

## POLICY PROPOSAL:

# Public Service Loan Forgiveness

---

***AccessLex Institute urges Congress to preserve the Public Service Loan Forgiveness program. We welcome the opportunity to further discuss how to best empower graduate and professional students to benefit society while recognizing the limited federal resources that have been made available for graduate and professional education.***

In 2007, the College Cost Reduction and Access Act created the Public Service Loan Forgiveness (PSLF) Program. Under this program, federal student loan borrowers may qualify for forgiveness of the remaining balance of their federal Direct Loans after making 120 qualifying payments on eligible loans while employed full-time by qualified public service employers. An important goal of the PSLF program is to encourage individuals to enter public service fields, create tools and incentives that promote longer-term commitment to public service, and make available vital services to individuals, states, and the nation as a whole.

Secretary of Education Arne Duncan, in a *New York Times* article on September 24, 2013, said that “getting 10 years of public interest work from a young lawyer is a benefit to society.” We now need to protect that benefit. Public interest work encompasses a broad spectrum of legal work, providing essential services to society, including low-income individuals, rural and tribal communities, and other under-resourced communities throughout the country. Public service legal work may include, among other things, legal services to indigent individuals, free legal aid to low-income families, education in community-based settings on legal rights, and advice-only hotlines.

The Legal Services Corporation (LSC), which provides financial support for civil legal aid to low income individuals, annually reports data in its area of focus, which represents just one segment of legal services positively affected by PSLF. In 2015, across the United States, D.C. and the U.S. territories, there were over 900 legal services offices (at least one in every state) at which 5,000 staffers were attorneys. Approximately 1.86 million people were served as part of the 755,000 cases closed. Further, according to LSC, there are roughly 62.5 million Americans who are eligible for legal services-funded assistance, yet fewer than two million have access to it.<sup>1</sup>

While attorneys in public service fields provide critical assistance to those most in need, they typically are compensated at a level that creates challenges for repayment of their student loans under the standard federal loan repayment plans. According to the U.S. Department of Education, approximately 86 percent of students who completed a law degree in 2012 borrowed for graduate school, graduating with an average of \$121,890 in loan debt.<sup>2</sup> Meanwhile, 2014 data compiled by the National Association for Law Placement indicates that the median entry-level salary for a legal services attorney is approximately \$44,600 and an attorney in the same field with 11-15 years’ experience earns an average of \$65,000.<sup>3</sup> Programs such as PSLF can significantly support the needs of persons who need legal services the most by fostering an environment for public service lawyers to continue in the field, which in

turn offers their clients more consistent and higher quality representation, something that benefits society broadly.

As reauthorization of the Higher Education Act moves forward, we need to protect programs such as PSLF that provide support to student loan borrowers. Specifically, a repeal or cap on forgiveness, if enacted, will only serve to create additional financial stress and hardship for law school and other graduate and professional students working to benefit society as a whole. When considering proposed changes, it is important to take into account how those educated and dedicated individuals serving the public are impacted.

About AccessLex Institute: AccessLex Institute is a nonprofit organization committed to helping talented, purpose-driven students find their path from aspiring lawyer to fulfilled professional. In partnership with its nearly 200 Member law schools, improving access and positively influencing legal education have been at the heart of the Company's mission since 1983. AccessLex Institute has offices in West Chester, Pa., and Washington, D.C., with a team of accredited financial education counselors based throughout the United States. Learn more at [AccessLex.org](http://AccessLex.org)

---

<sup>1</sup>2015 Annual Report, Legal Services Corporation, available at: <http://www.lsc.gov/about/annual-report>

<sup>2</sup>U.S. Department of Education, National Center for Education Statistics, 2011-12 National Postsecondary Student Aid Study, available at: <https://nces.ed.gov/datalab/postsecondary/index.aspx>

<sup>3</sup> New Public Interest and Public Sector Salary Figures from NALP, July 2014, available at: <http://www.nalp.org/july14research>