and an epidemiologist, among others.

These changes represent a significant step in the Department's efforts to transform the PSLF Program. The Department is exploring additional steps, such as partnerships with employers, to continue to make this process easier for borrowers. Last week, the Department released materials for the first session of negotiated rulemaking, including proposals to make lasting changes to make it easier for borrowers to make progress toward PSLF.

Federal Student Aid will make more information available to borrowers at [StudentAid.gov/PSLFWaiver](https://studentaid.gov/PSLFWaiver). In the coming weeks and months, the Department will communicate directly with borrowers about these changes to PSLF to help borrowers understand how they may benefit and any actions they may need to take. Borrowers should ensure that they have accounts on StudentAid.gov and that their contact information there is up to date.

Including the borrowers eligible for immediate forgiveness under these actions, the Biden-Harris Administration has now approved more than \$11.5 billion in loan cancellation for over 580,000 borrowers.

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