September 17, 2025

Linda E. McMahon,
Secretary of Education
United States Department of Education
400 Maryland Ave. SW,
Washington, DC 20202

Comment on Notice of Proposed Rule Making on Changes to the William D. Ford Federal Direct Loan (Direct Loan) Program [Docket ID ED-2025-OPE-0016]

Dear Secretary McMahon,

The Federation of Protestant Welfare Agencies (FPWA) submits these comments in opposition of the Office of Postsecondary Education, Department of Education proposed rulemaking that amends the regulations to the Public Service Loan Forgiveness (PSLF) program under 34 CFR 685.219 to exclude employers that engage in activities that have a substantial illegal purpose as determined by the Secretary.

FPWA is a leading anti-poverty, social policy and advocacy organization dedicated to strengthening faith institutions and human services organizations and advancing economic opportunity and justice for New Yorkers with low incomes. For more than 100 years, FPWA has driven groundbreaking policy reforms to better serve those in need and strengthened the capacity of human services agencies and faith institutions to serve the community. Our nearly 170 faith-based and human services agency members provide vital services to their communities ranging from childcare and early education to services for older adults and food pantries. Many roles within these organizations require a college degree. We appreciate the opportunity to comment on the proposed regulations.

The PSLF program supports the ability of individuals from low- and middle-income families to pursue careers in public service. The engagement of a talented and educated workforce benefits not only the organizations in which they work and communities they serve, it strengthens our economy and country as a whole. The proposed rule change could jeopardize the ability of individuals with student debt to provide this much-needed service to America.

Despite the necessary role faith-based and nonprofit organizations play in serving our communities, the organizations operate with tight budgets that constrain the wages they can provide. In a recent budget analysis, FPWA found that the median annual wages and benefits provided by our member organizations are

20 to 35 percent below comparable positions in the government and private sector. In 2019, two-thirds of full time human services workers earned below New York City's near poverty measure.[1]

Given the need for higher education and the low wages of the sector, employees in social services have a high likelihood of carrying student debt, impacting their ability to provide for their families today and save for the future. The PSLF program opens the opportunity for individuals from low- and middle-income families to provide a much-needed service to the country by working with faith and nonprofit organizations. It has expanded the pool of available workers to include those from low- and middle-income backgrounds who may bring lived experience to the role, further enhancing the organizations in which they work, and students and workers have made life decisions based on the availability of the program. Enacting the proposed rule may discourage individuals with student debt from entering public service, harming our faith-based and social service organization members and, ultimately, harming the communities we serve and our country.

In addition to the chilling effect this may have on future workers, any changes to the rule may negatively impact current workers at faith-based and social service organizations. A recent report by the Urban Institute, commissioned by FPWA and Community Service Society of New York, found that 52 percent of American families are living below the True Cost of Economic Security.[2] While college graduates with student loans have higher household incomes than non-college graduates, young graduates with loans report finding it difficult to get by.[3] In a context where we have a cost-of-living crisis, the government should not be reducing eligibility to programs that can help alleviate economic insecurity.

Because the PSLF program creates opportunity for economic mobility for individuals from low- and middle-income backgrounds and supports our faith-based and social service organizations in doing vital work in our communities and for our country, we oppose the proposed rule change that may reduce the ability of low- and middle-income individuals from engaging in public service. We advise the Department of Education to withdraw the proposed rule.

Sincerely,
Madeline Neighly
Chief of Policy and Research

[1] Federation of Protestant Welfare Agencies. (2024). *FY 2025 NY budget analysis*. https://www.fpwa.org/fy25nycbudgetanalysis/#:~:text=Impact%20on%20contracted%20workforce,near%2Dpoverty%20threshold%20in%202019

[2] Acs, G., Dehry, I., Giannarelli, L., & Todd, M. (2024, November). *Measuring the true cost of economic security: What does it take to thrive, not just survive, in the US today?* Urban Institute. https://www.urban.org/sites/default/files/2024-11/Measuring-the-True-Cost-of-Economic-Security.pdf

[3] Fry, R., & Cilluffo, A. (2024, September 18). *5 facts about student loans.* Pew Research Center. https://www.pewresearch.org/short-reads/2024/09/18/facts-about-student-loans/