

**Written Testimony of Student Borrower Protection Center
at a Public Hearing before the
Senate Finance Committee
on HB 0795
“Federal Public Service Loan Forgiveness Program – Employee Certification and
Awareness Materials”**

IN SUPPORT

March 19, 2025

Good afternoon Chair Beidle, Vice Chair Hayes, and members of the Committee.

The undersigned three organizations, representing Maryland student loan borrowers, educators, and workers, write in support of HB 0795, which if passed, would provide critical information about the Public Service Loan Forgiveness (PSLF) program to public service employees across the state and make it significantly easier for adjunct and tenured faculty of higher education institutions to receive the benefits of the program.

With student loan debt reaching a record high of approximately \$1.8 trillion dollars, it is imperative that states find ways to relieve this burden for their residents. This is particularly true for public service workers, who generally earn less than workers in the private sector. In Maryland, where approximately [845,000 borrowers owe a collective \\$41.4 billion](#) in student loan debt, the state has a chance to leverage federal student loan forgiveness programs to deliver for its residents.

Background on the Public Service Loan Forgiveness program.

The Public Service Loan Forgiveness—or PSLF—program was created by Congress in 2007. It was a simple promise: work in public service for 10 years, and have the remainder of your federal student loans forgiven. PSLF was intended to both reward hard working public service workers who could likely earn more working in the private, for-profit sector, and to incentivize recent graduates to enter public service who might otherwise be deterred by the size of the amount of their federal student loan debt.

But an unfortunate track record of bad industry practices and ambivalence by the Department of Education (ED) has led PSLF to have a [98 percent rejection rate](#). Underlying these numbers are



STUDENT BORROWER
PROTECTION CENTER



millions of [teachers](#), [nurses](#), and [servicemembers](#) who planned their lives around the promise of eventual loan forgiveness and have been cheated out of their rights. Although the Department has worked to address these earlier issues and restored the program's promise for millions of borrowers, too few borrowers know about the program due to this rocky beginning. Also, the Department's recent fixes have not addressed all of the barriers of entry to PSLF that certain public service workers regularly face.

However, there is much that states can do to rise to the occasion and ensure that the maximum number of resident public service workers benefit from PSLF. This bill would take those steps.

Notifying Public Service Workers of Their Eligibility is Critical.

The state can leverage this federal student loan forgiveness program for the benefit of its public service workers. Quite simply, public service workers are less likely to benefit from PSLF loan forgiveness if they are not aware of the program and the steps that they need to take in order to benefit from it. This bill would task Maryland's Student Loan Ombudsperson with developing informational material related to PSLF and would require public sector employers to regularly distribute informational materials to employees, while making these materials available to any employer to distribute as well. This is a common-sense, low-cost way for the state to maximize the benefits of the federal PSLF program.

This information requirement does not represent a burden on the state or employers. The Student Loan Ombudsperson, housed in the Office of the Commissioner of Financial Regulation, is a qualified and knowledgeable resource for student loan borrowers. This responsibility fits within the Student Loan Ombudsperson's existing [statutory mandate](#) to, among other things, "provide timely assistance to any student education loan borrower with any student education loan." These informational materials could also result in raising the general public's awareness of existing resources for borrowers, such as the Student Loan Ombudsperson, which would support the Ombudsperson's other statutory mandate to "disseminate information concerning the availability of the student loan advocate to assist student education loan borrowers and potential student education loan borrowers, as well as institutions of higher education, student education loan servicers, and any other participant in student education loan lending, with any student education loan concerns." Finally, given that PSLF is a national program, the materials need not be specific to Maryland, and can be made in collaboration with or borrowed from other states and with the federal government.



STUDENT BORROWER
PROTECTION CENTER



Having accurate and reliable information distributed by the state is a critical component to supporting borrowers with their student loan debt, and is well within the state's authority and resources. The bill would also require that when an employee, once informed of PSLF, asks their employer to certify their period of employment, the employer must complete the form. The form merely verifies the employee's employment, and the employer does not need to make any determination about the employee's loan status or PSLF eligibility.

This bill would ensure credit is given where credit is due for academic public service workers.

In addition to moving toward automation of employer certification, the Department of Education has also recognized that some public service workers' contracted hours do not reflect their hours actually worked. In these instances, these public service workers are under-credited for the purpose of PSLF. This is particularly true of adjunct professors and other nontenure track academic employees, whose in-class instructional hours often do not reflect the hours spent meeting with students outside the classroom or grading assignments.

For this reason, the bill would multiply contracted hours for these employees by a rate of 3.35 for every in-class teaching hour. This is a rate developed by teachers unions and used in several other states. It is also the multiplier rate the Department of Education has stated that institutions of higher education may use in the [latest PSLF regulations, which took effect in July 2023](#). Here, too, the bill would merely codify in Maryland steps that the federal government has already taken. This bill will ensure that adjunct and other nontenure track faculty can benefit from the multiple in order to access federal student loan debt cancellation.

Conclusion

We urge the Committee to support HB 0795 so that more current and future public service workers in Maryland who struggle with federal student loan debt will benefit from the existing PSLF loan forgiveness program. The sooner the state acts, the sooner its residents will enjoy increased rates of loan forgiveness.

Sincerely,

The Student Borrower Protection Center
CASH Campaign of Maryland
Maryland Center for Collegiate Financial Wellness



STUDENT BORROWER
PROTECTION CENTER



Please contact Amy Czulada, Outreach and Advocacy Manager, at amy@protectborrowers.org, if you have any questions or would like to discuss this comment further.



STUDENT BORROWER
PROTECTION CENTER

