



PUBLIC SERVICE LOAN FORGIVENESS AND NONPROFITS

READ THIS IF YOUR EMPLOYEES ARE COUNTING ON PUBLIC SERVICE LOAN FORGIVENESS TO PAY OFF STUDENT DEBT

August 2025

Since 2007, people working at charitable nonprofits have been able to use the Public Service Loan Forgiveness Program to pay off many federal student loans. It has been a win-win for nonprofits, society and students: work at a 501(c)(3) nonprofit, make payments under a qualifying repayment plan for approximately 10 years, and the remainder of the debt will be forgiven.

Now, the federal Department of Education is proposing to disqualify student loan borrowers if they work for nonprofits engaged in activities frowned on by the current federal administration. Under the proposed rules, organizations could be excluded if they help immigrants or trans people, support reproductive health, work for racial equity, or conduct protests or civil disobedience.

→ **WHEN WILL THIS HAPPEN?**

The proposed regulations would allow the Department of Education to take into account any employer activities conducted on or after July 1, 2026 when making an ineligibility determination. However, it is possible that the regulations will not be finalized by then, or that litigation will be brought which would prohibit DOE from implementing the regulations by then.

→ **WHAT CAN WE DO ABOUT THIS NOW?**

The Department of Education is accepting public comments on the proposed rules change until **September 17**. For information about how to submit comments, as well as a template you can use to draft comments, see the [National Council of Nonprofits Comment Guide](#).

→ **WHERE CAN WE LEARN MORE?**

The proposed regulations were published in the Federal Register on August 18, 2025 and can be viewed [here](#). The National Council of Nonprofits has published a very helpful summary of the regulations [here](#).



ABOUT THE NONPROFIT RESILIENCY NETWORK

The [Nonprofit Resiliency Network](#) strengthens and protects the nonprofit sector by providing informational resources, relationship-building, practical training, and legal advice and representation to nonprofits and CBOs dealing with the changing landscape at a time when nonprofits are needed more than ever. It will foster collaboration, build capacity, and distribute essential resources and legal advice to build resilient nonprofits.



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Founded nearly 50 years ago, NYLPI pursues equality and justice for all New Yorkers. Our work activates the power of New York communities as they lead the fight to make equal justice a reality. We strive to create equal access to healthcare, achieve equality of opportunity and self-determination for people with disabilities, ensure immigrant opportunity, strengthen local nonprofits, and secure environmental justice for low-income communities of color. Guided by community priorities, NYLPI files lawsuits, organizes, seeks policy reform, informs and educates the public, creates pro bono partnerships, and builds the capacity of local nonprofits to serve our communities. Through workshops, trainings for nonprofit leaders, legal counseling, and our Nonprofit Toolkit publications, NYLPI's Pro Bono Clearinghouse is at the forefront of helping nonprofits maximize their performance and their impact.



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