



A Union of Professionals

## AFT News Release

**For Immediate Release  
October 13, 2021**

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### **US Department of Education Settles with AFT in Public Service Loan Forgiveness Suit**

#### ***Historic Settlement Provides Tens of Thousands of Rejected Borrowers with Review and Reconsideration of Claims for Relief, Discharges Plaintiffs' Loan Balances***

**WASHINGTON**—The American Federation of Teachers, AFT President Randi Weingarten and eight individual AFT member plaintiffs have reached a [landmark settlement](#) with the U.S. Department of Education in the case *Weingarten v. DeVos*, filed in July 2019 to hold the federal government accountable for its failure to manage the Public Service Loan Forgiveness program.

Under the historic agreement, tens of thousands of PSLF applicants who were denied relief will have an opportunity for their cases to be reviewed by the department, setting public employees across the country, including teachers, nurses and firefighters, on a path to a life-changing reduction or elimination of their crushing student debt burden.

PSLF guarantees that those who work in public service and consistently pay their monthly student loan bills will have the balance of their loans forgiven after 10 years. But since the program's inception in 2007, fewer than 2 percent of applicants have received the relief they were promised. Instead, borrowers faced rampant servicer misconduct, were issued confusing and sometimes contradictory guidance about the status of their applications, and had no clear process for contesting erroneous decisions.

The settlement allows for an official review for those denied the forgiveness they believed they were owed. It will help borrowers receive credit for years of past payments, putting them that much closer to full forgiveness.

“The AFT has fought hard for years to make PSLF work for the borrowers it was intended to help, and with this settlement we have ensured that a promise made is a promise kept,” said Weingarten. “Congress pledged relief to those who dedicated their lives to serving the public, but 98 percent got a debt sentence instead. Today is a day of vindication for the millions of borrowers who took the government at its word but were cruelly denied through no fault of their own.”

The settlement also discharges the full remaining loan balances of the eight individual AFT plaintiffs, eliminating close to \$400,000 of student debt and securing the relief these public service workers have worked diligently toward for over a decade.

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The **American Federation of Teachers** is a union of 1.7 million professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

Randi Weingarten  
PRESIDENT

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“This agreement unravels the Gordian knot of PSLF’s implementation and shows the power of advocacy and collective action,” Weingarten added. “It represents a game-changing victory for the millions of educators, nurses, public employees and other AFT members yoked to crushing monthly repayments that have upended their lives. And it gives muscle and teeth to the Education Department’s reforms to PSLF announced last week.”

The settlement takes several important steps to rebuild trust and secure the financial future of students entering public service jobs, by providing for:

- Reconsideration to borrowers whose applications for PSLF were denied;
- Automatic review of applications denied prior to November 2020 for borrowers with at least 10 years of repayment on a direct loan; and
- Detailed notices informing borrowers how many payments remain before they qualify for forgiveness, how they can find out which payments are qualifying, and whom to contact to receive guidance about how to obtain loan forgiveness.

Career choir teacher Debbie Baker of Oklahoma will have \$81,336 discharged. Baker joined the AFT as an associate member after hearing of the union’s separate legal action against loan servicer Navient.

“The AFT stepped up to the plate when no one else would listen. This settlement is just life-changing and, to be honest, overwhelming,” Baker said. “I made these payments in good faith, and we never should have been put in this situation with thousands of dollars in interest and fees wrongly added by the servicer. To be defrauded like that is not right, especially during a pandemic when I’ve been teaching in person every day. Now, this settlement finally makes things right.”

This settlement also supports further critical PSLF reforms:

- The department’s work with the AFT and others to improve communications with borrowers seeking PSLF;
- A publicly available audit of student loan servicer performance and publication of corrective action plans;
- A public release of data on why borrowers failed to qualify for PSLF, and improved data on PSLF turnaround times and outcomes so that borrowers know what to expect in applying for relief;
- Improvement of the PSLF application process, including by expanding the base of qualifying employers, automating the PSLF process for federal employees, allowing borrowers to digitally sign their PSLF applications, and exploring options allowing employers to certify employment for groups of employees and automating certification with state, local and tribal governments.

Peter Huk lectures in writing at the University of California, Santa Barbara, and will have \$33,913 discharged. Huk was repeatedly misinformed by his loan servicer that he was on a qualifying

repayment plan for PSLF, causing him to spend over a decade diligently paying his loans on a plan that was nonqualifying.

“After learning of the promise of the PSLF program 14 years ago and then experiencing its mismanagement through continuous misinformation by loan servicers and the Department of Education, I am relieved that many thousands of borrowers will reap its benefits,” Huk said. “I have extreme gratitude to the AFT for persisting in the legal struggle for clarity and accountability.”

The settlement comes in the wake of the Education Department’s recent announcement about structural fixes to the PSLF program. The AFT will continue to work with the Biden administration on the implementation of these changes to ensure a fast, clear and simple process by which public service workers can get credit for qualifying payments and soon see a zero balance on their student loan statement.

And the union will continue to promote the [online resource Summer](#), which helps AFT members and associate members navigate the changes to PSLF and reduce or eliminate their debt load.

Plaintiffs in *Weingarten v. DeVos* were represented by Selendy & Gay lawyers Faith Gay, Caitlin Halligan and Lena Konanova, and National Student Legal Defense Network lawyers Aaron Ament and Daniel Zibel, in the U.S. District Court for the District of Columbia. The settlement is [available here](#) and a one page-summary is [here](#).

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Follow AFT President Randi Weingarten: <http://twitter.com/rweingarten>