

To: Department of Education, Members of the Negotiated Rulemaking Committee
From: Negotiators for Consumer Advocates and Legal Aid Organizations
Date: July 1, 2025
Re: Proposal to amend proposed 34 CFR § 685.219(b)(27) [Definition of Qualifying Employer]

The Higher Education Act explicitly defines public service job for the purposes of the Public Service Loan Forgiveness Program as follows:

“The term “public service job” means -- (i) a full-time job in emergency management, government (excluding time served as a member of Congress) . . . or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

There is no ambiguity in those terms for the Secretary of Education to interpret. And the statute provides no authority for the Department to remove government or 501(c)(3) employers from the definition of public service jobs eligible for PSLF. Additionally, applying the new limits on conduct to 501(c)(3)’s is unnecessary because the IRS already assesses 501(c)(3) organization for impermissible conduct.

We therefore propose that the language in the Department’s proposed 34 CFR § 685.219(b)(27) be amended so that it does not apply the new limits on the definition of public service jobs to government and 50(1)(c) organizations, and only applies it to non-501(c)(3) nonprofit organizations. The language would be amended as follows:

(27) *Qualifying employer* means:

- (i)
 - (A) A United States-based Federal, State, local, or Tribal government organization, agency, or entity, including the U.S. Armed Forces or the National Guard;
 - (B) A public child or family service agency;
 - (C) An organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code;
 - (D) A Tribal college or university; or
 - (E) A nonprofit organization that—
 - (1) Provides a non-governmental public service as defined in this section, attested to by the employer on a form approved by the Secretary; and
 - (2) Is not a business organized for profit, a labor union, or a partisan political organization; and
 - (3) Does not include organizations that engage in activities that have a substantial illegal purpose, as defined in this section.