

Congress of the United States

Washington, DC 20515

December 16, 2021

The Honorable Miguel Cardona, Ed.D.
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

Dear Secretary Cardona:

We write urging you to provide for returned Peace Corps volunteers in your Department's recent improvements to the Public Student Loan Forgiveness (PSLF) Program.

On October 6, 2021, the Department announced reforms including a new temporary waiver period that allowed some borrowers to receive credit towards PSLF for periods of public service that would have not previously qualified under the program. This included allowing military service members to count months spent on active duty towards PSLF regardless of past loan status. The newly available temporary waiver period fixed issues whereby military members could historically "qualify for student loan deferments and forbearances that help them through periods in which service inhibits their ability to make payments" but would later "find out that those same deferments or forbearances granted while they served our country did not count toward PSLF."¹

Current and returned Peace Corps volunteers made similar choices given similar facts, but were not eligible for the temporary waiver period under the Department's October 6th announcement. We therefore request that you extend a similar waiver to allow current and returned Peace Corps volunteers to count their public service overseas towards PSLF credit and repayment, even if the volunteer's loan was in deferment or forbearance status at the time of their service.

Current U.S. Department of Education regulations (34 C.F.R. §685.219) specify that Peace Corps volunteers may receive PSLF credit in two situations.² They can either enroll in an income-driven repayment plan that recalibrates loan repayment based on income, usually to zero or a similar negligible amount, or they can use their Peace Corps readjustment allowance to pay off outstanding student loan debt within six months of their return from service in exchange for 12 months of PSLF credit. Volunteers can defer their federal student loans, but this does not qualify for PSLF credit. Unfortunately, many returned Peace Corps volunteers were reportedly led to believe that deferment was their only option and are therefore precluded from having their service count towards loan repayment.

In fall 2007, Congress passed the *College Cost Reduction and Access Act* (Public Law 110-84) establishing the PSLF. At that time, approximately 8,000 volunteers were serving overseas in the Peace Corps, according to the Peace Corps.³ However, based on testimonials from returned volunteers who served during that time, a significant number of volunteers were never notified by the Peace Corps, the Department, or their federal loan servicer that their Peace Corps service could be credited towards the PSLF program. Even if those Peace Corps volunteers would have had this information, many if not most

¹ <https://www.ed.gov/news/press-releases/fact-sheet-public-service-loan-forgiveness-pslf-program-overhaul>

² <https://www.govinfo.gov/content/pkg/CFR-2010-title34-vol3/pdf/CFR-2010-title34-vol3-sec685-219.pdf>

³ <https://www.peacecorps.gov/news/library/peace-corps-announces-highest-number-of-volunteers-in-37-years/>

volunteers likely still would have been unable to participate in the PSLF without the assistance of income-driven repayment plans, which were not created by the U.S. Department of Education until 2009.

Besides the income-drive repayment plan, Peace Corps volunteers could use their Peace Corps readjustment allowance to pay off student loan debt within six months of their return from service in exchange for 12 months of PSLF credit. However, this option to receive PSLF credit only partially covers Peace Corps service: one year of the two to three years volunteers normally spent overseas. Using the transition payment also presents a financial hardship for many volunteers by requiring them to forgo the readjustment allowance, which is intended to funds their transition back to life in the United States including basic living expenses while they secure permanent employment or pursue graduate education.

We strongly support your Department’s efforts to reform, strengthen, and expand the Public Student Loan Forgiveness Program, including the time-limited waivers for additional student borrowers announced on October 6, 2021. We simply request that you provide for current and returned Peace Corps volunteers by creating a new waiver or expanding current waivers to allow volunteers to credit their full service overseas towards PSLF or Temporary Expanded Public Service Loan Forgiveness, even if their federal student loans were placed into deferment or forbearance status during their service. Thank you for your attention to our request.

Sincerely,



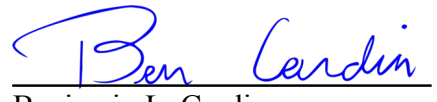
John Garamendi
Member of Congress



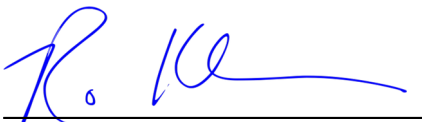
Chris Van Hollen
United States Senator




Betty McCollum
Member of Congress



Benjamin L. Cardin
United States Senator



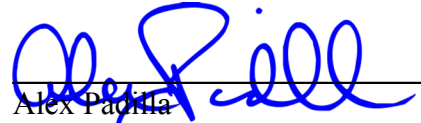
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