THE PURPOSE
The federal Public Service Loan Forgiveness (PSLF) program was created in 2007 to address a growing crisis—communities struggling to attract young professionals and keep their residents healthy, safe, employed, and housed.

BIPARTISAN SUPPORT
The bipartisan Public Service Loan Forgiveness Caucus was launched in 2017. A bipartisan amendment to preserve PSLF failed by only one vote in committee last Congress.

THE ASK
Preserve PSLF without diminishing it.
• Keep attorneys in PSLF.
• Don’t cut the amount of debt that can be forgiven.

THE CHALLENGE
Public service often requires advanced degrees for professional licensure—for prosecutors, public defenders, legal aid lawyers, doctors, nurses, veterinarians, teachers, social workers, and many more. Graduates often emerge saddled with crushing student loan debt.

HOW PSLF ADDRESSES THE CHALLENGE
PSLF offers partial student loan forgiveness in exchange for a service commitment of at least 10 years. Borrowers must be in qualifying jobs, have qualifying federal Direct Loans, be in a qualifying repayment plan, and make timely payments each month for the duration.

PSLF WORKS!
In November 2017, National Legal Aid and Defender Association surveyed 3,369 justice system lawyers:
• 87% were “much more likely” to accept a job that qualified for PSLF.
• Over 50% would be “very likely” or “certain” to leave their jobs without PSLF.
• Ending PSLF would deprive especially rural and tribal communities of a critically needed recruitment tool.

FACTS ABOUT LAW SCHOOL DEBT
• Nearly 80% of students takes out student loans.
• Average debt as of 2013 from:
  • Private law schools = $122,000
  • Public law schools = $84,000
• This does not include the national average of $30,000 in undergraduate student loan debt.
• Public interest law salaries start at $50,000.

COST VS. SCORING
• The Congressional Budget Office scored the first year of loan forgiveness (10-1-17 to 9-30-18) at $370 million.
• Yet, the US Department of Education reported the first year actually cost $12 million.
• There is insufficient available data to estimate future usage of PSLF.
• It is too soon to change the program without more data.

PSLF IS TARGETED FOR ELIMINATION
• Senate HELP Committee chair is expected to propose legislation terminating PSLF.
• Senate HELP Committee and House Budget Committee proposed terminating PSLF in past Congresses.
• The Administration’s FY 2020 budget proposes elimination of PSLF.

CONTACT: ALOYSIUS HOGAN | 202.662.1767
ALOYSIUS.HOGAN@AMERICANBAR.ORG