May 5, 2025

Office of Postsecondary Education
U.S. Department of Education
400 Maryland Avenue SW, 5th Floor
Washington, DC 20202

Submitted via regulations.gov

Re: Comments to Department of Education in response to Intent to Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee;
Docket ID ED-2025-OPE-0016

The American Association of University Women (AAUW) has advanced gender equity through research, education, and advocacy since 1881. As the nation's largest non-institutional funder of women's graduate study—awarding more than $146 million in fellowships and grants—we witness firsthand how student debt shapes women's economic futures. Our 2021 research report *Deeper in Debt* showed women borrow more than men and held two-thirds of the nation's student-loan balance. For women of color, the burden is even heavier. Any change to PSLF or IDR is therefore a gender-justice issue.

AAUW strongly opposes efforts to narrow PSLF eligibility or roll back Income-Driven Repayment options such as the Saving on a Valuable Education (SAVE) plan. Preserving and codifying these programs is essential to women's access to higher education, stable employment, and wealth-building.

Public Service Loan Forgiveness and Women in Public Service

Behind every successful public school, community clinic, or legal-aid office is a woman who chose service over salary, trusting that the Public Service Loan Forgiveness (PSLF) program would make that choice financially sustainable. Created by Congress in 2007, PSLF offers a simple bargain: devote ten years to government or nonprofit work, make consistent payments, and the remaining balance of your federal student loans will be forgiven.

The PSLF program enables borrowers to enter public-service careers and carry out critically important work for the public good. Restricting the program would harm the public-service professions—teachers, nurses, social workers, legal aid, public defenders, and countless others—and make it difficult for organizations to fulfill their missions and provide important services to populations in need.

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Total outstanding federal student debt in the United States now exceeds $1.7 trillion[1] among more than 42 million borrowers.[2] Student loans are a tremendous barrier for people seeking employment in public-service jobs particularly, where salaries are persistently low compared to private-sector jobs. That is especially true for low-income, non-white, and first-generation borrowers. And many public-service jobs—healthcare, social work, and law, among many others—require not just bachelor's degrees but also graduate degrees, requiring aspiring professionals to take on additional debt to pursue their chosen profession and exacerbating the disparity between debt and compensation.

Disparities between student debt undertaken and public-service-sector salaries, and the prospect of more competitive salaries and benefits in the private sector, mean that many borrowers may forgo public-service jobs altogether because they cannot otherwise cover all living expenses, including their student debt. The result is severe workforce shortages in the nonprofit sector.[3] Indeed, nonprofit organizations consistently report that salary competition is the single largest factor harming their ability to attract and retain employees.[4]

The consequences of attrition and difficulties recruiting can be dire to the people public-interest organizations seek to serve—reduction or elimination of services and longer waiting times mean that people in need have less access to healthcare, childcare, education, legal assistance, and other basic human services that the nonprofit sector provides, including for people with disabilities, LGBTQ+ people, people of color, and other vulnerable communities.[5]

Congress, with bipartisan support, enacted the PSLF program (as part of the College Cost Reduction and Access Act)[6] to encourage entry for a wide range of public-service professions. As Congress envisioned, PSLF is a vitally important government program that eases the student-debt burden for those who choose public-service professions.

[1]Melanie Hanson, *Student Loan Debt Statistics*, Education Data Initiative (updated Mar. 16, 2025), https://perma.cc/6TRR-RJ9U; *see also* Adam Looney & Constantine Yannelis, *What Went Wrong with Federal Student Loans?*, Brookings (2024), https://perma.cc/Z4KN-ZVXR (from 2000 to 2020, the number of borrowers with student debt went from 21 million to 45 million, and the total amount owed "quadrupled from $387 billion to $1.8 trillion").

[2] *Id.*

[3] *See* Nat'l Council of Nonprofits, *2023 Nonprofit Workforce Survey Results: Communities Suffer as Nonprofit Workforce Shortage Crisis Continues* 3-4 (2023), https://perma.cc/7NDN-27LG; Ctr. For Effective Philanthropy, *State of Nonprofits in 2023: What Funders Need to Know* (2023), https://perma.cc/9KZB-856A; *see also, e.g.*, ABA *Profile of the Legal Profession 2024*, https://perma.cc/E4UY-4JGN (accessed Apr. 24, 2025) (explaining survey results showing that legal-aid attorneys are in low supply and high demand, attributable in large part to low pay and large student-loan balances); *see also* John Gross, *Why Our Public Defense Systems Are Collapsing*, Nat'l Ass'n for Pub. Defs. (June 5, 2023), https://perma.cc/ZP9S-7MNU.

[4] *Nat'l Council of Nonprofits, supra note 8, at 10.*

[5] Id. at 5-8.

[6] See Pub. L. 110-84, 121 Stat. 784 (2007).

Together with other federal financial-assistance programs, the PSLF program helps to bridge the income gap between public service and private employment to make public service a feasible career path. As of October 2024, more than a million borrowers have had more than $70 billion in student debt discharged through the program.[7] And PSLF has proven to be an important recruitment and retention tool for public-service employers, as the Department itself has recognized.[8]

Income-Driven Repayment Plans Are an Essential Lifeline for Women & Borrowers of Color

Income-driven repayment (IDR) plans have long served as the federal student-loan program's safety net: when payments track earnings, borrowers are far less likely to default and can keep contributing to their local economies. Yet the pre-existing IDR plans were not effective for all borrowers due to complicated bureaucratic hurdles. Enrolling—or simply staying enrolled—meant navigating Byzantine paperwork, recertifying income every year, and watching balances swell as unpaid interest piled up. Women, who already earn less on the dollar and shoulder caregiving costs, felt those flaws most acutely.

The Saving on a Valuable Education (SAVE) Plan was designed to fix those structural gaps. The SAVE plan would benefit low-and moderate-income borrowers by lowering their monthly loan payments and protecting more of their income (up to 225% of the federal poverty level) to allow for expenditures on necessities such as food, housing, and healthcare. Monthly bills on undergraduate debt are cut in half, from 10 percent to 5 percent of discretionary income, and all unpaid interest is cancelled each month, ensuring balances can never grow simply because a borrower's payment wasn't large enough to cover interest charges. Borrowers with $12,000 or less see their remaining balance erased after ten years—a policy that will make 85 percent of community-college borrowers debt-free within a decade.

The plan's early results underscore its value: more than 7.7 million borrowers have already enrolled, including 4.5 million whose payments have fallen to $0 and another million paying under $100 a month. Because women—and especially Black, Latina, Native, and single-mother borrowers—are over-represented in the lowest-income brackets, SAVE's progressive formula is a direct investment in closing gender and racial wealth gaps.

[7] *See* Council of Econ. Advisors, *Making Public Service Loan Forgiveness Work for Borrowers and the American People*, White House (Oct. 17, 2024), https://perma.cc/L62V-GXEW.

[8] *See* U.S. Dep't of Educ., Fed. Student Aid, *Tackling the Public Service Loan Forgiveness Form: Employer Tips*, https://perma.cc/DS3F-3RDM (accessed Apr. 24, 2025) (Department resource for employers instructing that, "While [PSLF] is a potentially life-changing benefit for your employee, it's also an opportunity for you. You can use your eligibility as a qualifying employer for the PSLF . . . program[ ] as a recruitment tool to attract highly qualified employees to your organization); Julie Burrell, Coll. & Univ. Professional Ass'n for Human Resources, *Public Service Loan Forgiveness: Help Employees Achieve Their Financial Goals*, The Higher Ed Workplace Blog (Sept. 17, 2024), https://perma.cc/S9H6-E5BP (noting that human resources can use the PSLF program "as part of a retention and recruitment strategy" and that it is "an especially attractive benefit to potential employees").

That progress is now at risk. The abrupt end of student debt relief after a period of high inflation and interest rates, along with proposed changes to the IDR system will negatively impact borrowers and our economy.[9] The current administration needs to defend IDR plans such as SAVE but is instead moving to eliminate such plans which would make it affordable for Americans to make payments towards their student loans.

Currently, five million borrowers are in default and over four million borrowers are delinquent on their student loan payments.[10] Without accessible IDR, that number could soar when collections resume. AAUW strongly opposes any effort that would force student loan borrowers to pay a higher portion of their income towards their monthly student loan bills, remove protections from runaway balances driven by interest, and deprive borrowers of a realistic path to becoming debt-free.

Conclusion

PSLF and SAVE are lifelines for women pursuing public-service careers and striving for economic security. Weakening either program would widen gender and racial wealth gaps, erode vital workforces, and undermine Congress's intent. AAUW strongly opposes any effort by the Department to undermine the PSLF program and eliminate or gut IDR plans.

Should you have any questions about this comment, please contact Meghan Kissell (kissellm@aauw.org), Senior Director of Policy and Advocacy at AAUW.

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[9] Shahar Ziv, *Student Loan Delinquency Rate Skyrockets, 4 Million Borrowers Behind,* Forbes, March 7, 2025, https://www.forbes.com/sites/shaharziv/2025/03/07/student-loan-delinquency-rate-skyrockets-4-million-borrowers-behind/.

[10] Ayelet Sheffey, *5 Years of Student Debt Relief for Millions of Borrowers Is Suddenly Over*, Business Insider, May 5, 2025. https://www.businessinsider.com/five-years-student-debt-relief-suddenly-over-trump-default-collections-2025-5.