



October 25, 2016

The Honorable John B. King
U.S. Secretary of Education
Department of Education
400 Maryland Ave, SW
Washington, DC 20202

The Honorable Ted Mitchell
U.S. Under Secretary of Education
Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary King and Under Secretary Mitchell,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to request information about Public Service Loan Forgiveness (PSLF), and specifically, the number of borrowers expected to benefit from forgiveness of their remaining unpaid balances in 2017 when the first borrowers are expected to reach their 120th qualified payment under the PSLF program.

During the Federal Student Aid conference in December 2015, Department of Education staff released data showing there were no borrowers with more than 97 qualifying payments that would put them on track for PSLF. In other words, there were zero borrowers with approved PSLF Employment Certification Forms on file with FedLoan Servicing who have also made the needed number of qualifying payments that would put them on track to qualify for loan forgiveness in 2017.

If accurate, this number is shockingly low and contradicts the many estimates put forward by federal and independent entities that anticipate a much higher participation rate. We are concerned that many more borrowers should be qualifying for PSLF, and that many borrowers believe they are in fact on track to qualify, but are not because of administrative issues or process confusion.

We request that ED publicly provide the number and/or percentage of borrowers who have at least one approved employment certification form and have made between 97 and 120 otherwise qualifying payments, but have not submitted an Employment Certification Form to correspond to all of those payments. Understanding that some of these borrowers may have left employment in qualified public service positions, this figure may still provide useful insight.

In addition to Employment Certification Form submission requirements, what other factors might explain a low number of potential PSLF recipients in 2017? For example, is the treatment of lump sum payments disqualifying significant numbers of borrowers from near-term loan forgiveness? Beneficiaries of Peace Corps, Americorps and Department of Defense (DOD) benefits receive special consideration that advances lump-sum payments forward so as not to inadvertently disqualify them for loan forgiveness. If other borrowers are expecting to qualify for PSLF as evidenced by the completion of at least one employment certification form, they too should have their lump-sum payments counted similarly.

We also ask the Department to release a data summary of borrowers who have expressed an interest in PSLF by submitting an employment certification form, including the following:

- Cumulative number of borrowers with an approved employment certification form
- A breakdown of borrowers with an approved employment certification by undergraduate/graduate and debt level
- Cumulative number of borrowers with a denied employment certification form
- Number of borrowers with an approved employment certification form on each qualifying repayment plan
- A breakdown of the number of qualifying payments made by borrowers with an approved employment certification form

If the data reveal a likely large underutilization of this public benefit, steps should be taken now to help remedy this situation before October 2017. To that end, we are interested to learn what outreach efforts have been undertaken by ED to ensure that eligible borrowers know about and can benefit from PSLF and whether we as a community can partner together to conduct some sort of outreach.

Thank you for your attention to this matter. We look forward to your assistance in identifying ways to ensure that all PSLF-eligible borrowers benefit from the forgiveness for which they are eligible.

Sincerely,



Justin Draeger, President & CEO

cc:

Lynn Mahaffie, Deputy Assistant Secretary for Policy, Planning and Innovation, Office of Postsecondary Education

James Runcie, Chief Operating Officer, Federal Student Aid

Jeff Baker, Policy Liaison and Implementation Director, Federal Student Aid