September 17, 2025

The Honorable Linda McMahon
Secretary of Education
U.S. Department of Education
400 Maryland Avenue SW
Washington, DC 20202

RE: William D. Ford Federal Direct Loan (Direct Loan) Program – Docket No. ED-2025-OPE-0016

Dear Secretary McMahon:

On behalf of the American Psychological Association (APA) and the American Psychological Association Services, Inc. (APA Services), I am writing to offer public comments to the Notice of Proposed Rulemaking (NPRM) on the *William D. Ford Federal Direct Loan (Direct Loan) Program*, published in the Federal Register by the Department of Education on August 18, 2025, Docket No. ED-2025-OPE-0016. APA Services is the companion organization of APA, which is the nation's largest scientific and professional nonprofit organization representing the discipline and profession of psychology, as well as 173,000 members and affiliates who are clinicians, researchers, educators, consultants, and students of psychological science.

While APA Services acknowledges that it is generally within the right of any administration to reprioritize how it administers the programs within its jurisdiction, that must be done within the confines of the authority granted in law to each individual department and agency, while also maintaining the underlying purposes of those programs. **As such, we are concerned with a number of the provisions in this NPRM as they pertain to the Public Service Loan Forgiveness (PSLF) Program and respectfully ask the Department to withdraw this proposed rule.**

Specifically, our comments will focus on:

- The proposed changes to employer eligibility being contrary to the statute that created PSLF.
- The potential harm to the effectiveness of PSLF.

PSLF is a critical program to the recruitment and retention of psychologists, many of whom are dedicated public servants working at the local, state, and federal government levels, as well as public hospitals, clinics, community health centers, and public schools, where they are on the frontlines in the fight against the opioid epidemic, working to prevent suicide, and addressing the youth mental health crisis. These highly trained professionals are working with children, the elderly, and veterans. In fact, the U.S. Department of Veterans Affairs is the single largest employer of psychologists nationwide. Additionally, the Federal Bureau of Prisons and the Indian Health Service are among the other top employers of health service psychologists in the nation. Psychologists, like others employed in public service who are enrolled in PSLF, are depending on the promise of the program for long-term financial stability, which will allow them to remain working in the public sector even after they qualify for PSLF.

Proposed changes to employer eligibility contradict the law

Congress created PSLF in 2007 through the bipartisan College Cost Reduction and Access Act, which very clearly established a definition of eligible employer to include any form of employment for any government (federal, state, local) or any 501(c)(3) non-profit organization. While the law grants the Department the narrow authority to alter this definition in the limited circumstances of jobs in high-need areas where shortages exist, it does not allow it to restrict eligibility under PSLF by removing employers, so long as they fall into those two categories of employment. By granting the Department the ability to revoke PSLF eligibility from a public service employer that otherwise meets the definition established in the law, the NPRM substantially expands the statutory authority given to the Department and likely sets a precedent for future administrations to unilaterally change eligibility for PSLF and potentially other programs.

APA Services certainly agrees that organizations proven by the courts to have violated the law should not be included as qualifying employers for PSLF eligibility purposes. However, if a 501(c)(3) organization is engaged in such activities, its nonprofit status should be formally revoked through long-established IRS procedures that determine whether it is abiding by relevant federal laws and regulations while also allowing for due process, including the opportunity to appeal. The NPRM does not provide either employers or borrowers with the option to request an appeal of the Department's decision to revoke qualifying employer status.

Potential harm to the effectiveness and reach of PSLF

PSLF encourages individuals to pursue public service by providing loan forgiveness on remaining debt from eligible federal loans after 10 years of payments. It continues the history of the federal government incentivizing talented individuals to enter public service. This includes in behavioral health fields, which is particularly necessary as the U.S. continues to experience nationwide shortages of behavioral health providers. Our nation's mental and behavioral health remains in a state of crisis, with a quarter of U.S. adults report alarming levels of stress and anxiety.[i] Predictably, psychologists report high demand for treatment for anxiety and depression, with practitioners seeing increased workloads and longer waitlists, which have contributed to higher levels of burnout within the profession.[ii]

It is estimated that 158 million U.S. residents—nearly half the population—live in a mental health workforce shortage area.[iii] In fact, nearly every county and district across the country has at least one federally designated Mental Health Professionals Shortage Area. Over the next decade, these shortages are projected to persist, with rural communities facing major challenges in recruiting licensed mental and behavioral health care professionals.[iv] [v] [vi] According to national workforce projections, even under current policy, the U.S. will only meet 55 percent of the need for psychologists by 2037.[vii] PSLF is working to close these gaps. Psychologists depending on PSLF have committed to staying in a nonprofit or government setting for a minimum of ten years.

APA Services strongly supports recent efforts that have improved the administration of the program, which have led to over 1 million public servants, including psychologists, receiving PSLF. A substantial improvement on the just about 1.2 percent that received loan forgiveness prior to the administrative changes that were implemented.[viii] However, we are concerned that the NPRM could set back this progress. The proposal could unintentionally undermine PSLF's role as a recruitment tool for employment in the public sector. This could create a chilling effect on employers' ability to hire qualified staff working in critical fields, including behavioral health, particularly in rural and other underserved communities.

Furthermore, the Department itself acknowledges that the proposed regulations may impose additional harm to borrowers, including potential delays in PSLF processing due to an employer losing qualifying status as well as potential misunderstandings of the new regulations leading to confusion and delays. The

Department also overestimates the ease with which borrowers can switch employers, which is often not an option for many, particularly depending on region and location. Lastly, implementing this NPRM will require substantial staff capacity. As such, we must note that since March 2025, the Department has seen a reduction in about a third of its workforce. Such significant staffing shortages will make it exceedingly difficult to both adequately administer and enforce the new policies this NPRM is proposing.

Given the arguments laid out in our comments, APA Services again asks the Department to withdraw this rule and continue making improvements to PSLF so that it remains a pathway to meeting the growing public safety, health, education, and social services needs of communities nationwide.

Thank you for the opportunity to provide comments. If APA Services can be of further assistance, please contact Kenneth Polishchuk, Deputy Chief for Education and Training Policy, at kpolishchuk@apa.org.

Sincerely,



Katherine B. McGuire
Chief Advocacy Officer

---

[i] American Psychological Association. (October 2024). Stress in America 2024 A nation in political turmoil. https://www.apa.org/pubs/reports/stress-in-america/2024.

[ii] American Psychological Association (December 2023). Psychologists reaching their limits as patients present with worsening symptoms year after year, 2023 Practitioner Pulse Survey. https://www.apa.org/pubs/reports/practitioner/2022-covid-psychologist-workload.

[iii] Kaiser Family Foundation. Mental Health Care Health Professional Shortage Areas (HPSAs). https://www.kff.org/other/state-indicator/mental-health-care-health-professional-shortage-areas-hpsas/.

[iv] U.S. Department of Labor, Bureau of Labor Statistics. Occupational Outlook Handbook, Psychologists. https://www.bls.gov/ooh/life-physical-and-social-science/psychologists.htm#tab-6.

[v] Health Resources and Services Administration. (2023). Behavioral Health Workforce Brief. U.S. Department of Health and Human Services. https://bhw.hrsa.gov/sites/default/files/bureau-health-workforce/Behavioral-Health-Workforce-Brief-2023.pdf

[vi] Rural Health Information Hub. (2021). *Rural Mental Health.* RHIhub. https://www.ruralhealthinfo.org/topics/mental-health

[vii] Health Resources and Services Administration. (n.d.). Workforce Projections. U.S. Department of Health and Human Services. https://data.hrsa.gov/topics/health-workforce/workforce-projections

[viii] U.S. Department of Education. Office of Federal Student Aid. Public Service Loan Forgiveness Data December 2019. https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data