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The Public Service Loan Forgiveness Program and the Purpose of Higher Education

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Abstract

This case study investigates the Public Service Loan Forgiveness Program (PSLF), a policy designed to enable student debt forgiveness after ten years of payments for individuals working in public service. The program has only forgiven a small number of loans; as of this writing less than 34% of people who have applied for the program have actually received loan forgiveness. What does this low number indicate about the program and the perception of higher education in the contemporary United States context? To answer that question, in this article, we review the history of the program, the scholarship about PSLF, and analyze its implementation using the tools of document analysis and critical policy analysis. We argue that the failure of the program communicates a clear message about the purpose of higher education in the United States under a neoliberal paradigm.

Two hundred sixty-two out of 38,460 (Douglas-Gabriel, 2019). These startling numbers came from news media headlines in early 2019 advertising the number of borrowers who had received loan forgiveness under the Public Service Loan Forgiveness Program (PSLF) out of how many who had applied. PSLF was created by the 2007 College Cost Reduction and Access Act in an effort to reduce the student loan debt crisis and further encourage the highly educated to enter public service (College Reduction Act of 2007). After 10 years of qualified payments, those who work in public service would have their federal loans forgiven (GOA, 2018).

In response to the low numbers, Congress allocated 700 million dollars for a temporary expansion of PSLF, called TEPSLF; out of 54,184 who applied for loan forgiveness through that program, 661 had been approved, or 1.22%, as of 2019 (Government Accountability Office, 2019). After President Biden was elected to office, his administration revamped the PSLF and TEPSLF programs (Collier et al., 2024b). This resulted in 670,260 borrowers—or around 32% of eligible borrowers—having their loans forgiven, in the total amount of 2.06 billion dollars (Collier et al., 2024b).

Today, programs like PSLF matters more than ever in a climate of decreased options for borrowers. The average tuition cost has risen 114% since 1993, contributing to the current student loan crisis (Looney, 2024). Additionally, over 62% of students reported that they had more student loan debt than they had expected, with students leaving college with an average of $28,400 in student loan debt (Cornett et al., 2022). In an attempt to ameliorate concerns over debt, President Biden implemented Department of Education level efforts to ease repayment and forgiveness for borrowers, forgiving up to $20,000 of student debt, (Cooper, 2022), but the second Trump administration reversed course. A March, 2025 executive order signed by President Trump further limited eligibility to PSLF, such as excluding employers who could count as qualified based on their behavior, putting the very idea of loan forgiveness in jeopardy (Exec. Order No. 14235, 2025).

Why is the percentage of people who received forgiveness so low, in the past and present? The reasons are complex and include the program's enactment, implementation, and advertisement. In this case study (Yin, 2018), we address the following research question: What does the failure of the Public Service Loan Forgiveness Program indicate about the perception of higher education in the contemporary United States context? To answer this question, we review the history and implementation of PSLF and TEPSLF, splitting the history into three eras: pre–2018, 2019–2021, and 2021–present. We also discuss the costs of PSLF to the individual and to the federal government. By way of conclusion, we analyze the program with reference to neoliberal–fundamentally market-based–educational frameworks in order to understand and suggest possible solutions to the problems presented by PSLF.

Methods

Within methodology of the case study (Yin, 2018), bounded by investigating the state of PSLF between 2008–2024, we used two methods to investigate the implementation of PSLF: document analysis (Bowen, 2009) and critical discourse analysis (Janks, 1997). Per document analysis procedures (Bowen, 2009), we carefully read available peer-reviewed article written about PSLF published as of December 2024 and made notes on its content and argumentation about PSLF; we retrieved these articles from searching the term "Public Service Loan Forgiveness Program" in peer-reviewed publications (n=22), white papers from think tanks (n=10), governmental reports and websites (n= 9), and popular media (n=20). See Table 1 for more details.

Table 1
Description of Sources Consulted for PSLF

Databases	Governmental Sources	Think Tanks	Popular Media
Academic Search Complete EconLit Education Source Educational Administration Abstracts ERIC Legal Collection PsycARTICLES Psychology and Behavioral Sciences Collection PsycINFO SocINDEX	Consumer Financial Protection Bureau Federal Student Aid Government Accountability Office U.S. Department of Higher Education	American Enterprise Institute Brookings Institution Center on Education Data and Policy Education Data Initiative Institute on Assets and Social Policy National Association of Student Financial Aid Administrators Task Force New America Foundation Student Borrower Protection Center Student Loan Law Initiative	CNN CNBC *The Chronicle of Higher Education* *Forbes* *The Hill* *Inside Higher Ed* *The Los Angeles Times* National Public Radio *The New York Times* *Time* *USA Today* *The Washington Post*

Per tenets of critical discourse analysis (Janks, 1997), we noted what cultural messages about PSLF and the purpose of education were contained within the documents, paying careful attention to how these societal messages were expressed in the text. We did so by carefully reading the text itself and then noting the discourse implicit in the text: what was assumed by the authors? What values were evident? What message was portrayed about loans and borrowers? For example, the following language comes from 2018 Government Accountability Office Report:

> This information [about PSLF servicing] is fragmented across the servicing contract, contract updates, and hundreds of emails. As a result, PSLF servicer officials said their staff are sometimes unaware of important policy clarifications. Education officials said they plan to create a comprehensive PSLF servicing manual but have no timeline for doing so. (Guidance and Instructions section)

In our read, the explicit messaging in this section is about absence of easily-communicated information with no centralized location or source for changes, impacting borrowers' ability to navigate the system. The implicit messaging is that the information disjuncture between Department of Education (ED) staff and PSLF servicers causes chaos, is harmful to borrowers, and that the disorganization reflects a lack of careful planning and foresight on something as serious as individuals' fiscal health, reflective of broader policy values relating to student loans.

All information we used was publicly available. Because we wanted to deduce the narrative presented in the public-facing messaging and information about PSLF, we restricted our search and data collection to published material rather than interviews or other qualitative methods. We then sorted the literature into categories based on when they were published and further based on the themes and messages conveyed in the literature. Then, we analyzed the messages inherent in the literature about PSLF communicated about the purpose of education in a neoliberal context.

Theoretical Framework

Our theoretical framework for understanding and analyzing PSLF draws on Levinson, Sutton, and Winstead's (2009) work on critical policy analysis in education. Influenced by Foucault, Levinson et al.'s (2009) view of policy focuses on how policies create their own conditions for success or failure by enforcing cultural norms and punish people for violating them. Policies, then, make their own culture.

Our analysis of PSLF incorporates these insights to explain how the implementation of PSLF creates the environment for its failure due to its complexity, informational barriers to its success, and its neoliberal—market-based—view of the purpose of education (Johnson, 2018). Johnson (2018) defines neoliberalism as follows:

> characteristics of this ideology include privatization of most public institutions based on the presumption that the best outcomes for societies can be provided through private market transactions…Neoliberal policies vary in different regions, political cultures and institutions but can be identified through a market reductionist logic that valorizes productivity, efficiency and accountancy over nonmonetary values. Government programs on behalf of the public good, which do not divert state funds to private markets, are rejected as coercive and/or ineffective. (p. 138)

In the current neoliberal atmosphere in America, higher education is seen as a private, rather than public, good (Epstein & McKinnon-Crowley, 2020): individuals pay for education in order to accrue personal benefits, which they can then reinvest in the market. The values of education as an individual good (Labaree, 1997, 2016) are encoded in the difficulty of the PSLF process and explain why it is so hard to receive loan forgiveness. PSLF's sheer complexity in practice and the difficulty borrowers face in receiving PSLF show a devaluing of public service and the view that education is a private good whose costs should be borne by the individual rather than a community endeavor for community benefit. Further, because student debt is inequitably borne by different racial and ethnic groups, with Black students the most likely demographic to have high amounts of debt and be in default on loan debt, the complexities inherent in forgiving loans have inequitable consequences for Black economic flourishing in the United States (Baker et al., 2025; Sullivan, 2019).

Conceptual Framework

The process of attempting to achieve PSLF is a series of barriers preventing borrowers from receiving loan forgiveness, barriers that can be overcome through difficult-to-receive information. Though it is possible to understand all of the many steps required for borrowers to achieve loan forgiveness, in practice this knowledge is buried in government documents and scattered across various websites. See Figure 1 for a visual depiction of information that helps borrowers achieve PSLF, shown as ladders, and lack of knowledge that could prevent borrowers from receiving loan forgiveness, shown as spiked pits.

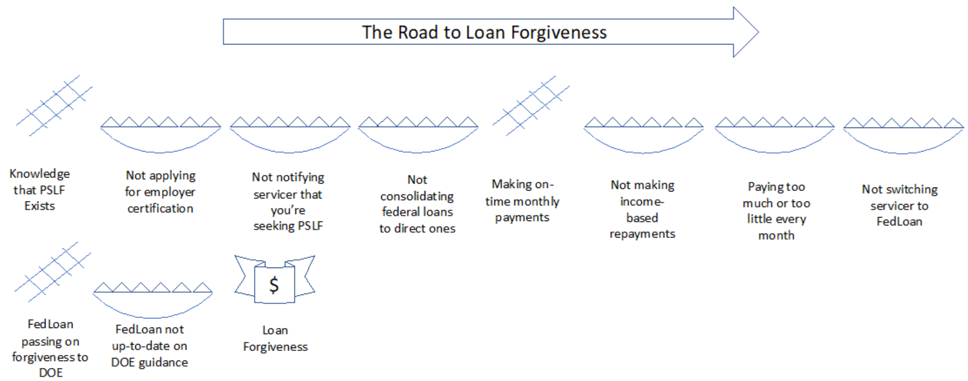

Figure 1. Visual depiction of PSLF hurdles

Literature Review

In this section, we both summarize the complicated steps and barriers required to receive loan forgiveness and review literature in three eras: pre–2018, 2019–2021, and 2021–present.

Pre-2018

The first wave of literature on PSLF occurred before or during 2018, directly after the first borrowers were eligible for forgiveness. Though ED believed that 700 borrowers would have achieved PSLF forgiveness as of October 2018, that is clearly a dramatic overestimate; only 96 had qualified as of that time (GAO, 2018). The literature focused on the origins of PSLF, clarifying details of PSLF such as what loans can be forgiven or what are qualifying payments—which may be a direct response to the low success rate of PSLF, legal action regarding PSLF, and trade journals' reactions to PSLF, as we detail below.

Origins of PSLF. The most cogent and comprehensible summaries of PSLF and its requirements are found in the Government Accountability Office (2018) reports on PSLF and TEPSLF. Since its enactment in September 2007, the PSLF Program grants loan forgiveness to individuals who work in public service and who have made 120 qualifying monthly payments on their eligible loans (GAO, 2018). Estimates indicated that borrowers would save $110 million by enrolling in PSLF (Delisle & Holt, 2012, p. 38). A 2019 comment from the Department of Education stated, however, that because the Congressional Budget Office only estimated that $8 billion would be spent for PSLF between 2007-2017 (GAO, 2019, p. 25), Congress thought only a few borrowers would use the program.

The National Association of Student Financial Aid Administrators (NASFAA), the chief organization for those working to help students pay for college, created a task force to examine PSLF as of 2014 (NASFAA, 2014). The task force discovered a number of issues with PSLF that contemporary events have proven to be problematic: the program is under-publicized, the route to receiving loan certification is confusing, and actual data about the program are frequently difficult to obtain (NASFAA, 2014). While PSLF might have seemed like a simple and straightforward program in intention and implementation, this is not the case, as the percentage of successful applications indicates. Since its implementation, the program has been riddled with informational inaccuracies, implementation errors, and what can be best described as bureaucratic disasters, as we detail more fully below

Loans to Be Forgiven. Only certain loans qualify to be forgiven under PSLF, namely federal direct consolidated loans (GAO, 2018). Loans must be consolidated, which requires an application process, and any loan payments made prior to consolidation will not be considered as qualifying payments (GAO, 2017; GAO, 2018). All direct loans from the federal government can be forgiven, both subsidized (non-interest-accruing during borrowing period), unsubsidized (interest-accruing during borrowing period), and Parent PLUS loans, loans that borrowers' parents personally take out to finance the borrower's education (GAO, 2018).

Qualified Employer. To be eligible for PSLF forgiveness, the 120 monthly payments must be made while borrowers were working full-time for a qualified employer in public service (GAO, 2018). Public service jobs are those working for a government organization—but not serving as a member of Congress—regardless of employment level, working for a 501(c)(3) tax-exempt, non-profit organization as determined by the Internal Revenue Code, or working for some other tax-exempt, non-for-profit group focused on providing public services, like within the education sector. Any payments made when the borrower was not working for one of those organizations does not count toward the required 120 payments. Changes in employer status required that the borrower alert the servicer agency to ensure they were still working for a qualified employer and were therefore eligible to make the 120 qualifying payments. Servicers are the companies that ED outsources to run the actual administration of student loans.

Qualifying Payments. The 120 qualifying payments are subject to various restrictions. Only payments made subsequent to October 1, 2007 count (GAO, 2018). The payments must be made through a "qualifying repayment plan," in which each payment made occurred when the borrower was enrolled in a PSLF-eligible plan (GAO, 2018, p. 12). Qualifying repayment plans include the standard repayment plan that requires borrowers to pay off their loans within a fixed time frame such as 10 or 25 years, regardless of borrower income (GAO, 2019).

Individuals' payments are also subject to certain restrictions (GAO, 2018). They cannot be more than 15 days late and they must cover the entire amount due on the bill. Only one bill payment per month counts toward the 120 payment requirement. This restriction has led to some confusion regarding payments made prior to the due date or payments for more than the amount due. Though it might seem like paying more than the minimum due is a beneficial economic decision, comparable to paying the entire balance on a credit card rather than only the amount due, such logic does not apply for PSLF.

Unlike credit cards, qualified payments are exclusively those that borrowers are required to make (GAO, 2018). That means that borrowers' qualified direct federal loan payments must not be made during the 6-month grace period after graduation or leaving school for other reasons; similarly, payments made on loans in forbearance or loans in deferment do not count (GAO, 2018).

Analyses of PSLF. The Consumer Financial Protection Bureau (CFPB) published a study in 2017 that analyzed student loan complaints. Among other things, this study indicated that borrowers were not informed about their eligibility for the program if one element of the many PSLF eligibility requirements was missing. CFPB (2017) reported that common issues for borrowers included unawareness of whether their loan payments counted—or in some cases incorrect information regarding certification—and lack of awareness of the program, especially for military service members. Furthermore, merely asking a loan provider about PSLF was not enough to trigger the necessary behind-the-scenes changes that would lead the borrower to the correct servicer—at the time, FedLoan —and correct payment details; completion of the certification form appears to be a crucial and unadvertised step for many borrowers.

The GAO (2018) also conducted a study in late 2017 and early 2018 to review PSLF's success and failures. In the evaluation, GAO indicated that multiple issues persisted with PSLF, mostly regarding administrative structure and ED's guidance communicated to FedLoan (GAO, 2018). Students whose loans were serviced by FedLoan prior to applying for employer certification, or completing a PSLF application, experienced fewer issues than those whose loans were serviced by another of ED's eight loan servicers, as inconsistencies in terminology and loan service procedures between servicers led to delays in students' certification and in miscounting students' qualifying loan payments (GAO, 2018). A CFPB assistant director and student loan ombudsman, Seth Frotman, publicly quit the agency in late August, 2018, due to his belief that CFPB had failed to protect borrowers (Turner, 2018a).

In addition to these errors, communication issues between ED and FedLoan abounded. Because ED provided most of their instructions for interpreting PSLF to FedLoan via e-mail, which was sometimes long-delayed, FedLoan did not have an authoritative reference for making decisions about eligibility certifications (GAO, 2018). FedLoan did maintain an internal handbook with guidance, but the handbook was not a ED product and was not always updated in a timely manner (GAO, 2018). These informational inconsistencies were especially problematic for determining qualified public service employers because no authoritative list of employers existed, and borrowers had no way of knowing before requesting certification whether an employer was qualified (GAO, 2018). Borrowers might have to make a leap of faith when entering a new job and hope that their new employers, particularly if the employers might count as "quasi-governmental entities and charter schools," did indeed qualify as a PSLF public service provider (GAO, 2018, p. 19).

Legal Action against PSLF. Literature during this time also focused on the legal action surrounding PSLF. The manifold issues with PSLF's implementation had not gone unnoticed (American Federation of Teachers, 2018). On October 3, 2018, nine American Federation of Teachers members in four states brought a class-action lawsuit against Navient, one of the nine servicers of federal loans. The lawsuit alleged that Navient tried to steer borrowers away from using FedLoan as their direct servicer, which was in essence the gateway program into PSLF, and encouraged borrowers into pursuing forbearance instead. Payments made on loans in forbearance do not qualify for PSLF. The lawsuit also alleged that Navient told borrowers that payments in non-direct federal loan plans would count toward the 120 PSLF payments, which is incorrect.

This lawsuit followed previous legal action regarding PSLF on account of denials and inaccurate information on the part of the servicers (American Bar Association, 2017; Turner, 2018a). Democratic members of Congress asked ED for more information about PSLF, focusing on how the Department was responding to the GAO report from 2018, how quickly the GAO's recommendations would be implemented, and how quickly the temporary money disbursed to educate and remunerate PSLF-eligible borrowers would be disbursed (Murray et al., 2018). In May 2020, the American Federation of Teachers lawsuit with Navient was settled, with the stipulations that Navient would pay $1.75 million to support an independent organization dedicated to helping potential PSLF recipients, give the plaintiffs $15,000 each, and would work further support their customer service training to be mindful of potential PSLF recipient needs (Friedman, 2020). The settlement itself faced legal challenges, but in 2022 those challenges were unanimously rejected by the U.S. Court of Appeals for the 2nd Circuit (Crook, 2022). Outside of the legal realm, other reactions to PSLF were more positive, focusing on the benefits of the program.

Trade Journals' Reactions to PSLF. The majority of peer-reviewed, published commentary on PSLF from this time comes from trade journals who uncritically accepted the benefits of the program, seeing it as ideal for those within their professions who needed a way to offset the graduate-level debt borrowers had accrued. PSLF, in the view reported by the publications, could both encourage more individuals to pursue high-debt professions without needing to seek out high-paying jobs after graduation. It provided a safety net to borrowers. The primary tone of the articles was reassuring (Kish, 2017), with some exceptions like one author's detailed depictions of her issues receiving forgiveness (Hahn, 2017). Despite the cheery tone of trade journals, PSLF had provided loan forgiveness to fewer than 1,000 applicants at this time and has inspired much critical media and Congressional attention in recent years.

2019-2021

The next era of literature on PSLF, from 2019-2021, focused on TEPSLF and the attempted ending of PSLF. TESPLF was designed to increase the conditions in which a borrower was eligible to successfully complete PSLF in the short term. Recognizing the misinformation regarding which *type* of loans could be forgiven as a source of confusion, the Consolidated Appropriations Act allocated $700 million dollars to the Department of Education in 2018 (Mattson, 2019), to be spent on a first-come, first-served basis. This effort aimed to grant loan forgiveness to those previously denied, as long as they had made at least 120 monthly payments at or above an income-based repayment level while working for a qualified employer, but not under a direct consolidated loan (GAO, 2019). This is known as TEPSLF because of its "temporary expansion" to normal PSLF criteria. The main difference between TEPSLF and PSLF, then, is the kind of payments they make for loans. Only 1.47% of PSLF applicants had their debts forgiven as of 2020, but 5.89% of TEPSLF applicants had their debts forgiven (Federal Student Aid, n.d.).

TEPSLF Problems. To investigate the implementation of TEPSLF specifically, the GAO conducted a study using interviews with members of FedLoan, guidance about TEPSLF available from ED and from FedLoan, interviews with borrower representatives, and reviewed TEPSLF consumer complaints (GAO, 2019). They found multiple ways that TEPSLF could be improved, namely through an integration of the program into the PSLF application so that it would be evident that completing the PSLF application was a necessary step to receive TEPSLF, give borrowers denied TEPSLF information about how to contest the decision, require all servicers, not just FedLoan, to advertise TEPSLF on their websites (at this time, only FedLoan provided the information), and put TEPSLF information in the Department of Education's online help tool.

Attempted Elimination of PSLF. During this period, President Trump attempted to get rid of PSLF. Trump's budget proposal called to reduce spending by $207 billion through eliminating both subsidized loans—loans for which the government pays for accrued interest while the student is enrolled in higher education—and PSLF (Kreighbaum, 2019). The Secretary of the Department of Education during his first term, Betsy DeVos, was also in support of ending PSLF (Kreighbaum, 2019). Although Trump was not successful in ending PSLF, in part due to a conflict in the separation of powers between the legislative branch that passed the College Cost and

Reduction Act and the executive branch locale of ED, media during this time did focus on the implication of the potential ending of PSLF (Nova, 2019).

2021-2024

After the COVID-19 pandemic and the election of President Biden, media conversation about PSLF increased. Throughout his term, Biden's explicit prioritization of student loan forgiveness positively impacted the rate of success for those achieving loan forgiveness. For example, Biden made more types of payments eligible for forgiveness and made some types of deferments and forbearances count toward forgiveness (Lu, 2022). During this period, the total amount of PSLF loan forgiveness as of November 2024 was $47 billion for the 670,260 borrowers who successfully completed the process of PSLF (Collier et al., 2024a). Literature focused on the benefits of PSLF, the past failures of PSLF, information for borrowers and suggested changes stemming from trade journals, the impact of the COVID-19 pandemic, and shifts from the Biden administration.

Benefits of PSLF. As PSLF moved to national and scholarly consciousness, empirical studies emerged that indicated the emotional component involved in borrowers' experience with the program. A recent qualitative study, for instance, found that borrowers who had their loans forgiven through PSLF found both financial and career-related freedom and eased their mental distress while increasing satisfaction with life (Collier et al., 2024a). Others found that the low success rate of PSLF may have made borrowers hold different kinds of feelings about the program, such as risk, obligation, and even hope (Miller et al., 2021). These findings suggest that despite the obligations that may come with completing the hurdles required to receive PSLF, the hope of having loans forgiven may be enough of a factor that borrowers will continue with the process (Miller et al., 2021). Another study found that the economic benefits of approaching loan forgiveness were minimal until borrowers attained a year or less left until forgiveness, benefits which included the likelihood of home ownership (Collier & Fitzpatrick, 2022).

Looking Back: PSLF Failures. Another theme in the current scholarly literature about PSLF addresses the original failures of the PSLF program. Crespi (2021) argued that as information about PSLF is more publicized and widely available that the failure rate of PSLF will decrease; the change in approved borrowers to over 33% from less than 2% in 2019 supports this claim. Wu (2021) critiqued the pitfalls of the statutory and regulatory frameworks that are evident in PSLF that ignore the realities of loan forgiveness such as borrowers not having qualifying loans and experiencing issues with loan servicers, which are realities that neglect the human element of college financing. Maldondo et al. (2024) offered the most comprehensive history of PSLF to date, detailing both the past failures of PSLF and its opportunity for good in the future. Overall, the literature on the past failures of PSLF had a tone of hopefulness rooted in past misinformation about the program driving future reforms of the program, with the assumption that closing the informational gap will lead to future forgiveness.

Trade Journals. Recipients of professional degrees such as lawyers and medical doctors often carry a heavy student loan burden due to the high cost of their degree. Journals dedicated to those and similar high-training professions frequently mention PSLF, a feature also found in the pre-2019 era. One study done within a group of physician trainees sought to understand if PSLF had an impact on the trainees, finding—somewhat counterintuitively—that the ability to receive

PSLF impacted the career decisions of 20% of participants *and* that the majority of trainees did not understand the requirements of PSLF (Khoury et al., 2021).

Many law journals also spoke of PSLF and potential changes for the program. One proposal suggested changing PSLF from a loan forgiveness program to a direct salary supplement (Slomovics, 2021). This proposed change would require the amount of the borrower's total loans that would be forgiven to be divided by ten and distributed each year for ten years (Slomovics, 2021). Slomovics (2021) outlined the benefits of this proposal as,

> Structuring PSLF as a salary supplement would significantly reduce the number of individuals who labor under the false impression that they are eligible for PSLF, only to be turned down after ten years of public service; it would eliminate PSLF's incentivization of excessive college spending and borrowing at the taxpayers' expense; it would reduce the harmful employment lock-in effects PSLF currently creates; it would help encourage more individuals to pursue public interest in line with congressional intent; it would reduce the effectiveness of political interference in the administration of PSLF; and it would eliminate PSLF's contribution to the ever-increasing costs of higher education. (p. 28)

This proposed change would completely upend PSLF but could help solve systemic issues that are present within it.

Other recommended changes to PSLF include allowing for all types of federal loans to be considered for forgiveness—as TEPSLF addressed—along with streamlining a path to applicant success through clarifying information and removing information gaps (Wu, 2021). Others propose PSLF to expand to other vocations such as assigned council attorneys and other public servants that do not fall under the definition of public servant that PSLF provides (Fox & Berkman-Breen, 2022).

Impact of COVID-19 Pandemic. During the COVID-19 pandemic, student loan payments were paused via the CARES Act (Maldondo et al., 2024). While student loan payments were paused, the non-payments still counted towards PSLF's 120 payments (Maldondo et al., 2024). ED also introduced a limited waiver that relaxed certain restrictions related to the 120 payments necessary to qualify for PSLF (Maldondo et al., 2024). Collier et al. (2024b) explored how borrowers were affected by the student loan payment pause. Both the pause and the resulting months that counted towards PSLF impacted borrowers by easing their mental distress, helped create savings and pay down other debts, and aided in family planning (Collier et al., 2024b). These changes brought student loan forgiveness to the forefront of the nation's political mind; the literature in this era reflected this, with the pandemic termed a "unique circumstance" and "political debate over potential loan cancellation" that made PSLF more widely known (Briones et al., 2024, p. 1029). If the impact of suspended payments did not shape borrowers' experience, the increased attention to student loan forgiveness and its benefits may have done so.

Changes from Biden Administration. In October of 2021, the Biden Administration announced a waiver that would simplify PSLF and aid those who were previously rejected gain forgiveness (Maldondo et al., 2024). This waiver made all borrowers who were employed in full time public service work and not in default retroactively eligible to have prior payments on *any* repayment plan count towards PSLF (Briones et al., 2024). The Biden administration also announced that they were reviewing denied applications to see what errors in processing occurred (Maldondo et al., 2024). This was a limited waiver that expired on October 31st, 2022 (Briones et al., 2024). Though difficult to prove, it is theorized that many borrowers did not utilize the PSLF waiver due to the promise of Biden's loan forgiveness program introduced in August 2022 that would forgive up to $20,000 of federal student debt (Briones et al., 2024).

President Biden also introduced the SAVE plan, which reduced monthly payments and shortens the time that some borrowers need to pay until forgiveness (Delisle, 2023). This effort, then, directly impacted and increased the amount of loans forgiven by PSLF (Delisle, 2023). Yet, as of December 2024, President Biden's SAVE plan was threatened in federal court (U.S. Department of Education, 2024); while challenges were still pending, the Trump administration deemed those enrolling in such a plan subject to interest accrual on their loans with SAVE expected to be phased out through legislative action as of 2028 (Minsky, 2025).

Discussion

A critical policy reading of PSLF (Levinson et al., 2009) suggests that the difficulty borrowers have in receiving PSLF is an intentional aspect of the policy. Hopeful beneficiaries of the Public Service Loan Forgiveness Program faced countless challenges that have made obtaining loan forgiveness extremely tricky for most borrowers. These challenges include misinformation, not having the right types of loans, counting on other forms of loan forgiveness such as Biden's loan forgiveness plan, communication errors, other barriers that make loan forgiveness through PSLF almost unobtainable for many.

PSLF was designed to encourage borrowers to go into public service without the burden of exorbitant student loans accruing interest at an unpayable rate. Success in the system, however, is predicated upon borrowers being able to successfully navigate an opaque public-private partnership between servicers and ED in which finger-pointing and blaming the other sector runs rampant. To even make the qualifying monthly payments and receive employment certification presupposes both disposable income on the part of borrowers and the spare time to navigate systems rife with misinformation. It is tempting to view PSLF as a Scylla and Charybdis, either pushing borrowers into a minimum of 10 years of lower-paying public service jobs on the outside chance that they might receive forgiveness or encouraging them to simply pay off their loans anyway. ED's response to the GAO's 2019 report on PSLF indicates that because the Congressional Budget Office estimated a relatively low cost to the program of $8 billion to Congress (GAO, 2019), ED thought that the low estimate meant that the program was supposed to be hard to complete. To ED, the low estimate indicated that they were supposed to reject most applicants. The Congressional appropriation of $700 million to borrowers in 2018 through TEPSLF and the media coverage of that program as well as PSLF, however, indicates a different view: the program is supposed to have a higher success rate than just over 1% in the first ten years of implementation and 34% in 2024. The Biden administration's efforts to investigate incorrect denials indicate a favorable impression of the program as well.

Regardless of the intention of the program, however, the implementation of the policy has been fraught with difficulty for borrowers, servicers, and ED. PSLF's implementation, in our analysis, reflects a view of higher education as a private rather than public good. PSLF is difficult because in neoliberal educational systems payment for education is the responsibility of the individual (Johnson, 2018). PSLF reveals a tension between the common, shared interests inherent in public service and the self-oriented private good of economic outcomes accrued as a result of higher education. Public service is rewarded with loan forgiveness, but what is forgiven is fundamentally a market-based, financial incentive.

Forgiveness as a Moral Question

Even the term "forgiveness" implies a moral action, graciously granting relief for a perceived fault. These connotations are important considering increasing college costs since the College Cost and Reduction Act was passed and the discourse around the financial purpose of education experienced by Millennial students attending college in the 2010s (Cottom, 2017; Luna-Torres et al., 2018). Loan forgiveness is only achieved after the borrower has made at least 120 qualified payments, so forgiveness comes at significant personal expenditure. The market-based elements of PSLF, or the private good, might explain why it is so difficult for a borrower to complete the program and have their loans forgiven—a personal benefit like loan forgiveness cannot be earned without substantial personal effort and sacrifice. What are the implications of using the term "Public Service Loan Forgiveness" within a neoliberal financial aid system that views higher education as a purely private good (Labaree, 2016)? What Cottom (2017) terms the "education gospel" encourages young adults to enter higher education as soon as possible, many times taking out massive amounts of loans to pay for this schooling. With high college costs and complex broken systems within financial aid as a whole and PSLF specifically, is forgiveness the correct term to use when students are seemingly coerced as—often—emerging adults to borrow large sums of money? Why is moral language deployed within an economic framework?

This troubling discrepancy is especially true for students of Color, as individuals with minoritized identities have statistically more student loan debt (Hanson, 2023). A 2019 survey on student loan debt found that twenty years after starting college, Black student loan borrowers still owe, on average 95% of debt, while White borrowers owe just 6% (Sullivan, 2019). Black women were found to have more debt than any other group, averaging around $38,000 in federal loans (Lucas et al., 2023). People of Color are more likely to default on their loans compared to White individuals (Baker, 2019; Sullivan, 2019). Financial aid systems have been argued as primarily benefiting White people and Whiteness through hurdles such as federal income verification and FAFSA, which leads to a disproportionately negative impact on students of color (Graves, 2024). While the racial breakdown of forgiveness under PSLF has not been publicized, since borrowers of Color have on average more student loan debt and due to the failures of the PSLF program, it can be concluded that borrowers of Color may be struggling with achieving loan forgiveness at a higher rate than White borrowers. The difficulty with loan forgiveness does not equally impact White and Black borrowers, with cascading consequences for both financial and other elements of wellbeing (e.g., Collier et al., 2024a).

Mind the Information Gap

At its core, PSLF is not working because of a serious gap in information between the Department of Education, servicers, and borrowers intending to use PSLF. It is certainly possible that the Department of Education and servicers did not intend to actively hide information about PSLF from borrowers. PSLF is failing because ED and servicers have not communicated timely and accurate information about the multitude of smaller criteria that borrowers must meet to qualify for PSLF and the necessity of certification procedures (GAO, 2018; NASFAA, 2014). Intentionally or not, facts about PSLF are hidden from borrowers and causing them financial and emotional harm (Turner, 2018b).

Of course, it is possible that this information is being withheld to keep borrowers from using PSLF. Such a situation would serve as a persuasive strategy to save federal money by making all borrowers pay their debt, creating what one policy scholar has called "perverse incentives," namely "incentives unwittingly built into a rule to comply with it in a way that creates new problems or exacerbates the very problems the rule is meant to cure" (Stone, 2012, p. 305). The headaches caused by attempting to comply with PSLF might lead some individuals to give up pursuing PSLF altogether while still remaining in public service. Stone (2012) reflected upon how persuasion works at both the government and the business level, showing how each sector might selectively use, withhold, or distort information to achieve desired outcomes. Information disparities in PSLF lead to financial inequities, where only a select few know how to successfully complete the program.

PSLF and the Purpose of Higher Education

The failure of PSLF provides an answer to a central dilemma in American higher education: should higher education be considered a public or a private good (Labaree, 1997)? PSLF's inability to achieve its stated goals for any other than the fortunate 670,260 who have received that loan forgiveness communicates that higher education is a private good, and any costs, risks, or benefits accrued from higher education fall squarely on the individual. Though the term "public" in PSLF indicates a certain altruistic orientation toward higher education, private individuals are harmed more by not receiving PSLF more than the public is. The federal government gets to keep its money and the individual still has an outstanding debt. If higher education is comparable to other financial investments, the individual takes on the risk, but the reward goes to the government before accruing to the individual.

In a broken system like PSLF, systemic changes are needed to see positive solutions. To salvage PSLF, other than increasing the informational efforts for TEPSLF and income-based repayment plans, a potential bureaucratic solution would be to have borrowers communicate their intentions to use PSLF as early as possible and assign them to servicers based on their answer. If most borrowers interested in PSLF start out in a particular loan servicer dedicated to PSLF, then delays in processing and servicer-based information gaps could be avoided. More sustained Congressional interest in and action toward decreasing student loan debt for both PSLF aspirants and other borrowers would also improve the situation in the long term. Previous Congressional interest in PSLF (Murray et al., 2018) and the support of the Biden administration did not lead to sustained action, but rather legal challenges. ED and servicer employees who actually do the hard work of implementing policy might be actors to target with ideas on how to improve PSLF like the ones presented in this article. Of course, another solution would be making all of higher education free to the individual, thereby negating the need for any loan forgiveness or implementing an across-the-board 10-year forgiveness program. Such solutions are unlikely to be implemented in the current higher education funding climate.

Historically, funding the educational careers of those in public service such as teachers has been a hallmark of American higher education funding dating back to the 1950s and the National Defense Student Loan program, providing federal loans for those who intended to teach STEM or foreign languages important for government military operations at the time (Wilkinson, 2005). PSLF represents a further government investment in encouraging such acts of service through easing loan burdens. Those working in higher education might be attempting to pursue PSLF and be well aware of the challenges inherent in attempting to receive forgiveness, if not necessarily the reasons for such difficulties. Findings from this article could be deployed on a pragmatic level to assist educators and others who wish to have federal loans forgiven by addressing common roadblocks and hurdles toward that goal. Those who work in education could share resources with students about the benefits for careers in public service, easing concerns about accruing loan debt (Ziskin et al., 2014). Additionally, it could also set the stage for further policy advocacy and action for those beset by student debt, which are more likely to be students of Color (Graves, 2024).

Conclusion

The Public Service Loan Forgiveness program is not working. Despite its goal of incentivizing more college-educated American workers to enter public service, the sheer amount of knowledge, effort, and dumb luck required to receive forgiveness through PSLF has prevented 66% of applications from receiving forgiveness. The future of PSLF is not entirely grim, however. The Biden administration implemented changes to PSLF that increased the loan relief rate from 1% to 34%. The COVID-19 pandemic saw a policy period in which Congress and other governmental entities were more open to addressing PSLF and its failures with legislative or administrative actions. Yet, with the second Trump administration, Biden's changes are being rolled back and the future of PSLF is in danger. Because of the prevalent market-based, neoliberal orientation toward higher education in the United States, however, the need of loans to be forgiven indicate that individuals will suffer for a systemic problem.

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