

Public Service Loan Forgiveness program overhaul announced

The U.S. Department of Education (ED) announced on October 6 an urgently needed overhaul to the federal Public Service Loan Forgiveness (PSLF) program, assuring the program will “live up to its promise” of benefitting borrowers serving in public services careers, including librarians and educators. ALA, joining with the Coalition to Preserve PSLF, has lobbied in favor of changes for PSLF participants, many of whom face rejection despite making years of loan payments.

The changes announced by ED include a limited one-year waiver for student borrowers to count all previous loan payments towards forgiveness, regardless of loan type or plan. ED also announced it will review applications denied for errors and institute an appeals process for borrowers who may have seen applications for forgiveness rejected in error or for easily corrected violations. For those serving in the military, ED will allow time spent on active duty to count towards loan forgiveness.

PSLF, created in 2007 as part of the College Cost Reduction and Access Act, was designed to forgive the outstanding federal student loan debt for qualifying public workers who have made ten years of monthly payments. To be eligible, a borrower must work full-time for a federal, state, local or tribal government, or

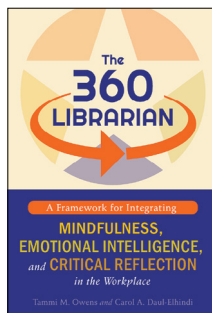
tax-exempt nonprofit group. Unfortunately, nearly all borrowers have seen their applications denied. ALA and the Coalition to Preserve PSLF, which represents nearly 100 national and state organizations, have been working with the Biden-Harris Administration to call for necessary improvements.

In an April letter to Education Secretary Miguel Cardona, ALA and the coalition noted that “Congress, in a bipartisan fashion, made a promise more than a decade ago that public service workers who choose to give back to their communities and our country wouldn’t be locked in a lifetime of debt,” the letter states. “It is clear, however, that this promise has been broken. Since the first public service workers became eligible for debt cancellation in 2017, 98 percent of those who applied have been rejected.” ALA, and the Coalition to Preserve PSLF, will continue to monitor these improvements to ensure the of borrowers are benefitting as the program intended. While Congress does not need to act on these improvements, the education committees will also be watching with interest.

In its announcement, ED noted that nearly 550,000 borrowers with previously consolidated loans could see an impact over the course of the program overhaul. ED has revamped its PSLF Tool for those interested in determining if they qualify for debt relief. Program participants who have had their payments suspended, or paused, due to the pandemic, will need to ensure they are ready recommence payments starting in January 2022. *zm*

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