

Adams Introduces Bill to Codify and Build on Overhaul of the Public Service Loan Forgiveness Program



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Legislation would halve the number of payments needed to qualify for PSLF, count any prior period of repayments as a qualifying payment, clarify eligibility for active-duty military servicemembers and Peace Corps volunteers, and more

WASHINGTON, DC — Today, **Congresswoman Alma Adams (NC-12)** announced the introduction of a bill to make it easier for Americans pursuing careers in public service—including teachers, police officers, firefighters, military service members, and more—to receive the student loan forgiveness they were promised by Congress in 2007 under the Public Service Loan Forgiveness (PSLF) program. The ***Simplifying and Strengthening PSLF Act*** would make permanent the recent improvements to the PSLF program under the Biden Administration, and would implement other commonsense reforms to help America’s public servants lower the cost of higher education.

“The debt is too damn high, and that is why it is especially egregious that the federal government isn’t keeping its promises to public servants,” **said Congresswoman Alma Adams, founder and co-chair of the Congressional Bipartisan HBCU Caucus.** “The Public Service Loan Forgiveness (PSLF) program was designed as an incentive for talented graduates to enter public service careers where they are desperately needed. Unfortunately, historically, 98% of applicants were denied loan forgiveness due to bureaucratic red tape. Our bill, the *Simplifying and Strengthening PSLF Act*, ensures we keep the promise to our public servants by codifying administrative fixes made by the Biden Administration. At a time when so many students and borrowers are awaiting debt relief, we must honor our promises.”

The bill was introduced yesterday in the U.S. House of Representatives. A companion bill to the legislation was introduced in the U.S. Senate in May by Senator Sheldon Whitehouse. Upon introduction in the House, Adams was joined by lead sponsor Congressman Joe Courtney (CT-02), as well as Representatives Jahangir Khan (CT-05), Adam Smith (WA-09), Frederica Wilson (FL-24), and Jamaal Bowman (NY-09) as original co-sponsors. The *Simplifying and Strengthening PSLF Act* has also drawn support from nationwide non-profit organizations representing teachers, social workers, military service members, and other public service professions, including the Modern Military Association of America, the Peace Corps Association, the National Association of Social Workers (NASW), the Council on Social Work Education, the American Federation of Teachers (AFT), the National Association for College Admission Counseling (NACAC), the National Education Association, and the Connecticut Nonprofit Alliance.

“The Biden Administration put the Department of Education back on the side of students and hardworking American people—they made that clear when they overhauled PSLF last fall, and our new bill would make those improvements permanent,” **said Congressman Courtney.** “PSLF was established to reward Americans who entered careers that our communities depend on, like teachers, nurses, firefighters, and police officers. My office has heard from many people in these professions who worked hard, followed the rules, but were still denied the PSLF relief they were promised, and we’ve been pressing on their behalf to make the program more transparent and fair. October’s overhaul of PSLF was a big step in the right direction, and our new bill would codify those improvements along with an additional slate of upgrades to make it easier for America’s public service workers to qualify for, navigate, and benefit from this patriotic program.”

“Like many, I relied on student loans to pursue my dream of becoming a teacher and returning to my high needs community to teach,” **said Congresswoman Hayes.** “I know the crushing burden of student loan payments on a teacher salary. Our federal laws should incentivize people to enter public service—not create unnecessary burdens that keep them from serving their communities. I applaud Congressman Courtney for his leadership in improving the Public Service Forgiveness Program and making careers in public service more attainable for all.”

“On behalf of the National Association for College Admission Counseling (NACAC) and its 25,000 members, I am pleased to provide our support for the ‘Simplifying and Strengthening PSLF Act’ as well as our appreciation to Representative Courtney for his leadership,” **said Angel B. Pérez, NACAC CEO.** “Public Service Loan Forgiveness, which NACAC has supported since before its enactment into law, will help those who go into public service professions to alleviate student loan debt. This new legislation will expand the benefits of PSLF to more borrowers at a time when it is badly needed and in a way that will continue to benefit students who choose to devote their lives to public service.”

“The National Association of Social Workers (NASW), Connecticut Chapter strongly supports Congressman Courtney’s introduction of the Simplifying and Strengthening PSLF Act. Social workers are essential workers, who qualify for public service loan forgiveness,” **said Steve Wanczyk-Karp, LMSW, Executive Director, NASW CT Chapter.** “In Connecticut, social workers provide approximately two-thirds of all mental health services. For over two years these social workers have been on the front lines of mental health delivery in the pandemic. PSLF loan forgiveness will offer much needed financial support to the social work workforce who struggle to pay off student loans. There is a dramatic need for social workers in Connecticut and this bill supports both the current workforce and makes it feasible to expand the social work workforce.”

“The Simplifying and Strengthening PSLF Act will help us to recruit and retain professional social workers, many of whom are working on the frontlines and struggling with significant student loan debt burden,” **said Sarah Christa Butts, MSW, Director of Public Policy, NASW.**

“The Biden administration’s temporary waiver for Public Service Loan Forgiveness has been a game-changer for borrowers, so many of whom are pauperized by student loan debt,” **said AFT President Randi Weingarten.** “The waiver means that many of our members across the country are breathing the sigh of relief that comes with being unburdened by student debt after their decade of public service is recognized, as Congress intended. But this relief is temporary and due in large part to a lawsuit brought by the AFT. The Simplifying and Strengthening PSLF Act makes the waiver improvements permanent and modifies the program to allow borrowers relief after five years of public service. The sponsors of this bill have helped deliver on necessary debt forgiveness, the only just and moral response to the nation’s student debt crisis.”

Details of the *Simplifying and Strengthening PSLF Act*

Congress enacted the PSLF program in 2007 to encourage college graduates to pursue careers in public service. However, since the first cohort of public service workers became eligible for the program’s debt cancellation in 2017, 98% of those who applied have been rejected—largely due to failures in the programs’ administration.

In October 2021, President Biden’s Department of Education announced an overhaul of the program that was expected to deliver loan forgiveness to more than 550,000 eligible American student loan borrowers—many of whom were previously denied due to bureaucratic snafus. Since then, the Department has approved \$7.3 billion in loan forgiveness for more than 127,000 borrowers through the PSLF program. For perspective, the Department only discharged a total of \$1.4 billion for 18,000 borrowers from 2017—October 2021. **Substantial work remains to permanently address the concerns of PSLF applicants.** The Simplifying and Strengthening PSLF Act takes a step in the right direction by making the Department’s October 2021 changes to PSLF permanent, and implementing other commonsense reforms. Specifically, the bill would:

- Reduce the number of payments needed to qualify for PSLF loan forgiveness from 120 payments over 10 years to 60 payments over 5 years, while working for an eligible employer;
- Allow any prior period of repayment to count as a qualifying payment, regardless of federal loan type, repayment plan, or whether payments were made in full or on time;
- Clarify eligibility of active-duty military and Peace Corps volunteers whose loans were in deferment during their service tenure to expand participation in the program; and,
- Allow parent PLUS loan holders and couples who have previously joint-consolidated their FFEL federal loans to re-consolidate them into one Direct Loan for PSLF eligibility.

Congresswoman Alma S. Adams, Ph.D. represents North Carolina's 12th Congressional District (Charlotte, Mecklenburg County) in the U.S. House of Representatives. In 2015, she founded the first bipartisan Historically Black Colleges and Universities (HBCU) Caucus in Congress. She is a double graduate of North Carolina A&T, the largest HBCU by enrollment in the United States, and serves on the House Committee on Education & Labor; the House Financial Services Committee; and as vice chair of the House Committee on Agriculture, which has jurisdiction over the 1890s HBCUs.

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