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NEWS FOR IMMEDIATE RELEASE

October 23, 2026

Trump Administration Backs Down; Drops Appeal of Court Loss Blocking Its Illegal Weaponization of Public Service Loan Forgiveness Program

MADISON, Wis. — The Wisconsin Department of Justice (DOJ) and a coalition is announcing that the Trump administration has dropped its appeal of a court decision vacating a U.S. Department of Education rule that would have unlawfully restricted employers' eligibility for the Public Service Loan Forgiveness (PSLF) program.

PSLF allows public service employees to have their federal student loans forgiven after 10 years of qualifying employment and payments. The challenged rule would have allowed the federal government to strip employers of PSLF eligibility for activities related to policies the Trump administration opposes. The coalition [sued](#) the Trump administration in November 2025 over the rule and [secured a decision](#) from the U.S. District Court for the District of Massachusetts vacating it in June 2026. By dropping its appeal of the decision, the Trump administration leaves the district court's ruling in place, resolving the matter in favor of Wisconsin and the plaintiff states.

"People who've made important career decisions in reliance on the public service loan forgiveness program shouldn't have to worry that the rug will suddenly be pulled out from under them," said AG Kaul. "This win has stopped the Trump administration from misusing this program, which promotes public service, to advance an ideological agenda."

In its [June 2026 ruling](#), the court held that the U.S. Department of Education's regulations were contrary to law, arbitrary and capricious, exceeded the agency's statutory authority, and violated the First Amendment of the U.S. Constitution.

Joining Wisconsin DOJ in this lawsuit are the attorneys general of Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington.