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Student Loan Borrower Relief Hiding in Plain Sight

JULY 21, 2016 — MARK ZUCKERMAN

More than ever before, young Americans who attend college are being saddled with formidable financial debt, placing an incredible burden on them precisely at the time when they are seeking to launch their careers. Graduates soon find out that student loan debt can limit their occupational choices, delay the purchase of a home and major consumer goods, leave them financially vulnerable, and undermine their ability to accumulate a nest egg for their own children's education and for retirement. In this way, it hampers not only the borrowers' financial future, but also the economic prosperity of the nation as a whole.

It should be no surprise then that the issue of college costs and student debt has rocketed to near the top of voter concerns during the 2016 presidential campaign, especially for millennials. Public polls indicate strong support for debt-free access to public colleges, for example, and Senator Bernie Sanders and Secretary Hillary Clinton have released comprehensive proposals for making college more affordable.

As this national conversation over college affordability continues, there is a particular urgency to address the concerns of student loan borrowers who have already left school.

In the past ten years, total student debt has doubled, and one in four student loan borrowers are behind on their loan payments or in default.[1] Although Congress and the Obama administration have created flexible repayment plans and loan forgiveness programs to help these indebted students stay above water, basic design flaws and challenges in promoting these options are presenting barriers for many of the borrowers who need assistance the most.

This report discusses two major repayment programs run by the U.S. Department of Education to help student borrowers manage their debt—the Income-Based Repayment plan (IBR),[2] and the Public Service Loan Forgiveness Program (PSLF)—and provides recommendations to help more eligible borrowers take advantage of them.

Each year tens of millions of young people take advantage of loans through the Department of Education to help them pay for college, regardless of their ability to pay, their lack of credit history, or experience with consumer loans. The stakes are high for students, particularly those who may face financial stress when they graduate, because student loans are not dischargeable in bankruptcy, and loan defaulters can face lifelong consequences, including the inability to purchase their first home, paying higher interest rates on consumer loans, ineligibility for loan forgiveness, and even the denial of employment. Along the way, as college graduates first navigate through this new world of financial independence, many stumble. With over one million student loan borrowers defaulting every year, and millions more delinquent on their loan payments, decisive action to further improve IBR and the PSLF is critical.[3]

The Income-Based Repayment Program

The Department of Education's Income-Based Repayment (IBR) program allows student borrowers to adjust their loan payments to better reflect their current earnings. The goal of IBR is to help borrowers better manage their debt, and help reduce loan defaults. Borrowers must affirmatively request an IBR-type repayment plan, otherwise they are automatically placed in a standard ten-year repayment plan after they graduate, which does not take their income into account.

In 2010, in the law that enacted Obamacare—the Health Care and Education Reconciliation Act—Congress authorized a number of measures to expand student aid, including a significant increase in the maximum Pell grant (paid for by taking the middle-man banks out of the student loan program). It also authorized a more flexible IBR plan applicable to new loans taken out on or after July 1, 2014. Specifically, this plan allowed eligible borrowers under IBR to cap their monthly loan payments at 10 percent of their monthly discretionary income, rather than the previous ceiling of 15 percent.[4] Recognizing that this plan would stretch out payments over a longer period of time for many borrowers (and thus increase the cost of interest for them), IBR lowered the maximum repayment period from twenty-five years to twenty years, after which any remaining loan balances are forgiven by the federal government.

PRESIDENT BARACK OBAMA SIGNS THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010 AT NORTHERN VIRGINIA COMMUNITY COLLEGE IN ALEXANDRIA, VIRGINIA, MARCH 30, 2010. SOURCE: FLICKR.

In the ensuing years, President Barack Obama extended these more favorable IBR options to all borrowers—regardless of when they took out their loans—through two separate executive actions, making more than 5 million additional borrowers eligible for the program.[5]

For many low-income borrowers, or those with high levels of debt, the savings from the flexible repayment schedules available under IBR are very significant. For example, a borrower with an initial annual adjusted gross income of

$15,000 who was carrying $20,000 in student loan debt would pay a total of $27,000 under the standard ten-year student loan repayment plan. By contrast, under the IBR[6] plan, the borrower would pay only $7,414 over the extended payment period of the loan. That is because the borrower would never pay more than 10 percent of their income, and after twenty years, the balance would be forgiven. Student loan borrowers can quickly estimate possible savings by using a tool created by the Department of Education's Repayment Calculator.

The IBR program has not only helped borrowers better juggle student debt and current living expenses, but also helped many borrowers stay out of default. For example, a study by the Government Accountability Office (GAO) found that from fiscal years 2010 to 2014, less than 1 percent of the IBR participants had defaulted on their loans, compared to 14 percent of those paying loans under the standard repayment plan. Participation in IBR-type plans also reduces loan delinquency.[7] As Figure 1 indicates, one-quarter of loans in the traditional ten-year repayment plan are over thirty days delinquent (some 3 million).[8] By comparison, only 5 percent of loans in the IBR program are delinquent. Asubstantial percentage of borrowers in the ten-year plan would be eligible for IBR or other more flexible repayment options.[9]

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Despite the effectiveness of IBR and related plans in reducing defaults and delinquency, the GAO found that fewer than 25 percent of Direct Loan borrowers apply for these more flexible plans. Most borrowers were steered into standard ten-year repayment plans, and must initiate the process themselves in order to obtain a more flexible plan. Some borrowers are simply unaware of the Department of Education's alternative repayment plans. Others have difficulty evaluating which of the eight different complex repayment options is appropriate for their own financial situation, and determining if they meet the eligibility requirements.[10] A trade association called the myriad of options "so confusing as to be counter-productive."[11] The Bureau of Consumer Financial Protection found that many borrowers fail to sign up due to "inconsistent and incomplete" information provided by their loan servicers.[12] And after reviewing the academic research, actions by state law enforcement agencies and public comments from consumers, the bureau found that there were "serious questions about the adequacy of current servicing practices related to enrollment in income-driven repayment plans."[13]

In response to these criticisms, the Department of Education has taken a number of measures to promote IBR type repayment plans, and there has been a significant jump in the number of borrowers applying. [14] As of March 2016, the Department of Education reports almost 4 million borrowers are using flexible repayment plans, up almost 1 million over the first quarter of 2015.

Despite the impressive uptake, however, there continues to be unacceptably high rates of delinquent and defaulted loans. A quarter of Direct Loans—almost 3 million—are over thirty days delinquent, and 1 million loans are over 180 days delinquent.[15] According to the latest statistics published by the Department of Education, of the cohort of students who went into repayment in the 2012–13 school year, 610,584 borrowers have defaulted, or 11.4 percent of the 5.1 million loans in repayment for that cohort.[16] Figure 2 provides the number and percentage of borrowers that have defaulted on their student loans in each state for the 2012–13 cohort. It is striking that in large states such as Texas, Florida, and Ohio, over 14 percent of students in that cohort have already defaulted on their loans.

FIGURE 2. THE CURRENT STATE OF THE STRUGGLE IN LOAN REPAYMENT

Recommendations to Improve Income-Based Repayment Plans

The Department of Education should substantially reduce student loan defaults by automatically placing delinquent borrowers into flexible repayment plans. Automatically moving distressed borrowers into IBR-type repayment plans is the single-most effective action the Department of Education could take to help prevent millions of student loan borrowers from going into default.

There is powerful policy research that justifies this kind of intervention by the Department of Education. In the book *Nudge: Improving Decisions About Health, Wealth, and Happiness*, economists Richard H. Thaler and Cass R. Sunstein convincingly argue that nudging beneficiaries to appropriate choices can advance public policy goals in a number of settings, such as overcoming inertia, incomplete information, or bureaucratic barriers. One classic example of how nudge theory works deals with the enrollment of employees in employer sponsored 401(k) plans. *Nudge* cites a study of a 401(k) plan where only 65 percent of the employees opted to take the plan. However, when automatic enrollment was introduced at a workplace (in which they could opt out), 90 percent of employees remained enrolled.

In order to prevent many defaults, the Department of Education could automatically lower the per-month payment schedule of borrowers who have become either thirty or sixty days delinquent. The borrowers would be notified of their new pay schedule, and their right to opt out, thus preserving borrower choice.

New legislation authorizing the secretary of education to (1) automatically switch a delinquent borrowers to an alternative repayment plan and to (2) obtain income information directly from the Internal Revenue Service (IRS) to determine eligibility, would be the most direct way to implement this proposal. It is surprising that the Department of Education's Office of Student Financial Aid—the largest student loan lender in the world (with over $1.1 trillion of loans outstanding and some 40 million borrowers)—lacks express authority to obtain income verification directly from the IRS.

As a workaround, the Department of Education developed, with the Department of Treasury, a way borrowers could *voluntarily* verify their adjusted gross (through IRS's tax return data retrieval tool) when applying for student aid and alternative repayment plans. This workaround is inadequate because of the large number of borrowers who do not affirmatively request an alternative repayment plan

By comparison, the Affordable Care Act allows for automatic verification for individuals applying for health care benefits. The Centers for Medicare & Medicaid Services (CMS) operates an electronic system called the "data services hub," which provides a single link to federal sources, such as the Internal Revenue Service and the Social Security Administration, to automatically verify income and consumer application information.

Even in the absence of new legislation, current law arguably allows the secretary of education some discretion to automatically move delinquent borrowers into a more flexible repayment plan in certain cases.[17]

The ten-year repayment period was created in the original 1965 Higher Education Act, when the average student indebtedness was just a few thousand dollars for four years of college. With the average student debt of almost $30,000, the automatic ten-year repayment option is sorely outdated, contributing to widespread student loan delinquencies and defaults. The next president and secretary of education should take decisive action to help distressed borrowers better manage their debt by "nudging" them into flexible repayment plans.

The existing loan repayment options should be streamlined into one flexible repayment plan option, such as IBR, and loan forgiveness granted under the plan should not be taxed as income. The complexity of multiple repayment options discourages borrowers from selecting alternative repayment plans at all, seriously undermining the program's ability to help borrowers stay current with their loan obligations. The current repayment plan options, many with different eligibility requirements and borrower benefits, include:

- Standard Repayment: ten years of fixed payments (students are currently automatically enrolled in this plan)
- Graduated Repayment: ten years of payments that are low at first, and then increase
- Extended Repayment: twenty-five years of fixed or graduated payments
- Income-Based Repayment (IBR): 15 percent of discretionary income, for up to twenty-five years
- Pay As You Earn (PAYE): 10 percent of discretionary income, for up to twenty years
- Income-Contingent Repayment (ICR): payments based on debt amount, annual gross income, and family size, for up to twenty-five years
- Income-Sensitive Repayment: a monthly payment based on annual income, for ten years

Congress could enact one, simplified universal repayment plan based along the lines of IBR, provide financial incentives for on-time payments, and allow borrowers to make loan payments through employer deductions, if requested. Loan forgiveness under the repayment plan could be exempted from the definition of income under the federal tax code, to ensure borrowers receive the full benefit of the loan forgiveness benefit.[18]

The Public Service Loan Forgiveness Program

The Public Service Loan Forgiveness (PSLF) program is a sweeping student loan benefit created by Congress in 2007, and is designed to encourage young people to pursue careers that serve the public interest by providing them loan forgiveness.[19] Specifically, it allows borrowers participating in the federal direct loan program who have been working in public interest jobs (broadly defined to include employment at any federal, state, or local government, or nonprofit employer) for ten or more years to have 100 percent of their remaining student loan debt forgiven.[20] The Department of Education will first begin forgiving student loans under the program in October 2017.

Prior to PSLF, Congress had authorized a series of limited, narrowly focused loan forgiveness programs, usually as a tool to address acute labor shortages in occupations such as teaching, law enforcement, nursing, medical research/technicians, and even to veterinarians working in hard-to-serve areas. In some cases, however, Congress did not fund the forgiveness programs it authorized, or provided only meager appropriations that severely limited eligibility. Also, these programs were sometimes capped for each borrower, or only applied a narrow set of loan programs administered by the Department of Education. Other than loan forgiveness for public school teachers, these programs were rather small, helping only thousands of borrowers.

The PSLF program is the first designed to encompass a wide range of government and nonprofit service occupations. The program has no dollar cap on the amount that can be forgiven per student, and the program is funded through mandatory spending (not subject to annual appropriations by Congress), which means no eligible borrower will be denied loan forgiveness.

FAZEELA SIDDIQUI IS A PUBLIC INTEREST ATTORNEY WHO WILL BE ELIGIBLE TO TAKE PART IN THE PUBLIC SERVICE LOAN FORGIVENESS PROGRAM. CLICK HERE TO VIEW HER STORY.

When creating the PSLF program, Congress provided a broad definition ofqualifying public service occupations—some 34 million employees, or almost 25 percent of all workers, are in occupations that meet the requirements for public service.[21] The program was designed specifically to assist borrowers who made a long-term commitment to working in the public interest. In fact, the congressional report by the U.S. House Education and Labor Committee that accompanied the authorizing legislation specifically noted the long-term financial hardship of those working in public service jobs, which often pay less than the private sector.[22] By requiring ten years of public service employment (equal to 120 loan payments), Congress hoped the new program would not only help those workers who had made a commitment, but also encourage more young people to seek—and hold—jobs in the public service.

Because student loans traditionally have ten-year repayment schedules, however, borrowers who pay off their loans on time are not eligible loan forgiveness under PSLF. The program is designed primarily to benefit those borrowers who suffer hardship while in public service, and then use mechanisms such as the Department of Education's Income-Based Repayment plan to extend their loan payments past the traditional ten-year repayment period.

As noted above, the PSLF program was created in 2007, and so the ten-year requirement means that the first cohort of borrowers will become eligible to receive loan forgiveness in October 2017. Borrowers who want confirmation that their employment qualifies as "public service" under the program and that they meet the ten-year requirement need to complete the Department of Education's Employment Certification for Public Service Loan Forgiveness form. Borrowers must initiate the process, and must have their qualifying employer fill out a portion of the form before submitting it to the Department of Education.

One key weakness of the PSLF program's design is that borrowers who qualify are not automatically awarded loan forgiveness. The Department of Education currently lacks any system to verify borrowers' type of employment and to track their length of public service, so it has no ability to automatically grant loan forgiveness, nor even selectively target borrowers likely to benefit from information about the program. The program relies on borrows becoming aware of the benefits through other channels, and then taking proactive steps to certify employment and apply to the program.

The potential upside of this program for an individual worker can be huge. While the amount of loan forgiveness a borrower will receive depends on their income, the amount of the loan, and the type of repayment plan, for many borrowers, the program can provide thousands—even tens of thousands—of dollars in reduced debt. For example, the Department of Education provides an illustration of a borrower who has an adjusted gross income of $35,000 (rising 5 percent a year), and has $50,000 in loan debt.[23] If the borrower were to take advantage of the Department of Education's Pay As You Earn (IBR plan), the new repayment schedule would translate to payments totaling $71,782 over twenty years of repayment, and the borrower would have $36,583 forgiven. However, if the same borrower had employment covered by the PSLF program for ten years, the borrower would pay a total of only $24,618, and have $55,333 of the loan forgiven. Also, while the amount forgiven at twenty years under just the IBR plan would be counted as income under current law, the loan forgiveness under PSLF is not treated as income, and thus not subject to taxation.

The Department of Education PSLF certification process has yielded some initial data on who is likely to benefit from the program. As indicated in Figure 3, two-thirds of borrowers whose certifications have been approved were federal, state, and local government employees, and about a third worked for charities.[24] Because PSLF is focused on debt burden, which is a function of both level of income and size of debt, borrowers who had their employment certified for PSLF tended to have higher student loan debt than other student borrowers. According to the GAO, 80 percent of borrowers applying for PSLF had more than $30,000 of debt, compared to only 36 percent of the Direct Loan borrowers generally.[25] Of those certifications that included income information, almost half had adjusted gross income under $40,000.

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As of February 2016, the Department of Education reports that 359,975 borrowers had successfully certified their employment for PSLF.[26] However, as noted in Figure 4, which indicates how many months of loan payments have been certified, fewer than 30,000 borrowers appear on track to qualify for forgiveness over the first five years of the program (2017–23), and only a negligible number of borrowers will be able to claim forgiveness in October of 2017.

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There could be a number of reasons the certifications are bunched in the under-two-years category. That category could contain many borrowers who consolidated their old Guaranteed Student Loans into Direct Loans, in order to make them eligible for loan forgiveness under PSLF (Guaranteed Student Loans are not eligible for forgiveness unless consolidated into the Direct Loan program). For consolidated loans, the requirement to make 120 payments while employed in public service starts when the loans become Direct Loans, so those loans will not be eligible for forgiveness for at least ten years after consolidation. Additionally, a number of borrowers may have been initially certified for public service, but have not updated crucial data, such as the number of years and months they have been employed. And since many borrowers may move in and out of public service, so they would be slower to qualify for loan forgiveness.

As the October 2017 date draws nearer, the Department of Education reports a steady number of borrowers submitting certifications; some 20,000 borrower certifications are being approved each month.[27] However, according to estimates by the GAO, there is room for considerable growth in uptake of the PSLF certifications. The GAO has estimated that, based on workforce trends, some 4 million Direct Loan borrowers work in public service, with an estimated 643,000 of them repaying loans through the Department of Education's alternative repayment plans. Although not all will work in public service for ten years, it is clear that the pool of potential borrowers eligible for PSLF is likely to be significantly larger than certifications submitted thus far.[28]

Ensuring that the PSLF is properly promoted is taking new urgency, as the demand for new workers in the public service sector grows. For example, by 2020, the nation will need a million new nurses, 435,000 school teachers, and an additional 161,000 social workers.[29] For new graduates carrying student loan debt, the promise loan forgiveness and flexible repayment options can be an important factor in taking and staying in these important public interest jobs.

The PSLF program is a powerful tool to help student loan borrowers manage debt, and avoid delinquency or default. Below are recommendations to help ensure that borrowers working in the public service know about this critical benefit.

Recommendations to Improve the Public Service Loan Forgiveness Program

The Department of Education should add PSLF as an option on its existing Online Repayment Loan Calculator. The Department of Education has created a very useful tool for borrowers to determine the best loan repayment plan for their income and loan amount. However, the tool currently does not provide any calculations for the savings a borrower would receive under PSLF. Letting students and borrowers see the specific amount of their loan that would be forgiven (in conjunction with the Income-Based Repayment plan) by entering their estimated income and loan amount is an essential tool to properly promote PSLF.

The Department of Education should create an online certification and (ultimately) application form. Currently, in order to certify for the program, borrowers must print out the certification form, obtain the employer certification, and then send the completed paperwork to a loan servicer. As with the FASFA form that students use to apply for financial aid with the Department of Education, there should be an online option to certify eligible work in the PSLF program, including the ability to forward the form electronically to the employer to fill out its portion.

The Department of Education should create a voluntary online tool for use by qualifying employers to mass-certify employees with student loans annually to the Department of Education. Nonprofit and government employers are motivated to hire and retain high-quality employees. The Department of Education should create an electronic platform to allow these organizations to mass-certify their employees who have federal student loans annually, at the employee's request. As part of its regular employee benefits program, public service employers should be able to annually notify employees that their certification process will be initiated with the Department of Education on their behalf. This proposal would provide borrowers additional opportunities to learn about the PSLF, help streamline the certification process, and provide employers with a powerful new tool to recruit and retain personnel at a nominal cost.

The federal government, as the largest single public employer in the country, should create an ongoing certification of employment to the Department of Education and regularly promote the PSLF program for new and existing employees. Federal agencies should regularly offer to certify employees who hold student loans to the Department of Education, at employee's request. The federal government employs almost 3 million workers, all of whom meet the definition of public service employment. The federal Office of Personnel Management could take the lead in establishing uniform materials and process for agencies to follow, and track the success of the outreach effort.

Governors, mayors, and local government executives should issue executive orders/actions to promote the PSLF program. As noted above, some two-thirds of borrowers becoming certified under the PSLF program work for public employers. Through executive order or administrative action, information about the PSLF should be included in employee handbooks and orientation materials as a recruitment and retention tool for public employees. Employers should also be able to mass-certify employees with student loans to the Department of Education.

Nonprofits and nonprofit associations should actively promote the PSLF program. Some nonprofits and nonprofit associations are promoting the PSLF program, but more should join in. A good example is the National Council of Non-Profits, which provides very helpful information. The White House recently created the Student Debt Challenge, which includes tools and a commitment for employers to educate their employees with student loans about repayment and forgiveness programs.

The Department of Education should continue to work with loan servicers to educate borrowers about the PSLF program. A GAO report recommended that the Department of Education "take steps to examine borrower awareness of Public Service Loan Forgiveness and increase outreach about the program."[30] Specifically, it recommended the department provide more detailed requirements of the loan servicers to notify borrowers of the program. The report noted that the department was unable to evaluate whether its practice of emailing borrowers general information about the PSLF program was effective. One recommendation is for loan servicers to send borrowers currently using the Income-Based Repayment program an individualized estimate of their net debt reduction under the PSLF program.

The Rationale for Supporting and Improving These Programs

Although Congress and the Department of Education have improved the IBR program over the past few years, it is failing to prevent over one million student loan defaults each year, or to help millions more who are over thirty days delinquent on their payments. Simplifying repayment options and automatically qualifying eligible distressed borrowers for flexible repayment could significantly reduce loan defaults, and reduce taxpayer costs of the program.

The PSLF program is intended to assist and encourage a new generation of young people who want careers in public service, but so far has a surprising low take-up rate that threatens the success of the program. Better promotion of the program could significantly help public sector employers recruit and retain employees, and help public service employees better manage their student loan debt.

Notes

1. Bureau of Consumer Financial Protection, "Request for Information Regarding Student Loan Borrower Communications," Docket No. CFPB-2016-0018, April 2016, 5, http://files.consumerfinance.gov/f/documents/201604_cfpb_rfi-regarding-student-loan-borrower-communications.pdf.
2. In this paper, reference to IBR includes the related repayment plans, PAYE, and REPAYE, unless otherwise noted.
3. See "Direct Loan Portfolio by Delinquency Status," Department of Education,https://studentaid.ed.gov/sa/about/data-center/student/portfolio (Direct Loans entering default for the first time).
4. College Cost Reduction and Access Act, P. L. No. 110-84.
5. White House, Office of the Vice President, "Making Student Loans More Affordable," White House Factsheet, June 9, 2014, https://www.whitehouse.gov/the-press-office/2014/06/09/factsheet-making-student-loans-more-affordable.
6. In this case, technically referred to as the Pay As You Earn program, a type of IBR plan authorized through executive action by President Barack Obama.
7. "Federal Student Loans: Education could do more to help ensure borrowers are aware of repayment and forgiveness options," Government Accountability Office, GAO-15-663, August 2015, 30–31, 20, www.gao.gov/assets/680/672136.pdf.
8. U.S. Department of Education, "Portfolio Overview," Servicing Summit, Omni Hotel at CNN Center, December 1, 2014, fsaconferences.ed.gov/servicingsummit.html.
9. Bureau of Consumer Financial Protection, "Request for Information Regarding Student Loan Borrower Communications," 7.
10. For the Department of Education's various repayment options, seehttps://studentaid.ed.gov/sa/repay-loans/understand/plans.
11. Comment from Student Loan Servicing Alliance: "We believe the number of plans and the variety in their terms have become so confusing as to be counter-productive. Given the number and complexity of the plans, it is increasingly difficult for consumers to understand and can lead to borrowers giving up or not taking action at all." Bureau of Consumer Financial Protection, "Request for Information Regarding Student Loan Borrower Communications," 7, n16.
12. Ibid.
13. Ibid., 8.
14. For example, the Department of Education did extensive mailings directly to borrowers advising them of their

repayment options, recognizing that borrowers are may be more responsive to the department messages that those coming from servicers. The department allows borrowers to download their tax information from the IRS to share with the department to demonstrate eligibility for repayment plans, and has made arrangements with the Department of the Treasury to put information on repayment options on the back of tax refund envelopes.

15. See “Direct Loan Portfolio by Delinquency Status,” Department of Education, https://studentaid.ed.gov/sa/about/data-center/student/portfolio.

16. Information provided to The Century Foundation by the Department of Education.

17. For example, the law provides that “consistent with criteria established by the Secretary, the Secretary is authorized offer borrowers various repayment options” 20 USC 1087e (d)(1). The secretary could develop “criteria” that terminates eligibility for the ten-year repayment plan if borrower’s become delinquent in their payments, with an automatic transfer if the borrower to a more flexible plan. Additionally, the current the Master Promissory Note that governs the legal terms and conditions of student loans allows the Secretary to permit borrowers to temporarily make a “smaller payments, and extend the time for making payments.” The secretary is also allowed to “provide” an alternative repayment plan, on a case by case basis, in “exceptional circumstances.” 20 USC 1087e (d)(4). For future loans, the Master Promissory Note could have an option for borrowers to authorize the IRS in advance for the Department of Education to verify income for alternative repayment plans, and the annual renewal of such plans.

18. Hillary Clinton proposes the creation of a payroll deduction portal for employers and employees, https://www.hillaryclinton.com/briefing/factsheets/2016/07/06/hillary-clintons-commitment-a-debt-free-future-for-americas-graduates/.

19. The College Cost Reduction and Access Act of 2007, P.L 110-84.

20. Loans under the Federal Family Education Loan program issued by private lenders are not eligible for PSLF unless they are consolidated into Direct Loans.

21. “CFPB Launches Toolkit to Help Teachers and Other Public Servants Tackle Student Debt,” Consumer Financial Protection Bureau, August 28, 2013, http://www.consumerfinance.gov/about-us/newsroom/cfpb-launches-toolkit-to-help-teachers-and-other-public-servants-tackle-student-debt/.

22. House Education and Labor Committee Congressional Report to accompany H.R. 2669, June 25, 2007, https://www.congress.gov/110/crpt/hrpt210/CRPT-110hrpt210.pdf.

23. Barbara Hoblitzell, Ian Foss, and Dan Weigle, “Public Service Loan Forgiveness,” Department of Education Training Conference, December 2015, 9, http://docslide.us/documents/barbara-hoblitzell-ian-foss-and-dan-weigle-dec-2015-us-department-of.html.

24. Data provided by the U.S. Department of Education to the Century Foundation, March 15, 2016.

25. “Federal Student Loans: Education could do more to help ensure borrowers are aware of repayment and forgiveness options,” Government Accountability Office, GAO-15-663, August 2015, 30–31.

26. Information provided to The Century Foundation by the Department of Education.

27. Information provided to The Century Foundation by the Department of Education.

28. “Federal Student Loans,” GAO-15-663, 27.

29. “CFPB Launches Toolkit to Help Teachers and Other Public Servants Tackle Student Debt.”

30. Ibid., 60.

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