

# Teachers sue U.S. over unforgiven student loans

By CHRIS ARNOLD  
Oregon Public Broadcasting

TULSA, Okla. — Debbie Baker thought she qualified for a federal program that helps teachers like her as well as nurses, police officers, librarians and others. The Department of Education program forgives their student loans if they make their payments for 10 years and work in public service.

For 10 years, Baker, who was a public school teacher in Tulsa, Oklahoma, checked in with loan servicing companies and was told she was on track.

"I said I'm qualifying for public service loan forgiveness and they said, 'OK, great,'" she says.

But it turns out that her \$76,000 in student loans didn't get forgiven. Baker was finally told she was in the wrong type of loan. If she'd known that at the beginning, she could have switched loans and ended up qualifying. But she says nobody ever told her.

"When this hit ... I didn't know whether to cry, throw up, get mad," she says. "I honestly did not think the federal government would do this to someone."

Now, Baker is a plaintiff in a lawsuit being brought by one of the biggest teachers unions in the country against the Department of Education. The suit alleges the loan forgiveness program for millions of public service workers is in such a shambles that it violates federal law and the Constitution.

The American Federation of Teachers is planning to file the lawsuit Thursday in federal court. In a draft of the complaint obtained by NPR, the union is asking the court to order the department to fix the Public Service Loan Forgiveness program so that it meets legal standards. It's also asking the department to come up with an appeals process for people who believe they have been treated unfairly.

Congress created the program more than a decade ago to encourage public service. So, if you make loan payments for 10 years and you work in a qualifying job for the government or a nonprofit, the program promises to forgive the remainder of your student loan debt.

That promise sounded really good to a lot of people. More than a million have filed official paperwork to take part in the program. But there's a problem.

"The promise is broken, virtually all the time," says Randi Weingarten, the president of the American Federation of Teachers.



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**Debbie Baker thought she qualified for a federal program that helps teachers like her as well as nurses, police officers, librarians and others. The Department of Education program forgives their student loans if they make their payments for 10 years and work in public service.**

"This is a debacle."

Plenty of consumer watchdogs agree.

"The Department of Education just cannot seem to get this right," says Christopher Peterson, a law professor at the University of Utah and a former top attorney at the Consumer Financial Protection Bureau. "They keep making mistakes and are not appropriately administering this program that Congress has created."

By the department's last count, only 1% of the people who think they've made their 10 years of payments and apply for loan forgiveness are getting approved.

If you took all the people getting rejected and got them together in one place, Peterson says, you'd have "football stadiums full of

nurses, firefighters, teachers, law enforcement officers that are seeking to have their debts forgiven."

He says they've made "all of these payments under the impression that they were on track, and now they're being turned away in droves."

As happened with Debbie Baker, if a student loan borrower is in the wrong type of loan, or the wrong type of repayment plan, they can't qualify for loan forgiveness. The teachers union lawsuit alleges that the Department of Education "knows of — but completely disregards — repeated misrepresentations made by Title IV servicers to borrowers who are attempting to qualify ... resulting in unwarranted denials of loan forgiveness."

In other words, people like Baker aren't given the right information or advice, and many end up in the wrong types of loans or repayment plans and get unfairly disqualified. Government reports and investigations have found similar problems with borrowers getting bad information.

The lawsuit also alleges that loan servicers are having trouble keeping track of the number of qualifying payments people make — even when they are in the correct loan and payment plan and manage to do everything right.

Weingarten says the program is hurting the very people it's supposed to help. "It is so broken, it is so unfair that it violates our basic United States Constitution requirement of due process," she says.

Another problem with borrowers getting rejected after many years of thinking they were on track, is that many make life decisions based on the expectation of loan forgiveness.

Janelle Menzel is a high school math teacher in Brainerd, Minnesota. She says people would ask her: "You have a degree in math, why are you teaching?" She says they would tell her she could make "so much more money in the private sector."

Menzel says she loves teaching. And she thought she was going to get her student loans forgiven, so financially she decided it made sense. "Oh yeah, definitely. That was a factor in it," she says.

But just like Baker, Menzel says that after 10 years of making payments, she was told by her loan servicer that she was in the wrong type of loan and therefore couldn't qualify. She remembers after contacting her loan servicer repeatedly, trying to find a way to appeal, a call center worker told her, "Look, you just need to give up."

"And I remember sitting at the table watching my kids running around and playing and just thinking man, I am stuck with this now," Menzel says. Thoughts of "the freedom that would come with being released of the student loan debt kind of came crashing in in that moment," she adds.

Congress passed a partial fix, called Temporary Expanded Public Service Loan Forgiveness, that was designed to help at least some borrowers. But the teachers union lawsuit alleges the Department of Education "has mismanaged [that program] as well." As of March 2019, only 3.6% of applications for that new program have been approved.

The Department of Education has not yet commented on the lawsuit.

Navient, one of the nation's largest loan servicer companies, is not commenting on the lawsuit. But the company said in a statement to NPR, "We understand the frustration borrowers face in navigating a complex federal loan program, which is why we consistently advocate for policy reforms to simplify the system."

The Department of Education recently implemented a dramatic fix to a different program, TEACH Grants, that's now returning grant money to thousands of people who had grants taken away unfairly.

## BRIEFS

### Oregon OSHA offers safety grants

SALEM — Oregon OSHA (Occupational Safety and Health Administration) is seeking creative ideas related to workplace safety or health training programs.

The agency is accepting grant applications for the creation of innovative on-the-job safety and health training programs. Oregon OSHA encourages unique projects, such as mobile apps, videos or online educational games to engage workers.

The training grants will focus on programs that target a high-hazard Oregon industry, including construction or agriculture, or a specific work process to reduce or eliminate hazards. Any employer, labor group, school affiliated with a labor group, or nonprofit organization may apply. Applicants may request up to \$40,000 per grant project. Employers are not allowed to use grants to pay for training for their employees.

The deadline to apply is Friday, Oct. 4 by 5 p.m. For more information, visit [www.osha.oregon.gov/edu/grants](http://www.osha.oregon.gov/edu/grants) and click on "Grant programs." For questions, contact Teri Watson at 503-947-7406 or [teri.a.watson@oregon.gov](mailto:teri.a.watson@oregon.gov).

### Chamber luncheon rolls out new website

HEPPNER — The upcoming Heppner Chamber of Commerce luncheon will feature an introduction and training session for the new website.

The no-host event is Monday, July 22 from 11:30 a.m. to 1 p.m. at Heppner City Hall, 111 N. Main St. Catered by Two Hags Pizza, the cost is \$10.

Those planning to attend are asked to RSVP by Thursday, July 18 via the Heppner Chamber of Commerce at 541-676-5536 or [heppnerchamber@centurytel.net](mailto:heppnerchamber@centurytel.net).

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