WHAT TO KNOW ABOUT PUBLIC SERVICE LOAN FORGIVENESS

Representative Danny K. Davis (IL-07)

Customer Outreach Group
May 26, 2022
AGENDA

01  FSA ID
02  Covid-19 Flexibilities
03  Limited PSLF Waiver
04  PSLF Basics
05  PSLF Help Tool
06  PSLF Resources
FSA ID ACCOUNT SIGN UP

You Are America’s Smartest Investment

The U.S. Department of Education’s office of Federal Student Aid provides approximately $112 billion in financial aid to help pay for college or career school each year.

Resource: STUDENTAID.GOV
FSA ID
HOW TO CREATE

Visit FSAID.ED.GOV
May enter your email address
Create a username
Create a password
Enter your name, date of birth, and Social Security number
PAYMENT COUNTS ON STUDENTAID.GOV

Direct Graduate PLUS

- $20,000 Principal
- $3,000 Interest

LOAN PERIOD
06/01/2014 - 06/01/2015

LOAN STATUS
In Repayment

INTEREST RATE
5.00% (fixed)

ALABAMA AGRICULTURAL & MECHANICAL UNIVERSITY
OPE ID 00100200

Loan Information as of 05/03/2019

REAFFIRMATION DATE
N/A

PSLF CUMULATIVE MATCH MONTHS
60 months

Learn more about loan forgiveness
TARGETED STUDENT LOAN RELIEF

THE DEPARTMENT HAS APPROVED MORE THAN $18.5 BILLION IN DEBT CANCELLATION FOR 760,000 BORROWERS

- $7.3 billion for more than 127,150 public servants through improvements to PSLF;
- Over $8.5 billion for more than 400,000 borrowers who have a total and permanent disability;
- $1.2 billion for borrowers who attended ITT Technical Institutes before it closed; and
- $2.1 billion for 132,000 borrowers who were defrauded by their school.
WHAT IS PSLF?

The PSLF Program forgives the remaining balance on your Direct Loans* after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

The PSLF servicer (currently PHEAA/FedLoan Servicing) administers PSLF for all Direct Loan* borrowers.

As a result, if you submit a PSLF form and the PSLF servicer determines that your employment qualifies, all of your Direct Loans* as well as any of your FFEL Program loans that are held by the U.S. Department of Education will be transferred to the PSLF servicer.

*On Oct. 6, 2021, the U.S. Department of Education announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.
LIMITED PSLF WAIVER
NEW UPDATES to Public Service Loan Forgiveness

On Oct. 6, 2021, the U.S. Department of Education announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.
LIMITED PSLF WAIVER: THROUGH 10/31/22

Payments made prior to consolidation are now eligible

- No matter the loan program (DL, FFEL, Perkins)
- No matter the repayment plan
- No matter the loan type (with the exception of Parent PLUS)

Employment requirements still apply

Must have been employed
- full-time and
- for a qualifying employer when prior payments were made

Borrowers must act now

Borrowers who still have FFEL and Perkins Loans can only get credit for past payments if they consolidate into DL and file PSLF Forms for prior employment before Oct. 31, 2022. After Oct. 31, 2022, normal PSLF/TEPSLF requirements will apply.
# PSLF VS. LIMITED PSLF WAIVER

<table>
<thead>
<tr>
<th>Normal PSLF Requirements</th>
<th>Included in Limited PSLF Waiver Until Oct. 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Loan payments only</td>
<td>Payments on Direct, Perkins, or FFEL Loans</td>
</tr>
<tr>
<td>Payments through Standard or income-driven repayment plans only</td>
<td>Payments through any repayment plan (including Graduated, Extended, and others)</td>
</tr>
<tr>
<td>Full, on-time payments only</td>
<td>Late or partial payments</td>
</tr>
<tr>
<td>Must be employed full-time by a qualified employer at the time of applying for forgiveness</td>
<td>Can get forgiveness if not employed by a qualifying employer at the time of applying for forgiveness</td>
</tr>
</tbody>
</table>
LIMITED PSLF WAIVER

THE LIMITED PSLF WAIVER HAS IMPACTED HUNDREDS OF THOUSANDS OF BORROWERS

- To date, the Department has approved $7.3 billion in forgiveness for 127,150 borrowers through the Limited PSLF Waiver.
- The waiver has brought another 1.1 million borrowers closer to forgiveness, with the average borrower picking up a year’s worth of credit.
- More than a quarter of a million borrowers got 2 years or more of additional credit toward forgiveness.
- These numbers will all continue to grow as the Department continues to process paperwork and review files.
TO TAKE ADVANTAGE OF THE WAIVER

• Confirm your employer is qualified
• Consolidate your loans if you need to
• Submit your PSLF form(s)
• By Oct. 31, 2022
PSLF LIMITED WAIVER: BORROWER GROUPS

File a PSLF Form for each eligible employer you had since you borrowed the loan (or since Oct. 1, 2007, whichever is later)

IF YOU ONLY BORROWED DIRECT LOANS...

File a PSLF Form for each eligible employer you had since you borrowed any loans underlying the Direct Consolidation Loan (or since Oct. 1, 2007, whichever is later)

IF YOU PREVIOUSLY CONSOLIDATED INTO DIRECT LOAN(S)

Consolidate your loans into the Direct Loan Program and file a PSLF Form for each eligible employer since you borrowed the loans you are consolidating (or since Oct. 1, 2007, whichever is later)

IF YOU STILL HAVE FFEL OR PERKINS LOANS...
FOUR THINGS TO KNOW ABOUT CONSOLIDATION

1. Your monthly payment may go down, but you may have to pay longer.
2. If you have unpaid interest, your principal balance will go up.
3. Your new consolidation loan will generally have a new interest rate.
4. You don’t have to consolidate all your federal student loans.

Keep in mind that once your loans are combined into a Direct Consolidation Loan, you can’t undo it.
WHAT TO EXPECT WHILE YOU’RE WAITING

(a servicing transfer or loan forgiveness)

FEDLOAN SERVICING TRANSITION

• As of May 1, no new borrowers will be transferred to FedLoan servicing and borrowers who consolidate for PSLF will be directed to choose MOHELA as their loan servicer.

• FedLoan will continue to process PSLF forms and identify borrowers for transfer to MOHELA.

• FedLoan is expected to transfer all borrower accounts to MOHELA by September 2022.

PSLF EMPLOYMENT CERTIFICATION AND FORGIVENESS

• We strongly encourage borrowers to complete a PSLF Form using the PSLF Help Tool.

• If a borrower manually enters an employer using the PSLF Help Tool they will experience delays in receiving their form.

• Borrowers will continue to receive targeted emails about the PSLF Limited Waiver.

• Forgiveness will be automatically processed when possible.
NEW UPDATES

• On April 19, 2022, the Department announced it will conduct a one-time account adjustment that will count forbearances of more than 12 consecutive months and more than 36 cumulative months toward PSLF forgiveness.

• Additionally, the Department will count months spent in deferment toward both IDR forgiveness and PSLF (except for in-school deferment) for borrowers who had periods of deferment prior to Jan. 1, 2013. (This addresses concerns about the Department’s data which does not distinguish IDR-eligible deferments from other deferments prior to January 1, 2013.)

• Borrowers are not required to take any action to have this adjustment applied to their accounts. The Department will work with the PSLF servicer to make adjustments to borrowers’ accounts in late fall 2022.

PSLF BASICS
PSLF BASICS

120 qualifying payments… While working for a qualifying employer

…on Direct Loans… …when applying for and receiving PSLF

Forgiven amount is not taxable income
PSLF BASICS: ELIGIBLE EMPLOYMENT

• It’s all about the employer...
  • All federal, state, and local governments, including public schools and military branches
  • All 501(c)3 non-profit organizations
  • Other non-profit organizations that provide a qualifying service (e.g. public safety)
• Multiple part-time jobs can add up to full-time employment
• 2020 regulatory change means time spent on religious activities (e.g. proselytizing) now count toward the full-time allocation
• Must be employed at an eligible employer when forgiveness is granted
TEMPORARY EXPANDED PSLF

Provides loan forgiveness to those who do not qualify for PSLF \textit{only} because some or all their qualifying payments were made on non-qualifying plans.

- Extended and Graduated, if:
  - In the 12 months before applying for TEPLSF, the borrower paid at least the amount they would have paid under an IDR plan

- Alternative
CHANGES TO PAYMENT COUNTS

• Multiple payments in less than the amount due may be counted *only if all smaller payments:*  
  • Add up to the amount due and  
  • Are paid within 15 days of the due date

• Lump sum payments will be counted as eligible  
  • Limited to 12 months or payments *or* until IDR plan recertification date, whichever comes first  
  • Exceptions for Americorps, Peace Corps, and DoD still apply
PSLF BASICS: ELIGIBLE EMPLOYMENT

- Full-time (30 hours/week) or equivalent
- Government (including military)
- All 501(c)3 non-profits
- Some limited exceptions

- Part-time work that does not add up to full-time
- Volunteer work
- For-profit entities
  - Including those that employ essential workers
- Labor unions
NOTE ON PARENT PLUS LOANS

• Parent PLUS Loans are not excluded from PSLF, but they are not eligible for all income-driven repayment plans

• Parent PLUS borrowers can consolidate their debt to access IDR plans and thus, PSLF
COUNTING QUALIFYING PAYMENTS

Eligible payments become qualifying payments when a borrower submits a PSLF Form

In November 2020, FSA launched a single form for PSLF, TEPSLF, and employment certification
PAYMENT COUNTS ON MYFEDLOAN.ORG

Public Service Loan Forgiveness (PSLF)

Track your loan forgiveness progress
Find out if your payments qualify for PSLF and the Temporary Expanded Public Service Loan Forgiveness (TEPSLF) opportunity.

CHECK MY PROGRESS

Public Service Loan Forgiveness (PSLF) Payment Tracking

Payment assessment in progress
Your payment counts may update when the following assessments have been completed:

- You have at least one pre-paid payment period that will not be assessed until the payment period has passed and the next bill is generated.

Please continue to make on-time monthly payments. We’ll notify you when we have completed our assessment.

| Payment Counts | Eligible Payments | Ineligible Payments |
### PAYMENT COUNTS ON MYFEDLOAN.ORG

<table>
<thead>
<tr>
<th>Loan</th>
<th>Period</th>
<th>Amount Due</th>
<th>Program</th>
<th>Status</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 DIRECT SUB STAFFORD LOAN</td>
<td>10/2021</td>
<td>--</td>
<td>PSLF, TEPSLF</td>
<td>Employment Not Certified</td>
<td>Hide Details</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This payment period is eligible but requires approved employment in order to qualify.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 DIRECT SUB STAFFORD LOAN</td>
<td>09/2021</td>
<td>--</td>
<td>PSLF, TEPSLF</td>
<td>Employment Not Certified</td>
<td>View Details</td>
</tr>
</tbody>
</table>
PSLF HELP TOOL OVERVIEW
# PSLF HELP TOOL

## PSLF HELP TOOL SITE

[studentaid.gov/pslf](https://studentaid.gov/pslf)

## WHAT YOU NEED

1. Your FSA ID to Log-In
2. Employer Identification Number (EIN) or recent Employer W-2

## SECTIONS OF THE HELP TOOL

1. Employment History
2. Loan Tips
3. Application Details
4. Personal Information
5. Review & Save
SECTION 1: EMPLOYMENT HISTORY

Using the Employer Search Feature

You may also download and complete the PSLF PDF form.
CONFIRMATION

After selecting Save, the borrower will be taken to a Confirmation page with a warning banner that states “You’ve completed the PSLF Help Tool, but your application has not been submitted.” For the application to be complete, the borrower must complete the application form and submit it using one of the methods provided:

- Secure upload to MyFedLoan.org
- By Postal Mail
- Or by Fax
## SIGNATURE CONFIRMATION

<table>
<thead>
<tr>
<th>Signature Type</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand drawn from signature pad, mouse, or finger</td>
<td>✔</td>
</tr>
<tr>
<td>Typed using a cursive font or any other font</td>
<td>✗</td>
</tr>
<tr>
<td>A scanned photo of a signature that was hand-drawn on paper</td>
<td>✔</td>
</tr>
<tr>
<td>Digital certificate-based signature</td>
<td>✗</td>
</tr>
<tr>
<td>A wet signature that was drawn in ink and sent to us in its original format</td>
<td>✔</td>
</tr>
</tbody>
</table>

**A reminder about digital signatures:** Digital signatures from you or your employer must be hand drawn (from a signature pad, mouse, finger, or by taking a picture of a signature drawn on a piece of paper that you then scan and embed on the signature line of the PSLF form) to be accepted. Typed signatures, even if made to mimic a hand-drawn signature, or security certificate-based signatures are not accepted.

Send the completed form, with your employer’s certification, to FedLoan Servicing, the U.S. Department of Education’s federal loan servicer for the PSLF Program. You may mail the form to this address:

U.S. Department of Education  
FedLoan Servicing  
P.O. Box 69184  
Harrisburg, PA 17106-9184

You may also fax your PSLF form to 717-720-1628. If FedLoan Servicing is already your servicer, you may upload your PSLF form on their website.
SCENARIOS
Carmen has been employed with a non-profit center for 10 years. However, she was in default a few times due to personal circumstances and was only able to make partial payments. She believes she is close to 120, but worried that she isn't eligible. Any recommendations?

Jermaine has been in the medical field for over 25 years working at the Mt. High Hospital, a non-profit entity. He started paying loans back in 2004. He is sure he made over 120 payments by now. Do all his payments count?

Alexis started working with two part-time positions. One 15 hours as a government contractor and the other 15 hours with a private for-profit company. She then began working full-time for a school for 2 years and now is full-time with local non-profit for the last 3 years. She knows she still has payments to go, but should she still complete the PSLF Form and how many payments would count?
PSLF INFORMATION AND RESOURCES
PSLF INFORMATION AND RESOURCES

LIMITED PSLF WAIVER
StudentAid.gov/pslfwaiver

GENERAL PSLF INFORMATION
StudentAid.gov/publicservice
• Make sure to review the FAQs!
• The PSLF Servicer is currently FedLoan Servicing, who is still managing the program. Later this year, PSLF will transition to MOHELA. More information to come!

PSLF HELP TOOL
StudentAid.gov/pslf

FEDLOAN SERVICING CONTACT INFORMATION
(855) 265-4038 (Call)
(717) 720-1628 (Fax)
U.S. Postal Address:
P.O Box 69184
Harrisburg, PA 17106
FEDERAL STUDENT AID TOOLS AND RESOURCES

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Youtube.com/FederalStudentAid

EMAIL ANYTIME

CHAT WITH A LIVE AGENT

CALL US 1-800-4FED-AID 1-800-433-3243

STUDENTAID.GOV

STUDENTAID.GOV/CORONAVIRUS

Hours of Operation

Monday–Friday
8 a.m.–11 p.m. Eastern time (ET)
Saturday–Sunday
11 a.m.–5 p.m. Eastern time (ET)

We are closed on federal holidays, the day after Thanksgiving and on December 24th.

We are open on New Year’s Day, Martin Luther King Jr.’s Birthday, and Washington’s Birthday from 11 a.m.–5 p.m. ET.

Hearing Impaired? TTY calls only. 1-800-730-8913
Thank you for attending this Federal Student Aid (FSA) presentation. Please take our survey so that we can receive feedback on how FSA can better serve you!

www.surveymonkey.com/r/SCCSDAFSA
QUESTIONS