
Public Service Loan Forgiveness

College Success Forum
Tuesday, January 29, 2019

Agenda

- Program Overview
- Eligibility/Qualification
 - Full Time Public Service Employment
 - Eligible Repayment Plans
 - Qualifying Repayment
- Borrower Experience
- School Support
- FAQs and Resources



Overview

The Public Service Loan Forgiveness Program (PSLF) was created to encourage individuals to enter and continue to work full-time in public service jobs.

- Enacted as part of College Cost Reduction and Access Act (CCRAA) of 2007
- Public Law 110-84, 9/27/2007
- Final Rule published 10/23/2008

<http://ifap.ed.gov/fregisters/FR10232008.html>

What is Public Service Loan Forgiveness?

The Public Service Loan Forgiveness (PSLF) Program allows eligible borrowers to cancel the remaining balance of their **Direct Loans** after serving **full time at a public service organization** for at least 10 years while making **120 qualifying monthly payments** after **October 1, 2007**.

Definition of Public Service Organization

- A federal, state, local, or Tribal government organization, agency, or entity (includes most public schools, colleges and universities);
- A public child or family service agency;
- A non-profit organization under section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of the Internal Revenue Code (includes most not-for-profit private schools, colleges, and universities);
- A Tribal college or university; or
- A private non-profit organization (that is not a labor union or a partisan political organization) that provides a specific public service as its primary purpose.

Qualified Employment

- Full-time employment in any position with a public service organization
 - Not including staff of for-profit contractors working for public service organizations
 - Job duties DO NOT matter (except for time spent participating in religious instruction, worship services, or any form of proselytizing)
 - Borrowers can work at multiple organizations while making the required 120 payments
- Full-time AmeriCorps or Peace Corps position

Definition of “Full-time” Employment

For purposes of eligibility for PSLF, full-time employment is defined as:
Working in qualifying employment in one or more jobs for the greater of:

- An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); **or**
- Unless the employment is with two or more employers, the number of hours the employer considers full-time

Employer-provided vacation or leave time is equivalent to hours worked in determining whether you meet the full-time employment requirement. This includes leave taken for a qualifying condition under the Family and Medical Leave Act of 1993.

Note: When determining full-time public service employment at a not-for-profit organization you may not include time spent participating in religious instruction, worship services, or any form of proselytizing.

Identifying Qualifying Employers

- Check with the employer regarding their classification (government, non-profit, etc.)
- Depending on employer type, public websites are available:

Government	http://usa.gov/Agencies.shtml
	https://nces.ed.gov/globallocator/
Non-Profit 501(c)(3)	https://apps.irs.gov/app/eos/
	http://irs.gov/Charities-%26-Non-Profits/Charitable-Organizations/Private-Foundations

- Contact FedLoan Servicing, if unsure

Eligible Loans

Only Federal Direct loans are eligible for PSLF, only those payments made on Federal Direct loans count toward the required 120 qualifying payments -- and only these Federal Direct loans will be forgiven.

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans (for parents and graduate or professional students)
- Direct Consolidation Loans
 - Borrowers may choose to consolidate loans to establish eligibility for PSLF
- Special Direct Consolidation Loans
- TEACH Loans

Eligible Repayment Plans

Qualifying monthly payments must be made under these plans:

Income-Contingent Repayment (ICR) Plan (not available on Direct PLUS Loans for parents or Direct PLUS Consolidation Loans)

Income-Based Repayment (IBR) Plan*

PAY As You Earn Repayment (PAYE) Plan*

Revised Pay As You Earn (REPAYE) Plan*

***Not available on Direct PLUS Loans for parents or Direct Consolidation Loans that paid a PLUS Loan for a parent**

Standard Repayment Plan (based on a 10 year schedule)

Any other Direct Loan Program Repayment Plan (with payments that are at least equal to the monthly payment amount that would have been required under the 10-year Standard Repayment Plan)

To maximize the amount forgiven, borrowers should use an Income-Driven Repayment Plan.

Extended Repayment Plans **do not** qualify for PSLF.

Qualifying Payments

The required 120 payments do not have to be consecutive, but must be:

Must have been made after October 1, 2007

Reduced and/or zero dollar monthly payments under an IDR plan qualify.

Must be on-time
(no later than 15 days after the scheduled due date)

Must be made each month
(satisfying the full monthly installment amount that was due for that month)

Lump sum payments that exceed the scheduled payment amount do not count as separate payments.

Must be made when the loan is not in a default status

Forgiveness

Eligibility for forgiveness of an outstanding balance on an eligible Direct Loan occurs if the borrower:

- Is not in default
- Makes 120 separate, full monthly payments (after 10/1/07), within 15 days of due date
- Makes payments under one or more of the eligible repayment plans (referenced on slide 10)
- Is a full-time employee of public service organization while making required payments and at time forgiveness is requested and granted

PSLF Awareness – MyFedLoan.org/PSLF

The screenshot shows the MyFedLoan.org website interface. At the top, there is a green navigation bar with links for "BORROWERS", "FINANCIAL AID OFFICERS", and "PARTNERS", along with "Contact Us" and "About Us". Below this is the "fedloan" logo with "SERVICING" underneath. A secondary navigation bar includes "Loan Basics", "In School", "In Grace", "In Repayment", "Trouble Paying", and "Resources". On the right side of this bar are "Sign In" and "Search" options. A dark blue bar with "SPECIAL PROGRAMS" and a left-pointing arrow is positioned below the navigation. A yellow alert banner contains a warning icon and text: "Alert! The U.S. Department of Education is offering a Temporary Expanded Public Service Loan Forgiveness (TEPSLF) opportunity. To be considered for TEPSLF, you must have submitted the Public Service Loan Forgiveness (PSLF) Application for Forgiveness and had that application denied. For more information, visit the [TEPSLF information page](#)." The main content area features a large image of workers in yellow hazmat suits. On the left is a green star icon inside a circle. The text "Public Service Loan Forgiveness" is centered over the image. Below the image are two dark grey boxes: "Borrowers" with the subtext "Looking for the correct form?" and a link "> FIND THE DOCUMENT YOU NEED"; and "Employers" with the subtext "Getting started with a PSLF employer?" and a link "> CHECK OUT OUR EMPLOYER RESOURCES". At the bottom, there is a dark blue bar with "PSLF Resources:" and a downward arrow. A white circular arrow icon is in the bottom right corner of the screenshot.


Borrow Process Flow



- Borrower is able to retrieve the Employment Certification form (ECF) from the servicer's website, by accessing the PSLF Help Tool at studentloans.gov, or online at studentaid.ed.gov.



- Borrower submits Employment Certification Form.



- **Employer is approved public service organization.** (Borrower receives approval notification. Eligible loans are transferred to FedLoan Servicing, if applicable. Borrower receives notification of qualifying payments made with all prior servicers.)



- The borrower will be reminded annually, via email, to submit a new ECF if employed with a qualifying public service organization since the last ECF was submitted.

Employment Certification Form

It is recommended to submit the ECF **annually** to provide an update on your employment status for the prior year of employment. The form is available at MyFedLoan.org/PSLF and StudentAid.gov.

Section 1: Borrower Identification
Section 2: Borrower Authorizations, Understandings and Certifications



PUBLIC SERVICE LOAN FORGIVENESS (PSLF):
EMPLOYMENT CERTIFICATION FORM
William D. Ford Federal Direct Loan (Direct Loan) Program

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

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. 1991.

SECTION 1: BORROWER INFORMATION

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 _____
Email (Optional) _____

SECTION 2: BORROWER AUTHORIZATIONS, UNDERSTANDINGS, AND CERTIFICATION

Before signing, carefully read the entire form. For more information on PSLF, visit StudentAid.gov/publicservice.

I authorize:

1. My employer or other entity having records about the employment that is the basis of my request to make information from those records available to the U. S. Department of Education (the Department) or its agents or contractors.
2. The entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

I understand that:

1. To qualify for PSLF, I must make 120 qualifying payments on my Direct Loans while employed full time by a qualifying employer or employers. Neither the 120 qualifying payments nor the employment have to be consecutive.
2. To qualify for PSLF, I must be employed full time by a qualifying employer when I apply for and receive PSLF.
3. If I qualify for forgiveness, only the remaining balance on my Direct Loans will be forgiven.
4. By submitting this form, my student loan(s) held by the Department may be transferred to FedLoan Servicing.
5. The Department may request supplemental documentation substantiating my employment.
6. The Department will notify me in writing or electronically of the number of qualifying payments I have made while employed full time by a qualifying employer and how many more I must make before I am eligible to apply for PSLF.
7. I will be notified if the form that I submit is incomplete, or if my employment or payments do not qualify for PSLF, why the determination was made, and the steps I need to take to correct the form or make qualifying payments.
8. The Department will retain this certification form until I submit my application for forgiveness.

I certify that all of the information I have provided on this form and in any accompanying document is true, complete, and correct to the best of my knowledge and belief.

Check this box if you cannot obtain certification from your employer because the organization is closed or because the organization has refused to certify your employment. The Department will follow up to assist you in getting documentation of your employment. **Complete Section 3, but do not complete Section 4.**

Borrower's Signature _____ Date _____

Employment Certification Form

Section 3: Certification of Employment must be completed by the Borrower or the Authorized Official.

- Provide all requested information for Items 1-13.
- The form **cannot** be processed if the information requested in this section is missing.

Borrower Name _____ Borrower SSN _____

SECTION 3: EMPLOYER INFORMATION (TO BE COMPLETED BY THE BORROWER OR EMPLOYER)

1. Employer Name: _____

2. Federal Employer Identification Number (FEIN) _____
Your employer's Federal EIN may be found on your Wage and Tax Statement (W-2).

3. Employer Address: _____

4. Employer Website (if any): _____

5. Employment Begin Date: _____

6. Employment End Date: _____ OR Still Employed

7. Employment Status: Full-Time Part-Time

8. Hours Per Week (Average) _____
Include vacation, leave time, or any leave taken under the Family Medical Leave Act of 1993. If your employer is a 501(c)(3) or a not-for-profit organization, do not include any hours you spent on **religious instruction, worship services, or proselytizing**.

9. Is your employer a **governmental** organization?
A governmental organization is a Federal, State, local, or Tribal government organization, agency, or entity, a public child or family service agency, a Tribal college or university, or the Peace Corps or AmeriCorps.
 Yes - Skip to Section 4.
 No - Continue to Item 10.

10. Is your employer tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC)?
If your employer is tax-exempt under another subsection of 501(c) of the IRC, such as 501(c)(4) or 501(c)(6), check "No" to this question.
 Yes - Skip to Section 4.
 No - Continue to Item 11.

11. Is your employer a **not-for-profit** organization that is **not** tax-exempt under Section 501(c)(3) of the Internal Revenue Code?
 Yes - Continue to Item 12.
 No - Your employer does not qualify.

12. Is your employer a partisan political organization or a labor union?
 Yes - Your employer does not qualify.
 No - Continue to Item 13.

13. Which of the following services does your employer provide as its primary purpose? Check all that apply and then continue to Section 4. If you check "None of the above", do not submit this form.
 Emergency management
 Military service (See Section 6)
 Public safety
 Law enforcement
 Public interest legal services (See Section 6)
 Early childhood education (See Section 6)
 Public service for individuals with disabilities
 Public service for the elderly
 Public health (See Section 6)
 Public education (See Section 6)
 Public library services
 School library services
 Other school-based services
 None of the above - the employer does not qualify.

Employment Certification Form

Section 4: Employer Certification must be completed by the Authorized Official.

- Provide all requested information.
- Complete the employer's certification at the bottom of the page.
- The form **cannot** be processed if the information requested in this section is missing.

SECTION 4: EMPLOYER CERTIFICATION (TO BE COMPLETED BY THE EMPLOYER)

By signing, I **certify** (1) that the information in Section 3 is true, complete, and correct to the best of my knowledge and belief, (2) that I am an authorized official (see Section 6) of the organization named in Section 3, and (3) that the borrower named in Section 1 is or was an employee of the organization named in Section 3.

Note: If any of the information is crossed out or altered in Section 3, you must initial those changes.

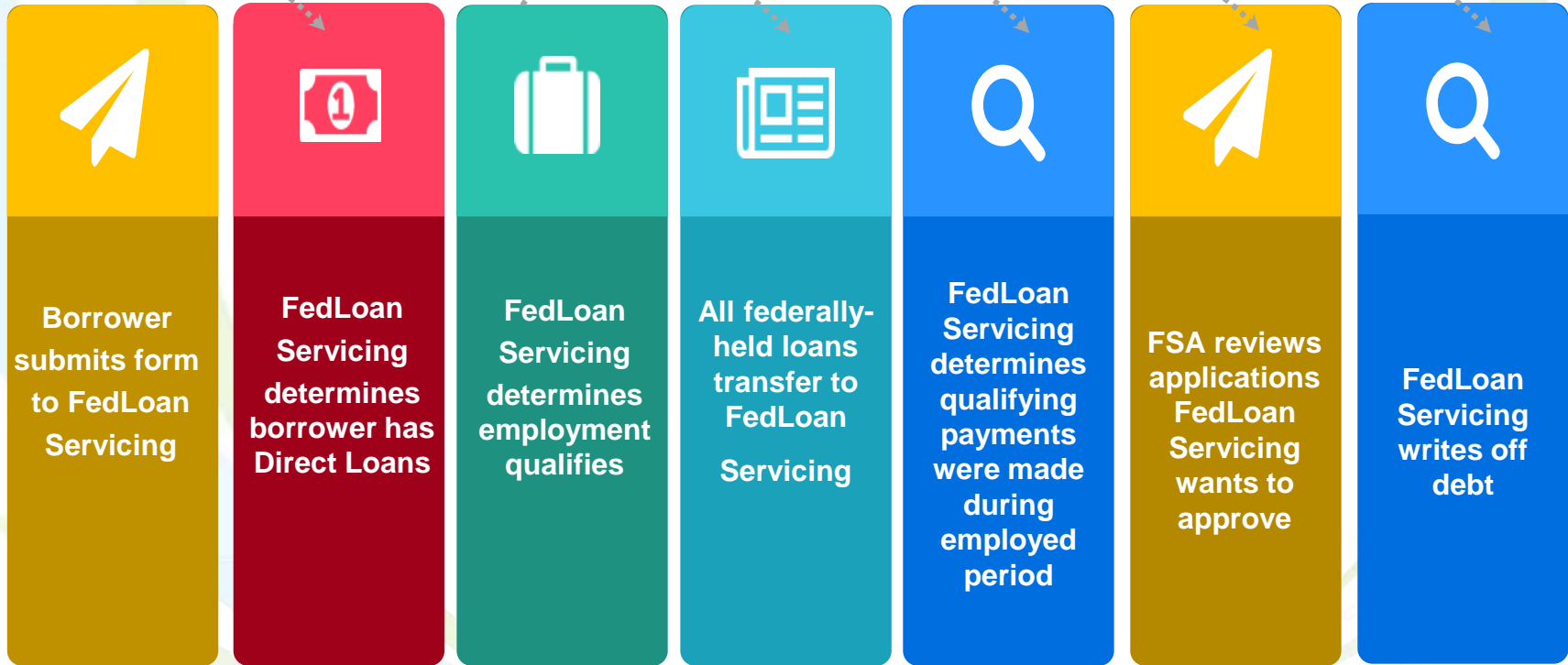
Official's Name _____ Official's Phone _____

Official's Title _____ Official's Email _____

Authorized Official's Signature _____ Date _____

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PSLF Application



The application process is very similar to the employment certification process because borrower must be employed in full-time qualifying employer when applying for and receiving forgiveness.

Forgiveness Application

- The PSLF Application is also available on MyFedLoan.org/PSLF, StudentAid.gov and Studentloans.gov
- Application is very similar to ECF because borrower must be employed in full-time qualifying employer when applying for and receiving forgiveness.
- Borrowers can opt out of an automatic forbearance on their Direct Loans while the Department determines their eligibility for forgiveness.

SECTION 2: BORROWER REQUEST, UNDERSTANDINGS, CERTIFICATION, AND AUTHORIZATION

I **request (1)** that the U.S. Department of Education (the Department) forgive the remaining balance of my Direct Loans and **(2)** if I submit employment certification covering 10 years of qualifying employment after October 1, 2007, a forbearance on my Direct Loans while the Department determines my eligibility for forgiveness, unless I indicate otherwise below.

By checking this box, I am indicating that I **do not want a forbearance** while my application is being processed.

Temporary Expanded PSLF (TEPSLF) Basics

- A temporary program to provide loan forgiveness to those who do not qualify for PSLF **only** because some or all of their qualifying payments were made on non-qualifying plans
- Program to be administered on a first-come, first-served basis
- TEPSLF was created by the:
 - Consolidation Appropriations Act, 2018 (Public Law 115-141) and
 - Department of Education Appropriations Act, 2019 (Public Law 115-245)
- Law required implementation of an application process within 60 days of enactment

TEPSLF Requirements

- A borrower is eligible if he/she:
 - Submitted the PSLF application and had been denied **only** because some or all payments were made on a non-qualifying plan
 - Had at least 10 years of full time employment certified by a qualifying employer and approved by FedLoan Servicing
 - The following payments were at least as much as the borrower would have paid under an income-driven plan*:
 - The payment made immediately prior to applying for TEPSLF, and
 - The payment made 12 months prior to applying for TEPSLF
 - Made 120 qualifying payments under the new requirements for TEPLSF while working full-time for a qualifying employer(s)

* An exception is made if the borrower had an unusual fluctuation in income over the prior 5 years

TEPSLF Application Process

- To receive TEPSLF, a borrower must:
 - Have applied for and been denied PSLF or have a PSLF application pending review
 - Email FedLoan Servicing (TEPSLF@myfedloan.org) a request that ED reconsider eligibility for PSLF (this holds the borrower's spot in line)
 - Borrower to include same name under which the PSLF application was submitted
 - Borrower to include date of birth (MM/DD/YYYY)
 - Provide any necessary income documentation to determine what the borrower's payment would have been under an income-driven plan.

PSLF Help Tool

- In December 2018, FSA launched a PSLF Help Tool
- The help tool will:
 - Help borrowers understand the PSLF Program
 - Help borrowers assess if their employer qualifies for PSLF
 - Help borrowers assess whether their loans qualify for PSLF
 - Will explain other actions a borrower should or must take if they want to receive PSLF, i.e. consolidation and income-driven repayment
 - Help the borrower decide which PSLF form to submit
 - Borrower is able to generate a prepopulated form they can print or save to later access through Studentloans.gov and take to their employer to sign
- The PSLF tool will not, at this time, help a borrower or employer sign or submit the form

Counseling Eligible Borrowers

- The first step is to determine what the student is doing after school.
- If a career in public service is being pursued, PSLF eligibility should be explored.
- If PSLF is being considered, the borrower should:
 - Determine eligibility for income-driven repayment plans (IBR, ICR, PAYE and REPAYE)
 - Consolidate any FFELP loans under Direct Consolidation*
 - Make payments on time

*Borrowers may select **any** servicer when consolidating their loans regardless of their interest in PSLF. Once an ECF is received from a borrower, eligible loans will be transferred to FedLoan Servicing.

FedLoan Servicing Support Center

FedLoan Servicing responsibilities include:

- Customer Support
- Processing applications and forms related to PSLF eligibility
- Tracking qualifying payments for PSLF

Customer Support

- Specialized customer service and processing team
- Dedicated toll-free number, **1.855.265.4038**
- Customer service representatives available from Monday through Friday 8:00 AM – 9:00 PM (ET)
- Dedicated site, MyFedLoan.org/PSLF, with ECF form
- Borrower portal to assist in tracking eligible payments

School and Borrower Resources

- PSLF Fact Sheet and Q&As: studentaid.ed.gov/publicservice
- TEPSLF Information: StudentAid.gov/TEPSLF
- Borrower Information and Employment Certification Form from FedLoan Servicing: MyFedLoan.org/PSLF
- PSLF Borrower Toolkits: myfedloan.org/financial-aid-officers/products-tools/pslf-toolkit
- PSLF Fact Sheet for Financial Aid Professionals: myfedloan.org/schools/docs/student-toolkit/fact-sheet.pdf
- Income-Driven Repayment Plans - Frequently Asked Questions: studentaid.ed.gov/sa/sites/default/files/income-driven-repayment-q-and-a.pdf
- CFPB Public Service Toolkit: files.consumerfinance.gov/f/201308_cfpb_public-service-toolkit.pdf
- CFPB Action Guide for Employees: files.consumerfinance.gov/f/201308_cfpb_pledge-action-guide-for-employees.pdf
- U.S. Department of Education's Blog on PSLF: blog.ed.gov/2016/06/qualify-public-service-loan-forgiveness/
- PSLF Help Tool: <https://studentloans.gov/myDirectLoan/pslfFlow.action#!/pslf/launch>