



COMMITTEE ON
EDUCATION & LABOR
REPUBLICANS

COMMITTEE
STATEMENT

**Opening Statement of Rep. Lloyd Smucker (R-PA), Republican Leader
Subcommittee on Higher Education and Workforce Investment Hearing:
“Broken Promises: Examining the Failed Implementation of the Public Service
Loan Forgiveness Program”
September 19, 2019**

(As prepared for delivery)

“Each year Americans take on more and more student debt. It’s no surprise borrowers have demanded help. College costs continue to surge so Congress has stepped in. But rarely does overreaching government intervention lead to positive reforms.

Look at the Public Service Loan Forgiveness (PSLF) program – a broken promise intended to help borrowers working in public service professions struggling with their student loan debt. Congress doubled down on that same broken promise when \$700 million was pumped into a new program called the Temporary Expanded Public Service Loan Forgiveness (TEPSLF).

Whether you support or oppose these programs is irrelevant for the purposes of today’s conversation, and I have sincere hopes that today’s hearing will not be used to grandstand or point fingers. The purpose of today’s hearing should be to come up with solutions to solve program confusion for borrowers, because our constituents working towards loan forgiveness are who we are here to serve.

My colleagues will repeatedly point to one GAO statistic: 99 percent of TEPSLF applicants were rejected since the program began in 2018. Well, that makes for a great headline. Sadly, it stretches the truth and only tells a fraction of the story, so I’ll highlight some of the important facts and figures my colleagues have conveniently left out.

Seventy one percent of TEPSLF applicants were denied because they didn’t submit

a PSLF application. According to the law, TEPSLF is only available to applicants who are ineligible for PSLF. Of the 29 percent of applicants who cleared the first hurdle by submitting a PSLF application, roughly only 4 percent were ultimately eligible for TEPSLF. This number illustrates just how tightly Congress defined TEPSLF eligibility.

Also, the GAO report determined that the Department of Education followed the law precisely. And nowhere in the GAO report did they find the Department of Education was improperly denying borrowers forgiveness or slow walking the implementation process.

There is no scapegoat to pin the issues on. We can't blame the Department of Education for high loan forgiveness rejection rates when it was narrowly-designed legislation, combined with years of Obama administration inaction, that brings us to today's problem. The Department of Education is following the complex law, as written by Democrats, it's just not the law the Democrats wish they had passed in 2007.

Spinning data to drive a political agenda doesn't serve the American people. It might make for some great headlines and Twitter material, but it certainly does nothing to help frustrated and struggling American borrowers. Talk is cheap, but failing policies are costly."

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