

## **The DeVos Education Department Has Worked Tirelessly To Deny Public Sector Employees Loan Forgiveness.**

**The Department Of Education Has Denied Nearly 99% Of All Public Service Loan Forgiveness Applications.**

### **As Of March 2020, The Department Of Education Had Denied 98.2% Of PSLF Applications.**

**April 2019: *Washington Post* Reported That “Nearly 99% Of Applications Submitted Under Public Service Loan Forgiveness Have Been Denied.”** “Tens of thousands of public servants have applied to have their federal student loans forgiven through a temporary relief program run by the U.S. Education Department. Fewer than 300 have had success. [...] Nearly 99% of applications submitted under Public Service Loan Forgiveness have been denied, for many of the same reasons the Education Department cited in rejecting requests under the temporary initiative.” [The Washington Post, [04/02/19](#)]

**March 2020: The Department Of Education Released New Statistics Showing They Had Approved Only 3,174 Out Of 174,495 PSLF Applications "Submitted And Processed To Date" – A 98.2% Denial Rate.** “The Department of Education released new statistics this past March showing marginal improvement. Out of 174,495 PSLF applications submitted and processed to date, the Department of Education approved 3,174. This represents a 1.8% approval rate — slightly better than the initial statistics, but still astonishingly low.” [Forbes, [05/26/20](#)]

**The Public Service Loan Forgiveness Program Enables Borrowers To Accept Lower Paying Jobs In the Public Sector Like Teaching, Nursing, And Social Work, While Still Being Able To Manage Their Student Debt.**

### **PSLF Can Be Used By “Teachers, Nurses, Social Workers And Other Public Sector Workers” To Forgive Their “Remaining Federal Student Loans” After They Have “Made 10 Years’ Worth Of Payments.”**

**PSLF Cancels The “Remaining Federal Student Loans” After “Made 10 Years’ Worth Of Payments” Have Been Made By People Like “Teachers, Nurses, Social Workers And Other Public Sector Workers.”** “Teachers, nurses, social workers and other public sector workers benefit from the program, which cancels their remaining federal student loans after they’ve made 10 years’ worth of payments.” [CNN, [02/10/20](#)]

### **The PSLF Program Incentivizes Workers “To Stay In Lower-Paying Public-Sector Jobs” As They Work Towards Paying “Down Their Student Debt.”**

**The PSLF Program “Gives Workers Incentives To Stay In Lower-Paying Public-Sector Jobs While They Paid Down Their Student Debt.”** “The program was signed into law by President George W. Bush in 2007. It gives workers incentives to stay in lower-paying public-sector jobs while they paid down their student debt. The

first time anyone would have made enough payments to qualify was under the Trump administration, during the fall of 2017.” [CNN, [02/10/20](#)]

**In September 2019, The GAO Revealed That ED Denied 99% Of Applicants For A Temporary Expansion Of The Public Service Loan Forgiveness (PSLF) Based On A Requirement That Was Not Statutorily Mandated By Congress.**

**In 2018, Congress Provided A Temporary Expansion Of PSLF That Gave Applicants Another Chance To Have Their Federal Student Loans Forgiven With “Simpler Requirements.”**

In 2018, “Congress Stepped In And Ordered A Program Expansion” That Gave “Applicants Another Chance To Clear Their Federal Student Loans” With “Simpler Requirements.” “Congress stepped in and ordered a program expansion in 2018 to offer the applicants another chance to clear their federal student loans through a new program with simpler requirements.” [Los Angeles Times, [09/05/19](#)]

**In September 2019, The GAO Revealed That ED Rejected 99% Of Applicants To The Temporary Expansion Program With Only 661 Approved Of 54,000 Requests.**

In September 2019, The GAO Revealed That The “Education Department Has Rejected 99%” Of Applicants To The Temporary Expansion Program With Only 661 Approved Of 54,000 Requests. “But a year later, a new watchdog report has found, the Education Department has rejected 99% of those applicants too. The Government Accountability Office report released Thursday found that of the more than 54,000 applications to the new program — named Temporary Expanded Public Service Loan Forgiveness — processed through May, only 661 were accepted.” [Los Angeles Times, [09/05/19](#)]

**The Reason Many Borrowers Were Rejected Was Based On A Stipulation Implemented By ED “That Congress Didn’t Order.”**

The Primary “Reason Borrowers Were Rejected” Was Based On “A Requirement That Congress Didn’t Order And That Applicants Found Confusing.” “The biggest reason borrowers were rejected under the new program, the report found, was that they hadn’t separately applied to the original program — a requirement that Congress didn’t order and that applicants found confusing. There’s no formal appeals process, the report said, and key parts of the Education Department website lack information about the new program.” [Los Angeles Times, [09/05/19](#)]

**The Trump-DeVos FY 2021 Budget Even Proposed Eliminating The Public Service Loan Forgiveness (PSLF) Program Altogether Which Borrowers Said Would Force Them “To Rethink Some Life Goals,” Like Their Career Paths And Purchasing A Home.**

**The FY 2021 Budget Proposes “Eliminating The Public Service Loan Forgiveness Program.”**

The “Budget Again Proposes Eliminating The Public Service Loan Forgiveness Program.” “Trump’s budget again proposes eliminating the Public Service Loan Forgiveness Program.” [Politico Pro, [02/10/20](#)]

## **Some Borrowers Say If The Trump Administration Eliminated PSLF, They Would Be Forced “To Rethink Some Life Goals.”**

Some “Borrowers Said The Program’s Demise Would Force Them To Rethink Some Life Goals.” “Other borrowers said the program’s demise would force them to rethink some life goals.” [MarketWatch, [02/15/20](#)]

## **One Borrower Working As An Assistant Public Defender Said He Has Been Diligent In Ensuring He Will Qualify For PSLF But If The Program Ended, He Is “Not Sure That He Would Be Able To Keep His Job.”**

One Borrower Working As An “Assistant Public Defense Lawyer” Said He Has Been Diligent In Ensuring “He Can Qualify For Student Loan Forgiveness” But “If The PSLF Program Ended, He’s Not Sure That He Would Be Able To Keep His Job.” “J.P. Gilbert, a 30-year-old assistant public defense lawyer based in central Florida, hasn’t missed a single loan repayment since he started paying off his student loan debt five years ago. He’s been diligent about making payments on time and keeping his government job so that in five years he can qualify for student loan forgiveness. [...] ‘I love the work that I do but outside of the love of what I do the really biggest thing about me being in this job is the ability to qualify for the loan forgiveness program,’ Gilbert said. He now has a six-month-old daughter, and if the PSLF program ended, he’s not sure that he would be able to keep his job, he told MarketWatch. He graduated from Stetson University’s College of Law which currently costs \$44,468 a semester for full-time students. [MarketWatch, [02/15/20](#)]

## **Another Borrower Working At A Nonprofit Said They “Would Have To Make Serious Life Changes” And Would “Not Be Able To Save Up For A House” If The PSLF Program Was Cancelled.**

A Borrower Working As A “Legal And Judicial Director” At A Nonprofit Said They “Would Have To Make Serious Life Changes And Not Be Able To Save Up For A House” If The PSLF Program Was Cancelled. “‘I feel strongly about the career I went into,’ Mai El-Sadany, a 30-year-old legal and judicial director at the Tahrir Institute For Middle East Policy, a nonprofit based in Washington D.C., said. ‘But I would have to make serious life changes and not be able to save up for a house.’ Like Gilbert, El-Sadany also took out student loans to attend law school, in her case, at Georgetown University. She owes around \$62,000 after paying 53 of the 120 qualifying payments toward forgiveness, which she hopes to be granted in Sept. 2025.” [MarketWatch, [02/15/20](#)]

**The Trump Administration Has Repeatedly Tried To Eliminate The Public Service Loan Forgiveness Program Entirely After Approving Just 300 Borrowers For Forgiveness From The Initial Batch Of Nearly 40,000 Applicants.**

## **The Trump Administration’s Proposed FY18 Budget Would’ve Ended Both Public Service Loan Forgiveness and “Perkins Loans For Low-Income Students.”**

On May 18, 2017 It Was Announced The Trump Administration’s Proposed FY18 Budget Would Entail “Ending Public Service Loan Forgiveness And Reforming Income-Driven Repayment Plans” As Well As “End Subsidized Loans” And “Perkins Loans For Low-Income Students.” “Besides ending public

service loan forgiveness and reforming income-driven repayment plans, the administration is also proposing to end subsidized loans (for which the government pays interest while the student is in school) and Perkins loans for low-income students." [Washington Post, [05/18/17](#)]

- **DeVos Characterized The Budget As A “Historic Investment In America's Students.”** “U.S. Secretary of Education Betsy DeVos maintained the budget prioritizes students. ‘This budget makes an historic investment in America's students,’ DeVos said.” [Daily News, [05/23/17](#)]
- **On June 6, 2017, Despite The Details Of Her Budget Proposal, DeVos Told The Senate “That Student Debt Is ‘Of Grave Concern.’”** “Betsy DeVos said Tuesday that student debt is ‘of grave concern.’ But Democrats on the Senate Appropriations Committee slammed DeVos, claiming that her concern for student loan borrowers is not reflected in the Department of Education's proposed budget. Released two weeks ago, it calls for a 13.5% cut to funding for the department next year and some drastic changes to the federal student aid program.” [CNN, [06/06/17](#)]
- **Even Republican Chairman Roy Blunt Told DeVos Her Proposal Was A “Difficult Budget Request To Defend” And Said He Thought It Was “All But Impossible To Get Through This Committee.”** “This is a difficult budget request to defend,” Sen. Roy Blunt, R-Mo., said at a hearing held by the sub-committee on labor, health and human services. “I think it's likely that the kinds of cuts that are proposed in this budget will not occur, so we need to fully understand your priorities and why they are your priorities.” Blunt was addressing Education Secretary Betsy DeVos, who appeared on Capitol Hill [...] ‘I think will be all but impossible to get through this committee.’” [Washington Post, [06/07/17](#)]

## **The Trump Administration's 2019 And 2020 Budgets Both Sought To End The PSLF Program, While Reducing The Total Number Of Repayment Plans Offered To Borrowers.**

**Trump's 2019 Budget Also Sought To End Public Service Loan Forgiveness And More Than Halve College Work-Study Programs.** “DeVos again wants to end loan forgiveness for public-sector workers and slash more than half of the budget for college work-study programs. Those proposals failed in a Republican-led Congress and have even less of a chance with the Democrats controlling the House.” [Washington Post, [03/11/19](#)]

**Trump's 2020 Budget Proposal Sought The Elimination Of The Public Service Loan Forgiveness Program, As Well As A Reduction In "Repayment Plans For Borrowers."** “President Donald Trump's budget proposal unveiled on Monday would slash funding for the U.S. Education Department by more than 10 percent. The plan, titled “A Budget for a Better America,” requests \$62 billion for the Department of Education, or \$7.1 billion less than the agency's allowance in 2019. The budget eliminates subsidized student debt, in which interest doesn't accrue on the loans while borrowers are in school or in economic hardship. It also reduces the number of repayment plans for borrowers and scratches the popular, if challenged, public service loan forgiveness program.” [CNBC, [03/11/19](#)]

**In July 2019, The American Federation Of Teachers Filed A Lawsuit Against Betsy Devos For Her “Gross Mismanagement” Of The Public Service Loan Forgiveness Program.**

## **In July 2019, The American Federation of Teachers Sued DeVos For Her “Gross Mismanagement” Of The Public Service Loan Forgiveness Program.**

**On July 11, 2019, One Of The Nation’s Biggest Teachers Unions Sued Betsy DeVos For “Gross Mismanagement” Of The Public Service Loan Forgiveness Program.** “The American Federation of Teachers, one of the country’s biggest teachers unions, sued Education Secretary Betsy DeVos on Thursday alleging gross mismanagement of a loan forgiveness program for public servants.” [Washington Post, [07/11/19](#)]

- **The Lawsuit Claims That Betsy DeVos’ Education Department “Ignored Borrower Complaints,” In Violation Of Federal Law And The Constitution.** “Thursday’s lawsuit, filed in the U.S. District Court for the District of Columbia, claims the Education Department ignored borrower complaints about loan servicers providing inaccurate information and making administrative mistakes. The alleged mismanagement of the loan forgiveness program violates federal law and the Constitution, according to the lawsuit.” [Washington Post, [07/11/19](#)]

**The American Federation Of Teachers Represents "1.7 Million Members In More Than 3,000 Local Affiliates Nationwide," Including Educators, Support Staff, And Retirees Spanning Pre-K To Higher Education.** "The American Federation of Teachers, an affiliate of the AFL-CIO, was founded in 1916 and today represents 1.7 million members in more than 3,000 local affiliates nationwide. Five divisions within the AFT represent the broad spectrum of the AFT's membership: pre-K through 12th-grade teachers; paraprofessionals and other school-related personnel; higher education faculty and professional staff; federal, state and local government employees; and nurses and other healthcare professionals. In addition, the AFT represents approximately 80,000 early childhood educators and nearly 250,000 retiree members." [American Federation of Teachers, accessed [12/01/20](#)]

**As Former Head Of The Education Department's Office Of Federal Student Aid, James Manning Oversaw Massive Problems With The Public Service Loan Forgiveness Program... Problems That Seemed To Help Loan Servicers’ Bottom Line.**

## **After The GAO Found That FSA Approved Less Than 1% Of Public Service Loan Forgiveness Applicants, James Manning "Offered No Timeline" For Addressing The Problem**

**James Manning Acknowledged The GAO Report, But "Offered No Timeline" For Taking Action On Its Recommendations.** "In a written response that was included in the report, James F. Manning, the acting head of the Education Department’s Federal Student Aid office, said the agency agreed with many of report’s recommendations, but offered no timeline for carrying them out." [New York Times, [09/27/18](#)]

- **James Manning Became The Office Of Federal Student Aid's Acting Chief Operating In January 2018.** "James Manning, Acting Under Secretary, has assumed the duties of Acting COO of FSA. Mr. Manning and Dr. Johnson will be working together in full partnership, along with the other highly committed team members of FSA, toward the goal of making the student financial aid experience provided by the Federal government much better for students, and more responsible on behalf of U.S. taxpayers." [Press Release, [01/25/18](#)]

## **Student Loan Servicer Nelnet Sees “Forgiveness” As A Threat To Their Bottom Line.**

**In Its 2018 Annual Report, Nelnet Identified “Prepayment Risk,” Claiming That, If The Federal Government Initiates “Additional Loan Forgiveness” Plans, “Such Initiatives Could Further Increase Prepayments And Reduce Interest Income, And Could Also Reduce Servicing Fees.”** “Legislative risk exists as Congress evaluates proposals to reauthorize the Higher Education Act. If the federal government and the Department initiate additional loan forgiveness, other repayment options or plans, or consolidation loan programs, such initiatives could further increase prepayments and reduce interest income, and could also reduce servicing fees.” [Nelnet Inc. Annual Report (Form 10-K), [02/27/18](#)]

## **Navient, Another Major Student Loan Servicer, Has Been Accused Of Systematically Steering Qualified Borrowers Away From Loan Forgiveness To Avoid Losing Busines To FedLoan, The Servicer In Charge Of Administering The PSLF Program.**

**In October 2018, The American Federation Of Teachers Brought A Lawsuit Against Navient Alleging That It Deceived Steered Borrowers Away From Public Service Loan Forgiveness.** “Members of the American Federation of Teachers, the second-largest teachers union in the United States, announced on Wednesday a lawsuit against student loan servicer Navient, alleging the company deceived borrowers and prevented them from accessing debt relief. [...] The union members allege that Navient, one of the largest administrators of federal student loans, failed to inform borrowers of public service loan forgiveness, misled people into believing they were on track for the forgiveness, and even steered potentially eligible borrowers away from the consumer protection. The suit was filed in U.S. District Court for the Southern District of New York.” [CNBC, [10/03/18](#)]

- **It Is “Not Always In The Financial Interest Of Lenders Such As Navient To Help Borrowers Into The Debt Relief Program” Because “Because They Then Lose The Business To Fedloan,” Which Administers PSLF.** “Most teachers should qualify for public service loan forgiveness,’ said Mark Kantrowitz, founder of FinAid. However it’s not always in the financial interest of lenders such as Navient to help borrowers into the debt relief program, he said, because they then lose the business to FedLoan, the company that administers the public service loan forgiveness program for the government.” [CNBC, [10/03/18](#)]

**In June 2019, James Manning Joined The Penn Hill Group, A Lobbying Firm That Has Been Paid At Least \$320,000 By A Higher Education Finance Trade Association To Lobby The Federal Government During The Trump Administration.**

**In June 2019, James Manning Joined The Penn Hill Group Lobbying Firm, With The Firm Specifically Noting His Work "Overseeing The Operations And Performance Of The Department’s Higher Education Programs" And "Managing The Department’s Student Financial Aid Programs And Its \$1.5 Trillion Portfolio."**

**June 2019: James Manning Joined The Penn Hill Group Lobbying Firm As A Senior Advisor.** "Penn Hill Group today announced James F. Manning a leader in education management, operations and policy, will join the firm as Senior Advisor. Penn Hill Group principal Vic Klatt said, 'Penn Hill Group is thrilled to announce Jim Manning as our new Senior Advisor. Jim is a seasoned expert with extensive federal education expertise who is well-respected by leaders in the education policy making circles. I’m certain his insight and knowledge will

prove invaluable to our clients, and we're excited to welcome him to Penn Hill Group." [Penn Hill Group, [06/13/19](#)]

**In Announcing His Hire, Penn Hill Group Specifically Noted His Work "Overseeing The Operations And Performance Of The [Education] Department's Higher Education Programs" And "Managing The Department's Student Financial Aid Programs And Its \$1.5 Trillion Portfolio."** "As the Senior Advisor to the Secretary, Acting Under Secretary, and Acting Chief Operating Officer of Federal Student Aid for the Department of Education, Manning has been deeply involved in deliberations on a variety of education policy issues, from overseeing the operations and performance of the Department's higher education programs to managing the Department's student financial aid programs and its \$1.5 trillion portfolio." [Penn Hill Group, [06/13/19](#)]

**During The Trump Administration, Penn Hill Group Has Been Paid At Least \$320,000 By The National Council Of Higher Education Resources (NCHER), A Higher Education Finance Trade Association, To Lobby On Higher Education Issues.**

Year	Registrant	Client	Amount	Citations
2020	Penn Hill Group	NCHER	\$60,000	<a href="#">Q1</a> , <a href="#">Q2</a> , <a href="#">Q3</a> ,
2019	Penn Hill Group	NCHER	\$90,000	<a href="#">Q1</a> , <a href="#">Q2</a> , <a href="#">Q3</a> , <a href="#">Q4</a>
2018	Penn Hill Group	NCHER	\$90,000	<a href="#">Q1</a> , <a href="#">Q2</a> , <a href="#">Q3</a> , <a href="#">Q4</a>
2017	Penn Hill Group	NCHER	\$90,000	<a href="#">Q1</a> , <a href="#">Q2</a> , <a href="#">Q3</a> , <a href="#">Q4</a>
<b>TOTAL</b>			<b>\$320,000</b>	

**NCHER Has A Variety Of Education Entities As Members Including "For-Profit Higher Education," "Lenders," "Servicers" And Others.** "The National Council of Higher Education Resources (NCHER) is the nation's oldest and largest higher education finance trade association. NCHER's membership includes state, nonprofit, and for-profit higher education service organizations, including lenders, servicers, guaranty agencies, collection agencies, financial literacy providers, and schools, interested and involved in increasing college access and success." [NCHER, accessed [06/13/19](#)]

**Members Of The NCHER Also Include "Servicers And Collection Agencies With Contracts With The U.S. Department Of Education To Service And Recover Loans Made Under The Federal Direct Loan Program," As Well As "Lenders That Provide Private Or Alternative Loans To Student And Parent Borrowers."** "With passage of the Health Care and Education Reconciliation Act of 2010, which eliminated new FFELP originations, NCHER's members now also include: [...] Servicers and collection agencies with contracts with the U.S. Department of Education to service and recover loans made under the Federal Direct Loan Program; [...] Lenders that provide private or alternative loans to student and parent borrowers [...]" [NCHER, accessed [06/13/19](#)]