

GAO Highlights

Highlights of [GAO-19-717T](#), a testimony before the Subcommittee on Higher Education and Workforce Investment, Committee on Education and Labor, House of Representatives

Why GAO Did This Study

The PSLF program was established in 2007 and forgives borrowers' remaining federal student loan balances after they have made at least 10 years of qualifying loan payments while working in public service. Starting in September 2017, the first borrowers potentially became eligible for the PSLF program and began applying to have their loans forgiven. In 2018, Congress appropriated \$700 million to temporarily expand the PSLF program for certain borrowers who initially did not qualify for the program.

This statement—based on GAO's reports issued in September 2018 ([GAO-18-547](#)) and September 2019 ([GAO-19-595](#))—discusses (1) the extent to which borrowers' requests for loan forgiveness through PSLF and the temporary expanded process have been approved or denied, (2) the extent to which Education provides the PSLF servicer with sufficient information to administer the program, and (3) opportunities for improving service to borrowers.

What GAO Recommends

GAO has made eight recommendations to Education to improve its implementation of the PSLF program and its temporary expanded process. Education agreed with GAO's recommendations. As of September 2019, GAO continues to believe that actions are necessary to fully implement all of the recommendations discussed in this statement.

View [GAO-19-717T](#). For more information, contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov.

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PUBLIC SERVICE LOAN FORGIVENESS

Opportunities for Education to Improve Both the Program and Its Temporary Expanded Process

What GAO Found

A large number of borrowers are pursuing the Public Service Loan Forgiveness (PSLF) program, but the Department of Education (Education) has denied about 99 percent of loan forgiveness applications as of March 2019. Close to one-half of these applications were denied because the borrowers had not yet made the required 120 qualifying monthly loan payments. As of May 2019, Education has also denied 99 percent of loan forgiveness requests made through the temporary expanded process, which is intended for borrowers who did not initially qualify for the PSLF program.

In its 2018 report, GAO found that shortcomings in the information Education provided to the loan servicer that administers the PSLF program increased the risk of administrative errors. For example, Education had not provided the PSLF servicer with a definitive source of information for determining which employers qualify. GAO made three recommendations to Education to address these issues (see table below). Education agreed with these recommendations and has taken some actions, but has not yet fully implemented them.

Recommendations for Providing Information to the PSLF Servicer	Status
Develop a timeline for issuing a comprehensive guidance and instructions document for PSLF servicing	Not fully implemented
Provide additional information for determining which employers qualify for PSLF	Not fully implemented
Standardize the payment information the PSLF servicer receives from other loan servicers for determining qualifying payments for PSLF	Not fully implemented

Source: [GAO-18-547](#) | [GAO-19-717T](#)

In its 2018 and 2019 reports, GAO found that Education can provide better service to borrowers by expanding outreach, streamlining processes, and sharing critical information with borrowers. For example, GAO found that Education does not include information for borrowers about the temporary expanded process in key online sources. GAO made five recommendations to Education to address these issues with the PSLF program and the temporary expanded process (see table below). Education agreed with these recommendations, but has not yet fully implemented them.

Recommendations for Improving Service to Borrowers	Status
Include information about the temporary expanded process in the online PSLF Help Tool	Not fully implemented
Require loan servicer websites to provide information on the temporary expanded process	Not fully implemented
Integrate the request for the temporary expanded process into the PSLF application	Not fully implemented
Provide borrowers with sufficiently detailed information to be able to identify any errors in the PSLF servicer's counts of qualifying payments for the PSLF program	Not fully implemented
Provide borrowers more information on options for contesting temporary expanded process decisions and denials	Not fully implemented

Source: [GAO-18-547](#) and [GAO-19-595](#) | [GAO-19-717T](#)