



July 20, 2018

Public Service Loan Forgiveness Program

To encourage individuals to enter and continue in full-time public service employment.

OFM

OFFICE OF FINANCIAL MANAGEMENT

Public Service Loan Forgiveness Program

Although the information contained in this training is accurate at the time of publication, the Office of Financial Management cannot guarantee its future accuracy or completeness.

You should independently verify accuracy as there may have been changes to the Public Service Loan Forgiveness Program by Congress.

Overview and Course Objectives

Brief training overview

This training offers a resource for public service employees to use while navigating the application process for the Public Service Loan Forgiveness program.

Course objectives

- Gain an understanding of the application process for PSLF.
- Learn what loan types are eligible for the PSLF program.
- Learn how to determine if your employment and employer qualify for the PSLF program.
- Determine how your monthly student loan payments need to be repaid before you are considered eligible for the PSLF program.
- Develop an understanding of the Temporary Expanded Public Service Loan Forgiveness opportunity and how you may benefit from it if you are denied from the PSLF program.



Public Service Loan Forgiveness Program

Public Service Loan Forgiveness program – defined

What is the Public Service Loan Forgiveness program?

- It was created by Congress to encourage individuals to enter and continue in full-time public service employment.
- It allows you to receive forgiveness of the balance of your Federal Direct Loans *after* you have made 120 qualified monthly payments. You must be working full-time for a qualified employer.
- Only Federal Direct Loans that are not in default qualify for the PSLF program.



How to qualify for the PSLF program

How to qualify for the PSLF program

Determine that the loan payments that you are currently paying on are eligible loan types.

Be employed full-time, working at least 30 hours per week at a qualified employer.

Consolidate your qualified Federal Direct or Direct Consolidation loans in one of two income-driven or income-contingent repayment plans.

Submit an Employment Certification PSLF Form to U.S. Department of Education - FedLoan Servicing to certify your employment.

Repay 120 qualified payments to your Federal Direct or Direct consolidation loans.

Submit the PSLF Application for Forgiveness after the 120th payment has been made

Eligible loan types for PSLF

Public Service Loan Forgiveness – eligible loan types

What are the eligible loan types?
Federal Direct Loans

Direct
Subsidized
Loans

Direct PLUS
Loans for
graduate or
professional
students

Direct
Unsubsidized
Direct PLUS
Loans for
graduate or
professional
students

Direct
Consolidation
Loans

Ineligible loan types for PSLF



Public Service Loan Forgiveness – ineligible loan types



What are the ineligible loan types?

Private loans.

Private education loans are not eligible for PSLF and cannot be consolidated in a new Direct Consolidation Loan.



Qualified employment status

Public Service Loan Forgiveness – qualified employment status

What is the definition of full-time employment?

- You must be working full-time at least an annual average of 30 hours per week for a qualifying employer at the time you submit the PSLF Application for Forgiveness *and* working full-time at least 30 hours per week at the moment the balance on your loan is forgiven.
- Vacation, leave time or leave taken under the Family and Medical Leave Act provided by an employer is equivalent to hours worked in qualifying employment.

Public Service Loan Forgiveness – qualified employer

What is the definition of a qualified employer?

- Government (federal, state, local or tribal)
- Tax-exempt not-for-profit (501[c][3])
- Nonprofit providing certain public service activities
- AmeriCorps
- Peace Corps position that is a full-time assignment under the Peace Corps Act (22 U.S.C 2504)



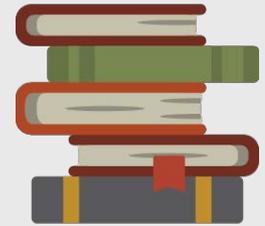
Public Service Loan Forgiveness – qualified employment status



Your employment can be a combination of any of the qualified employers listed.

Public Service Loan Forgiveness – qualified employment status

Nonprofit employers are considered qualifying employers if their primary purpose is to provide at least one of the following public services:



Early childhood education

Other school-based services

Public library services

Emergency management

Public education

Public safety

Law enforcement

Public health

Public service for the elderly

Military service

Public interest law services

Public service for individuals with disabilities

Public Service Loan Forgiveness – qualified employment status

What are some definitions of public service?



Public health includes public (not private) organizations' professionals engaged in health care practitioner occupations and health support occupations.

Public interest law refers to legal services provided by an organization that is funded in whole or in part by a local, state, federal or tribal government.

Early childhood education includes licensed or regulated child care, Head Start and state funded pre-kindergarten.

Law enforcement includes organizations that are publicly funded and whose principal purposes include crime prevention, control or reduction of crime, or the enforcement of criminal law.

Public education includes services that provide educational enrichment or support directly to students or their families in a school or a school-like setting.



Examples of uncommon qualified employment status

Qualified employment status – uncommon employment status

If you are a teacher who does not teach during the summer months, the following must apply for your payments to qualify for PSLF:



You must have a contract for an employment period of at least 8 months out of a 12-month period.

You must work an average of 30 hours per week during that period.

Your employer must still consider you to be employed full-time during the summer break. Your employer should include the dates of the summer break when reporting your dates of employment on the PSLF Employment Certification Form, even though you are not actually teaching during that period.

Qualified employment status – uncommon employment status

Are you working for more than one employer?

If you are working part-time for more than one qualifying employer at the same time, you will be considered full-time for PSLF purposes as long as your combined hours worked equal to at least 30 hours per week.



Nonqualified employers or employment

Nonqualified employers or employment – employers

What types of employers never qualify for PSLF?

- For-profit organizations or businesses
- Labor unions
- Partisan political organizations
- For-profit organizations (this includes for-profit government contractors)
- Not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code and do not provide a qualifying public service as their primary function
- Member of Congress



Nonqualified employers or employment

Examples of nonqualifying activities and employers that do not meet the full-time employment requirement for PSLF

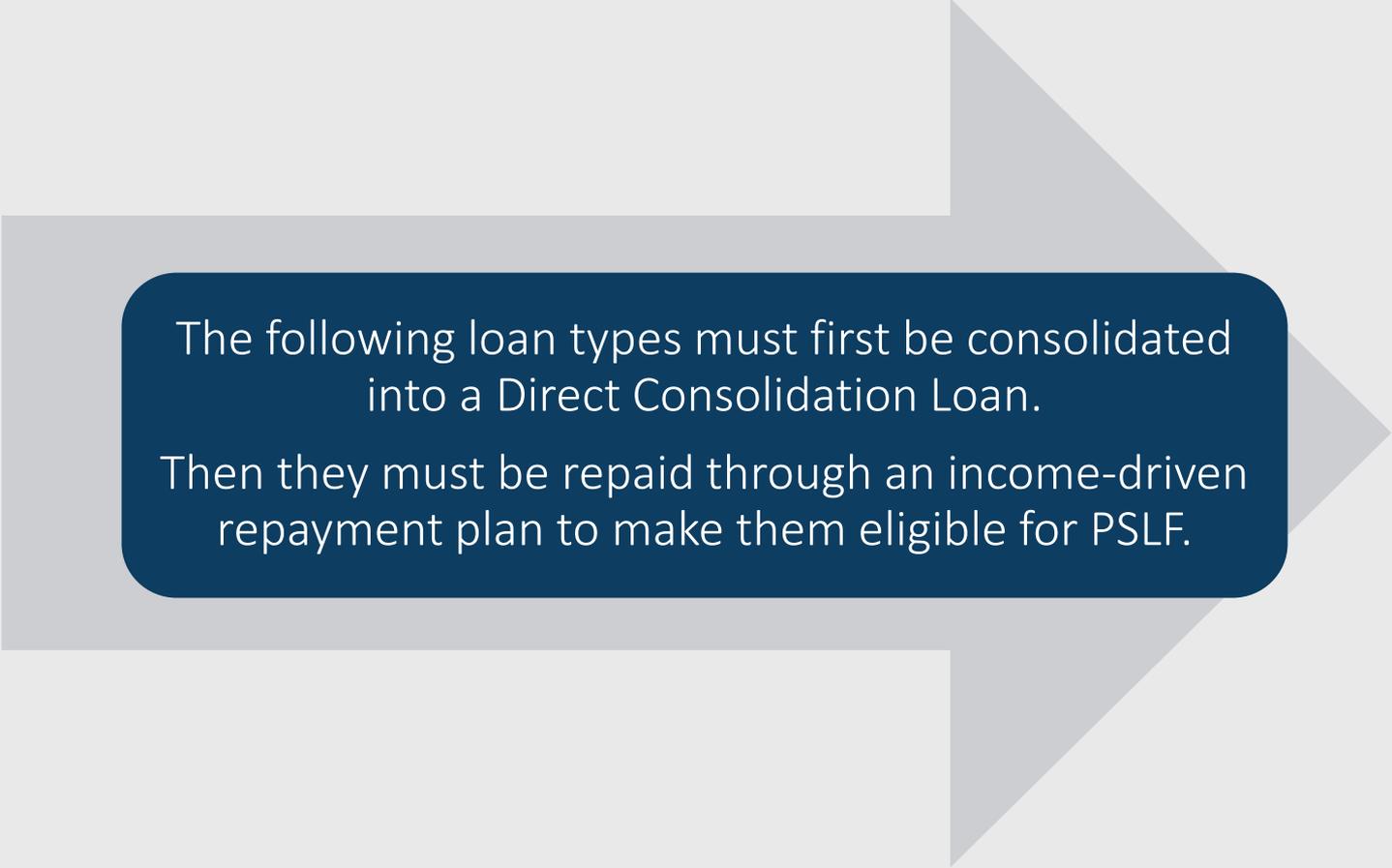


- If you are employed by a not-for-profit organization, any time you spend on religious instruction, worship services or any form of proselytizing may not be counted toward meeting the full-time employment requirement.
- For-profit government contractors are not qualifying employers. You must be directly employed by a qualifying employer for your employment to count toward PSLF.



Loan types that must be consolidated to qualify for PSLF

Loan types that must be consolidated for PSLF



The following loan types must first be consolidated into a Direct Consolidation Loan.
Then they must be repaid through an income-driven repayment plan to make them eligible for PSLF.

Loan types that must be consolidated for PSLF

Auxiliary Loans to Assist Students

Direct PLUS Loans for parents of undergraduates

Direct PLUS Loans for graduates and professionals

Federal Insured Student Loans

Federal Perkins Loans

FFEL Consolidation Loans

FFEL PLUS Loans for Graduate/Professional Students

FFEL PLUS Loans for Parents

FFEL Stafford Unsubsidized Loans

FFEL Supplemental Loans for Students

FFEL Stafford Subsidized Loans

FFEL Stafford Nonsubsidized Loans

Guaranteed Student Loans

Health Professions

Student Loans

Health Education Assistance Loans

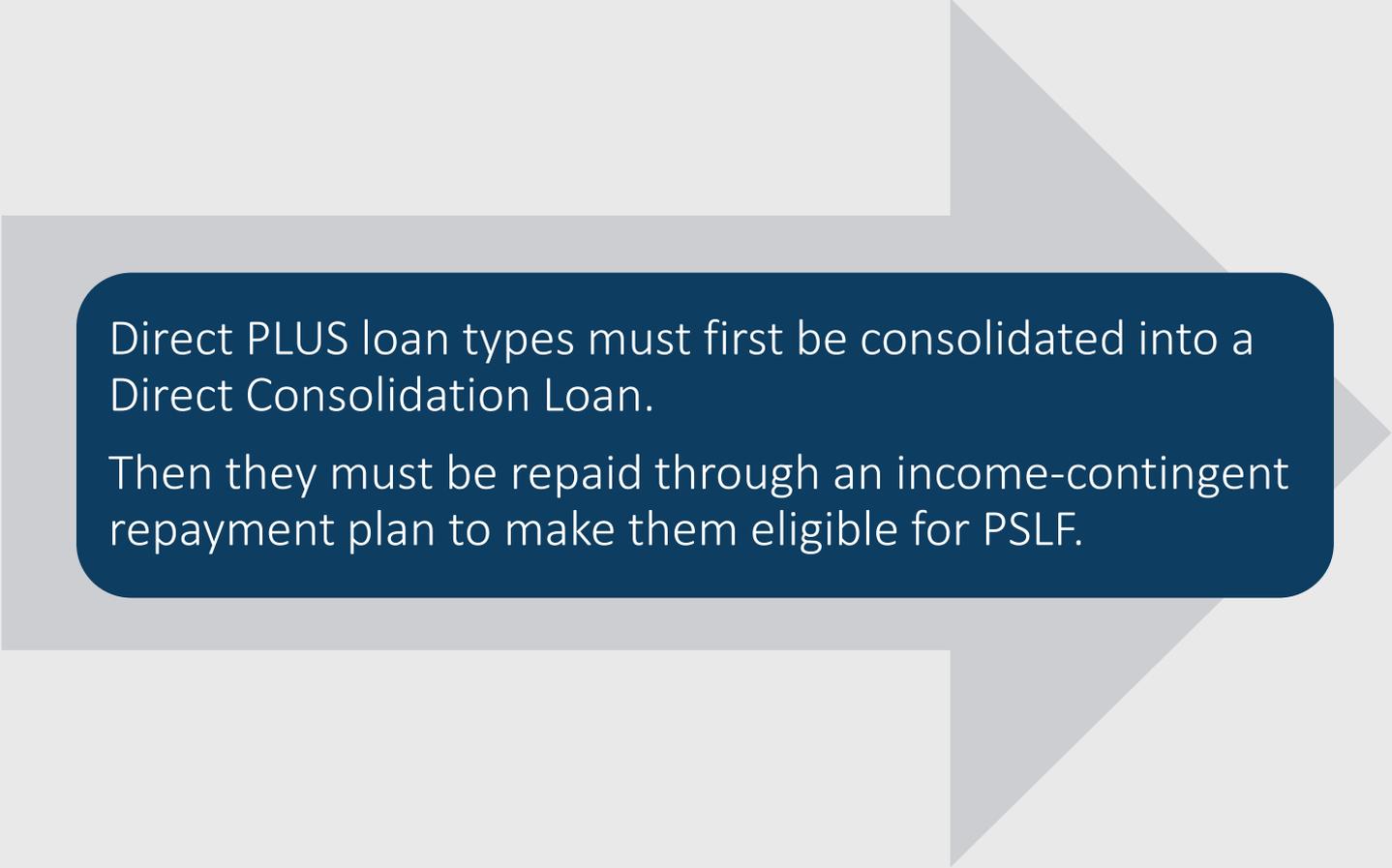
Loans for Disadvantaged Students

National Defense Student Loans

National Direct Student Loans

Nursing Student Loans and Nurse Faculty Loans

Loan types that must be consolidated for PSLF



Direct PLUS loan types must first be consolidated into a Direct Consolidation Loan.

Then they must be repaid through an income-contingent repayment plan to make them eligible for PSLF.

Loan types that must be consolidated for PSLF

Direct PLUS Loans for parents of dependent undergraduates vs. graduates or professional students



- Direct PLUS Loans for parents of dependent undergraduates must be consolidated in a new Direct Consolidation Loan, then repaid under an income-contingent repayment plan to benefit from PSLF. The employment of the student's parent will be reviewed for PSLF eligibility – not the student's employment.
- Direct PLUS Loans for graduates or professional students must be consolidated in a new Direct Consolidation Loan, then repaid under any income-driven repayment plan.



Employment Certification Form

Public Service Loan Forgiveness – Employment Certification Form

When should you complete and submit an Employment Certification Form?

- FedLoan Servicing recommends that you submit your first ECF after you are confident that you have qualifying loans and have made some qualifying payments. If you do so, you get early confirmation that you are on the right track.
- Once your first ECF is approved, it is recommended that you submit a new ECF annually. This will help you track your progress in the PSLF Program.
- Each time FedLoan Servicing approves an ECF, it will update the number of qualifying payments you have made.

Employment Certification Form – sequence



Submit a completed Employment Certification Form to see if your employment qualifies.



When your ECF is approved, FedLoan will begin servicing and tracking your loan payments toward PSLF.



FedLoan will research your account and send you information about how many qualifying payments you have made.



Once you have met all the requirements of the PSLF program, you can apply for tax-free forgiveness of the loan balance.

Employment Certification Form – preparation assistance

Do you currently have student loans serviced by FedLoan?

You can get help preparing your ECF in your online account through Account Access with Forms Assistance. Forms Assistance can prepopulate most of the ECF, making it easier and more convenient to complete the form. Sign in or create an online account at:

myfedloan.org/borrower/special-programs

Employment Certification Form – form instructions

If you do not have a student loan serviced by FedLoan:

- You will need to mail or fax your Employment Certification form. Complete Section 2 and Section 3 of the Employment Certification form on your own. An authorized official may complete Section 3, if you need help doing so.
- Section 4 can be completed only by an authorized official. This official may include a person authorized by your employer to certify your current or past employment status. Many employers designate the human resource office staff as authorized officials.
- Once the form has been completed and signed, mail or fax the form to the address circled in **green** on the next slide.



Employment Certification Form – form instructions



PSLF ECF

PUBLIC SERVICE LOAN FORGIVENESS (PSLF): EMPLOYMENT CERTIFICATION FORM

~~William D. Ford Federal Direct Loan (Direct Loan) Program~~

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0110
Form Approved
Exp. Date 5/31/2020
PSECF - XBCR

SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

Check this box if any of your information has changed.

FedLoan Servicing
Attn: Loan Forgiveness
P.O. Box 69184
Harrisburg, PA 17106-9184
Fax: (717) 720-1628

SSN	<input type="text"/>				
Date of Birth	<input type="text"/>				
Name	<input type="text"/>				
Address	<input type="text"/>				
City	<input type="text"/>	State	<input type="text"/>	Zip Code	<input type="text"/>
Telephone - Primary	<input type="text"/>				
Telephone - Alternate	<input type="text"/>				
Email (Optional)	<input type="text"/>				

Employment Certification Form – print form

The link to print your Employment Certification Form:

<https://myfedloan.org/documents/repayment/fd/pslf-ecf.pdf>

Qualified loan payment



Qualified loan payment PSLF – qualified loan payment

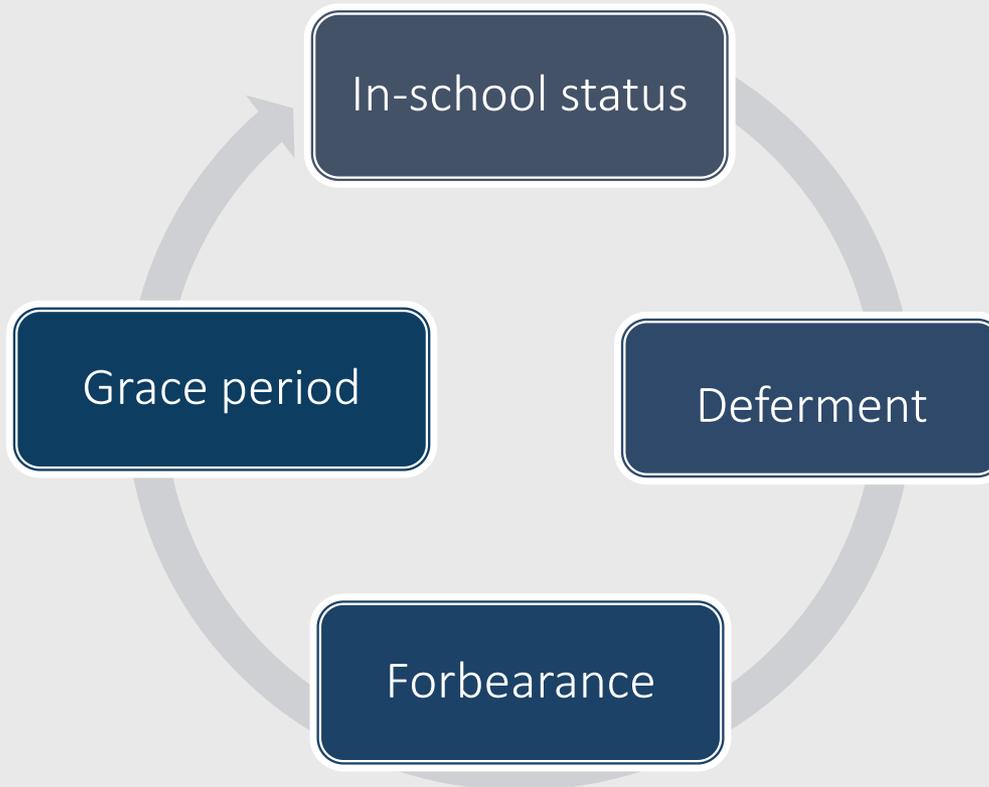
Your payment is considered qualified if your payments meet each of the following 6 criteria:



1. Loan payments made after Oct. 1, 2007.
2. Loan payments made while employed full-time at a qualifying employer, working at least 30 hours per week.
3. Loan payments made under a qualifying repayment plan.
4. Loan payments paid on time (no later than 15 days after the scheduled due date).
5. Installment amount due for each month is paid in full.
6. Loan is actively billed and not in a default status.

Qualified loan payment – make payments when required

You can only make monthly payments to your loan when you are required to. Therefore, you cannot make a qualifying monthly payment while your loans are in:



Qualified loan payment – inquire on your loan type

If you do not know what type of loan you have, review your previous loan servicing paperwork and visit the website below:



[Studentaid.ed.gov/login](https://studentaid.ed.gov/login)



Qualifying repayment plans

Qualifying repayment plans – definition

What is a qualifying repayment plan?

These are income-driven repayment plans that base your monthly student loan payment on your income.

- Revised Pay As You Earn (REPAYE)
- Pay As You Earn (PAYE)
- Income-based repayment
- Income-contingent repayment

Qualifying repayment plans – 10-year standard repayment plan

Does the 10-year standard repayment plan for Direct Consolidation Loans qualify for PSLF?



Yes, only if your 10-year standard repayment plan is structured for 10 years.

It is unlikely that you will benefit from PSLF because the 10-year standard repayment plan will result in paying off your entire balance in 10 years, leaving nothing left to forgive.

Please contact FedLoan Servicing directly for a loan calculation that will be tailored to your circumstances.



Public Service Loan Forgiveness Application

Public Service Loan Forgiveness Application

When do you complete and submit your PSLF Application for Forgiveness?



- After you have completed your Employment Certification Form and made your final payment toward the 120 qualifying payments required for PSLF.
- You must be working full-time at least 30 hours per week for a qualifying employer at the time you submit the PSLF Application for Forgiveness *and* working full-time at least 30 hours per week at the moment the balance on your loan is forgiven.

Public Service Loan Forgiveness Application – instructions

If you do not have a student loan serviced by FedLoan:

- You will need to mail or fax in your PSLF application. Complete Section 2 and Section 3 of the application on your own. An authorized official may complete Section 3, if you need help doing so.
- Section 4 can be completed only by an authorized official. This official may include a person authorized by your employer to certify your current or past employment status. Many employers designate the human resource office staff as authorized officials.
- Once form has been completed and signed, you may mail or fax form to the address circled in **green** on the next slide.



Public Service Loan Forgiveness Application – form instruction



PSLF APP

PUBLIC SERVICE LOAN FORGIVENESS (PSLF): APPLICATION FOR FORGIVENESS

William D. Ford Federal Direct Loan (Direct Loan) Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0110
Form Approved
Exp. Date 5/31/2020
PSFAP - XBCR

SECTION 1: BORROWER INFORMATION

U.S. Department of
Education, FedLoan Servicing,
P.O. Box 69184, Harrisburg,
PA 17106-9184.
Fax to: 717-720-1628.

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN

Date of Birth

Name

Address

City State Zip Code

Telephone - Primary

Telephone - Alternate

Public Service Loan Forgiveness application – link to print application

The link to print out your Public Service Loan Forgiveness application:

<https://myfedloan.org/documents/repayment/fd/pslf-app.pdf>

Public Service Loan Forgiveness Application – questions

Whom do I contact with questions about PSLF?

- If you have questions or cannot email FedLoan Servicing, call it at:

855-265-4038



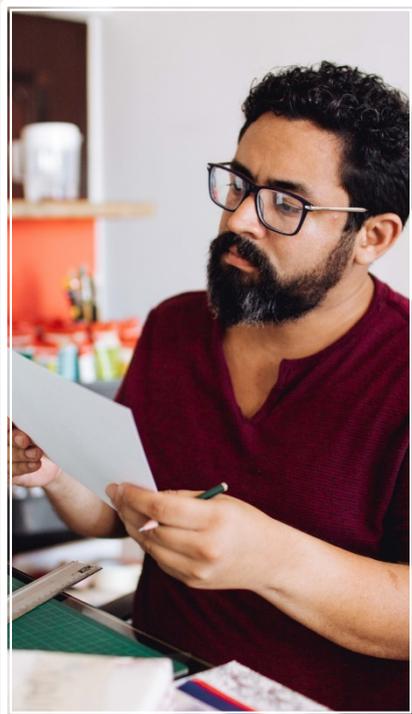
Temporary Expanded Public Service Loan Forgiveness

The Consolidated Appropriations Act 2018 provided limited, additional conditions under which you may become eligible for loan forgiveness if some or all the payments you made on your Federal Direct Loans were under a nonqualifying repayment plan for PSLF.

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Temporary Expanded Public Service Loan Forgiveness opportunity



What is TEPSLF opportunity and how can it help me?

If your PSLF application was previously denied because some or all your payments were not made on a qualifying repayment plan for PSLF, you may be able to receive loan forgiveness under a temporary opportunity.

Temporary Expanded Public Service Loan Forgiveness opportunity – eligibility

If my PSLF application was denied, why would I be eligible under TEPSLF?



- The U.S. Department of Education will reconsider your eligibility for PSLF using an expanded list of qualifying repayment plans.
- Some payments that do not count toward loan forgiveness under PSLF may count toward forgiveness under TEPSLF.



How to qualify for the TEPSLF program

Temporary Expanded Public Service Loan Forgiveness opportunity – qualify

You must have already submitted your PSLF Application for Forgiveness.

You must have had at least 10 years of full-time employment certified by a qualifying employer(s) and approved by FedLoan Servicing.

How do I qualify for TEPSLF?

You must have made 120 qualifying payments under the new requirement for TEPSLF while working full-time for your qualifying employer(s).

TEPSLF is available only to Direct Loan borrowers.
The Federal Family Education Loan Program is not eligible for the opportunity.

Temporary Expanded Public Service Loan Forgiveness opportunity – qualify

You will be eligible for the TEPSLF opportunity only if, among other requirements, the amount you paid 12 months prior to applying for TEPSLF *and* the last payment you made before applying for TEPSLF are at least as much as you would have paid under an income-driven repayment plan.

FedLoan Servicing will assess this and contact you if it needs documentation of your income to determine whether you are eligible.

Temporary Expanded Public Service Loan Forgiveness opportunity – qualify

The Department of Education will reconsider your eligibility for PSLF using this expanded list of qualifying repayment plans:

- Graduated Repayment Plan
- Extended Repayment Plan
- Consolidation Standard Repayment Plan
- Consolidation Graduated Repayment Plan

These plans do not usually qualify for PSLF, only TEPSLF.

Temporary Expanded Public Service Loan Forgiveness opportunity – qualify

Follow these steps to request TEPSLF consideration:

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graph TD; A[Follow these steps to request TEPSLF consideration:] --> B[Prepare an email to FedLoan Servicing requesting that the U.S. Department of Education reconsider your eligibility for PSLF.]; B --> C[Include the same name you used when you submitted your PSLF application and your date of birth in the email.]; C --> D[Send the email to TEPSLF@myfedloan.org.];
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Prepare an email to FedLoan Servicing requesting that the U.S. Department of Education reconsider your eligibility for PSLF.

Include the same name you used when you submitted your PSLF application and your date of birth in the email.

Send the email to TEPSLF@myfedloan.org.

Temporary Expanded Public Service Loan Forgiveness opportunity – email

Below is a template you can use when creating your email:

To: TEPSLF@myfedloan.org
Subject: TEPSLF request



I request that the U.S. Department of Education reconsider my eligibility for public service loan forgiveness.

Name: (Enter the same name under which you submitted your PSLF application)

Date of Birth: (Enter your date of birth in MM/DD/YYYY format)

Thank you.

Temporary Expanded Public Service Loan Forgiveness opportunity – email

In response, you will receive an email from TEPSLF@myfedloan.org with one of the following statements:

You are being considered for TEPSLF because you applied for PSLF and had your application denied. FedLoan Servicing will contact you again once the review is complete or if it needs additional information.

You have a PSLF application under review and if you are not determined to be eligible for loan forgiveness under the PSLF Program, your eligibility for the TEPSLF opportunity will be evaluated automatically because you have already sent your email request for reconsideration.

FedLoan Servicing will contact you again once the review is complete or if it needs additional information.

You are not eligible for TEPSLF at this time because you have not applied for PSLF and had your application denied.

Temporary Expanded Public Service Loan Forgiveness opportunity – questions

Whom do I contact with questions about TEPSLF?

- If you have questions or cannot email FedLoan Servicing, call it at:

855-265-4038

Loan Servicers and Consumer Financial Protection Bureau



Loan servicer – contacts listing

Please contact your loan servicer for questions about your specific loan circumstances.

Only loan servicers for federally held loans made through the William D. Ford Federal Direct Loan Program and the Federal Family Education Loan Programs are listed here.

Loan Servicer	Contact
<u>CornerStone</u>	1-800-663-1662
<u>FedLoan Servicing (PHEAA)</u>	1-800-699-2908
<u>Granite State – GSMR</u>	1-888-556-0022
<u>Great Lakes Educational Loan Services, Inc.</u>	1-800-236-4300
<u>HESC/Edfinancial</u>	1-855-337-6884
<u>MOHELA</u>	1-888-866-4352
<u>Navient</u>	1-800-722-1300
<u>Nelnet</u>	1-888-486-4722
<u>OSLA Servicing</u>	1-866-264-9762

Loan Servicer – Consumer Financial Protection Bureau

Do you have a problem with a financial product or service from your loan servicer?

Consumer Financial Protection Bureau can help!



Consumer Financial Protection Bureau will connect with financial companies to understand issues, fix errors and get direct responses about problems. When you submit a complaint, CFPB will work to get you a response. Most companies respond to complaints within 15 days.

855-265-4038

Questions and answers



Questions and answers – qualifying loan payments



If I made qualifying payments on a Direct Loan and then consolidated it into a Direct Consolidation Loan, do I have to start over making qualifying payments on the new Direct Consolidation Loan?



Yes.

The payments that you made to the Direct Loan will not count toward the new Direct Consolidation Loan. You will need to start making new qualified payments.

Questions and answers – not a qualified employer



If I am making payments via a qualified Income-Driven-Repayment Plan on a qualified Federal Direct Loan, but I am working for Boeing, do I qualify for the PSLF program?



No.
Boeing is not a qualified employer because it is a for-profit business.

Questions and answers – qualifying loan payments



Once approved for PSLF, what happens if I make a late payment or leave public service for a brief period?



You will remain eligible for the PSLF program itself, although your payments may not count toward the 120 qualified payments.

Contact MyFedloan for details at 855-265-4038.

Questions and answers – not a qualified employer



Do I have to pay all 120 qualified payments in a row?



No.

The payments do not have to be consecutive. If you have a period of employment that you are working for a nonqualified employer, you will not lose credit for prior qualifying payments.

Questions and answers – defaulted loan



If my Federal Direct Loans are in default, do I still qualify for the PSLF program?



No.

However, a defaulted loan may become eligible for PSLF if you resolve the default.

Questions and answers – no income requirement for PSLF



Can I be certain that the PSLF Program will exist by the time I have made my 120 qualifying payments?



No.
There are no guarantees about the future availability of PSLF. The PSLF Program was created by Congress and Congress could change or end it.

Questions and answers – no income requirement for PSLF



Does my income level determine my eligibility for PSLF?



No.
There is no income requirement to qualify for PSLF.

Questions and answers – no income requirement for PSLF



Are loan amounts forgiven under PSLF considered taxable by the IRS?



No.

According to the IRS, student loan amounts forgiven under PSLF are not considered income for tax purposes. For more information, check with the IRS or a tax adviser.

Questions and answers – no income requirement for PSLF



If I pay more than my scheduled monthly student loan payment amount, can I get PSLF sooner than 10 years?



No. You must make 120 separate monthly payments. Paying extra won't make you eligible to receive PSLF sooner. If you do pay ahead, the excess payment will be applied to future loan payments, unless you request otherwise.

Now is the time to take control
of your student loan debt!



For more information :

Contact

FedLoan Servicing at 855-265-4038

Assistance with Employment Verification forms or
PSLF Application at 855-265-4038

Consumer Financial Protection Bureau at 855-411-2372

Resources

Myfedloan.org

Studentaid.ed.gov

Consumerfinance.gov

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