

GAO Highlights

Highlights of [GAO-19-595](#), a report to congressional requesters

Why GAO Did This Study

In the context of high denial rates in the PSLF program, Congress appropriated \$700 million in 2018 for a temporary expansion to the public service loan forgiveness program for certain borrowers who were not eligible for the original PSLF program. TEPSLF funds are available on a first-come, first-served basis. GAO was asked to review TEPSLF.

This report examines (1) the extent to which the process for obtaining TEPSLF is clear to borrowers, (2) what is known about loan forgiveness approvals and denials, and (3) the extent to which Education has conducted TEPSLF outreach. GAO analyzed data from the TEPSLF servicer on loan forgiveness requests from May 2018 through May 2019 (the most recent available at the time of our review); reviewed Education's guidance and instructions for the TEPSLF servicer; assessed Education's outreach activities; interviewed officials from Education, the TEPSLF servicer, and selected groups representing borrowers; and reviewed borrower complaints about TEPSLF submitted to Education.

What GAO Recommends

GAO is making four recommendations, including that Education integrate the TEPSLF request into the PSLF application, require all loan servicers to include TEPSLF information on their websites, and include TEPSLF information in its PSLF Online Help Tool. Education agreed with GAO's recommendations.

View [GAO-19-595](#). For more information, contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov.

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PUBLIC SERVICE LOAN FORGIVENESS

Improving the Temporary Expanded Process Could Help Reduce Borrower Confusion

What GAO Found

The Department of Education's (Education) process for obtaining Temporary Expanded Public Service Loan Forgiveness (TEPSLF) is not clear to borrowers. Established in 2007, the Public Service Loan Forgiveness (PSLF) program forgives federal student loans for borrowers who work for certain public service employers for at least 10 years while making 120 payments via eligible repayment plans, among other requirements. In 2018, Congress funded TEPSLF to help borrowers who faced barriers obtaining PSLF loan forgiveness because they were on repayment plans that were ineligible for PSLF. Congress also required Education to develop a simple method for borrowers to apply for TEPSLF. Education established a process for borrowers to initiate their TEPSLF requests via e-mail. The agency also required TEPSLF applicants to submit a separate PSLF application before it would consider their TEPSLF request. Agency officials said they established this process to quickly implement TEPSLF and obtain the information needed to determine borrower eligibility. However, the process can be confusing for borrowers who do not understand why they must apply separately for PSLF—a program they are ineligible for—to be eligible for TEPSLF. Requiring borrowers to submit a separate PSLF application to pursue TEPSLF, rather than having an integrated request such as by including a checkbox on the PSLF application for interested borrowers, is not aligned with Education's strategic goal to improve customer service to borrowers. As a result, some eligible borrowers may miss the opportunity to have their loans forgiven.

As of May 2019, Education had processed about 54,000 requests for TEPSLF loan forgiveness since May 2018, and approved 1 percent of these requests, totaling about \$26.9 million in loan forgiveness (see figure). Most denied requests (71 percent) were denied because the borrower had not submitted a PSLF application. Others were denied because the borrower had not yet made 120 qualifying payments (4 percent) or had no qualifying federal loans (3 percent).

Completed TEPSLF Requests as of May 2019

Of the 54,184 completed requests for TEPSLF



Source: GAO analysis of Temporary Expanded Public Service Loan Forgiveness (TEPSLF) loan servicer data from May 2018 through May 2019. | [GAO-19-595](#)

More than a year after Congress initially funded TEPSLF, some of Education's key online resources for borrowers do not include information on TEPSLF. Education reported that it has conducted a variety of PSLF and TEPSLF outreach activities such as emails to borrowers, social media posts, and new website content. However, Education does not require all federal loan servicers (who may serve borrowers interested in public service loan forgiveness) to include TEPSLF information on their websites. Further, Education's Online Help Tool for borrowers—which provides information on PSLF eligibility—does not include any information on TEPSLF. Requiring all loan servicers to include TEPSLF information on their websites and including TEPSLF information in its online tool for borrowers would increase the likelihood that borrowers are able to obtain the loan forgiveness for which they may qualify.