

Selendy & Gay Obtains Landmark Settlement on Behalf of AFT and Eight AFT Members In Public Service Loan Forgiveness Suit

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Represented by Selendy & Gay, the American Federation of Teachers, President Randi Weingarten and eight individual AFT member plaintiffs have reached a [landmark settlement](#) with the U.S. Department of Education following the prior administration's failure to properly implement the Public Service Loan Forgiveness program (PSLF).

Congress enacted PSLF in 2007 to guarantee forgiveness to public servants who have consistently paid their monthly student loan bills for ten years. But relief was denied for 98 percent of all borrowers who applied. Instead, borrowers faced widespread servicer misconduct, were issued confusing and sometimes contradictory guidance about the status of their applications, and had no clear recourse for contesting erroneous decisions.

After more than two years of intense litigation led by Selendy & Gay, including overcoming the Department's attempts to dismiss the suit in its entirety, the parties reached a settlement agreement that promises significant overhauls of the Department's administration of the PSLF program under Secretary of Education Miguel Cardona. The settlement also discharges the full remaining loan balances of the eight individual plaintiffs, eliminating close to \$400,000 of debt and securing the forgiveness towards which they have worked diligently for over a decade.

In praising the settlement, Faith Gay, who co-led the representation of the plaintiffs, said, "This agreement will help ensure that qualified borrowers have consistent and reliable access to loan forgiveness after years of good faith payments. We are proud to have played a role in securing this critical relief for the teachers, nurses, and others who've dedicated their careers to public service."

The settlement sets those in public service jobs on a clear path to forgiveness by providing for, among other things:

- Reconsideration available to borrowers whose applications for PSLF were denied;
- Detailed notices informing borrowers how many payments remain before they qualify for forgiveness, how they can find out which payments are qualifying or non-qualifying, and whom to contact to receive guidance about how to obtain loan forgiveness; and
- Automatic review of applications denied prior to November 2020 for borrowers with at least 10 years of repayment on a Direct loan.

In addition, the settlement dovetails with other critical reforms to PSLF, including, among others:

- A publicly available audit of student loan servicer performance and steps to fix any issues; and
- A public release of data on why borrowers failed to qualify for PSLF, and improved data on the PSLF process so that borrowers know what to expect in applying for relief.

"This agreement unravels the Gordian knot of PSLF and shows the power of advocacy and collective action," said AFT President Randi Weingarten. "It represents a game-changing victory for millions of public employees, and we are grateful to our counsel at Selendy & Gay for their extraordinary work bringing this settlement to fruition."

"In bringing this lawsuit on behalf of AFT and public service workers, we asked the Department of Education to do its job and provide PSLF applicants with a clear path to loan forgiveness. We are gratified

the Department will no longer turn a blind eye to the many public servants across the country who are struggling, unjustly, under crushing student loan debt,” Lena Konanova, co-lead counsel said.

Filed in 2019, [the historic *Weingarten v. DeVos* suit](#) asserted claims under the Due Process Clause of the U.S. Constitution and federal law against then-Secretary of Education Betsy DeVos and the Department of Education. Specifically, plaintiffs alleged that the Department’s and Secretary DeVos’s mismanagement of PSLF led to inaccurate tracking of borrowers’ qualifying payments, failed oversight of servicers that had contracted with the Department to administer student loans, failure to provide public servants a reasoned explanation for rejecting their forgiveness applications, and refusal to provide any recourse for victims of the Department’s errors.

The Selendy & Gay Team

Along with Gay and Konanova, plaintiffs in this case were represented by Selendy & Gay lawyers Caitlin Halligan, Amy Nemetz, Ron Krock, and Katya Stynes, as well as co-counsel from Student Defense for AFT.

Attorneys

- Faith Gay
- Lena Konanova

Practices

- Public Interest and Pro Bono
- Class Actions