

Public Service Loan Forgiveness

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What is PSLF?

- Enacted by Congress and signed by President Bush in 2007
- Allows federal student loan borrowers to have federal student loans forgiven by working for nonprofit or public organizations for at least 10 years
- Borrowers must make at least 120 qualifying payments to have loans forgiven
- Payments must be made on a direct federal student loan
- FFEL and Perkins loans do not qualify unless you consolidate into direct loan
- Payments must be made on an income-driven repayment plan (ICR, IBR, PAYE, or REPAYE)
- Payments on the 10-year standard plan also qualify, but you would pay off your loans by the time you reach 10 years

Who qualifies for PSLF?

- You must be employed by a U.S. federal, state, local or tribal gov't or not-for-profit organization (includes military service)
 - Not-for-profit organizations that are tax exempt under Section 501c3 of Internal Revenue Code would qualify you
- Serving as a full-time AmeriCorps or Peace Corps volunteer would also qualify you
 - The following do not qualify for PSLF:
 - Labor unions
 - Partisan political organizations
 - For-profit orgs, including gov't contractors
- You must be employed full-time or work at least 30 hours per week

What loans are eligible?

- Any loan that you have received under the William D. Ford Direct Loan Program
 - Federal Family Education Loan (FFEL) Program and Federal Perkins Loan do not qualify
- Private loans do not qualify

What are qualifying payments?

- A qualifying monthly payment must be made
 - After Oct. 1, 2007
 - Under a qualifying repayment plan
 - For the full amount due as shown on your bill
 - No later than 15 days after your due date
 - While you are employed full-time by a qualifying employer

Limited Temporary Waiver

- PSLF qualifying payment rules have been suspended through Oct. 31, 2022
 - You may get credit for payments made on loans that would not normally qualify (9/30/21)
 - These payments would count even if you didn't pay the full-amount or on-time
- If you have FFEL, Perkins or other federal student loans, you'll need to consolidate your loans into a Direct Consolidation Loan to qualify for PSLF in general and under the waiver. Make sure to check that you work for a qualifying employer.
- Periods of deferment or forbearance, and periods of default, do not qualify
- Periods of repayment on parent PLUS loans are not eligible under the limited PSLF waiver

Limited PSLF Waiver

- Temporary measure enacted by President Biden
- Payments made on non-direct federal student loans (FFEL and Perkins loans) can qualify and payments on any repayment plan can qualify
- Those with FFEL and Perkins loans would need to consolidate those loans through direct loan consolidation program
- Employment requirements remain unchanged

Limited PSLF Waiver (cont)

- Around 70,000 borrowers have been approved for \$5 billion in student loan forgiveness
- Waiver ends on October 31, 2022

Temporary Expanded Public Service Loan Forgiveness (TEPSLF)

- Intended to address the program's shortcomings in 2018
- Intended to ensure that borrowers are on the correct repayment plan
- Allows payments to be made under any available repayment plan
- No deadline given
- As of 2019, only 1% of TEPSLF applications were approved

Unchanged Requirements

- Make 120 payments or the equivalent
- Be employed by gov't, 501c3 not-for-profit, or other not-for-profit organization
- Work full-time (at least 30 hours per week)
- Have Direct Loans or consolidate into Direct Consolidation Loans

How to See If You Qualify

- Go to <https://studentaid.gov> and click Next Steps

Types of Income Driven Repayment Plans

- REPAYE Plan = Revised Pay As You Earn Repayment Plan
- PAYE Plan = Pay As You Earn Plan
- IRB Plan = Income-Based Repayment Plan
- ICR Plan = Contingent Repayment Plan

Types of Income Driven Repayment Plans (REPAYE)

Monthly Payment Amount	Length of Repayment
Generally 10 percent of your discretionary income.	20 years if all loans you're repaying under the plan were received for undergraduate study 25 years if any loans you're repaying under the plan were received for graduate or professional study

Types of Income Driven Repayment Plans (REPAYE)

Qualifying/Eligible Student Loans

ELIGIBLE

Direct Subsidized Loans
 Direct Unsubsidized Loans
 Direct PLUS Loans made to graduate or professional students
 Direct Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

Subsidized Federal Stafford Loans (from the FFEL Program)
 Unsubsidized Federal Stafford Loans (from the FFEL Program)
 FFEL PLUS Loans made to graduate or professional students
 FFEL Consolidation Loans that did not repay any PLUS loans made to parents
 Federal Perkins Loans

NOT ELIGIBLE

Direct PLUS Loans made to parents
 Direct Consolidation Loans that repaid PLUS loans made to parents
 FFEL PLUS Loans made to parents
 FFEL Consolidation Loans that repaid PLUS loans made to parents

Types of Income Driven Repayment Plans (PAYE)

Monthly Payment Amount	Length of Repayment
Generally 10 percent of your discretionary income, but never more than the 10-year Standard Repayment Plan amount	20 years

Types of Income Driven Repayment Plans (PAYE)

Qualifying/Eligible Student Loans

ELIGIBLE

Direct Subsidized Loans
 Direct Unsubsidized Loans
 Direct PLUS Loans made to graduate or professional students
 Direct Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

FFEL PLUS Loans made to graduate or professional students
 FFEL Consolidation Loans that did not repay any PLUS loans made to parents
 Federal Perkins Loans
 Subsidized Federal Stafford Loans (from the FFEL Program)
 Unsubsidized Federal Stafford Loans (from the FFEL Program)
 FFEL PLUS Loans made to graduate or professional students
 FFEL Consolidation Loans that did not repay any PLUS loans made to parents
 Federal Perkins Loans

NOT ELIGIBLE

Direct PLUS Loans made to parents
 Direct Consolidation Loans that repaid PLUS loans made to parents
 FFEL Consolidation Loans that repaid PLUS loans made to parents
 Direct PLUS Loans made to parents

Types of Income Driven Repayment Plans (IBR)

Monthly Payment Amount	Length of Repayment
<p>-Generally 10 percent of your discretionary income if you're a new borrower on or after July 1, 2014*, but never more than the 10-year Standard Repayment Plan amount</p> <p>-Generally 15 percent of your discretionary income if you're not a new borrower on or after July 1, 2014, but never more than the 10-year Standard Repayment Plan amount</p>	<p>20 years if you're a new borrower on or after July 1, 2014</p> <p>25 years if you're not a new borrower on or after July 1, 2014</p>

Types of Income Driven Repayment Plans (IBR)

Qualifying/Eligible Student Loans

ELIGIBLE

Direct Subsidized Loans
Direct Unsubsidized Loans
Direct PLUS Loans made to graduate or professional students
Direct Consolidation Loans that did not repay any PLUS loans made to parents
Subsidized Federal Stafford Loans (from the FFEL Program)
Unsubsidized Federal Stafford Loans (from the FFEL Program)
FFEL PLUS Loans made to graduate or professional students
FFEL Consolidation Loans that did not repay any PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED* Federal Perkins Loans

NOT ELIGIBLE

Direct PLUS Loans made to parents
Direct Consolidation Loans that repaid PLUS loans made to parents
FFEL PLUS Loans made to parents
FFEL Consolidation Loans that repaid PLUS loans made to parents

Types of Income Driven Repayment Plans (ICR)

Monthly Payment Amount	Length of Repayment
The lesser of the following: 20 percent of your discretionary income or what you would pay on a repayment plan with a fixed payment over the course of 12 years, adjusted according to your income	25 years

Types of Income Driven Repayment Plans (IBR)

Qualifying/Eligible Student Loans

ELIGIBLE

Direct Subsidized Loans
Direct Unsubsidized Loans
Direct PLUS Loans made to graduate or professional students
Direct Consolidation Loans that did not repay any PLUS loans made to parents
Direct Consolidation Loans that repaid PLUS loans made to parents

ELIGIBLE IF CONSOLIDATED*

Direct PLUS Loans made to parents
Subsidized Federal Stafford Loans (from the FFEL Program)
Unsubsidized Federal Stafford Loans (from the FFEL Program)
FFEL PLUS Loans made to graduate or professional students
FFEL PLUS Loans made to parents
FFEL Consolidation Loans that did not repay any PLUS loans made to parents
FFEL Consolidation Loans that repaid PLUS loans made to parents
Federal Perkins Loans