

The Bipartisan PSLF Payment Completion Fairness Act

Introduced by Reps. Chrissy Houlahan (D-PA) and Jim Baird (R-IN)

Endorsing Organizations: *The American Federation of Teachers (AFT), the National Education Association (NEA), the American Federation of State, County, and Municipal Employees (AFSCME), the National Association of Social Workers (NASW), the National Association for College Admission Counseling (NACAC), Third Way*

The Issue:

The Public Service Loan Forgiveness (PSLF) Program is designed to support our nation's hard-working and dedicated public servants, such as teachers and first responders, by forgiving the remaining balance of an individual's direct student loans after ten years of qualifying public service and payments. As the law is currently written, the PSLF program unnecessarily requires that applicants be employed in a public service role at the time of forgiveness. This has led to an unfortunate situation in which public servants who have rightfully completed their 120 payments, and then decide to retire or move on from their current jobs or public service careers, become ineligible for forgiveness even though they dutifully served their communities for at least ten years.

The bipartisan PSLF Payment Completion Fairness Act would address this issue by simply removing the needless and burdensome provision in the law that requires an applicant to be employed in a public service job at the time of forgiveness. This legislation will help ensure that our dedicated public servants receive the support from the program that they should rightfully be entitled to.

Background:

- Data from the [Department of Education](#) demonstrates how the many ancillary requirements of the PSLF program significantly impedes the applicant success rate. Out of the 442,277 individuals who met employment certification and Direct Loan requirements and submitted program forms through September 2021, 98% did not immediately qualify because they did not meet other PSLF requirements, such as the onerous provision addressed in this legislation.
- [Nationally](#), 43.4 million borrowers owe \$1.6 trillion in federal student loan debt. The PSLF Program was designed to encourage individuals to enter and remain employed in honorable public service careers for at least 10 years by eliminating the potential financial burdens associated with federal student loans.
- In the wake of the COVID-19 pandemic, nearly all states [suffered declines](#) in education jobs. Furthermore, according to a September 2021 [Report](#) from PEW, recovery of non-education state and local government jobs, like police forces, has lagged significantly compared to the private sector. At the time of this report, these jobs, which make up about half of the public sector, were down by more than 400,000 since the pandemic began. As our nation continues to recover, the PSLF program must be reformed to ensure the public service workforce is well supported.

To Cosponsor:

Please reach out to Harrison Jumper (Harrison.Jumper@mail.house.gov) with Rep. Chrissy Houlahan or Cory Harris (Cory.Harris@mail.house.gov) with Rep. Jim Baird to cosponsor this bill or with questions.