

No Extension for PSLF Temporary Waiver

08.24.22 | Linda J. Rosenthal, JD



Two weeks ago, in [Urgent Action Needed on PSLF Program](#) (August 9, 2022), we posted an interim update on the Public Service Loan Forgiveness Program. At that time, there were two urgent “action” items for nonprofit organizations and certain other government and public-service employers.

First, in July 2022, the Department of Education issued proposed regulations on a comprehensive overhaul of the student-loan relief generally; this rule-making includes certain provisions for much-needed reform of the troubled PSLF Program. There was an August 12, 2022, deadline for public comments and suggestions. The National Council of Nonprofits, having already submitted (and posted online) its own comprehensive response to the proposed regulations, encouraged others in the nonprofit sector to send in their own ideas before the looming cut-off.

Second, there is an October 31, 2022, deadline for current PSLF borrowers to get relief under a “temporary waiver” of the oppressive and harmful qualifications policies and procedures that had arbitrarily and unfairly blocked them from obtaining full forgiveness at the ten-year mark. Since this “temporary waiver” is such an extraordinary benefit that may soon evaporate, nonprofits were reminded to continue being proactive about informing their workers of it, and helping them to navigate the waiver-application process.

Presidential Announcement

We acknowledged on August 9th that there is understandable confusion about the progress and particulars of “student-loan reform” generally. The national conversation about the high cost of college and the oppressive debt burden many graduates carry for decades is difficult and complicated. It has spawned a variety of reform proposals. While they are all being considered simultaneously, they are proceeding on separate and distinct paths.

President Biden has just made a major announcement pertaining to the student-loan program. His comments and accompanying executive action focused most particularly on the grant of a one-time cancellation of \$10,000 or \$20,000 in outstanding student-loan debt for certain borrowers who qualify under maximum-salary limitations.

He also addressed the looming expiration on August 31, 2022, of the COVID-19 student-loan payment moratorium. There will be an extension of the pause until December 31st, but this accommodation will be the last one.

Notably, the President briefly discussed the Public Service Loan Forgiveness Program, covering both of the action items from our August 9th post.

Proposed Regulations

Notwithstanding the importance of the general student-loan cancellation announced today, the hard work of overhauling the many deeply troubled aspects of the student-loan program implementation and administration, continues inside the U.S. Department of Education. The public-comment period on the proposed regulations (that happen to include changes to the PSLF Program as well as other, more general modifications) has now closed.

The National Council of Nonprofits reported a few days that the DOE received over 4,000 submissions. Of course, only some of them may have addressed the proposed PSLF reforms; nevertheless, that's an encouraging response rate. And there is every reason to believe that the Department of Education, backed by an Administration endorsing comprehensive reform, will give serious and thoughtful consideration to these opinions and suggestions. In due course, final regulations will be issued.

President Biden mentioned this ongoing regulations project in his news conference, suggesting that it continues on its current trajectory as one of several ongoing prongs – perhaps the most important one – through which his Administration will try to relieve the crushing debt burden of current and future college graduates.

Temporary Waiver

“There have been reminders for months by the National Council of Nonprofits and others about the upcoming scheduled expiration of one-time temporary accommodations (a “waiver”) for beleaguered public-service borrowers as to their existing obligations.”

In its August 8, 2022, “public-comment” submission to the Department of Education on the proposed student-loan regulations, the National Council of Nonprofits had called for an extension of the temporary Limited PSLF Waiver that is set to expire on Oct. 31.

Unfortunately, the President did not extend that end of October deadline; he made clear it is a fixed and final deadline.

As we explained previously, the temporary waiver is “... an extraordinary opportunity that too many nonprofit workers don't know about at all or who haven't yet taken the actions necessary to preserve their rights.” See Commentary: Nonprofits should spread the word on little-known \$10B

federal student loan forgiveness for their employees (June 2, 2022) Rich Leimsider, nymmedia.com. There, Mr. Leimsider cautions that “the program can help those eligible public service workers, but only until October.”

The clock is ticking on this important relief provision. There is a “[Help Tool!](#)” at StudentAid.gov for borrowers to use to determine if they qualify for this special relief.

Again, as before, the National Council of Nonprofits has urged nonprofit employers to take an active role – as soon as possible – in helping their workers submit applications for relief before it’s too late.

Conclusion

We’ll follow and report on developments including the final regulations pertaining to the Public Service Loan Forgiveness Program, which may be issued at any time.

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