



Public Service Loan Forgiveness Comments Guide Why AAUW Members Must Speak Out by September 17, 2025

The U.S. Department of Education has proposed a rule that could put countless nonprofit organizations including AAUW and our coalition partners — and the communities they serve — at risk.

At its core, this rule gives government officials new power to decide which nonprofits are “worthy” of participating in the Public Service Loan Forgiveness (PSLF) program. That authority could easily be abused to target organizations advancing gender equity, civil rights, immigrant justice, and racial justice — missions already under attack.

AAUW’s position is clear: PSLF was created to strengthen public service, not weaken it. Politicizing loan forgiveness undermines fairness, destabilizes nonprofits, and harms the very people who rely on them.

We must act now. **Comments opposing this rule are due by September 17, 2025.**

What’s Happening

On March 7, 2025, President Trump signed Executive Order 14235 on “Restoring Public Service Loan Forgiveness,” seeking to grant the Secretary of Education authority to determine eligibility for PSLF.

On July 29, 2025, the Department of Justice issued guidance on “unlawful discrimination” to recipients of federal funding. Federal civil rights law remains unchanged.

On August 18, 2025, the Department of Education proposed rules that would:

- Exclude nonprofits from PSLF if the Department decides they engage in a “substantial illegal purpose.”
- Introduce broad, undefined terms like “illegal discrimination” that go far beyond existing law.
- Allow officials to decide — based on politics or ideology — which missions count as public service.

The Department claims this protects taxpayers. In reality, it creates vague and subjective standards that open the door to political targeting.

Why This Raises Red Flags

- **Vague definitions.** The phrase “substantial illegal purpose” is undefined and could be stretched to cover advocacy, litigation, or services that some political actors dislike.
- **Direct harm to employees.** Nonprofit staff could lose loan forgiveness — even after years of qualifying payments — if their employer is targeted.
- **Chilling effect.** Organizations may avoid providing services or speaking out for fear of being labeled “illegal.”
- **Higher education under fire.** Most colleges and universities are tax-exempt and their employees rely on PSLF.
- **Unfair process.** The Department would have broad discretion with few protections or avenues of appeal.
- **Dangerous precedent.** Once the federal government can declare an entity’s mission ineligible for PSLF, it can more easily justify broader attacks on nonprofit status.

What’s the Risk

This proposal cannot be viewed in isolation. It is part of a broader pattern:



- In Congress, some lawmakers have already advanced proposals to strip nonprofit status from groups whose missions they oppose.
- If finalized, this rule would create a shortcut: instead of waiting for Congress or the courts, the Department could simply declare nonprofits “ineligible” for PSLF.
- That determination could become a stepping-stone for the IRS or other agencies to threaten organizations’ tax-exempt status.

This is a powerful new tool for silencing nonprofits — especially those that champion gender and racial equity, reproductive rights, or immigrant support.

What’s at Stake

- **Fairness and Due Process.** Organizations could be disqualified with minimal evidence and no independent appeal.
- **The Workforce Pipeline.** PSLF is an important financial incentive that helps nonprofits recruit and retain top talent despite lower salaries. Weakening it will drive doctors, teachers, social workers, and civil rights advocates away.
- **Community Services.** When nonprofits lose staff, entire communities lose access to health care, education, and justice — especially in already underserved areas.
- **Broken Trust.** Borrowers who built their lives around PSLF will see this as yet another broken promise, discouraging future graduates from serving in nonprofits or public roles.

What You Can Do

1. Submit a personalized comment by September 17, 2025 (Docket ID: ED-2025-OPE-0016). It is important to personalize the comments so that they each are individually considered and require a response from the agency. **Comments that are too similar to other comments may be dismissed by the Department of Education.**
 - Tell your story: how PSLF sustains your workforce or your career.
 - Highlight the harm vague standards could cause to your mission and your community.
 - Urge the Department to withdraw this rule and preserve PSLF eligibility for all qualifying nonprofits.

[Click here to submit your comment](#) through AAUW’s action page. This is a public comment that will be published with your name. If you wish to submit a comment anonymously, [visit regulations.gov](#).

2. Spread the word. Share this information with colleagues, community partners, and other nonprofits.
3. Affirm our values. Remind policymakers and the public: AAUW, the nation’s largest non-institutional funder of women’s graduate education, knows that access to higher education and nonprofit careers is essential to gender and racial equity.

This rule is a direct threat to fairness, to the independence of the nonprofit sector, and to communities already fighting to achieve gender and racial equity.

We cannot allow PSLF to become a political weapon.

Stand with AAUW. Speak out. Submit your comment by September 17, 2025.



Key Talking Points on the Proposed PSLF Rule

PSLF Should Strengthen Public Service, Not Weaken It

- The Public Service Loan Forgiveness (PSLF) program was designed to support those who dedicate their careers to public service — teachers, nurses, government employees, active-duty service members, veterans, nonprofit staff, and more. After making 120 qualifying monthly payments, they can have their student loans forgiven.
- This proposed rule flips the program on its head. Instead of strengthening the workforce pipeline, it would punish nonprofits — and their employees — for engaging in work that political leaders dislike.

The Rule Politicizes Loan Forgiveness and Threatens Nonprofits

- The Department of Education’s proposal gives the government sweeping power to decide which nonprofit missions are “acceptable.”
- This opens the door to political repression, where nonprofits advocating for immigrants, reproductive freedom, or vulnerable children could be stripped of eligibility — with no evidence of wrongdoing.
- The chilling effect on free speech is real: organizations may silence themselves out of fear of losing PSLF eligibility for their staff.

The Rule Duplicates and Circumvents Existing Law

- Nonprofits already follow strict oversight. If they break the law, the IRS has the authority to revoke their tax-exempt status.
- The Department of Education lacks both the capacity and the expertise to investigate nonprofits for “illegal activities.” Staff shortages are already undermining the agency’s core mission — this proposal would further overextend resources.

This Is a Dangerous Precedent

- If PSLF can be weaponized against nonprofits today, other federal programs could be manipulated tomorrow.
- Once politicized, loan forgiveness becomes a tool of partisan loyalty rather than a promise to support public service.

The Rule Creates Chaos and Confusion for Borrowers

- PSLF is already one of the most confusing federal loan programs. Borrowers struggle with years of paperwork, shifting rules, and errors.
- This rule adds another layer of uncertainty, making it even harder for people to plan their lives around PSLF.
- Imagine working for a nonprofit for 8 or 10 years, making every payment, only to be told your employer no longer qualifies because of a vague political judgment.

The Rule Harms Communities by Weakening Public Service

- This isn’t just about nonprofits or borrowers — it’s about the people and communities who rely on them.



- By making it harder for nonprofits to recruit and retain staff, the rule threatens access to health care, legal aid, education, and social services.
- Rural communities and low-income neighborhoods will be hit hardest, as they already face shortages of doctors, teachers, and public defenders.

Ways to Personalize Your Comment Letter

To make your letter powerful, connect the policy arguments to your personal experience. Here are prompts you can use:

For Nonprofit Leaders & Boards

- Share how many staff at your organization are working toward PSLF and what would happen if they lost that benefit.
- Explain the impact on your community if you cannot hire or retain staff because PSLF is unreliable.
- Describe how your mission (e.g., advancing gender equity, serving immigrant families, supporting survivors, protecting civil rights) could be unfairly targeted under vague definitions.

For Borrowers & Employees

- Tell your PSLF story: how many years of payments you've made, what career choices you made because PSLF gave you hope, and what it would mean if those years no longer counted.
- If you're a teacher, nurse, lawyer, or doctor, explain how PSLF has made it possible for you to serve in your community despite lower pay.
- Share what it would mean to your family if this benefit were taken away.

For Community Members & Allies

- Highlight how nonprofits in your area deliver critical services — childcare, health care, legal aid, housing — and how losing staff would harm your neighbors.
- Explain how programs like PSLF help ensure that the best and brightest don't leave public service for higher-paying private sector jobs.

Sample Comment Letter

[Download our sample comment to customize.](#)

See additional examples from the National Council of Nonprofits [comment guide](#) and the Student Borrowers Protection Center [messaging guide](#).

Once you've customized, [submit your public comment](#) through AAUW's action page. If you wish to submit a comment anonymously, you can do so on [regulations.gov](#).

Have questions or need help? Reach out to advocacy@aauw.org.