



A Union of Professionals

What AFT's Student Debt Settlement Means for Borrowers and the Public

Today, Oct. 13, 2021, American Federation of Teachers President Randi Weingarten and eight AFT members announced a settlement with the U.S. Department of Education in the groundbreaking case *Weingarten v. DeVos*, filed in July 2019 to hold then Secretary of Education Betsy DeVos and the Education Department accountable for failures to manage the federal Public Service Loan Forgiveness (PSLF) program.

Since the creation of the program in 2007, 98 percent of all borrowers who have applied for PSLF have been denied. With this settlement, every one of those borrowers' PSLF applications will be reviewed and will be given a process through this new review procedure, as described below.

We expect this review to result in complete discharge for tens of thousands of student loan borrowers across the country, including teachers, nurses, firefighters and others eligible for PSLF.

This important settlement creates significant structural changes in how PSLF will work, and will help ensure that millions of public employees receive the loan forgiveness they were promised. The Department of Education has agreed to the following:

- **Reconsider** upon request the application of any borrower who applied for PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) and was denied, including borrowers with Federal Family Education Loans (FFEL). Borrowers will now have an official process to contest these determinations, unlike in the past.
- **Review**, within 90 days from today, all applications for PSLF or TEPSLF denied prior to November 2020 submitted by borrowers with at least 10 years of repayment on a Direct Loan.
- **Give** borrowers whose applications are denied again detailed notices that include the reason for denial, the number of remaining PSLF payments before they are eligible for forgiveness, how to determine which payments are qualifying, and a contact person to speak with should they have questions.

This settlement demonstrates the power of advocacy and collective action, and the value of belonging to the union. It represents a game-changing victory for educators, nurses, public employees, and other AFT members struggling with student debt.

The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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These important changes are to be read in tandem with the Education Department's Oct. 6 announcement, which instituted additional structural changes to the PSLF program that we have long been advocating for, including:

- **Discharging debt** under PSLF if a borrower has worked in public service for at least 10 years and has made 10 years of payments on student loans;
- **Retroactively counting past payments** toward the 120-payment requirement for PSLF; and
- **Counting previously non-qualifying loan payments**, even if those past payments were made on:
 - Current or prior Federal Family Education Loans; or
 - Graduated or other types of payment plans that did not previously count.

The Biden administration continues to work on implementation of these changes, with input from the AFT and others to ensure a fast, clear and simple process so public service workers can get full credit for the payments they made toward PSLF, and soon see a zero balance on their student loan statement.

If you are a borrower who may be affected by this settlement and a current AFT member:

The AFT will help you navigate this new process with our partner, Summer. Working with Summer, AFT members already have saved \$500 million on student loans, and Summer helps AFT members take the steps necessary to qualify for PSLF. AFT members can sign up for a free account with Summer here:

<https://www.meetsummer.org/pslf>

If you are a borrower who works in public service and you want to get individualized help from a PSLF expert, you can join the AFT as an associate member now and access a Summer account:

<https://www.aft.org/joinsummer>

If you have questions or would like to host an AFT Student Debt Clinic for your local union to help members learn how to access PSLF, email debtclinics@aft.org.