

Public Service Loan Forgiveness (PSLF) allows borrowers to earn forgiveness on eligible Federal Direct Loans after working as a full-time in a qualifying public service position while making ten years' worth of on-time monthly loan payments.

Three key points to know about PSLF:

1. PUBLIC SERVICE LOAN FORGIVENESS IS ESSENTIAL FOR A VIBRANT PUBLIC SECTOR:

- According to the Bureau of Labor Statistics, despite steady growth in private sector employment, there are still 500,000 fewer public sector positions than before the recession. In addition, the number of people in the U.S. relying on these services has grown.
- The burden of student debt increasingly steers highly educated employees into the private sector.
 - As a result, public sector employers report difficulty in recruiting and retaining talented staff, leaving many Americans without critically needed services.
- Public sector employers will find it even more difficult to attract and retain public service employees if PSLF is capped or eliminated.
 - A 2015 study by the National Legal Aid and Defender Association that surveyed 2,007 public interest attorneys across the U.S. found:
 - If there were a cap of \$57,000 on PSLF, approximately half of all respondents said they would not have taken their position or would likely leave for a position with a higher salary.
 - Seventy percent of respondents said that PSLF is one of the reasons they could take or remain in their current public interest position.
 - According to a 2014 survey by the National Association for Law Placement, the starting salary for prosecutors is only \$50,000 while the average amount borrowed for a private law school is over \$125,000. Prosecutors will struggle to recruit talented attorneys faced with that debt to income ratio if they are unable to earn PSLF.

2. PUBLIC SERVICE LOAN FORGIVENESS IS AFFORDABLE:

- The Congressional Budget Office estimates the federal government will earn \$81 billion from federal student loans over the next 10 years.
 - Most estimates of the cost of PSLF over that period range from \$6-8 billion.
- In most instances, graduate and professional borrowers will repay the amount they borrowed before earning forgiveness, meaning only accrued interest is forgiven.

3. PUBLIC SERVICE LOAN FORGIVENESS SERVES OUR COMMUNITIES:

- PSLF has become an important tool for attracting and retaining employees in critical jobs that support society's well-being.
- Our police, firefighters, social workers, teachers, health professionals, prosecutors, local government workers, the military and many more all rely on PSLF – **and therefore, all Americans rely on PSLF.**