



NEW YORK STATE
BAR ASSOCIATION

Report and Recommendations in Support of Public Service Loan Forgiveness Programs

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New York State Bar Association
Committee on Legal Aid (COLA) and President's Committee on Access to Justice (PCAJ)

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I. Executive Summary

Federal and state public service loan forgiveness programs play a critical role in enabling New York state attorneys to pursue and sustain legal services careers focused on serving marginalized and rural communities. With the average law school graduate owing \$130,000 in student loan debt, loan forgiveness programs such as the federal Public Service Loan Forgiveness (PSLF) and New York State's District Attorney and Indigent Legal Services Attorney Loan Forgiveness (DALF) program are essential tools for recruiting and retaining legal services attorneys across New York state.

In response to proposed federal changes that would exclude certain nonprofit employers from PSLF eligibility, the Committee on Legal Aid and President's Committee on Access to Justice convened a listening session in September 2025. Nearly 100 participants, including legal services providers, law schools, and PSLF beneficiaries attended, and nine individuals representing eight organizations testified about the importance of PSLF in supporting legal services careers. An additional three organizations submitted written testimony. Testifying individuals emphasized that the proposed changes to PSLF threaten the pipeline of attorneys entering and remaining in legal services careers, thereby undermining the legal services community's ability to help marginalized and rural communities across New York access justice.

The Committees recommend that the New York State Bar Association (NYSBA) advocate for preserving the integrity of the PSLF program and oppose the proposed federal changes. The Committees also urge NYSBA to continue to support legislation expanding the DALF program to increase financial assistance and expand eligibility. Without robust loan forgiveness support, legal services organizations risk losing talented attorneys, further widening the access to justice gap for marginalized and rural communities across New York state. The Committees call on NYSBA to support the protection and expansion of these vital programs.

II. Introduction

The Committee on Legal Aid and the President's Committee on Access to Justice jointly submit this report addressing the importance of federal and state public service loan forgiveness programs that encourage and facilitate New York attorneys to dedicate their legal careers to meeting the legal services needs of marginalized and rural communities. Given the high costs associated with attending law school and the significant student law debt that most law students graduate with, newly minted attorneys rely on loan forgiveness programs to both launch and sustain careers in public service. At the same time, New York state legal services organizations have come to count on their staff being eligible for loan forgiveness programs in order to both attract and retain talented attorneys and fulfill their mission to advance access to justice.

In response to recent proposed changes to the federal PSLF program, the Committee on Legal Aid and President's Committee on Access to Justice held a virtual listening session in September 2025 to hear directly from legal services providers, law schools, advocates, and loan forgiveness beneficiaries about the important role loan forgiveness programs play in law school graduates entering and sustaining public service careers that support marginalized and rural communities. Nearly 100 individuals attended the listening session. The committees heard testimony from nine individuals representing eight organizations and received written testimony from three additional organizations. Across the board, everyone who testified agreed on the importance of public service loan forgiveness programs for law school graduates to launch and maintain careers dedicated to accessing justice. Based on the testimony provided as well as the experiences of legal services providers across the State, the Committees on Legal Aid and President's Committee on Access to Justice are recommending that the New York State Bar Association advocate for maintaining the integrity of the federal PSLF program as it currently exists and expanding New York State's DALF program.

III. Background

A. Law Student Loan Debt

According to a recent national study, the average law school graduate owes \$130,000 in student loan debt and 71 percent of law school students graduate in debt.¹ Student loan debt is impacting attorneys' life choices with 39 percent of indebted lawyers reporting that they have postponed or decided not to have children due to their law school debt, 27 percent of new lawyers deciding to postpone marriage or remain unwed as a result of their debts, and 52 percent putting off purchasing property.² For those attorneys working in the public sector, 19.1 years is how long it will take to pay off their loans if they use twenty-five percent of their income.³

In addition, a recent American Bar Association (ABA) Young Lawyers Division study found that high student loan debt is having a detrimental impact on the emotional well-being of young lawyers. For those with more than \$200,000 in student debt, 76 percent reported that the burden made them feel stressed or anxious, and 52 percent reported that it made them feel depressed or hopeless.⁴

B. Federal Public Service Loan Forgiveness

¹ Melanie Hanson, "Average Law School Debt," *EducationData.org*, October 1, 2024, <https://educationdata.org/average-law-school-debt>.

² Ibid.

³ Ibid.

⁴ American Bar Association, "Young Lawyers Significantly Impacted by High Debt Burdens," *AmericanBar.org*, https://www.americanbar.org/groups/young_lawyers/resources/after-the-bar/personal-financial/young-lawyers-significantly-impacted-by-high-debt-burdens/.

Overview

The PSLF program was established under the College Cost Reduction and Access Act in 2007 to encourage careers in public service and provide a pathway for federal student loan debt forgiveness. The ABA was a leader in advocating for the creation of the PSLF program.⁵ NYSBA also has been supportive of federal public service loan forgiveness, including the expansion of federal loan forgiveness programs as part of its annual federal legislative priorities for the past several years.⁶

In order to qualify for PSLF, borrowers must make 120 qualifying monthly payments while working full-time. Qualifying public service jobs include work for nonprofit (501)(c)(3) employers and “public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization).”⁷

Proposed Changes

In March 2025, President Donald Trump issued an Executive Order that would bar employees of “activist organizations” that support activities with a “substantial illegal purpose” from access to the PSLF program and directed the United States Department of Education (US DOE) to implement the changes.⁸ The ABA objected to the proposed changes in a May 2025 letter to the US DOE, noting that changing the qualified employers definition based on their activities “has no basis in the PSLF statute” and the law does not allow for retroactive changes.⁹ The ABA also raised due process concerns about the process for determining employer ineligibility.¹⁰

In August 2025, the US DOE issued a notice of proposed rulemaking to carry out the March Executive Order. The prosed rule would prevent borrowers from qualifying for PSLF if their employers are engaged in activities defined as having a “substantial illegal purpose.”¹¹ Activities with a substantial illegal purpose include: (a) aiding or abetting violations of federal immigration laws; (b) supporting terrorism or violence to obstruct federal policy; (c) engaging in the chemical or surgical castration or mutilation of children; (d) child trafficking; (e) engaging in a pattern of illegal discrimination; (f) a pattern of violating certain state laws, such as those concerning trespassing, disorderly conduct, or obstruction of highways.” If any employer is determined to have engaged in

⁵American Bar Association, “Public Service Loan Forgiveness,” *AmericanBar.org*, https://www.americanbar.org/advocacy/governmental_legislative_work/priorities_policy/legaleducation/PSLF/.

⁶ See e.g., New York State Bar Association Federal Legislative Priorities 2025, <https://nysba.org/wp-content/uploads/2024/12/2025-Federal-Legislative-Priorities-Proof-12-10-24-1.pdf>.

⁷ 20 U.S.C. § 1087e(m)(3)(B).

⁸ The White House, “Restoring Public Service Loan Forgiveness,” *WhiteHouse.gov*, March 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/restoring-public-service-loan-forgiveness/>.

⁹ American Bar Association Journal, “ABA Objects to Proposed Changes in Public Service Loan Forgiveness Program,” *ABAJournal.com*, May 2025, <https://www.abajournal.com/web/article/aba-objects-to-proposed-changes-in-public-service-loan-forgiveness-program>.

¹⁰ *Ibid.*

¹¹ Federal Register, “Notice of Proposed Rulemaking,” 90 Fed. Reg. 40154 (2025).

an activity with a substantial illegal purpose, no payments made by a borrower while employed there would count towards PSLF eligibility. The US DOE would provide employers with notice and an opportunity to respond to any findings of substantial illegal purpose. The proposed rule would go into effect in July 2026.

The proposed changes to the PSLF program have raised alarm bells across the country. On September 17, 2025, twenty-two Attorney Generals registered their concern in a letter to the US DOE Secretary.¹² In their letter, the Attorney Generals note that the proposed changes are unlawful as the PSLF statute clearly dictates that the US DOE must cancel the debt of borrowers who meet the statute's eligibility requirements. The statute does not give the US DOE the authority to make exceptions or to exclude non-profit organizations from PSLF that meet the IRS's 501(c)(3) standards. They further express their "significant concerns that the Department will employ the Proposed Rule in ways that engage in content and viewpoint discrimination that is unlawful under the First Amendment."¹³

In addition, more than 250 nonprofit organizations across the country, including national civil rights organizations and New York state legal services organizations, expressed their opposition to the proposed rulemaking in a September letter to the US DOE.¹⁴ The authors of the letter expressed their concern that the Administration will use the revised rule as a proxy for protected activity with which it ideologically disagrees, such as work advancing immigrants' rights, transgender persons' rights, racial equity and inclusion, and peaceful demonstrations.

None of the critiques of the proposed rule suggest that organizations engaging in illegal activities should benefit from government programs. As Betsy Mayotte, President and founder of the Institute of Student Loan Advisors has noted, "if an entity is doing something illegal, of course they shouldn't benefit from taxpayer funds, but there are already clear and fair procedures, such as the courts, to make such determinations."¹⁵

C. New York State Loan Forgiveness

In addition to the federal PSLF program, New York State administers its own loan forgiveness program for public service attorneys. The District Attorney and Indigent Legal Services Attorney Loan Forgiveness Program was established in 2009. The DALF program provides public interest attorneys in New York with the opportunity to receive up to \$20,400 in total loan assistance over a

¹² State Attorney Generals, "PSLF Comment Letter," September 17, 2025, <https://oag.ca.gov/system/files/attachments/press-docs/2025.09.17%20PSLF%20Comment%20Letter%20FINAL.pdf>.

¹³ Ibid.

¹⁴ PSLF NPRM Coalition, "PSLF NPRM Coalition Comment Letter," September 2025, <https://protectborrowers.org/wp-content/uploads/2025/09/PSLF-NPRM-Coalition-Comment-Letter-September-2025.pdf>.

¹⁵ Betsy Mayotte, Testimony Provided to NYSBA Committee on Legal Aid and President's Committee on Access to Justice, September 25, 2025, available at <https://www.youtube.com/watch?v=y1dCQMS000A>.

six-year period.¹⁶ The total amount of assistance provided has not been increased since the program's creation. There have been recent legislative efforts to increase the annual award amount and extend the eligibility period in response to rising tuition costs since the program's inception.

IV. Virtual Listening Session Findings

On September 25, 2025, the Committees on Legal Aid and President's Committee on Access to Justice held a listening session focused on the proposed changes to the PSLF program and how they could impact New York state nonprofit legal services organizations serving marginalized and rural communities. Nearly 100 individuals attended the session. The committees heard testimony from law schools, student loan advocates, legal services employers, and legal services attorneys about the important role that public service loan forgiveness programs play in ensuring a continued pipeline of public interest attorneys who diligently work to close the access to justice gap in marginalized and rural communities across New York state. The virtual listening session was recorded and is available for viewing [here](#). Written testimony submitted to the committees is available in the Appendix.

Future Public Service Attorney Pipeline

New York state law school representatives testified about the important role PSLF has played in their students choosing public service careers. Jamila Lee, Vice Dean of Student Affairs at University at Buffalo School of Law, the New York state's only public law school, noted that many of their students are first-generation law students who want to return home after law school to help their neighbors in need. To date, the PSLF program has helped UB law students choose public service careers. NYSBA member and Albany Law School professor Sarah Rogerson noted that more than half of the 2024 graduating class entered public service. She shared the story of one of her students, who grew up in a rural community in New York and wanted to return home after graduation. Because of the PSLF program, he could afford to take a position with a legal services organization in his rural community and serve his neighbors in need.

Legal Services Attorney Retention

Legal services providers testified about the important role that loan forgiveness programs play in attracting and retaining talented attorneys. As Sal Curran, Executive Director of the Volunteer Lawyers Project of CNY, Inc. (VLPCNY) noted, "PSLF is what makes it feasible for [our staff] to choose legal aid, and to stay long enough to build the expertise that our communities need."

Vivian Storm, Legal Services of Long Island Supervising Attorney, testified that due to the high cost of living in Long Island, some staff have second jobs and significant debt in order to make ends meet. They rely on the PSLF program as a long-term strategy for maintaining legal services careers.

The National Consumer Law Center shared the public comment that it submitted on behalf of more than 70 legal services organizations. The comments emphasized that PSLF is critical to recruiting

¹⁶ New York State Higher Education Services Corporation, "District Attorney and Indigent Legal Services Attorney Loan Forgiveness Program," *HESC.ny.gov*, <https://www.hesc.ny.gov/find-aid-you-need/new-york-state-loan-forgiveness-programs/district-attorney-and-indigent-legal>.

and retaining attorneys in civil legal services, where salaries are far below those in the public and private sectors. The comments warned that proposed changes to PSLF would undermine a key financial support that enables attorneys to remain in legal services careers, exacerbating the existing “justice gap” between the legal needs of low-income communities and the resources available to meet those needs. Legal services programs already struggle to fill positions, with job openings remaining vacant for months, and turnover diverting resources to training new staff. Two primary barriers—low pay and high educational debt—make PSLF indispensable for sustaining the legal services workforce. Without reliable access to PSLF, many attorneys will be forced to leave legal services or avoid entering the field altogether, reducing essential services for millions of low-income families facing housing, health, and safety crises.

In addition, PSLF beneficiaries testified about the important role the program has played in their decisions to both pursue and remain in legal services careers. Volunteers of Legal Service Benefits Law Project Director, Jean Stevens, testified about her own experience with the PSLF program. Ms. Stevens noted that she has been able to dedicate her career to providing civil legal services on account of PSLF. “Thanks to PSLF, I was able to afford to do this work. PSLF adjusted my loan repayments based on my income. On my public service salary, I could cover my rent, transportation, and other cost of living costs plus my loan payments. Without PSLF, I absolutely could not have afforded to serve the public and provide greater access to justice.”

Michaela Rossettie Azemi, Managing Attorney of Pro Bono Services, shared that PSLF was integral to her ability to accept a staff attorney position in 2013 at \$46,000 per year despite carrying over \$260,000 in federal student loan debt. She testified that PSLF allowed her to remain in legal services, raise four children, and purchase home-life decisions she could not have responsibly made without the program. In July 2024, after more than 120 qualifying payments, Azemi received full forgiveness of over \$320,000 in federal loans, enabling her to pay off remaining private loans and continue her career in legal aid by choice.

Uncertainty Surrounding the Future of the PSLF Program

Although any revisions to the PSLF program would not go into effect until July 2026, the proposed changes are already having a negative effect on public service-minded law students and practicing attorneys. Vice Dean Lee noted that when the proposed rulemaking was announced, students were crying and seeking counseling support. Some of UB’s students would not have gone to law school but for the PSLF program, and now they fear they will not be able to afford a public service career any longer. Both Vice Dean Lee and Professor Rogerson noted the proposed changes are already causing students to rethink their plans of entering public service. “Our students are choosing to serve others in lieu of higher paying jobs in the private sector,” Professor Rogerson said. “Now they may choose income over interest at the expense of their well-being.” Vice Dean Lee noted that “[i]f this [change] takes full effect, over the next 30 years the need for attorneys who can understand and have a connection to marginalized and rural communities will grow. We won’t have attorneys who can empathize and understand what clients are going through.” Drawing on her experience advising law students at Cornell, Columbia, and Fordham, Michaela Rossettie Azemi, shared that PSLF has historically been the cornerstone of counseling students toward public interest careers. Today, however, uncertainty surrounding PSLF forces her to temper advice with caution, warning

that instability will have a chilling effect on recruitment and retention, particularly in rural areas where legal services providers already struggle to attract attorneys.

In their testimony, Sal Curran described how VLPCNY recently lost an attorney to a state job and that departing attorney “cited both a 60 percent salary increase and her fears about the uncertain future of PSLF as reasons for leaving.” Vivian Storm noted that the proposed changes are having a chilling effect on both current and future staff, noting that borrowers need to feel reassured that the PSLF program will remain available and consistent.

In its written testimony, the Empire Justice Center highlighted that the proposed PSLF changes will only serve to exacerbate the recruitment and retention crisis that legal services providers already face, thereby making it all the harder for New Yorkers to access justice.

Nancy Nierman, Assistant Director of the Education Debt Consumer Assistance Program (EDCAP), echoed these concerns, warning that the proposed rule could destabilize the very workforce PSLF was designed to support. She testified that vague and sweeping criteria for disqualifying employers—such as allegations of “substantial illegal purpose”—introduce uncertainty and risk politicizing PSLF eligibility. Nierman noted that these changes could have a chilling effect on public service employment. She emphasized that without a dependable PSLF program, many legal professionals may be forced to leave public service for financial reasons, and those who aspire to dedicate their careers to this work may be discouraged from even starting. “The stakes—for borrowers, communities, and the future of public service—have never been so high,” Nierman concluded.

V. Recommendations

Federal Public Service Loan Forgiveness Program

The Committee on Legal Aid and President’s Committee on Access to Justice recommend that NYSBA advocate for preserving the integrity of the PSLF program as intended by Congress so that legal services organizations can continue to serve marginalized and rural communities without disruption to their staffing levels. Should the proposed changes to the PSLF program go into effect, New York risks losing legal services attorneys to other sectors and the access to justice gap will only widen. The Committees urge NYSBA to write to the US DOE to withdraw the proposed rule and to maintain the existing PSLF regulations. In addition, if the proposed rule goes into effect in July 2026 as expected, we urge NYSBA to support efforts to enjoin the implementation of the proposed changes.

District Attorney and Indigent Legal Services Attorney Loan Forgiveness

The committees recommend that NYSBA continue to support the expansion of Higher Education Services Corporation DALF program as proposed by bills S161 (Ramos)/ A1602 (Simon). The legislation would increase student loan aid for public interest lawyers to \$8,000 annually, and increase the period of eligibility to eight years, for a total award eligibility of up to \$64,000 in total. The expanded program would allow attorneys to apply in their second year of work up to their tenth year. The proposed legislation enjoys support from district attorneys, public defenders,

unions,¹⁷ members of the legal services and pro bono community,¹⁸ and members of the State Legislature.¹⁹

The Committees' recommendations build upon the NYSBA Task Force on Rural Justice's 2020 report, which recommended that NYSBA promote existing loan-repayment-assistance programs, citing to both the PSLF and DALF programs.²⁰

V. Conclusion

New York state attorneys who pursue public service careers are motivated by the desire to assist marginalized and rural communities. In order to dedicate their careers to closing the access to justice gap, they need assistance with repaying the crippling student loan debt that they face upon graduation from law school. In the absence of sufficient loan forgiveness support, legal services providers will continue to lose talented and dedicated attorneys to other sectors and will struggle to hire new law graduates. The Committees therefore strongly recommend that NYSBA advocate for maintaining the integrity of the Public Service Loan Forgiveness Program as intended by Congress and expanding the District Attorney and Indigent Legal Services Attorney Loan Forgiveness program.

Respectfully submitted,
Committee on Legal Aid
President's Committee on Access to Justice
New York State Bar Association

¹⁷ New York State District Attorneys, Public Defenders, and Unions, "Letter to Governor Hochul re: S161/A1602," <https://legalaidnyc.org/wp-content/uploads/2024/12/DAs-Defenders-and-Unions-call-for-HESC-DALF-expansion-in-Exec-FY26-budget.pdf>.

¹⁸ New York City Bar Association Pro Bono & Legal Services Committee, "Letter to State Legislature in support of DALF," [nycbar.org](https://www.nycbar.org/reports/legal-services-attorney-loan-forgiveness-program/), accessed October 20, 2025, <https://www.nycbar.org/reports/legal-services-attorney-loan-forgiveness-program/>.

¹⁹ New York State Legislators, "Letter to New York State Governor re: S161/A1602," <https://legalaidnyc.org/wp-content/uploads/2025/01/HESC-DALF-Legislator-Sign-on-Ltr-to-Gov.pdf>.

²⁰ "Report of the New York State Bar Association Task Force on Rural Justice," April 2020, <https://nysba.org/wp-content/uploads/2020/04/Report-Task-Force-on-Rural-Justice-April-2020.pdf>.

Appendix

1. Testimony of Nancy Nierman, Assistant Director, Education Debt Consumer Assistance Program
2. Testimony of Betsy Mayotte, Institute of Student Loan Advisors and accompanying letter from Institute of Student Loan Advisors to U.S. Department of Education
3. Testimony of Sal Curran, Executive Director, Volunteer Lawyers Project of Central New York
4. Testimony of Empire Justice Center
5. Testimony of National Consumer Law Center
6. Testimony of Jean Stevens, Benefits Law Project Director, Volunteers of Legal Service
7. Testimony of Vivian Storm, Supervising Attorney, Legal Services of Long Island
8. Testimony of Michaela Rossettie Azemi, Managing Attorney of Pro Bono Services, Legal Aid Society of Mid-New York

September 25, 2025

NYS Bar Association: Virtual Listening Session for PSLF

Introduction

Good afternoon. My name is Nancy Nierman. I am the Assistant Director of the Education Debt Consumer Assistance Program (EDCAP). EDCAP is a program initiative of the Community Service Society of New York, a nonprofit organization which has been actively promoting economic opportunity and equality through advocacy and direct services to communities throughout New York State since 1843.

About EDCAP

EDCAP was created in July 2019 in response to the student debt crisis that has been building in this country for decades. In addition to the sheer size of the debt portfolio (2.4 million borrowers holding \$96 billion of debt in New York State), the complexity of the system makes it extremely difficult to navigate for many borrowers without expert help.

EDCAP is a New York-State funded program and was the first of its kind to be launched in the nation. Our network of ten community-based organizations across the state offers free educational workshops and personalized one-on-one counseling sessions, with thousands conducted annually.

Our client base reflects the diversity of our communities demographically and economically. We see everyone from those who are living in shelters to municipal workers and even Assistant DAs and judges.

This broad reach, combined with the depth of our individualized counseling, gives us a unique lens into the widespread and deeply personal impact of student debt across all segments of the economy.

Public Service Loan Forgiveness (PSLF)

The PSLF program was created by Congress in 2007 during the George W. Bush administration as a means of incentivizing student borrowers to pursue careers in public service which often experience staff shortages due to low pay.

There are an estimated 1.3 million state, local and public authority (MTA, Port Authority) employees in New York and about 500,000 of them are estimated to hold student debt.

Many of these professions require educational credentials that can be expensive to obtain and leave borrowers with hundreds of thousands of dollars of debt. It is not unusual for lawyers and medical professionals to graduate with upwards of \$250,000 of debt. Even teachers and nurses accumulate six-figure loan balances.

While the rising cost of living affects everyone, public sector workers often face greater financial strain—especially those raising families. These roles are essential to the health and well-being of our communities, yet without a clear and attainable path to debt relief, many individuals may opt for higher-paying private sector jobs or leave these professions altogether.

This is why PSLF has consistently enjoyed bipartisan support in Congress since its inception. Notably, the federal budget bill enacted in July of this year made no substantive changes to PSLF.

Notice of Proposed Rule Making (NPRM)

The Administration’s proposed changes to the definition of “Qualifying Employer” under the Public Service Loan Forgiveness (PSLF) program could significantly undermine the program’s reach and effectiveness, particularly here in New York State. By introducing broad criteria—that excludes employers deemed to have a “substantial illegal purpose”—the new rules risk disqualifying entire categories of public service organizations, including nonprofits and government agencies that provide critical services.

If enacted, these changes could have a chilling effect on public service employment,—especially for those involved in healthcare, education, immigration services, or civil rights advocacy and could destabilize the very workforce PSLF was designed to support.

The rule would grant the Secretary of Education unprecedented authority to determine—based on a “preponderance of the evidence”—whether a government or nonprofit employer is engaged in activities deemed to have a “substantial illegal purpose.”

These activities are broadly defined and include aiding or abetting violations of federal immigration law, supporting terrorism, engaging in child abuse (which includes gender-affirming medical care for minors), illegal discrimination, and violations of state tort laws such as trespassing or disorderly conduct. The scope and vagueness of these definitions raise serious concerns about political motivations and selective enforcement.

While legal experts will ultimately assess the constitutionality of these provisions, the proposed rule appears to create a pathway for the Administration to either penalize public sector employers—and their employees—based on ideological differences around immigration, gender-affirming care, Diversity, Equity, and Inclusion (DEI), or even the right to protest or to

force governments and organizations to change policies and eliminate services they currently offer.

Under the proposed framework:

- Employers found to have engaged in these activities could lose PSLF eligibility for 10 years.
- To regain eligibility, they must submit and comply with a corrective action plan approved by the Secretary.
- The determination process lacks transparency, and borrowers have no right to appeal if their employer is disqualified.

This raises critical questions:

- If a legal aid organization defends undocumented immigrants, could that be considered illegal under the new rule?
- If a hospital provides gender-affirming care to a small subset of patients, could the entire institution lose PSLF eligibility?
- In cities like New York, where over 300,000 public employees share the same Federal Employer Identification Number (EIN), could a single department's actions jeopardize PSLF access for all?

Although the Department has suggested it could narrow enforcement to specific units within large organizations, it has provided no clear mechanism for doing so. And given the current inability of a drastically-reduced staff to administer existing programs like Total and Permanent Disability (TPD) discharge and Income-Driven Repayment (IDR) enrollment, the operational feasibility of implementing such sweeping changes is highly questionable.

Historically, PSLF has been plagued by administrative challenges, lack of transparency, and widespread borrower confusion. It wasn't until the previous administration took meaningful steps to correct past errors—streamlining processes, automating systems, and increasing transparency—that PSLF began to truly serve the borrowers it was designed to help. Unfortunately, the newly proposed rules threaten to reverse that progress, introducing significant uncertainty and making the program far less stable and reliable.

Compounding the issue, new federal borrowing limits set to take effect in 2026 will make it even harder for students to finance the expensive degrees required for these roles. Many will be forced to seek private loans which do not have access to forgiveness programs or abandon these career paths altogether. When combined with the looming instability of PSLF, we risk seeing a sharp decline in enrollment in these essential fields.



I want to specifically mention the impact on the legal community. While EDCAP does not engage in litigation and most of us are not attorneys, many of our network partners are legal aid organizations and we have worked closely with the legal community for many years,—providing workshops and one-on-one counseling to legal aid staff, public defenders and even District Attorney's offices. I've seen firsthand how vital services offered by these groups are to underserved communities, and I've also seen how financially strained the legal professionals providing them often are. Without a dependable PSLF program, many may be forced to leave public service for financial reasons, and those who aspire to dedicate their careers to this work may be discouraged from even starting.

We can only hope that through advocacy, public engagement, or legal challenge, these proposed changes to PSLF will not be implemented. If they are, New York State can play a pivotal role in mitigating the damage by expanding its student loan forgiveness programs administered by HESC for public interest lawyers, social workers and nurses and making these programs more easily accessible. The stakes—for borrowers, communities, and the future of public service—have never been so high.

Thank you for your time.

My name is Betsy Mayotte and I'm the President and founder of The Institute of Student Loan Advisors (TISLA), a non-profit whose mission is to provide free, neutral, expert student loan advice and dispute assistance to all consumers. I've been working in student loan compliance, advocacy and policy for over 25 years and have been a negotiator in multiple student loan related negotiated rulemaking sessions, including the recent session affecting Public Service Loan Forgiveness. For what it's worth, I was that one negotiator that voted no to the Secretary's proposal.

While PSLF has been given a bad rap over the years, sometimes deserved, sometimes not, I personally have seen many many success stories of not only borrowers who have benefited from this program, but that due to those benefits have been able to impact many others in their community. Over a million borrowers have received forgiveness under this program to date. These are teachers, child care providers, law enforcement, social service providers, health care providers, librarians, legal aid and public defenders and many others that literally could not afford to work in their chosen fields, and would not be working in these fields, if it wasn't for PSLF. And that's exactly what Congress and former President George W. Bush intended. Here's just one quote from the Congressional record back in 2007 when PSLF was being put into law:

"We want to encourage more young people to go into public service. Our policies should respect that choice, not denigrate it... Under the loan forgiveness program, the remaining loan balance on a loan is forgiven for a borrower who has been employed in a public sector job and making payments on the loan for 10 years. These jobs are essential to the communities they serve

You could replicate that across every single profession that really falls into the service profession, the caring professions, where we are seeing shortages of people because there is a disconnect between the salary they are paid and the debt they have to incur in order to get the credentials to be able to perform the public service"

During the negotiated rulemaking session the ED representatives claimed in part that this proposal was intended to bring PSLF back to the Congressional intent. If one reads the full congressional narrative one would see that if this was the case they would actually be expanding PSLF eligibility rather than trying to restrict it in this way.

The proposed changes to the PSLF program, which result from an executive order issued back in March, are arguably illegal from the get-go. 455m of the Higher Education Act defines a public service job for PSLF purposes to be:

"The term "public service job" means-

- (i) a full-time job in emergency management, government (excluding time served as a member of Congress), military service, public safety, law enforcement, public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations, as such terms are defined by the Bureau of Labor Statistics), public education, social work in a public child or family service agency, public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization), early childhood education (including licensed or regulated childcare, Head Start, and State funded prekindergarten), public service for individuals with disabilities, public service for the elderly, public library sciences, school-based library sciences and other school-based services, or at an organization that is described in section 501(c)(3) of title 26 and exempt from taxation under section 501(a) of such title;”

There are no clauses in the language that would give the Secretary the authority to remove PSLF eligibility status from such jobs. Yet under this proposal, the Secretary would do just that in situations where it was determined that the employer had engaged in “substantial illegal activity” which they limit to discrimination, terrorism, protests, gender affirming medical care for minors and immigration.

But even putting that aside, the proposal gives the Secretary the authority to determine if such illegal activities occurred. When asked why this was needed when there are already established processes in place within the courts and the IRS the response was that those processes “weren’t fast enough.”

While the proposal has not been finalized and implemented yet, it is already resulting in a chilling effect on borrowers. I’ve seen borrowers who work at hospitals that provide gender affirming care, LEGAL gender affirming care under their state laws, take out home equity or 401K loans to pay off their student loans, or worse, leave their jobs, because they are convinced their employers will lose PSLF status. Public defenders and legal aid attorneys are looking into private practice jobs for the increased income due to their work with immigrants. Fire fighters are worried about losing access due to working in so called sanctuary cities. Students are considering changing their degree and career pathways for fear that PSLF will no longer be a road to affordable education in their public service career. Even if this proposal is shot down by the courts the negative effects are already impacting the communities that these public service workers serve. I recently participated in a project with the National Academies of Science and Medicine where we explored how the

cost of medical education has resulted in a lack of such care being available in rural, low income and other high need areas.

While the Notice of Proposed Rulemaking itself claims that these proposed changes will only affect about 10 employers per year, the effects are clearly more widespread. We should also be concerned about the arbitrary nature of the proposal and how the Secretary will choose which employers will be pursued. The week of the negotiations, the ED issued a press release accusing Harvard University of “violently violating discrimination laws.” The possibility of this rule being used as a political tool under both current and future administrations should be of a concern to everyone, regardless of political leanings.

If an entity is doing something illegal, of course they shouldn’t benefit from taxpayer funds, but there are already clear and fair procedures, such as the courts, to make such determinations.

My final thought I want to share with you is while we should all be taking this very seriously, we also should not panic. Borrowers should not be taking any immediate action as to their loans or careers and we should not be urging them to do so. What we should be doing is educating them on the likely very limited scope if this should make it through the courts.



The Institute of Student Loan Advisors

September 17, 2025

Via Email: www.regulations.gov

Ms. Tamy Abernathy
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Re: Docket ID ED-2025-OPE-0016 – Response to the Public Service Loan Forgiveness Notice of Proposed Rulemaking

Dear Ms. Abernathy

Thank you for this opportunity to provide comments on the draft regulations concerning the forgiveness of federal student loans for public service employees.

As a negotiator on this committee, I was given the privilege and responsibility of representing consumer advocacy, legal aid and civil rights organizations. As someone who has a career of over 25 years in student loan compliance, advocacy and service, I have been a real time witness to the creation, implementation and evolution of the Public Service Loan Forgiveness program (PSLF) including the intent and effects of this program. My comments stem from all these experiences.

The Secretary does not have the authority to promulgate these regulations

Article VI of the U.S. Constitution establishes that federal law is the “supreme law of the land” and while Congress has given agencies such as the Education Department (ED) authority to create regulations to implement these laws, they have not been given the authority to create regulations that contradict these laws. In fact, the courts determined as part of the Chevron decision that agencies have no particular authority in interpreting areas of federal law that are unclear. While the ED initiated this negotiated rulemaking session on the behest of an executive order issued by the President, Article 1 of the Constitution gives legislative authority only to Congress, meaning that the ED does not have the authority to implement an executive order that is contrary to federal law.

Section 455(m)(3)(B)(1) of the Higher Education Act of 1965 as amended defines eligible employment for the purpose of PSLF as follows (emphasis added):

“(B) PUBLIC SERVICE JOB.—The term ‘public service job’ means—

(i) a full-time job in emergency management, government (excluding time served as a member of Congress), military service, public safety, law enforcement, public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals

engaged in health care practitioner occupations and health care support occupations, as such terms are defined by the Bureau of Labor Statistics), public education, social work in a public child or family service agency, public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization), early childhood education (including licensed or regulated childcare, Head Start, and State funded prekindergarten), public service for individuals with disabilities, public service for the elderly, public library sciences, school-based library sciences and other school-based services, or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; ”

The language above gives no other parameters for a government or 501(c)(3) non-profit employer to be considered eligible for PSLF purposes other than that be a government or 501(c)(3) entity. If Congress had intended to exclude certain activities or cohorts from these groups of eligible employers they would have added such parameters or given leeway for the ED to add such parameters, in the legislative language. In fact, they did so in the case of members of Congress, who are employees of a government organization. Therefore, excluding government or eligible non-profit organizations from PSLF eligibility due to the activities listed in this proposal would be in violation of the federal law that defines a PSLF eligible employer and the Secretary has no authority to take this action. This makes the entire proposed rule illegal and consequently it must be withdrawn.

The proposal is arbitrary and beyond the scope of the Secretary's role.

Per the ED's website, the role of the Secretary is as follows:

“The Secretary is responsible for the overall direction, supervision, and coordination of all activities of the Department and is the principal adviser to the President on federal policies, programs, and activities related to education in the U.S.”

What is not listed here is any role in areas of making a determination of whether an activity is illegal. The ED does not have a judiciary role or powers and proposing regulations that appear to give the Secretary such a role is troublesome at best, especially in areas outside of education policy. There is already a process and authorities in place, such as the courts in the case of determining whether an activity is illegal and the established IRS rules for determining 501(c)(3) eligibility, to ensure that such activities do not benefit from these programs and in a way that ensures proper due process. There is no need or value to taxpayers to create a duplicative process under an umbrella where the role and authority for such a process does not exist.

What's more, the proposed regulations arbitrarily choose what areas of “illegal activities” that will be judged by the Secretary. If the argument is that they are trying to prevent the spending of taxpayer dollars on a program that indirectly benefits employers that engage in illegal activities, why limit the list of such activities? Of course an entity that is engaged in illegal terrorism or trafficking should not benefit from such benefits. But shouldn't the same be said for entities that engage in activities that cause injury or death, or that commit fraud, or embezzle funds, or engage in sexual abuse? Under this premise, the U.S. Immigration and Customs Enforcement (ICE) should have their PSLF eligibility removed due to the illegal negligence that have caused the deaths of several dozen prisoners in the past years. The targeted areas of “illegal activities” appear to be purely arbitrary and an attempt to weaponize a particular political agenda. The fact that the ED issued a press release during the negotiations that accused Harvard University of violently violating discrimination laws appears to bolster this theory. Creating such a rule

with such an arbitrary list of “illegal activities” is not only in conflict of good public policy but is a precedent that could be changed by future administrations in a way that might be troublesome to the existing administration.

I strongly recommend that the Secretary remove the provision that would allow the ED to make the determination that substantial illegal activities occurred without one of the clauses i-iii under subsection (h)(1) of 685.219.

Thank you again for giving me the opportunity to comment.

Betsy Mayotte

President

The Institute of Student Loan Advisors

Good afternoon. My name is **Sal Curran**, and I serve as the **Executive Director of the Volunteer Lawyers Project of Central New York**. I also am a member of the Committee on Legal Aid and the President's Committee on Access to Justice.

Thank you to the New York State Bar Association for convening this important listening session on Public Service Loan Forgiveness and access to justice.

VLPCNY is a nonprofit legal aid program. Our mission is to expand access to justice by engaging the legal community in service to those in need.

I will be speaking to the importance of PSLF to legal aid organizations like VLPCNY, and later my colleague Pauline Smith will speak to the individual stories of clients that we have served through our Education Debt Counseling Assistance Program.

In the past year alone, our staff, together with more than **600 volunteer attorneys, law students, and paralegals**, served over **4,000 clients**, benefiting more than **10,000 people** in Central and Upstate New York.

We help tenants avoid eviction, survivors of domestic violence secure safety, immigrants obtain safety and security, and transgender individuals fight and avoid discrimination by obtaining affirming legal name changes and more. Last year we:

- **Prevented or delayed eviction** for over 2700 individuals
- **Served over 1000 immigrants, including**
- Completed 160 **legal name changes** for transgender, gender nonconforming and nonbinary clients, with nearly every client reporting improved safety and self-esteem.

These services are lifelines for people in crisis.

The **Public Service Loan Forgiveness program** is absolutely essential to making this work possible.

Our attorneys graduate with six-figure debt loads, but they accept salaries far below what they could earn in the private or even public sector. PSLF is what makes it feasible for them to choose legal aid, and to stay long enough to build the expertise that our communities need.

Without PSLF, many of our attorneys simply could not remain in this work. We've already lost one young attorney to a state job—she cited both a **60% salary increase** and her fears about the **uncertain future of PSLF** as reasons for leaving. That attorney was working in

our immigration program, so was particularly concerned that her program and work would be targeted.

That is why the Department of Education's proposed rule is so alarming.

The rule would allow the Secretary to strip PSLF eligibility from nonprofits if their work is deemed to involve a "substantial illegal purpose." This vague and politicized standard is being used to target organizations serving **immigrants, transgender youth, survivors of violence, and other marginalized groups.**

The proposed rule is not just bad policy—it is likely unconstitutional. By defining "illegal purpose" to include providing healthcare to transgender youth, the Department is engaging in **facial discrimination on the basis of sex and transgender status**, a move that federal courts have already recognized as unlawful.

Even more troubling, the Department is attempting to make medical judgments it has no expertise or authority to make. Sensitive decisions about healthcare should rest with doctors and patients, not with federal education officials.

For VLPCNY, this is not theoretical—it's personal.

A young immigrant youth came to us just weeks before his 21st birthday. We worked tirelessly with a volunteer attorney to file for **Special Immigrant Juvenile Status** before the deadline. Because of that, he avoided deportation, gained employment authorization, and is now on a path to permanent residency. Without free legal aid, he would have been removed from the U.S. Given that this client entered without inspection, assisting him with legal services is exactly the kind of services that could be at risk by this rule. This rule would threaten our ability to help immigrants who have suffered abuse and neglect who are eligible for relief.

Or consider the transgender clients we've assisted with legal name changes—over 260 last year. They tell us that having correct ID is not just paperwork—it is the difference between feeling safe at school or work, and living in daily fear of harassment.

If PSLF is stripped away from our attorneys because of the communities we serve, it is not only our staff who suffer—it is clients like these who lose their only chance at justice and safety.

The PSLF program was created by Congress to ensure that professionals could serve the public without being crushed by debt. To undermine it now would be unlawful, unjust, and devastating to access to justice.

Strongly encourage NYSBA to step forward as a leader in speaking out against the proposed rule and supporting efforts to continue not only the national PSLF program, but also state-based student loan forgiveness programs. We call on NYSBA to

- 1. State that Dept of Education should withdraw the proposed rule and**
- 2. Stop weaponizing PSLF to punish organizations that serve marginalized communities and**
- 3. Reaffirm that all nonprofit legal services are PSLF-eligible.**
- 4. Support NY Legislative Efforts to continue EDCAP funding and expand state-based loan forgiveness programs.**

The promise of PSLF is the promise of access to justice. On behalf of VLPCNY, our staff, and our clients, I ask you to fight to keep that promise.

Thank you.



Testimony for the New York State Bar Association

Re: Public Service Loan Forgiveness

October 10, 2025

Prepared by:

Kristin Brown, President and CEO

Jordan Daniels, Student Debt Paralegal

Alex Dery Snider, Policy and Communications Director

Empire Justice Center is a statewide, multi-issue, multi-strategy not-for-profit civil legal aid provider focused on changing the complex systems impacting low income and marginalized New Yorkers. With a focus on poverty law, Empire Justice takes a 360-degree approach to the areas of law we practice in, providing individual legal representation, policy research and analysis, training and technical assistance as well as impact litigation. We have seven offices across the state: in Albany, Rochester, Yonkers, White Plains, Central Islip, and Hempstead.

We are deeply concerned about the proposal to amend the regulations on the federal Public Service Loan Forgiveness (PSLF) program under 34 CFR 685.219, which would harm our clients, our staff, and legal service providers across the state.

Empire Justice -- and the civil legal services broadly -- are experiencing a crisis when it comes to recruiting and retaining staff. Much of this is due to the low salaries, especially compared to peers in the public sector doing substantially similar work. While we have had some success in advocacy for increased funding, our organization currently relies heavily on other benefits to attract and retain staff.

The PSLF has been an essential tool for the recruitment and retention of staff, notably attorneys carrying high student debt but who want to work in the public sector.

Impact on EDCAP clients

Empire Justice Center is a specialist for the Education Debt Consumer Assistance Program (EDCAP), which provides free, unbiased counseling and educational resources to student loan borrowers across New York State. We work directly with clients, many of whom are public servants, like teachers, nurses, social workers, and other non-profit/government employees that are relying on PSLF as a pathway to financial stability.

We can attest that borrowers are facing administrative errors, delayed processing times and miscommunication from loan servicers while pursuing PSLF under the current system. We are currently assisting a client who has been a special education teacher in a rural, low-income school district since 2013. She has been PSLF eligible since September 2024 and despite her tracker saying she's forgiven and multiple complaints made to the Department of Education, her loans remain intact. We are assisting another client who is delaying his retirement from public service because he wants to reach forgiveness under PSLF. He's currently in the SAVE forbearance and has submitted a request to switch to Income-Based Repayment (IBR) to obtain his last 7 months of credit. The application has been wrongly denied two times because the U.S. Department of Education has yet to fix the administrative error which is rejecting his application based on the outdated Partial Financial Hardship requirement. Therefore, his forgiveness and retirement continue to be delayed by no fault of his own.

Impact on clients broadly

We know that the recruitment and retention crisis impacts the Access to Justice Gap in New York State. As we shared at the 2024 Chief Judge's hearing¹, the statewide vacancy rate – how many positions remain unfilled – impacts our ability to serve clients.

The estimated impact of the average statewide vacant position rate equates to approximately 426 vacant attorney positions. If we assume approximately 120 cases per year per attorney, that means that there are approximately 50,000 people who are not served every year due to the inability to fill vacant positions.

Increasing barriers and reducing incentives for attorneys to take positions in the civil legal services would exacerbate an already dire situation and make it harder for New Yorkers to access justice.

Impact on peers in government

This amendment will also impact public employees, such as those at the Office of Court Administration and in other branches of New York State, city and county, and in school systems. State and municipal employees are often our partners in providing services to vulnerable communities, and we know that staffing shortages increase delays in many important systems, including crucial economic supports. This will only make things worse.

As such, we strongly oppose the proposed rule.

Rather than narrowing PSLF through executive action, the focus should be shifted to simplifying and strengthening the program. Furthermore, PSLF is a congressional statute, and our clients have made major financial and professional decisions based on this program being in place, treated as law. The proposed rules would undermine this statute and transform PSLF into a politically contingent and unstable program, which undermines the whole intent. Our public servants deserve transparency and accountability about the promise of loan forgiveness that was made to them when they were choosing their careers.

¹ Testimony for the Chief Judge's Hearing on Civil Legal Services in New York. 2024. Brown, Kristin. https://empirejustice.org/resources_post/written-testimony-testimony-on-chief-judges-2024-hearing-on-civil-legal-services-in-new-york/

September 24, 2025

New York State Bar Association
Committee on Legal Aid
President's Committee on Access to Justice
1 Elk Street
Albany, NY 12207

Submitted via email to ebencke@nysba.org.

RE: Virtual Listening Session: Public Service Loan Forgiveness and Access to Justice

To whom it may concern:

In response to the New York State Bar Association's Committee on Legal Aid and President's Committee on Access to Justice upcoming virtual listening session on Public Service Loan Forgiveness, the National Consumer Law Center hereby submits a copy of recent comments¹ we filed, along with 70+ legal services organizations, in response to the Department of Education's proposed rule to add new restrictions to the definition of qualifying employers for the Public Service Loan Forgiveness (PSLF) program.² We believe these comments will help inform the New York State Bar Association on how the proposed changes to the Public Service Loan Forgiveness (PSLF) program could impact New York State nonprofit legal services organizations serving marginalized and rural communities.

Thank you for your consideration of these comments. If you have any questions about these comments, please contact Abby Shafroth (ashafrroth@nclc.org) and Anna Anderson (aanderson@nclc.org).

Respectfully submitted,

National Consumer Law Center (on behalf of its low-income clients)

¹ National Consumer Law Center, Comments from 70+ Legal Services Organizations on Proposed Public Service Loan Forgiveness Rule (Sept. 17, 2025).

² U.S. Dep't of Education, Notice of Proposed Rulemaking, 90 Fed. Reg. 40154 (Aug. 18, 2025), available at <https://www.federalregister.gov/documents/2025/08/18/2025-15665/william-d-ford-federal-direct-loan-direct-loan-program>.

September 17, 2025

Linda McMahon
Secretary, U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Submitted via regulations.gov

**RE: Legal Aid Comments on Proposed Changes to Public Service Loan Forgiveness
Rules, Docket ID ED-2025-OPE-0016**

Dear Secretary McMahon,

We, the undersigned 70+ legal services organizations that work on behalf of low-income people, submit this comment in response to the Department of Education's request for comments on its proposed rule to add new restrictions to the definition of qualifying employers for the Public Service Loan Forgiveness (PSLF) program.¹

The Higher Education Act defines qualifying public service jobs for PSLF as work for nonprofit 501(c)(3) employers and work for “public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization),” among others.² Despite this explicit statutory definition, the Department’s proposed rule would redefine qualifying employers by placing new conditions on qualification and attempt to grant the Secretary novel new authority to revoke 501(c)(3) and legal services employers’ qualifying status based on Secretarial findings that the employer engaged in certain types of activities disfavored by the President.³ Because the Secretary lacks legal authority to depart from the clear definition of public service jobs provided in the Higher Education Act, because the proposed rule threatens the integrity and reliability of a program that nonprofit legal services organizations rely on to recruit and retain staff to provide legal assistance to low-income people, and because the proposed rule would threaten the freedom of legal services organizations and chill them from providing important services to all lawful clients, we urge the Department to withdraw the proposed rule and to maintain its existing PSLF regulations.

¹ U.S. Dep’t of Education, Notice of Proposed Rulemaking, 90 Fed. Reg. 40154 (Aug. 18, 2025), available at <https://www.federalregister.gov/documents/2025/08/18/2025-15665/william-d-ford-federal-direct-loan-direct-loan-program>.

² 20 U.S.C. § 1087e(m)(3)(B).

³ The proposed rule follows from President Trump’s Executive Order “[Restoring Public Service Loan Forgiveness](#),” (May 7, 2025).

I. Congress Defined Public Service Employment to Include Full-Time Work at All 501(c)(3) Nonprofits and Nonprofits that Provide Legal Services to Low-Income Communities, and the Secretary Lacks Authority to Revoke Such Qualification

PSLF was created in 2007 by a bipartisan act of Congress to encourage people to pursue public service work by forgiving the remaining balance of their federal student loans after they complete ten years of public service work while making required student loan payments.⁴ To achieve this purpose, Congress defined “public service jobs” expansively, objectively, and politically neutrally. The authorizing PSLF legislation specifically defines “public service jobs” to include full-time work for government, nonprofit 501(c)(3) employers, and “public interest law services (including prosecution or public defense or legal advocacy on behalf of low-income communities at a nonprofit organization),” among others.” 20 U.S.C. § 1087e(m)(3)(B). This statutory definition of public service jobs is clear and unambiguous.

The Department of Education’s PSLF regulations have long been faithful to this statutory definition, with earlier versions of the regulations largely repeating the statutory language, and the current version defining a qualifying public service employer to be inclusive of any “United States-based Federal, State, local, or Tribal government organization, agency, or entity,” any “organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code,” as well as other non-501(c)(3) nonprofits that meet the statutory definition for public service jobs, including those providing “public interest law services.” 34 C.F.R. § 685.219(b).⁵ By remaining faithful to the objective definition for public service jobs established in statute, the regulations have made it a largely straightforward and nonpolitical matter for employers, borrowers, and the Department of Education alike to determine whether an employer qualifies for participation in the PSLF program. This is especially true for nonprofit 501(c)(3)s, which are automatically qualifying employers based on their 501(c)(3) status. The objective standards have provided borrowers and employers much needed predictability regarding ongoing qualification for a program that requires 10 years of qualifying public service work to result in any borrower benefit.

The proposed rule, in contrast, would break dramatically from the statutory definition of public service jobs by providing the Secretary of Education with unprecedented new authority to determine that government, legal services, and 501(c)(3) nonprofit employers are no longer “public service” employers if the Secretary deems that they have engaged in certain disfavored conduct. Under the Department’s proposal, the Secretary could revoke the public service employer designation based on the Secretary’s extra-judicial determination that the employer has engaged in activities with a “substantial illegal purpose” related to immigration, discrimination,

⁴ Pub.L. 110-84 §401 (2007).

⁵ The statutory and regulatory definitions are also inclusive of additional types of public service employment, but because legal assistance organizations typically qualify for PSLF under the 501(c)(3) or nonprofit public interest legal services provisions, we focus on those here.

transgender people, terrorism, or certain conduct associated with protest. Worryingly, in most instances, these determinations would be made solely by the U.S. Department of Education, without requiring the government to prove in court that the employer has in fact broken any law. To retain PSLF eligibility, the employer would then have to wait either ten years since the last Secretarial finding of engagement in such activities, or until the employer enters a corrective action plan with the Secretary for the cessation and correction of undesired activities.

The Department lacks authority to impose these new, politically-charged, subjective conditions on the definition of public service employment for the PSLF program. First, the plain language of the statute authorizing the PSLF program explicitly defines “public service jobs” for the purpose of PSLF eligibility to mean work for 501(c)(3) employers and nonprofit legal services organizations serving low-income communities, among others. That language is clear and unambiguous, leaving no room for the Secretary to substitute her own judgment. Second, nowhere in the authorizing statute does Congress grant express or implied authority to the Secretary to redefine public service jobs or to create and impose additional substantive restrictions like those in the proposed rule.

Finally, nothing in the authorizing PSLF statute, the Higher Education Act more broadly, or in any other statute cited by the Department authorizes the Secretary of Education to enforce and adjudicate immigration, anti-terrorism, or state healthcare laws that originate outside the Higher Education Act against organizations that operate outside the education sector. Yet that is precisely what the proposed rule purports to empower the Secretary of Education to do, by authorizing her to make her own legally- and economically- significant determinations as to whether employers are violating these disparate bodies of state and federal law, and punishing the employers and their employees with student debt based on such determinations. Because the proposed rule conflicts with authorizing statute and exceeds the Secretary’s legal authority, the proposed rule is unlawful and should be withdrawn.

II. If Finalized, the Proposed PSLF Restrictions Will Reduce Low-Income Families’ Already Limited Access to Civil Justice by Reducing Recruitment and Retention of Legal Aid Attorneys

PSLF helps ensure that talented attorneys can afford to choose and remain in careers at civil legal aid organizations—which pay far less than the public and private legal sectors—without being burdened by long-term federal student debt. Civil legal aid is often critical to upholding legal rights and addressing a range of basic needs, from preventing homelessness caused by unlawful foreclosures, to recovering unpaid wages illegally withheld, to obtaining food and medicine for critically ill children, to enabling domestic violence survivors to reach safety and financial security. If implemented, the proposed rule will undermine a key financial support that is critical to attracting legal aid attorney applicants and retaining experienced staff, diminishing the already

stretched capacity of civil legal aid organizations to provide these and other vital legal services to low-income families and their communities.

By ensuring that talented attorneys can afford to work for civil legal aid organizations, PSLF indirectly supports a lifeline for millions of low-income families and individuals facing major health, safety, housing, and financial crises throughout the United States. The largest portion of the civil legal aid system—130 nonprofit organizations funded by the federal Legal Services Corporation (LSC)—assists over 5.2 million people with civil legal problems annually.⁶ Over 550 non-LSC funded organizations provide additional civil legal aid to millions more.⁷

While legal aid programs serve millions of low-income people, there are presently more people in need than capacity. The civil legal aid system is struggling to meet the high demand for its services due to funding shortages. The Legal Services Corporation (LSC) reported that in 2021, three of four low-income households experienced one or more legal problems.⁸ Among households under 125% of the federal poverty level, the following percentages reported having one or more legal problems: 70% of senior households, 76% of veteran households, 83% of households with children, 98% of households with recent domestic violence, and 77% of rural households.⁹ Yet, despite the serious legal needs of low-income households, states have just 2.8 civil legal aid attorneys per 10,000 people in poverty.¹⁰ In 2021, due to the lack of sufficient funding for the necessary legal aid staff, LSC-funded organizations were unable to provide any or enough legal help for an estimated 1.4 million civil legal problems for which low-income people sought their assistance.¹¹ That same year, 92% of low-income households with serious legal problems received no or insufficient legal assistance.¹²

The proposed PSLF rule will exacerbate this “justice gap” between the civil legal needs of low-income Americans and the resources available to meet those needs. Hiring and retaining lawyers is a major barrier to legal aid programs’ effectiveness. Legal aid organizations face serious difficulties in recruiting attorneys—job openings can stay unfilled for months—and retaining current staff.¹³ Job turnover diverts resources to training new employees. Two primary reasons for the staffing challenges are low salaries and high educational debt, and PSLF is critical to help address these challenges.

⁶ Legal Services Corp., [LSC 101: Understanding Civil Legal Aid](#).

⁷ Nat'l Center for Access to Justice, [Justice Index, Attorney Access](#) (2021).

⁸ Legal Services Corp., [The Justice Gap: The Unmet Civil Legal Needs of Low-Income Americans](#) 8 (April 2022).

⁹ *Id.* at p. 29.

¹⁰ American Bar Ass'n, [Profile of the Legal Profession 2023](#) 9.

¹¹ The Justice Gap, *supra*, at p. 9. See also Legal Services Corp., [2026 FY Budget Request](#) 9 (2025).

¹² *Id.* at p. 8.

¹³ See, e.g., Legal Aid Ass'n of Cal., [Justice at Risk: More Support Needed for Legal Aid Attorneys in California](#) (Jan. 2020); Matt Reynolds, [Civil legal aid lawyers are often the last line of defense. Why are there so few of them?](#), americanbar.org (Apr. 1, 2024).

The number one obstacle to hiring and retaining legal aid lawyers is the financial pressure caused by low pay.¹⁴ In California, for example, entry level California legal aid lawyers make \$25,000 less than the low end of the range for government lawyers in the same community.¹⁵ For experienced attorneys, the gap is even larger.¹⁶ Low pay combined with the increasing costs of housing and other costs of living, such as supporting children, causes financial pressure on those pursuing legal aid careers.¹⁷ Given these pressures, attorneys who are inclined to choose a career in civil legal aid are increasingly opting to work for the public or private sector, where they can earn substantially more.¹⁸

A second obstacle to hiring and retaining legal aid lawyers is the burden of student loans needed to afford the education and credentials to become an attorney.¹⁹ One study, for example, reported that over 84% of entry-level legal aid lawyer candidates and over 75% of all legal aid lawyers in California have educational debt, with the median amount being between \$125,000 and \$149,000, and more than a third having \$200,000 to \$300,000 or more.²⁰ Given these large student loan balances, the PSLF program has been a decisive factor in legal aid organizations' ability to recruit and retain talented attorneys despite offering salaries far below market rate.

If the proposed regulation is implemented, employer qualification for PSLF will become much more unpredictable and harder to rely on. The uncertainty as to what conduct the Secretary will deem to have a "substantial illegal purpose," and the possibility that the Secretary's determinations may extend to conduct that has not been deemed unlawful by the courts – or may even change dramatically over short periods of time – may cause organizations to unintentionally run afoul of the regulation. And by giving the Secretary of Education substantial new discretion to revoke PSLF eligibility in the future for organizations that are currently eligible, the proposed rule undermines workers' ability to rely on the PSLF program in making career decisions. This will impact career decisions by potential and current legal aid attorneys, who must consider whether a career at a legal aid organization will provide the financial support necessary for long-term financial health.²¹ Without assurance that a decade of employment in legal aid will reliably lead to student loan forgiveness, many are likely to choose employment elsewhere.

In short, legal aid organizations rely heavily on the PSLF program to recruit and retain adequate staff to meet the legal needs of low-income people. By reducing the reliability of the PSLF program, the proposed rule would lead to a reduction of essential civil legal aid services necessary to the long-term health and safety of low-income communities across the country.

¹⁴ Cal. Access to Justice Comm'n, Legal Aid Recruitment, Retention, and Diversity: A Report to the State Bar of California 14-16 (Feb. 2022).

¹⁵ Legal Aid Recruitment, *supra*, at p. 15.

¹⁶ *Id.* at p. 16; Justice at Risk, *supra*, at pp. 21-31.

¹⁷ Justice at Risk, *supra*, at pp. 21-24.

¹⁸ Justice at Risk, *supra*, at pp. 24-28.

¹⁹ *Id.* at pp. 31-30.

²⁰ *Id.* at pp. 31-32.

²¹ *Id.* at pp. 30, 33-36.

III. If Finalized, the Proposed Rule Will Deter Legal Services Organizations from Providing Essential, Lawful Civil Legal Aid to Immigrants and Other Vulnerable Populations

Civil legal aid work fundamentally involves disputes about what the law means and the scope and application to a particular client's factual circumstances. And more than most, attorneys understand that they cannot know for certain how a particular decisionmaker will interpret and apply a law. Legal services organizations thus understand that the proposed new restrictions on disfavored activities with "substantial illegal purpose" involving issues of immigration, terrorism, discrimination, protest, and transgender identity could easily be misapplied to punish valid, good faith, and legally permissible work on behalf of clients in extremely difficult circumstances. As a result, if finalized, the proposed rule will create a chilling effect on the willingness of legal service providers to operate and engage in certain areas of work that align with their mission and that are needed to enforce and vindicate a range of important federal laws, despite their operating in strict compliance with all state and federal governing regulations.

Civil legal aid organizations lawfully provide legal assistance in a wide variety of civil matters that we fear could be misinterpreted by the Secretary of Education to constitute activities that have a substantial illegal purpose under the proposed rule. For example, when assisting a non-citizen victim of human trafficking to apply for a T-Visa,²² an attorney cannot know in advance whether the application will be approved or denied. The attorney can only prepare a case to the best of their ability based on the legal standards and individual facts, as is their ethical duty. While legal services organizations are confident that a court of law would not find the legal services attorney to have violated immigration laws simply because some clients are ultimately found ineligible for immigration relief, we are concerned that providing such immigration legal services could be deemed inconsistent with public service by the Secretary under the proposed rule and could threaten the organization's PSLF eligibility.

Similarly, we fear that assisting a non-citizen victim of domestic violence to obtain food or cash aid for which they are eligible while they apply, on their own or through another organization, for status under the Violence-Against-Women-Act or a U-Visa²³ could be wrongly viewed by the Secretary as aiding and abetting violations of federal immigration laws just because the client has not yet been approved for the immigration relief they are seeking. Despite confidence that the federal courts would find such services legal, a different determination by the Secretary of Education, who can come to a novel finding without full legal process, could cost the organization and its employees dearly.

²² The T-Visa allows victims of human trafficking to remain in the United States to heal, stabilize, and assist law enforcement agencies in the detection, investigation, and prosecution of human trafficking cases.

²³ The U-visa is a nonimmigrant visa for victims of certain crimes who have suffered mental or physical abuse and are helpful to law enforcement or government officials in the investigation or prosecution of criminal activity.

As another example, when serving a community with one or more large groups of non-English speakers, legal aid organizations sometimes provide assistance through a Limited English Proficiency (LEP) project, which may include interpretation services and/or connection with an advocate who speaks their language. The languages covered are based on the needs of the particular communities present in the area served by the legal aid organization, balanced against available resources. Some legal aid organizations fear that the proposed definition of “substantial illegal purpose” as including “engaging in a pattern of aiding and abetting illegal discrimination” could be misapplied to revoke PSLF eligibility for legal aid organizations with LEP projects, either because they do provide specialized language assistance targeted to non-English speakers or because they do not provide language assistance for speakers of all foreign languages. Again, while legal aid organizations are confident in the lawfulness of these programs, we are concerned that the Secretary can make her own legal determinations and impose devastating consequences on legal aid organizations without obtaining a judicial decision first.

Notably, many of the types of legal services at risk of being chilled and deterred by the proposed rule are not just legally *permissible* services for nonprofits to provide, but are services that are important to enforcing the laws created by Congress and that Congress has even encouraged legal organizations to provide. For example, Congress passed the Trafficking Victims Act of 2000 to combat modern “slavery whose victims are predominantly women and children, to ensure just and effective punishment of traffickers, and to protect their victims.”²⁴ Similarly, Congress passed the Violence Against Women Act to ensure that women who have been subjected to domestic violence, sexual assault, and other specified crimes can obtain the services they need to protect themselves and to improve law enforcement against perpetrators.²⁵ Congress recognized the importance of civil legal aid organizations to achieve the purposes of these laws and federal law explicitly permits such organizations to assist immigrant survivors (including children) of trafficking, sexual assault, domestic violence and other specified crimes.²⁶ If the proposed PSLF rule is implemented, it will undermine the purpose of these and other similar laws by causing a substantial reduction in legal assistance necessary to ensure the safety and long-term well-being of victims and their families.

IV. The Proposed Rule Undermines the Legal Services Corporation Act

Finally, the proposed PSLF rule conflicts with the Legal Services Corporation Act. President Nixon and Congress created LSC in 1974 to fund high-quality civil legal assistance for people unable to afford private attorneys.²⁷ In creating LSC, Congress aimed to promote equal access to justice, improve economic opportunities for low-income people, and reaffirm faith in the legal system.²⁸ Congress specified that “attorneys providing legal assistance **must have full freedom**

²⁴ 22 U.S.C. § 7101(a).

²⁵ Pub.L. 109-162, § 104, 119 Stat. 2960 (2006).

²⁶ 22 U.S.C. § 7105(b)(1)(B); Pub.L. 109-162, § 104, 119 Stat. 2960 (2006) (currently 34 U.S.C. § 20121).

²⁷ See Pub.L. 93-555, § 2, July 25, 1974, 88 Stat. 378 (codified at 42 U.S.C. § 2996).

²⁸ 42 U.S.C. §§ 2996 (1), (3), (4).

to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.”²⁹

Civil legal aid organizations and attorneys should be able to assist the communities they serve without political interference and fear of retribution. Indeed, Congress recognized the importance of ensuring that political views do not interfere with civil legal aid when it explicitly structured LSC as a quasi-private, non-profit corporation, rather than a federal agency, to insulate it from the political winds of any given moment. The Legal Services Corporation Act states that, “to preserve its strength, the legal services program must be kept free from the influence or use by it of political pressure.”³⁰ The proposed PSLF rule conflicts with the Legal Services Corporation Act by subjecting LSC organizations to new political pressures and threatening the freedom of legal aid attorneys to best serve all of their lawful clients.

The PSLF regulation is also unnecessary to ensure that civil legal aid attorneys do not engage in activities with an illegal purpose. LSC-funded civil legal aid organizations are strictly regulated by LSC.³¹ They must comply with restrictions prohibiting specified political activities, limiting which immigrants they are allowed to assist, and restricting other activities in which they may engage.³² They and non-LSC funded programs also often receive funding from interest on lawyers’ trust accounts (IOLTA) programs and other government funding that impose state and other federal law restrictions. In addition, all civil legal aid attorneys are subject to the oversight and ethical requirements of state bar associations. All of these various oversight regimes already ensure that civil legal aid attorneys refrain from illegal activity through explicit restrictions and requirements, regular monitoring, oversight and enforcement by federal and/or state agencies. There is no reason for the Secretary of Education to layer on additional restrictions or oversight over LSC conduct to ensure that LSCs are providing public service, and Congress has not authorized the Secretary to do so.

Thank you for your consideration of these comments. If you have any questions about these comments, please contact Abby Shafroth (ashafroth@nclc.org) and Robyn Smith (rsmith@lafla.org).

Respectfully submitted,

National Consumer Law Center (on behalf of its low-income clients)
Legal Aid Foundation of Los Angeles

²⁹ 42 U.S.C. §§ 2996 (6) (emphasis added).

³⁰ 42 U.S.C. §§ 2996 (5).

³¹ See 42 U.S.C. §§ 2996, *et seq.*; 45 C.F.R. §§ 1600.1 to 1644.5.

³² 42 U.S.C. § 2996f; 42 C.F.R. Parts 1604-1615, 1617, and 1626.

AIDS Law Project of Pennsylvania
Bay Area Legal Aid
Bet Tzedek Legal Services
Blue Ridge Legal Services, Inc.
California Center for Movement Legal Services
California Rural Legal Assistance, Inc.
CASA
CASH Campaign of Maryland
Center for Access to QDROs
Charlotte Center for Legal Advocacy
Colorado Legal Services
Communities Resist
Community Justice Project, Inc.
Community Legal Services in East Palo Alto
Consumer Bankruptcy Assistance Project
East Bay Community Law Center
Family Violence Appellate Project
HIAS Pennsylvania
Housing and Economic Rights Advocates
Idaho Legal Aid Services, Inc.
Indiana Legal Services, Inc.
Jacksonville Area Legal Aid, Inc.
Lakeshore Legal Aid
Land of Lincoln Legal Aid, Inc.
Lawyers' Committee for Civil Rights of the San Francisco Bay Area
Learning Rights Law Center
Legal Aid Association of California
Legal Aid DC
Legal Aid Justice Center
Legal Aid of Nebraska
Legal Aid of Sonoma County
Legal Aid of the Bluegrass
Legal Aid Society of Northeastern New York (LASNNY)
Legal Aid Society of San Diego
Legal Aid Society of San Mateo County
Legal Aid Works
Legal Services NYC
Legal Services of Eastern Missouri, Inc.
Legal Services of New Jersey
Maryland Legal Aid

MetroWest Legal Services
Montana Legal Services Association
Mountain State Justice, Inc.
National Center for Law and Economic Justice
National Center for Medical-Legal Partnership
National Housing Law Project
National Legal Aid & Defender Association
Neighborhood Legal Services
Neighborhood Legal Services of Los Angeles County
New York Lawyers for the Public Interest
New York Legal Assistance Group (NYLAG)
Northwest Immigrant Rights Project
Ohio State Chair, National Association of Consumer Advocates
Pine Tree Legal Assistance
Prism Counseling & Advocacy
Public Advocates Inc.
Public Counsel
Public Justice Center
Senior Advocacy Network
Services, Immigrant Rights and Education Network (SIREN)
Skagit Legal Aid
Southern Arizona Legal Aid, Inc.
Step Forward
Survivor Justice Center
TeamChild
The Public Interest Law Project
The Rebuild, Overcome, and Rise (ROAR) Center of UMB
Tzedek DC
UnLocal
Virginia Poverty Law Center
Western Center on Law & Poverty
Western New York Law Center



NYSBA Virtual Hearings on Public Service Loan Forgiveness

September 25, 2025

Presented by: Jean Stevens, Benefits Law Project

My name is Jean Stevens and I'm the Project Director of the Benefits Law Project at Volunteers of Legal Service (VOLS). VOLS was established in 1984 to leverage private attorneys to provide free legal services to low-income New Yorkers to help fill the justice gap. In addition to the Benefits Law Project, VOLS' projects provide end-of-life and incapacity planning for older adults; full-service legal services for small businesses; and an immigration law practice for young adult clients. Prior to my position here, I worked as an eviction defense and benefits attorney in New York City for about 10 years.

Much of the testimony I could provide today would echo that of others here today. I thought I would share my own personal experience with PSLF as well as my experience as a senior attorney seeking to recruit and train new attorneys to public interest work.

Several years before law school, while working in a different industry, I sought a career shift where I could use a specific, concrete set of skills to directly assist the public in accessing services and obtaining help with various issues they faced, whether food insecurity, housing challenges, or employment issues. But I wasn't sure exactly my path. A friend at the time, a student at NYU Law who planned to practice public interest law, recommended that I pursue law. I could practice in direct services. My immediate concern was cost. How could I afford to attend law school full-time, and if I took out loans, how would I afford to pay them back? Was I prepared to go into debt for several decades? I was not wealthy; I had no assets; I had no family who was willing or able to support me. I knew I would work for a nonprofit organization of some kind where my salary could not support substantial repayment. I then learned of the Public Service Loan Forgiveness program. It was an absolute game-changer. A career in public interest law was now possible. And so, I relied on the promise of PSLF to attend law school, to undertake loans, and to pursue my career. Without it, I most likely would not have taken the risk of that debt, this path.

After graduating, I began my career in public interest law working as a housing attorney in Brooklyn. For the next 10 years, at three different non-profit organizations, I represented hundreds of indigent clients who could not afford lawyers with the legal obstacles they faced. I learned in real time just how critical it is for all individuals to have access to justice. However, as any attorney or law student knows, nearly all positions in the public interest sector pay much less than careers in the private sector. Thanks to PSLF, I was able to afford to do this work. PSLF adjusted my loan repayments based on my income. On my public service salary, I could cover my rent, transportation, and other cost of living costs plus my loan payments. Without PSLF, I absolutely could not have afforded to serve the public and provide greater access to justice.

In the back of my mind, I felt the fear that if the terms of the program changed, I might be forced to stop that work and face many, many years of repayment. I needed it to remain secure, constant, and reliable.

Last year, after 10 years in the PSLF program, my loans were forgiven. I will continue to practice in the public interest, serving individuals facing various legal crises in their lives. This is work that I love and that I am well-equipped to do. I am extraordinarily grateful to the program. Without it, I would not be here.



In our world, all individuals remain subject to our legal system and encounter it daily in hundreds of ways. Most individuals here and across the country cannot afford attorneys to navigate this system, in whatever way it affects them. Access to justice remains an enormous public need. To ensure that talented, driven, and committed individuals continue to attend law and then serve this public need, there must be a system to ensure affordability in repaying law school student loans.

I'm not alone in this. So many could not have continued their careers without PSLF. We could not recruit talent without it. Many cannot pursue this career without a stable loan forgiveness program. I have also encountered many people who desperately wish to pursue public interest law but cannot figure out how, on a public interest salary, they would be able to afford to pay off their loans. For some, this deters from law school altogether. For others who are already law students, this deters them into the private sector. I even hear from individuals working in the private sector who wish they had taken a different path but now, without loan forgiveness, can't afford it.

My name is Vivian Storm. I am a supervising attorney at Legal Services of Long Island. Legal Services of Long Island is an LSC funded organization that provides civil legal services to people with low incomes and other vulnerable populations. Our work focuses on helping to preserve housing stability in the community, maintaining our clients' subsistence income, and advocating for children with disabilities, veterans, seniors, survivors of domestic violence and other vulnerable people. We also have a program that partners with community organizations like church outreach centers to help these community workers understand the legal problems that their neighbors face. We work in suburban and rural communities and focus on the underserved.

Legal Services of Long Island does not engage in any of the activities targeted by the proposed changes to public service loan forgiveness. Nonetheless the proposed changes are concerning to our staff and are likely to further impair our ability to recruit and retain skilled legal workers if enacted.

I oversee units that represent tenants in eviction proceedings in Nassau County, a program that provides legal information at community locations through volunteer attorneys, and education debt assistance as part of EDCAP, the Education Debt Consumer Assistance Program, in partnership with the Community Service Society of New York. In these capacities, I work alongside, supervise, and provide student loan counseling to attorneys and other legal professionals across the spectrum of adult life and career stages. I also work with public service employees from other sectors.

My education debt counseling includes helping lawyers and other legal professionals evaluate the financial feasibility of continuing their work in the public service. Long Island is an incredibly high-cost area to live in. The median family income in Nassau County is over \$164,000. Since Long Island is indeed an island, it is not possible for our staff to commute from lower cost of living areas. So, doing our work requires either a much higher income partner or very careful planning. Depending on their family compositions, our staff may be eligible for services in addition to student loan counseling. Some staff take on second jobs to make ends meet.

Many of our staff took on substantial educational debt to obtain the skills and credentials needed to do this work. Other staff took on debt to provide similar educations for their children. Some staff are still repaying their own student debt, even as they juggle Parent Plus loans for their children and reach retirement age themselves. Others have private student loans in addition to federal loans because their families could not afford the full cost of attendance remaining after exhausting federal student loans. Our staff with the highest debt burden are often most valuable to fulfilling our mission because they share common life experiences with our clients.

This life experience enhances the ability to advocate for our clients in ways that training and education alone cannot.

Our staff and other public service employees rely on Income Driven Repayment Plans and Public Service loan forgiveness to make their work financially viable. Even with these programs, the high cost of living in our area makes it very difficult for staff to save for their children's educations on top of retirement savings and ongoing living expenses.

Planning to manage educational debt through income driven repayment and Public Service Loan Forgiveness requires a long-term commitment and a long-range strategy. Borrowers must remain employed full-time in the public service for 120 months. This ten-year period covers at least two presidential administrations. As such, borrowers must feel assured that affordable repayment plans will remain available and that the terms of public service loan forgiveness will remain consistent over an extended period of time.

If the Secretary of Education is able to exclude categories of nonprofit or government employers from eligibility for public service loan forgiveness, this will have a chilling effect on our staff and prospective students interested in public service careers. The concern is not just the wording or exact parameters of the restrictions, but the fact that ideologically based restrictions might be imposed at all.

The disruption to income driven repayment plans that borrowers have faced for the last year further exacerbates these concerns. Public service employees who were enrolled in or applying for the SAVE plan have not been getting credit towards public service loan forgiveness for over a year. Applications to switch to other repayment programs have often been stalled for many months leaving borrowers without an opportunity to make payments that will receive appropriate credit. I understand that there are currently over 1 million unprocessed IDR applications. As a result, public service employees already come to me concerned that the program will be eliminated entirely or made impossible to access after they have planned their financial futures around the availability of loan forgiveness. Pursuing public service loan forgiveness now feels to many like gambling rather than sound financial planning.

I don't need to look any further than the paralegal who assists me in our EDCAP unit to find an example of a prospective law student who is evaluating her educational plans and career path based on the availability of public service loan forgiveness. Allison is a talented recent college graduate who is committed to working in the public interest. Allison's father died while she was still in school, so she needed a combination of

private and federal student loans to finish college. Allison is interested in going to law school to enhance her skills and have a greater impact in the community. But Allison will likely need to continue working while she is in school to keep her private loans from becoming unmanageable. Caps on Parent Plus borrowing will also limit Allison's options for furthering her education. As an EDCAP counselor and student borrower, Allison sees better than anyone both the life limiting burden that student loans can have and the uncertainty that has plagued the student loan repayment process.

While the focus of this panel is on how changes to PSLF affect young professionals entering the legal profession, another concern is more experienced professionals' ability to continue public interest work as they start families, purchase homes, and plan for their children's educations.

The July budget bill excluded parent borrowers who take out loans after 2026 from access to income driven repayment plans, a prerequisite to Public Service Loan forgiveness. This change will make it far more difficult for experienced professionals to remain in public service even as we struggle more to attract new talent. A secure PSLF program is therefore critical to our ability to fulfill our mission.



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Interim Executive
Director

October 30, 2025

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Re: NYSBA Public Service Loan Forgiveness Listening Session Commentary

To Whom it May Concern:

My name is Michaela Rossettie Azemi and I'm the Managing Attorney of Pro Bono Services at the Legal Aid Society of Mid-New York, Inc. I began my legal career twelve years ago in legal services, at Legal Assistance of Western New York, Inc., where I was a Staff Attorney representing survivors of domestic violence in family court and advocating for recipients of SSI/SSDI in administrative appeals. I accepted this job at approximately \$46,000 in 2013 — a salary far below most of my law school cohort—in part because I enrolled in the Fed Loan's IBR plan for PSLF and knew it was a plan I could accomplish. I had accrued over \$260,000 in federal loans by this point and I felt that this was the only way I could pursue a career in public interest (which had always been my goal) and obtain any sort of financial freedom before retirement.

The PSLF journey for me was integral to my development as a young attorney and my ability to have my four children and buy a home. But for the IBR and PSLF program, I am certain my life decisions would have been vastly different. I do not think I could have responsibly done either while working at legal aid as a staff attorney. I would have been either forced to give up my personal life goals or pursue a private sector position.

Fast forward to my 7 years at Cornell Law School as the Director of Public Interest, my role at Columbia Law School as the Government Public Interest Advisor, and my role at Fordham Law School as the Public Service Career Advisor, where my positions involved counseling students interested in public interest internships, externships, fellowships and post graduate careers. The most consistent question that arose in my career-planning sessions with students (and likewise law graduates considering a switch from big law to the public sector) was "how can I afford to live on a public interest salary while paying my loans?"

I was always proud to have an answer ready, : it IS possible to be able to do the work you are passionate about to give back to your community and live comfortably. Maybe not fancy, but very happy and comfortable. I enjoyed being able to inspire students with my personal experience working in public interest and how programs like PSLF, combined with other programs I had been able to participate in (LSC LRAP, my law school's LRAP, and NY DALF), allowed me to accomplish life goals like buying a home and having children. I took pride in listening to student's life stories and helping them outline options for loan repayment that would allow them to see that pursuing a career in the public sector was not only feasible but a worthwhile endeavor for a happy life. I even hosted "How to Live on a Public Interest Salary" presentations with Cornell Law School Alumni to talk about their paths and their careers in the public interest. PSLF and LRAPs were always a symbiotic piece of this puzzle. I spoke with confidence knowing I could help students and law graduates dreaming of a public interest law career envision it as a reality.

I no longer can provide this same advice. Uncertainty about PSLF and LRAP programs means I cannot, in good conscience, advise students to pursue public interest careers if loans and finances are a major burden or if students have life situations where they must provide for an elderly parent, relatives

abroad, or for their own children. The instability means that my advice to law student interns and advisees is tempered with "you will want to make sure you keep your options open." Ensuring law school experiences allow for options B and C, if PSLF were to dissipate or become so restricted that it would become a program in name only. Instead, my formal and ad hoc advising now prioritizes diversification of a law student's portfolio of skills.

Personally, I have benefitted tremendously from PSLF and LRAPs. In July of 2024 I finally received the long-awaited letter that my 120+ monthly payments and 10+ years of paperwork had paid off — literally. I had accumulated over \$320,000 in debt since graduating and every dollar of it was forgiven, tax free, under PSLF. I cried and exhaled for the first time in years. Once these federal loans payments were completed, I was able to save enough money over the next 9 months to pay off my remaining private loans from my undergraduate degree. As of August 2025, I am now officially free of student loan debt. This year will be the first year my husband and I, over the course of our 15-year-marriage, will be able to file our taxes jointly and take advantage of the benefits for those who can file jointly.

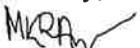
I have now made the decision to continue to pursue a career in legal aid out of my own dedication to the mission and my desire to use my law degree for good. I recognize that my ability to make this decision is truly a privilege, and one that I fear many current students and attorneys will no longer be able to do. I am worried about the long-term chilling effect the current uncertainty will have on the public sector and, as a rural legal services attorney who faces recruiting challenges to far-flung areas already, I am extraordinarily worried about the impact this chilling effect will have on the long-term recruitment and retention of *rural* civil legal services attorneys.

I am hopeful that as a legal community we can recognize the importance of PSLF and LRAPs for young lawyers, for the justice system and most of all for underserved and vulnerable clients in rural legal deserts with an alarming scarcity of qualified attorneys.

Thank you for your time.

Sincerely,
Michaela Rossettie Azemi

Sincerely,



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