



GENERAL

Is the Public Service Loan Forgiveness Program Dead or Alive?

07.30.25 | Linda J. Rosenthal, JD



In a statement on January 17, 2025, just a few days before the transition of administrations, Secretary of Education Miguel Cardona announced the “final” approvals of student loan forgiveness for borrowers through the income-based repayment (IBR) plan and borrower defense to repayment.” More generally, there had been “a total of \$188.8 billion in student loan forgiveness for 5.3 million borrowers.” [*Biden Administration Announces ‘Final’ Student Loan Debt Relief Approvals*](#) (January 17, 2025) Maria Carrasco, *National Association of State Financial Aid Administrators*; see also [*Public Service Loan Forgiveness: What It Is, How It Works*](#) (updated January 15, 2025) Eliza Haverstock, *nerdwallet.com*.

“....[W]e fixed existing programs that had failed to deliver the relief they promised, took bold action on behalf of borrowers who had been cheated by their institutions, and brought financial breathing room to hardworking Americans—including [public servants](#) and borrowers with disabilities.”

The charitable community, while applauding all of these achievements, has taken special interest for many years in the Public Service Loan Forgiveness Program (PSLF). Enacted by Congress in 2007 with high hopes of providing borrowers with a meaningful path to erase massive student-loan debt, it established the framework for forgiveness through a decade of public service including employment at 501(c)(3) organizations. The equally important rationale for this 2007 legislation was assisting the nation’s charitable nonprofits in attracting bright new college graduates who might otherwise be lured away by higher paychecks in the private sector.



We've covered this story over many years. See, particularly: [Good News on Public Service Loan Forgiveness Program](#) (May 5, 2023) *FPLG Blog* and [Student-Loan Cancellation: Out With Plan A. In With Plan B](#) (July 18, 2023) *FPLG Blog*.

New Executive Order

"There were fears, though, of what could happen with the change of administration in Washington, D.C. on Inauguration Day. Concern mounted with the barrage of executive orders and other "presidential actions" from the Oval Office that were taking a machete to anything associated with the former president. [The Public Service Loan Forgiveness Program: Is It DOA or Not?](#) (March 31, 2025) *FPLG Blog*.

"Then, on March 7, 2025, the White House released the Orwellian-titled [Restoring Public Service Loan Forgiveness](#). Many observers wondered: 'Hadn't it already been restored?'"

See also, for example: [Is Public Service Loan Forgiveness going away? Understanding Trump's executive order](#) (March 16, 2025) Eliza Haverstock, *NerdWalle*: "On Mar. 7, President Donald Trump signed an executive order that seeks to limit who can qualify for [Public Service Loan Forgiveness \(PSLF\)](#). It directs the Education Secretary to write a proposal removing PSLF eligibility for borrowers who work for organizations serving "a substantial illegal purpose."

Confusion Abounds

Over the next few months, confusion has increased, in part because the Trump Administration designated August 1, 2025 – this Friday – as a critical date to the undoing of the more general student-loan relief from the Biden Administration.

Adding to the uncertainty has been an announcement that the Department of Education is "reviewing" the March 7th Executive Order with no definitive conclusions or actions. See [Is PSLF going away? What to know as Public Service Loan Forgiveness faces uncertain future](#) (July 14, 2025, updated July 18, 2025 3:48 pm EDT) Lianna Norman and Zachary Schermele, USA Today Network, [tallahassee.com](#).

The authors explains:

- Student loan interest restarts for approximately eight million borrowers on August 1, ending a year-long interest-free forbearance period under the SAVE repayment plan.
- The future of the Public Service Loan Forgiveness (PSLF) program is uncertain under the Trump administration, with potential changes impacting eligibility, especially for nonprofit employees.
- While the Department of Education is reviewing an executive order concerning PSLF, no immediate changes are in effect, and borrowers are advised to take no action."

In [The New Student Loan Regime—Pauses, Pain, and Limits on Forgiveness](#) (July 28, 2025) Marian Conway, *The Nonprofit Quarterly*, the distinguished author includes an excellent detailed discussion with this key takeaway: "The good news is that the PSLF program itself emerges unscathed. The not-so-good news is that the threats to PSLF remain.



Conclusion

With the caveat that – on top of this uncertainty – the current Administration can and does change its position regularly, we'll follow these developments and report back.

Of course, a particularly intriguing (and alarming!) development is the current hatchet job on the Department of Education which has historically been in charge of overseeing the Public Service Loan Forgiveness Program. Within the last day or so, the White House announced that this function is now moving over to the Department of Health and Human Services under Secretary Robert F. Kennedy, Jr.

What can possibly go wrong?

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