



IDFPR

Illinois Department of Financial and Professional Regulation

Division of Banking

<https://idfpr.illinois.gov>

JB PRITZKER
Governor

MARIO TRETO, JR.
Secretary

CHASSE REHWINKEL
Director

TO: All Federal Loan Servicers

RE: PSLF Limited Time Waiver Best Practices

The Public Service Loan Forgiveness (PSLF) program was created to provide needed debt relief to people who tirelessly serve their communities after graduation. Unfortunately, thousands of borrowers have been wrongly denied, steered away from applying, or are unaware of the PSLF program and its benefits. Under the Biden Administration, the Department of Education issued new PSLF rules in October of 2021 that provide program changes, including temporarily waiving some requirements in order to provide forgiveness to more borrowers. Currently, there are 359,728 public service workers in Illinois, but only 4,800 have received forgiveness. This represents only 1% of Illinois borrowers who have received relief for their public service.

As Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR), I write today to express that enrolling qualified Illinois borrowers in the the PSLF limited time waiver is a regulatory priority for the state. We want to work with our federal loan servicers to ensure as many Illinoisans take advantage of the program as possible. However, the waiver is only guaranteed until October 31st, 2022, creating urgency in ensuring Illinois' public service workers are aware of the program.

Therefore, the Department asks servicers to engage in best practices regarding the PSLF program in order to increase applicants. This includes:

1. **Proactive communication:** Servicers should provide written communication, at least once a month through the deadline, to all borrowers notifying them of the existence of the PSLF limited time waiver and deadline. This communication should reflect the following:
 - a. Stress that prior payments or periods of repayment that previously did not qualify under PSLF may now qualify, regardless of loan type. This also applies to late or partial payments.
 - b. State that if a borrower has a FFELP or Perkins loan, they may also qualify for the PSLF waiver, but must first consolidate into a Direct Loan before the deadline.
 - c. Explain that the public service job requirements are the same, but jobs that were denied in the past may now qualify. Borrowers can check using the ED PSLF Employee search tool: <https://studentaid.gov/pslf/employer-search>
 - d. Provide a link to ED's website where borrowers can learn more information about the PSLF waiver.

2. **Training:** Servicers should train their employees on the specifics of the PSLF waiver. This includes conducting a one-time training to ensure all employees understand the PSLF waiver, which borrowers may qualify, and the steps borrowers need to take to ensure their loans are forgiven. In addition, all training materials and call scripts should be updated to reflect the new information regarding the waiver.
3. **Prioritize PSLF on Phone Calls:** Servicers should direct their customer service representatives to take the following steps on all incoming calls with borrowers, including those who have at least one FFELP or Perkins loans:
 - a. Ask whether the borrower currently has or has had a public service job at any time since October 1, 2007.
 - b. Inquire whether the borrower is interested in learning about the PSLF waiver.
 - c. If the borrower responds yes to these questions, the customer service representative should provide an overview of the PSLF waiver, necessary consolidation (if applicable) and offer to forward written information regarding the program.
 - d. Servicers should develop and implement a call monitoring system to ensure all customer service representatives are providing accurate information regarding PSLF.
4. **Online Notice:** Servicers should ensure that there is a visible, clear notice on borrowers' online account page that flags the possibility of being eligible for PSLF if the borrower is employed in the public sector. The notice should also link borrowers' to more information regarding the program.
5. **Website:** Servicers should update their website to include detailed information regarding the PSLF waiver.

We appreciate your cooperation in ensuring that Illinois federal student loan borrowers are aware of the special PSLF limited waiver to which they may be entitled. IDFPR will be monitoring and following up with each federal loan servicer to learn what best practices have been put in place.

If you have any questions, please do not hesitate to contact us.