

The New York Times

When Ron Lieber got word that his work on the federal public service loan forgiveness program had helped inspire Senator Elizabeth Warren and others to put \$350 million aside for a fix-it fund, it would have been tempting to declare victory and move on.

Instead, Ron dug deeper and took on the responsibility of being the central source of information for borrowers. There are a lot of them. About two-thirds of all college graduates finish with at least some student loan debt. And millions of Americans -- about 25 percent of the work force -- have public-service jobs that qualify them for the forgiveness program. Among them are every member of the military, police officer, firefighter, teacher and other employee of a municipal, county, state or federal office, plus all workers at 501(c)3 nonprofits.

Nothing about the loan program is easy to understand. So how best to explain the process and the fix? As he has in the past, Ron started using his columns and Twitter to encourage readers to become his pen pals and tell him what they most need to know. What was their loan servicer telling them? Were their senators helpful when they appealed for help? What was most confusing about the fix-it plan? The column about the categories of people left out of the \$350 million fund resulted directly from those exchanges.

Washington insiders started taking him up on invitations to correspond as well. That's how he heard about the Education Department lawyer who herself could not sort out her loans. When the department appeared to be slow-walking implementation of the fix, someone in Washington leaked the relevant data to him, which allowed him to put more pressure on federal officials. And when that \$350 million fix-it fund was increased to up to \$1 billion, he got that news exclusively as well.

Ron wanted to provide some hope for borrowers by offering up the final, triumphant chapter of a saga he had brought to light more than a year earlier: that of Jed Shafer, a longtime teacher fighting to get credit for payments he was sure he had made. But Ron didn't sugarcoat; he presented thorough timelines of the years people like Jed spend negotiating with loan servicers.

A decade after the program began, much uncertainty persists, a fact that is profoundly disturbing. But now there is no mystery about what borrowers face. And according to one reader, Jennifer Owensby, our journalism is working:

"Thanks to your important writing, I received the wonderful email on Friday that I no longer have to be chained to my debt. My oldest son will head off to college in 2020, so it happened in perfect time for me to start helping my sons with their higher education. If you ever wonder if your research is making a difference, please know that it made a tremendous difference to my family. Thank you from the bottom of my heart."

Nomination for
The 2019 Gerald Loeb Award for Personal Service
“The Daunting Road to Loan Forgiveness,” by Ron Lieber

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By Ron Lieber

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YOUR MONEY

A Student Loan Fix for a Teacher, and Many Other Public Servants

By **Ron Lieber**

March 30, 2018

In October, I wrote a column about Jed Shafer, a teacher in Oregon who found himself on the wrong end of the student loan repayment bureaucracy.

Mr. Shafer thought he was following the rules to qualify for the public service loan forgiveness program, and spent years communicating carefully with the loan servicers who collected his payments on behalf of the federal government. But it turns out he hadn't been doing it correctly after all.

The result? He learned he was going to have to pay tens of thousands of dollars extra. After many months of pleading his case to his loan servicer and the Department of Education, he'd pretty much given up.

"They have the power, regardless of my service and full payments, to make me look inept," he told me then. "They will surely win based on their documentation."

Well, they didn't win. Mr. Shafer recently received official word that seven years of payments that he was told would not count toward his loan forgiveness — he needed 10 years — would count after all. Moreover, the \$1.3 trillion spending plan that Congress passed last week contains a \$350 million forgiveness fix-it fund to help some others like him.

While both developments are overwhelmingly positive, very little about the public service loan forgiveness plan is straightforward. We're still months away from knowing the details of how the \$350 million fund will work. And if you think you're repaying your debt correctly under the many terms of the program, there's a decent chance you're not.

The federal loan program allows people working full time for qualified employers (generally government workers and those who work for nonprofits) to apply for tax-free federal student loan forgiveness after 10 years of on-time payments. There are a couple of more catches, though: You have to be in the right kind of loan (a so-called direct loan from the government) and making the right kind of payment (generally an income-based or income-driven one of some sort). I explained this in more detail in a column last year ("Panicked Borrowers, and the Education Department's Unsettling Silence"), which contains many links to more resources and instructions.

About a week after my column on Mr. Shafer appeared, he heard from an Education Department staff member who offered to review his file in more detail. After several exchanges, he received official notice this month that he now has 97 months of credit toward the 120 months he would need for forgiveness. That's 84 more than he had previously.

Around the same time, the loan problem was being taken up by others in Washington. Senator Elizabeth Warren, Democrat of Massachusetts, a proponent of loan forgiveness for public service workers going back to her days as a Harvard Law School professor, told me last week that she began asking around after reading about Mr. Shafer. The program had begun in 2007, so by last fall at least some people should have been close to having their debt wiped away.

Instead, she found that constituent teachers and firefighters were having a hard time navigating the rules and receiving proper credit for their payments. "It was about finding out that the problem was bigger than anyone thought, but also trying to figure out what to do," she said in a phone interview. "It was a lot of head-banging."

By mid-November, two other Democratic senators, Tim Kaine and Sheldon Whitehouse, had introduced a bill aimed at fixing the problem, one they had been working on before my column ran. A handful of legislators on the House side, including two Republicans, introduced their own legislation around the same time.



Two Democratic senators, Sheldon Whitehouse, left, and Tim Kaine, introduced a bill aimed at fixing problems with the forgiveness program in mid-November.

Tom Williams/CQ Roll Call, via Getty Images

At the time, the prospects for any new law were uncertain, given that President Trump and other Republicans have been trying to get rid of public service loan forgiveness altogether for new borrowers. But then came a break: a series of compromises around budget and appropriations measures that led to the creation of the \$350 million forgiveness fund.

Here's how it is supposed to work. First, you have to have made the full 120 payments before you can get in line for the money. Once you apply for forgiveness, if you discover that some of your payments did not in fact count, you may be able to get retroactive credit for them.

Who will get credit? You won't get it if you have a Perkins loan or what's known as a FFEL loan (the acronym stands for Federal Family and Education Loan), since people in those loans are not eligible for the money. Ask your current loan servicer what kind of loan you have if you're not sure and then double-check by logging into the Department of Education loan website.

And what if you find that you are not in the income-driven or income-based repayment plan that you are supposed to be in? If you discover, for instance, that you're in a graduated or extended repayment plan in which your payments are not being credited toward forgiveness?

In that case, your most recent monthly payment, and your payment a year before you apply to have your remaining debt canceled, generally have to have been more than what you would have paid had you been enrolled in a qualifying plan. How do you figure that out with certainty? The Education Department has not explained that yet, but it does already have a repayment calculator that may help you make an estimate.

Finally, that \$350 million fund is finite. While it seems like a lot of money, if 7,000 eligible people with an average debt load of \$50,000 get in line for it, it will be gone — unless Congress allocates more money or makes a permanent fix. And the line cannot form until the Education Department explains how it will administer the fix-it fund. It is supposed to do so by late May, though federal agencies do miss such deadlines sometimes.

And what if you're in Mr. Shafer's shoes, where you're short of 120 payments when you suddenly figure out that you are not in the right loan or repayment plan, even though you were adamant about your desire to qualify for the forgiveness program? Do what he did. Complain to the ombudsman at the Department of Education, especially if, like him, you dealt with a particularly problematic servicer called ACS several years ago.

Also, contact your representative in the House and your two senators and ask to speak with someone in constituent services. Many of the people in those jobs are young and in debt themselves and have contacts with the Department of Education that can be useful. The Senate staff members I spoke to this week echoed this; louder volume can yield more action or at least inject a greater sense of urgency.

As for Mr. Shafer, he's just beginning to allow himself to imagine what he will do with the extra money once his loan payments end in 2020. "What would anyone do in their hometown if they had an extra \$500 a month?" he said. "They'd buy furniture in local stores, hire local contractors, buy cars in local car lots."

He also expressed some trepidation. In the last two weeks, his loan servicer has sent him inaccurate information about his current payment and about his overall number of payments toward forgiveness. That has him imagining himself back on the negative side of the forgiveness equation. "I would like to be an example of what fighting back can do, and I would not like to be an example of what fighting back can do," he said, chuckling.

Ms. Warren said she was disappointed with the fact that a more permanent or expansive fix for this problem was not politically possible this time around, and vowed to keep watch.

"I certainly intend to keep an eye on Secretary DeVos," she said, referring to Education Secretary Betsy DeVos. "The fight isn't over until every single nurse, teacher, police officer and firefighter gets the student loan forgiveness that they earned."

Having trouble with the public service loan forgiveness program? Send an email to lieber@nytimes.com.

A version of this article appears in print on March 31, 2018, on Page B1 of the New York edition with the headline: A Student Loan Fix, With Catches

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YOUR MONEY

A \$350 Million Fund Helps Many Public Servants. Meet the Ones Left Out.

By Ron Lieber

April 6, 2018

Two weeks ago, Congress created a \$350 million pot of money to help teachers, firefighters and others in public service who thought they were enrolled in a program that would forgive their student loans after 10 years of payments. Many of them were not getting credit for their loan payments after all.

These public servants, under the terms of the public service loan forgiveness program, are supposed to have their remaining federal student loan balance forgiven after 120 on-time payments. The program began in 2007, and 2017 was supposed to be the year the first participants got to the finish line.

Few people have crossed over it, though. Plenty of them were in the wrong kind of repayment plan, and the \$350 million fix-it fund was designed to help them.

Still, there are untold others who are not covered by the fund — data on just how many is scarce since many borrowers have not yet realized that anything is amiss. Those borrowers can fall into any number of bureaucratic traps that make them ineligible for the fix-it fund. If you're paying more than you're supposed to, that can throw things off. Your job may not qualify, even if it's at a nonprofit. You may have the wrong kind of loan. And the entity that services your loans by collecting payments and sending you statements may be giving you incorrect or misleading information.

I've heard from dozens of people like this since I wrote about the fix-it fund last week. Here are a few of their stories.

Paying Too Much

Robin White's overpayments were purposeful. An assistant professor at Nicholls State University in Thibodaux, La., she had already worked through a different issue that disqualified earlier payments. So she eventually began doubling down on what her servicer, FedLoan, was telling her to pay via the income-based repayment program that participants in the public service loan forgiveness program must use.

“I thought that if I paid more that they were going to see that I was trying to do this as thoroughly and deliberately as I can,” Dr. White said. “I wanted to make it clear that I was not trying to take taxpayers’ money.”

But the system cares not for intent. If you don’t pay the right amount you owe, your payment that month does not count toward the forgiveness that occurs after 120 payments.

Dr. White said she would never forget when the FedLoan phone representative discovered she was in what’s called “paid ahead” status. “She said, ‘Oh, it’s this nasty little thing,’” she recalled. What followed was a Kafkaesque stretch of confusing statements and, ultimately, a double-digit number of months that did not count toward her forgiveness total.

According to Keith New, a spokesman for FedLoan, which is a part of the Pennsylvania Higher Education Assistance Agency and is the servicer for the forgiveness program, the initial confusion resulted from the fact that “information was not provided surrounding the difference in paying the installment amount versus the bill due amount and how the paid ahead status can affect qualifying payments.”

Given that FedLoan could have been clearer here, will it arrange for the payments that Dr. White made during this period of confusion to count toward forgiveness? I asked, but Mr. New did not reply.

The Wrong Employer

Only certain jobs — perhaps a quarter of all forms of employment — qualify for public service loan forgiveness. Just to be sure, everyone in the program ought to submit what’s known as an “employer certification form” each year to make sure that his or her employer qualifies or still qualifies.

Edge cases have already been the subject of litigation, as I outlined in a 2016 column. But Chris Golding, who works for the North Carolina Nurses Association in Raleigh, N.C., did not know that. Others at the association thought that it qualified, but you can’t get an instant reading on the matter in the time it takes to consider a job offer.

Alas, when Mr. Golding submitted his form, he received a reply last November saying that he was not eligible. There was no detailed explanation, and Mr. Golding said he was unable to get one when he called FedLoan.

The rules state that an employer must provide a “qualifying public service.” In Mr. Golding’s case, the governing language would appear to be a requirement that an organization’s “primary” purpose is to provide “public health” services. Mr. Golding is a registered nurse. He does not treat patients, but he does support other nurses through education.

Mr. New, the FedLoan spokesman, added a bit more detail. “While his employer is a nonprofit 501(c)(6) organization, its primary purpose is not one that would be considered as a public service,” he said. He added that FedLoan’s customer service department had consulted with its own compliance services division in making that determination.

Mr. New also said FedLoan’s phone representative had told Mr. Golding in November that he could provide documentation supporting the “purported public service his employer provides for further consideration.”

Mr. Golding said he intended to do just that, with the help of his boss and perhaps the organization’s attorney. Meanwhile, he asked me a question that has no good answer: “How is anyone supposed to make a decision about where to work if they can’t get a reading ahead of time about whether an organization is eligible?”



Chris Golding works at the North Carolina Nurses Association in Raleigh, N.C. But he only recently found out that the association has been deemed a nonqualifying employer, and he cannot get an explanation. Travis Dove for The New York Times

The Wrong Loan

When the public service loan forgiveness program began, people who had already taken out student loans in the Federal Family Education Loan, or F.F.E.L., program were supposed to switch to something called “direct” loans to be eligible.

Many people never got the message, however, and spent years making payments only to discover that they had been in the wrong loan program. Other borrowers did not always understand what kind of federal loan they had, since statements could be unclear.

Jennifer Johnson, a Brooklyn social worker, said she had contacted Citibank, her loan servicer at the time, in 2010 in an effort to get enrolled in public service loan forgiveness. She recalled being told that she needed to be in a federal loan program to be eligible and get on some kind of an income-driven repayment plan, which she did.

During the years that followed, Ms. Johnson said, she regularly searched the web for information on the public service loan forgiveness program to make sure she hadn't missed any other requirements. In 2015, she became aware of the existence of the employer certification forms, which did not exist when the forgiveness program began. She filed one just to have her employment on record.

Then came the reply, which indicated that none of her payments had counted toward the magic 120 number because she was in an F.F.E.L. loan. Citibank had not made her aware of this, she said.

"My first hope was that maybe it was a mistake," Ms. Johnson said, describing an ensuing phone call to her loan servicer for clarification, which ended in her sobbing. No one had much consolation. "They told me that it was a new program and that there wasn't really a system for it yet," she said.

So did Citigroup fail her, given that she is certain that she made it perfectly clear that she wanted to be in public service loan forgiveness? "While we have fully exited the student loan servicing business, we looked into this matter from seven years ago and have found no confirmation that the conversation transpired as Ms. Johnson suggests," said Mark Costiglio, a Citigroup spokesman.

To be clear, Citigroup is not accusing her of making it up. It could not verify that its communication with her had happened as she described it. Nor could it verify that it hadn't. But logic would suggest that if it had told her that she was in the wrong loan, she would have switched it right quick.

And if it didn't, shouldn't the Department of Education's ombudsman or her congresswoman and senators take up her cause?

Confusion With the Servicer

Lawyers were early adopters of the public service loan forgiveness program, given that many of them run up six-figure law school debts and have ample opportunities to perform public service as a prosecutor, as a public defender or through other legal work.

So it was with Myles Braccio, a Phoenix prosecutor who elected to go into and stay in that line of work because it would allow him to wipe away his debt. He loved his contracts classes in law school, so he would seem to be well equipped to slay any bureaucracy.

But this week, he told me a hair-raising story of FedLoan's giving him bad advice about loan consolidation, wiping away close to two years of qualifying payments, restoring them after he complained to the federal Department of Education's ombudsman's office and then taking them away again after he made another inquiry because he was so paranoid that it would mess up his payment count again.

Since then, he said, he has not been able to get straight answers from FedLoan. I asked Mr. New for a few, and he said Mr. Braccio's account was "in review as we are working to confirm employment time-frame eligibility requirements." He added that Mr. Braccio's employer had provided "conflicting" information. Nonsense, Mr. Braccio replied; there is no conflicting information related to the years when he was eligible for loan forgiveness.

And why did it take my intervention to extract this explanation? "We base our life decisions off of what they are telling us," Mr. Braccio said. "But you get one person after the other who has absolutely no idea what they are doing."

Having trouble with the public service loan forgiveness program? Send an email to lieber@nytimes.com.

A version of this article appears in print on April 7, 2018, on Page B1 of the New York edition with the headline: A Fix-It Fund That Isn't a Fix For All Debtors

YOUR MONEY

Who Is a Public Servant? Borrowers Have a Lot Riding on the Answer

By Ron Lieber

April 13, 2018

In 2007, a countdown of sorts began for workers in the federal public service loan forgiveness program.

If you had the right kind of loan from the government, were in an eligible repayment plan and made 120 on-time payments by 2017 or later, your student loan debt could then disappear, as long as you had been working full time in the right kind of job.

But that last part is tripping up some people and throwing their lives into chaos. The federal government's loan servicer, the Pennsylvania Higher Education Assistance Agency (which does business as FedLoan), issues individualized rulings on whose work qualifies as public service and whose does not. Sometimes, it gives incorrect advice over the phone to people who then change jobs based on the guidance. Other times, it changes its mind and pulls its approval long after issuing it. And when it does turn borrowers down, they may not get much of an explanation.

Public schoolteachers and firefighters are safe from this confusion for now because the eligibility of their jobs has never been in dispute. But anyone who works for a nonprofit group that is not a 501(c)(3) organization needs to be wary. An adverse ruling can add years to your countdown clock.

Nobody with a brain or a heart would design a program like this from scratch. Still, our overall federal student loan system is a sort of Frankenstein's monster that resulted from well-meaning people bolting together various loans and repayment plans over the years.

And so it goes with the federal public service loan forgiveness program. The big idea here was to make public service more attractive, as higher education (including advanced degrees that are mandatory in many fields) became more expensive.

But as I've written in recent weeks, many borrowers have received bad advice from their loan servicers and ended up in the wrong type of loans or the wrong repayment plans. Even borrowers whom you would expect to be experts, like the Department of Education lawyer who sent me a despairing note this weekend about her own encounters with FedLoan, have trouble getting a firm grip on their loan status.

Michael Francum, who has a master's degree in social work, exhibits excellent student loan hygiene. He got himself into the right loan and the right kind of repayment plan. He then sent in an official Employer Certification Form to be sure that his work for the National Association of Social Workers — a nonprofit organization that is in a tax category known as 501(c)(6) — qualified as public service. In 2014, FedLoan sent him official notice that it did. “That was exciting,” he said.

The story changed the next year, however, when he called to get an update on his countdown clock. A phone representative told him that his employer did not in fact qualify and that its decision was retroactive, wiping out credit for payments he had already made.

“I spun out of control, trying to figure out what my recourse was,” said Mr. Francum, who lives in Washington. “It’s a huge financial cloud. Should I buy a house? All of these decisions are waiting.”

He talked to family and colleagues and considered consulting a lawyer. But FedLoan phone representatives implied that he should have known that his employer was somehow suspect, he said. Eventually, he gave up. Both FedLoan and the Department of Education declined to answer any questions for this column about him or others, because of active litigation over similar issues.



After a flip-flop on qualifying for a student loan forgiveness program, “I spun out of control, trying to figure out what my recourse was,” Mr. Francum said.

Justin T. Gellerson for The New York Times

Another borrower I heard from this week is a psychiatrist in New Jersey, who insisted he not be identified because he did not want his loan woes to be the first result patients saw if they searched his name on the internet.

When he was considering leaving a job at a nonprofit hospital, he called FedLoan for guidance. After the phone representative told him that any new job “should” be eligible, because patient care was indeed public service, he took a job at a similar salary doing similar work for a for-profit entity.

But FedLoan rejected the certification from his new position. Now if he wants to rejoin the forgiveness countdown, he must change jobs again. If he does not, he will probably need to spend an additional decade, at least, repaying much more debt than he would have otherwise.

Lori Gramlich had a similar distressing experience after taking a job at the Maine chapter of the National Association of Social Workers, where she is executive director. She no longer qualified for forgiveness, FedLoan told her. What baffled her was the fact that she had previously worked in a similar position at another organization, and FedLoan had blessed that role as proper public service.

So what made the two jobs different? Ms. Gramlich has no idea, and she said she had not been able to get an explanation from FedLoan that made any sense to her, though one representative told her in December that a rule had changed.

“I was flabbergasted,” she said, while describing being passed from department to department. “I worked for the state for 13 years. I know bureaucracy. This is not my first rodeo. But at one point, I lost it, just sobbing, wondering what I was going to do.”

These borrowers are not alone. As of 2016, according to FedLoan data that the Department of Education used in a presentation, FedLoan had processed 1,068,888 employer certification forms and rejected one-third of them. Of those rejected, 21 percent presented an unqualified employer, though it’s not clear how many were close calls, as the National Association of Social Workers may have been.

The Consumer Financial Protection Bureau issued a scorching report last summer about an array of public service loan forgiveness messes. It noted that some borrowers reported months of delays in getting answers about certification form questions. One complainant reported that his form was rejected because of employer ineligibility while his co-worker’s was approved a week later.

As for that litigation I mentioned before, one lawsuit over certification problems does shed some light on these matters. The American Bar Association and four individual borrowers, some of whom experienced the same FedLoan flip-flop as Mr. Francum, sued the Department of

Education in late 2016. In a brief last year, the department, opining on the topic of whether people can rely on FedLoan not to change its mind, said that any response from FedLoan “does not reflect a final agency action on the borrower’s qualifications” for forgiveness.

In other words, that certification form is by no means certain. Which is pretty rich, given that the Department of Education introduced the forms several years ago precisely because so many people were confused about whether their employment qualified. So good luck to you if you work for, say, a 501(c)(6) and want some financial certainty in your life. (I know of no employees of a 501(c)(3) organization whose employment was rejected, and the Department of Education website indicates that none of them should be. Please get in touch with me if it has happened to you.)

And no, FedLoan will not precertify a job before you apply. Nor will it allow a forward-thinking employer to send in a job description for preapproval before trying to hire someone. Once upon a time, FedLoan’s website encouraged employers to brag to prospective employees about current workers who had received certification, but that ended quickly once the American Bar Association’s dumbfounded lawyers pointed it out in a legal filing.

That suit shows no sign of settling soon. So people like Ms. Gramlich wait and wonder. “I’ve been advocating for less fortunate populations my whole adult life, and here I am one of those people now,” she said. “And I cannot get out of this mess.”

Have a story to share about public service loan forgiveness? Please write to lieber@nytimes.com.

A version of this article appears in print on April 14, 2018, on Page B1 of the New York edition with the headline: An Unforgiving Loan Forgiveness Program

YOUR MONEY

The Public Student Loan Forgiveness Rescue Hasn't Gone Well So Far

By **Ron Lieber**

Oct. 17, 2018

The program that public servants can use to have their federal student loans forgiven is such a quagmire for borrowers that Congress had to set up a relief program for the relief program.

So far, it's not performing much better.

It has been nearly five months since the Department of Education released instructions for a \$350 million pot of money that some public servants can use if they received bad information about the loan forgiveness program and ended up in the wrong type of repayment plan.

Tens of thousands of people have applied for the relief program. But so far, most have been rejected, and as of late last month, none among the few thousand who remain in the running have seen their debt balances go to zero.

In response to an inquiry led by Senator Tim Kaine, Democrat of Virginia, the department disclosed last week that 28,207 people had submitted requests as of Sept. 28 and that it had found 21,672 ineligible almost immediately. It then culled “approximately” half of the remaining 6,535 for other reasons. That leaves just over 3,000 applications still under consideration.

It can take up to six months or so to review these requests because of the complexity of both the forgiveness program and the relief fund application process. The Department of Education has shifted some staff to work more closely with the loan servicer that handles the forgiveness program.

The relief fund was created after it became clear that scores of teachers, social workers and other government and nonprofit employees had received bad information from their loan servicers about the forgiveness program's complex terms. So far, fewer than 1 percent of applicants have had their loans discharged through the program, which got its start just over a decade ago but is only now having borrowers become eligible.

To qualify for tax-free loan forgiveness, borrowers need to make 120 on-time monthly payments (while working in an eligible public-service position), have the right kind of loan (some federal loans qualify while others do not) and be in the right kind of payment plan (the income-driven

ones designed to help lower-income borrowers). I explained the process in more detail in an earlier column.

When it became clear in recent years that loan servicers had told public-servant borrowers that they were doing everything right even when they were in the wrong kind of loan or payment plan, pressure grew on elected officials to help borrowers who thought they were being meticulous only to find that years of payments had not counted for forgiveness.

Enter the Temporary Expanded Public Service Loan Forgiveness initiative, which is a pool of \$350 million designed to help borrowers who were in certain ineligible payment plans, often because their loan servicers specifically told them to use those plans or stay in them. The relief program comes with its own rules and restrictions, which I outlined in a previous article and are available on the Department of Education's website.

Five months in, that website is no model of clarity.

For instance, one paragraph tells borrowers that they must submit a public service loan forgiveness application and wait to be rejected (for payments that were not in a qualifying payment plan) before being potentially eligible for relief. The very next paragraph, however, tells them that they do not need to wait before submitting a request under the temporary plan.

Jolie von Suhr, a psychologist in a state psychiatric hospital in Lakewood, Wash., who was in an ineligible payment plan for years before realizing she had a problem, said the site's conflicting information left her both perplexed and afraid.

"It kind of sounds like you can submit them both at the same time, but I'm not sure," she said. "I'm so anxious now about doing anything incorrectly that could get me booted out of consideration."

In fact, you do not have to wait for a public service loan forgiveness denial in order to request consideration under the temporary expanded program. I asked if the department intended to clarify this on its site and received assurances that it "will continue to review communications to borrowers and will adjust them as appropriate."

Some eligibility determinations are easier to make than others — rejecting people who have not made 120 payments or who were in an ineligible loan, for example. The Department of Education's loan servicer often has a tougher time producing an accurate count of months of repayment.

Plus, it now has to account for a rule under the temporary program that applies to people who thought they were in the right kind of repayment plan but found out much later that they were not. They are eligible for the temporary program only if their most recently monthly payment and the one they made 12 months before their application were higher than what they would have paid if they had been enrolled in a qualifying repayment plan. Yes, it's complicated, and clearing this hurdle may require documentation.

The Education Department seems tired of bearing blame for all of this.

“We implement the programs Congress creates,” said the department’s press secretary, Liz Hill. She added that the forgiveness program and the temporary program were “poorly constructed programs, the rules of which are highly complex and difficult for students to navigate.”

“We are working to make it as straightforward as the rules allow,” Ms. Hill said.

Some borrower advocates are not surprised by the delays thus far.

“This is a new program in that we’re still in the first year or so of forgiveness applications,” said Betsy Mayotte, president of the Institute of Student Loan Advisors, a nonprofit adviser to debtors. “I have high hopes that the process will become more seamless and quicker over time.”

Have you replied for relief under the temporary plan? Please tell me about it at lieber@nytimes.com.

A version of this article appears in print on Oct. 19, 2018, on Page B1 of the New York edition with the headline: Student Debt Relief Program Remains a Headache for Many

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YOUR MONEY

A Teacher's Long Road to Student Loan Forgiveness (and a \$4,500 Surprise)

Public service debt waivers require 120 payments, meticulous attention to detail and, for a teacher named Jed Shafer, an appeal to a new program.



By **Ron Lieber**

Dec. 7, 2018

Jed Shafer's wife, Mary, riffled through the mail on Nov. 29, no longer expecting any unwelcome news.

For a couple of years, that daily sorting of papers had been fraught: The couple had been mired in the federal public service loan forgiveness program's appeal process. Mr. Shafer's attempts to get credit for qualifying payments that he was sure he had made became a twisting saga, and they never knew what sort of bad news might turn up in the mailbox outside their home in Eugene, Ore.

But earlier in November, Mr. Shafer had received word that he was among the first beneficiaries of a pot of money that Congress had set up to help many people like him. His loan servicer had wiped away all his remaining loan payments. So he and his wife weren't expecting any more surprises, of any sort.

Yet there it was. There *they* were, in fact. "Oh, my goodness, Jed, come in here quick," Ms. Vuksich-Shafer shouted to him. Among the early holiday cards and assorted catalogs were nine envelopes, each containing a check for over \$500 from the United States Treasury.

And so the saga of Jed Shafer, which I've chronicled twice before, comes to a happy end. But for untold numbers of other public servants, the struggles have only just begun.

The Saga of Jed Shafer

Jed Shafer became the patron saint of lost student loan causes. Here's his story.

A Student Loan Nightmare: The Teacher in the Wrong Payment Plan

Oct. 27, 2017



A Student Loan Fix for a Teacher, and Many Other Public Servants

March 30, 2018



The entire story began in 2007, the dawn of the public service loan forgiveness (P.S.L.F.) program. Not a lot of people knew about it at first, and the servicers that the federal Department of Education hired to process student loans did not always give public servants the best advice about how to become eligible for the program.

Here's how it's supposed to work. First, you must do eligible work, as a government employee or for nearly any nonprofit. Then, you must have an eligible loan, namely a federal direct loan. You must make 120 monthly payments on time, in full. (But be careful: Paying more than the amount due can trip you up.) Finally, you must be using an eligible payment plan, generally one that bases your monthly payment on your income.

(If you found that too simple, feel free to read and reread the appropriate Education Department website for even more of the complex details.)

The pool of potential applicants is enormous: About a quarter of all jobs qualify, and roughly two-thirds of college graduates now borrow to complete their degrees. Still, it took many years before large numbers of people heard about the program and tried to figure out how to sign up.

Over the last year or two, many of the early adopters realized that they were doing it wrong. Some (or all) of their payments had not counted toward that total of 120, and they complained — loudly — to the Education Department, their servicers and their elected representatives. Plenty of them say they took the advice of their loan servicers only to discover, years later, that the advice had been wrong.

When I first encountered Mr. Shafer in October 2017, the longtime teacher (he helped 124 dropouts get their general education diplomas last school year) had discovered that years of payments he had made were ineligible, because he was in what's known as a “graduated” repayment program. All along, various servicers had told him that he was on track, he said.

By March, things had taken a turn for the better. Since I first wrote about him, the Education Department and his servicer reclassified many of his disputed payments as eligible. Moreover, his story and the tales of others like him had helped inspire Congress to set aside \$350 million to help similarly situated borrowers. Since March, that figure has grown; now, depending on the circumstances of the various borrowers, there may be up to \$1 billion available — albeit on a first-come, first-served basis.

Not every aggrieved public servant is eligible for the loan relief program's relief program. If you've been in the wrong kind of loan all along — like a Perkins loan or a Federal Family and Education (F.F.E.L.) loan — this new Temporary Expanded Public Service Loan Forgiveness program (T.E.P.S.L.F.) won't help you. But if you were in the wrong kind of repayment plan — a graduated one like Mr. Shafer's or an extended plan — you may be eligible to seek relief.

There's a catch, though: Your last payment before you put in for the new temporary program and the payment a year before that generally have to have been higher than what they would have been if you had been enrolled in an income-driven repayment plan.

Got all that?

(If you want to know more, please read the various federal websites and my previous columns before emailing me for help. Of course, the lines remain open for tales of triumph and truly hard-luck stories at lieber@nytimes.com. I've answered hundreds of questions about the program over the past couple of years and will try to keep doing so when I can. I enjoy helping. Please renew your subscription. Thank you.)

Despite the complicated requirements, Mr. Shafer thought he might qualify, so he applied. In early September, he received a confusing rejection notice. Now, his servicer was tracking his eligibility in two ways: Under the P.S.L.F. column, his eligible payments had somehow been wound back to the mid-20s. But on the same page, there was a T.E.P.S.L.F. count as well. That one was at 116, four short of forgiveness.

Something was working! And after a bit more correspondence and some additional paperwork and further adjustments, he got word on Nov. 19 that he was done and that his balance was zero.

"We're now going to mindfully stimulate the economy in any small way that we can," he said. The couple's second car dates to the 1990s, but that will soon change.



Mr. Shafer was surprised by nine checks from the government after it found that that he had been eligible for a forgiveness program longer than he thought.
Thomas Patterson for The New York Times

So about those checks. Mr. Shafer was persistent enough that his servicer seems to have ultimately determined that his good-faith effort to enter P.S.L.F. dated back 129 payments, not 120. And so it refunded those extra payments, one by one, check by check, in separate envelopes that showed up on the same day.

Was there any warning? Any explanation? “Nope,” Mr. Shafer said. “You don’t get to look at the man behind the curtain.”

For now, he is in a very small group of very lucky and determined public servants. Just 26 people had received T.E.P.S.L.F. approval as of Oct. 16, according to a presentation that a Department of Education employee made last month. Among them, they had \$1.4 million in debt forgiven. That’s out of 33,947 requests under the temporary program; 3,288, including Mr. Shafer’s, were still under review as of mid-October.

The reviews can take up to six months even when everything is going right, so be patient if you are in the queue. And if things don’t seem right, do what Mr. Shafer did: Complain to your senators and elected representative in Congress. Contact the ombudsman at the Department of Education, too. At one point, a phone representative at his servicer told him that his account was marked with an alert because of his ombudsman complaint — meaning that his account got more attention.

“There are thousands and thousands and thousands of people like me out there,” said Mr. Shafer, who now also counsels the frustrated public servants who find their way into his email box, desperately hoping to get the loan forgiveness that the law says they deserve.

“Whatever the amount of battle,” he said, “it’s been worth it if some other people can get that letter, too.”

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A version of this article appears in print on Dec. 8, 2018, on Page B1 of the New York edition with the headline: At Last, Loan Forgiveness (and a \$4,500 Surprise)

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