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**Comments on Notice of Proposed Information Collection Requests, 76
Fed. Reg. 50189 (August 12, 2011)
Proposed Employment Certification for Public Service Loan Forgiveness**

National Consumer Law Center

September 8, 2011

The following comments are submitted on behalf of the National Consumer Law Center's low-income clients. The National Consumer Law Center (NCLC) is a nonprofit organization specializing in consumer issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys and their clients, as well as community groups and organizations that represent low-income and older individuals on consumer issues. NCLC's Student Loan Borrower Assistance Project provides information about student rights and responsibilities for borrowers and advocates and provides direct legal representation to student loan borrowers. Most of the clients we represent are low-income borrowers living in Massachusetts. We work with other advocates across the country representing low-income clients. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens and make loan repayment more manageable.¹

We submitted earlier comments in response to the Department's April 2011 release of the proposed public service certification form.

We appreciate the Department's responses to these previous comments. Although the Department responded and made changes to address many of the issues we raised, we are very concerned that the Department did not address the issue of appeal rights.

The Department agreed that borrowers should be put on notice regarding the procedures that will follow if a form is received with incomplete, conflicting, or inaccurate information. The Department added language in the form to "Understanding 4" in section 2 stating that borrowers will be notified in writing if the form they submitted is incomplete or if the employer does not meet the qualifying criteria. The Department also alerts borrowers that they will be given information about the steps needed to complete the form or complete the information.

This is helpful in situations where incomplete information is the issue. However, it does not address situations where the Department makes a determination that the borrower's employment does not qualify. We urge the Department to set up a clear appeals process in these circumstances so that borrowers can challenge erroneous determinations.

¹ See the Project's web site at www.studentloanborrowerassistance.org. NCLC also publishes and annually supplements practice treatises which describe the law currently applicable to all types of consumer transactions, including *Student Loan Law* (4th ed. 2010).

www.NCLC.org

Boston Headquarters:

7 Winthrop Square
Boston, MA 02110-1245
Phone: 617/542-8010
Fax: 617/542-8028

Washington Office:

1001 Connecticut Ave. NW
Ste. 510
Washington, DC 20036-5528
Phone: 202/452-6252
Fax: 202/463-9462

Further, the Department does not provide any information about the consequences of denials. For example, will the Department later accept information from a borrower if his/ her initial form was denied? If not, it is particularly detrimental to borrowers that there is no appeal or review process discussed or specified in the notice. We recognize that this is a difficult situation because the Department is not providing final approval for forgiveness after each interim submission. However, particularly if there are consequences for ultimate approval, a borrower must have a right to appeal or request review of denials or other adverse actions.

There is an inherent conflict between the structure of the public service forgiveness program which allows final discharges only after ten years and the Department's issuance of an interim approval form. We agree with the Department's intent in trying to provide some clarity and peace of mind to borrowers during the ten years. However, the Department must also acknowledge and set up procedures to address how borrowers will be treated if their interim forms are denied.

Thank you for your consideration of these comments. Please feel free to contact Deanne Loonin if you have any questions or comments. (Ph: 617-542-8010; E-mail: dloonin@nclc.org).