Howard Brown Health

September 17th, 2025

Secretary Linda McMahon
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Re: William D. Ford Federal Direct Loan (Direct Loan) Program Notice of Proposed Rulemaking [Docket ID ED-2025-OPE-0016]

Dear Secretary McMahon:

Howard Brown Health is one of the largest health centers in the Midwest, serving more than 40,000 patients across seven clinic locations in Chicago. Howard Brown serves adults and youth in its diverse health and social service delivery system focused around seven major programmatic divisions: primary medical care, behavioral health, research, HIV/STI prevention, youth services, elder services, and community initiatives. As a federally qualified health center, Howard Brown provides services regardless of a patient's ability to pay or insurance status.

Programs like Public Service Loan Forgiveness (PSLF) have been critical in incentivizing professionals to work in high-need, underserved communities where salaries are often lower than in the private sector. Federal loan forgiveness is especially important for healthcare workers who serve at federally qualified health centers (FQHCs), which provide low-cost and free care to underserved communities across the United States. As non-profit healthcare providers, it is often difficult to provide salaries that match those offered to providers at for-profit healthcare institutions. Loan forgiveness programs, such as the Public Service Loan Forgiveness (PSLF) program and the National Health Service Corps (NHSC), offer crucial financial relief for non-profit healthcare providers. This makes it more feasible for healthcare workers to commit to long-term careers in high need areas and plays a key role in recruiting and retaining qualified staff. Without the promise of loan forgiveness, many healthcare workers may be discouraged from pursuing or continuing careers in public health, rural medicine, or nonprofit hospitals—areas already facing staffing shortages. This could lead to reduced access to care for vulnerable populations and increased burnout among remaining staff, ultimately compromising the overall quality and equity of healthcare delivery. Because of this, we at Howard Brown urge against changing eligibility for PSLF for the nonprofit healthcare workforce.

Altering eligibility for PSLF will further exacerbate workforce shortages and result in lost access to healthcare and worse health outcomes for vulnerable populations.

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The U.S. healthcare system is currently facing a critical workforce shortage that threatens the quality and accessibility of care nationwide. According to the American Hospital Association, the industry could face a shortfall of up to 124,000 physicians by 2033.[1] Additionally, at least 200,000 nurses would need to be hired annually just to keep pace with rising demand. A separate study warns that if current workforce trends continue, more than 6.5 million healthcare professionals will permanently leave their positions by 2026, with only 1.9 million new workers entering the field—leaving a staggering shortfall of over 4 million.[2] These figures underscore the urgent need to address the root causes of the healthcare labor crisis and implement solutions such as increased funding for education and training, better working conditions, and supportive policies like loan forgiveness to attract and retain healthcare workers across all sectors. Loan forgiveness is a particularly vital support system for physicians, especially considering that about 80% of all physicians carry student debt and more than 40% are enrolled in loan forgiveness programs, according to some studies.[3] These programs help alleviate the financial pressure that comes from years of costly medical education and training. Without the option of loan forgiveness, many physicians—particularly those early in their careers—may face overwhelming debt that can limit their career choices, discourage them from working in underserved areas, or even push them out of the profession altogether. Maintaining and expanding loan forgiveness is essential not only for supporting individual physicians but also for ensuring a strong, stable healthcare workforce that can meet the needs of all communities.

Imposing further restrictions on federal loan forgiveness plans significantly harms both healthcare workers and the patients that rely on them. Increased bureaucratic hurdles—such as stricter eligibility requirements, complicated paperwork, or reduced program accessibility—can discourage participation in programs like Public Service Loan Forgiveness (PSLF), which many healthcare workers depend on to manage their substantial educational debt. This makes it harder for providers, especially those at community health centers, rural clinics, and nonprofit hospitals, to justify staying in or entering public service roles. For healthcare organizations, these barriers make it more difficult to recruit and retain qualified professionals, particularly in underserved areas already facing severe workforce shortages. The result is a diminished ability to deliver timely, quality care to vulnerable populations and greater stress on the existing workforce, ultimately weakening the overall healthcare system.

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[1] Preston, Rob. “The Shortage of US Healthcare Workers in 2023.” *Oracle*, 17 Jan. 2023, www.oracle.com/human-capital-management/healthcare-workforce-shortage/.

[2] Contributor, Premier. “Premier BrandVoice: 6 Trends That Could Usher in Future Change for Healthcare Providers.” *Forbes*, 7 Dec. 2023, www.forbes.com/sites/premier/2023/12/07/6-trends-that-could-usher-in-future-change-for-healthcare-providers/.

[3] Wilson, Scott. “Threatened Loan Forgiveness Program Is “a Lifeline” to This FP—and Her Patients.” *Aafp.org*, 2025, www.aafp.org/news/government-medicine/public-service-loan-forgiveness-lifeline.html. Accessed 12 Sept. 2025.

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In addition to exacerbating the health workforce shortage, Howard Brown also has the following concerns regarding the impact and burden of implementation of the proposed rule.

- **The proposed rule is contrary to federal law.** Federal law makes clear that eligibility under PSLF applies to all charitable nonprofit organizations, regardless of their missions or the communities they serve. Current law requires all 501(c)(3) organizations to be eligible as a qualified employer under PSLF. The definition of "public service job" in the PSLF statute states that the term "public service" job means a full-time job at "an organization that is described in section 501(c)(3) of title 26 and exempt from taxation under section 501(a) of such title." The Department of Education does not have the authority to further restrict eligibility under PSLF.
- **The proposed rule inserts politics and ideology into the program.** The rule gives discretion to the Secretary of Education to determine whether an organization is engaging in activities that are in violation of state or federal laws or contravene established public policy. In doing so, the Department could seek to exclude nonprofit employers working with undocumented immigrants, supporting transgender children, or advancing racial and social equity. This opens the door to this and future Administrations changing eligibility for the program based on their priorities or ideology. Nonprofits must be able to identify and meet local needs without political interference, fear of retribution, or removal from a program designed to support their employees.
- **The proposed rule does not provide adequate due process for employers.** The determination to strip the eligibility of an organization is determined by a "preponderance of the evidence" and without the opportunity to appeal to an independent authority.
- **A process already exists to remove eligibility from organizations who are engaging in illegal activity.** If an organization engages in substantial illegal activities, there is a process through the Internal Revenue Service (IRS) to remove their 501(c)(3) status, which would make them ineligible for PSLF.
- **The Department lacks the capacity and expertise to implement the proposed rule.** The Department of Education is facing significant staff shortages and will not be able to bear the administrative burdens of making these determinations and enforcing the processes that would need to be put in place to implement it. They also do not have the expertise to make a determination of which organizations are engaging in illegal activities.

Conclusion

Altering the proposed federal loan forgiveness policy to exclude certain employers based on a vague definition of activities that have a substantial illegal purpose will create significant administrative and financial burdens for community health centers—many of

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which already operate under tight regulatory and financial constraints—making it harder to attract and retain healthcare workers. Ultimately this jeopardizes the nation's safety net providers and the vulnerable communities that rely on our care.

We appreciate the opportunity to respond to this Federal Direct Loan (Direct Loan) Program and look forward to continuing to engage with the Department of Education on this prominent issue. If you have any questions, please contact Tim Wang, Director of Policy and Advocacy, at timothyw@howardbrown.org.

Sincerely,

Dr. Travis Gayles, CEO and President
Howard Brown Health