



## Understanding Public Service Loan Forgiveness (PSLF) and the Limited Waiver

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# Understanding Public Service Loan Forgiveness (PSLF) and the Limited Waiver

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## Public Service Loan Forgiveness

To qualify you must:

- ✓ Make 120 eligible payments
- ✓ On eligible loans
- ✓ While working for an eligible employer



## Making eligible payments

A qualifying monthly payment is a payment that you make on a Federal Direct Loan:

- 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; **AND**
- made while you are employed **full-time\*** by a qualifying employer

✪ signals eligibility changes temporarily waived through October 31, 2022




## Qualifying Repayment Plans

REPAYMENT PLAN	AVAILABLE?	ELIGIBILITY	MONTHLY PAYMENT
Revised Pay As You Earn (REPAYE)	Now (since December 17, 2015)	All Direct student loan borrowers. <sup>a</sup> No partial financial hardship (PFH) requirement <sup>b</sup>	10% of discretionary income <sup>c</sup>
Income-Based Repayment (2014 IBR)	Now (since July 1, 2014)	Borrowers who take out their first loan on or after July 1, 2014, and have a PFH.	10% of discretionary income, up to the fixed 10-year payment amount
Pay As You Earn (PAYE)	Now (since 2012)	Direct student loan borrowers <sup>a</sup> who took out their first loan after September 30, 2007 and at least one loan after September 30, 2011, and have a PFH	10% of discretionary income, up to the fixed 10-year payment amount
Income-Based Repayment (Original IBR)	Now (since 2009)	All federal student loan borrowers (Direct or FFEL) with a PFH	15% of discretionary income, up to the fixed 10-year payment amount
Income-Contingent Repayment (ICR)	Now (since 1994)	All Direct Loan borrowers. <sup>d</sup> No PFH requirement	The lesser of: 20% of discretionary income and 12-yr repayment amount x income percentage factor

- ✓ Income Driven Repayment Plans
- ✓ Standard Repayment Plan

**Note:** 10 Year Standard Repayment payments count toward 120 payments

 **All** repayment plans will count during the temporary waiver



## What is an eligible loan?

Any Federal **Direct Loan**, including consolidated loans:

- Direct Subsidized/Unsubsidized
- Direct Parent PLUS
- Direct Graduate PLUS
- Direct Consolidation

More info at: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>



## What is an eligible loan?

Eligible **only if** you consolidate under Direct Loans:

- FFELP Subsidized/Unsubsidized loans
- Federal Perkins Loans
- Federal Nursing Loans
- Health Education Assistance Loans
- Parent PLUS loans may receive forgiveness if they are consolidated and repaid under Income Contingent Repayment Plan

**Private loans are  
never considered for  
PSLF**

**Consolidate NOW  
to take advantage  
of the  
Temporary  
Waiver**

Consolidate at: [StudentAid.gov](https://studentaid.gov)

### Which Employers Qualify for Public Service Loan Forgiveness (PSLF)?

Federal Student Aid



#### Employers That Qualify

- ✓ Government organizations at any level (federal, state, local, or tribal);
- ✓ Nonprofit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code;
- ✓ Contractors directly employed by a qualifying employer; and
- ✓ Nonprofit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code but do provide certain types of qualifying public services.



#### Employers That Do Not Qualify

- ✗ Labor unions;
- ✗ Partisan political organizations;
- ✗ For-profit organizations (including for-profit government contractors); and
- ✗ Nonprofit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code and do not provide certain types of qualifying public services.

More info at: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>



You work for:

Hospital that is a  
non-profit



Yes, qualifying employer

Cafeteria within the hospital that is  
contracted by a for profit



No, not a qualifying employer



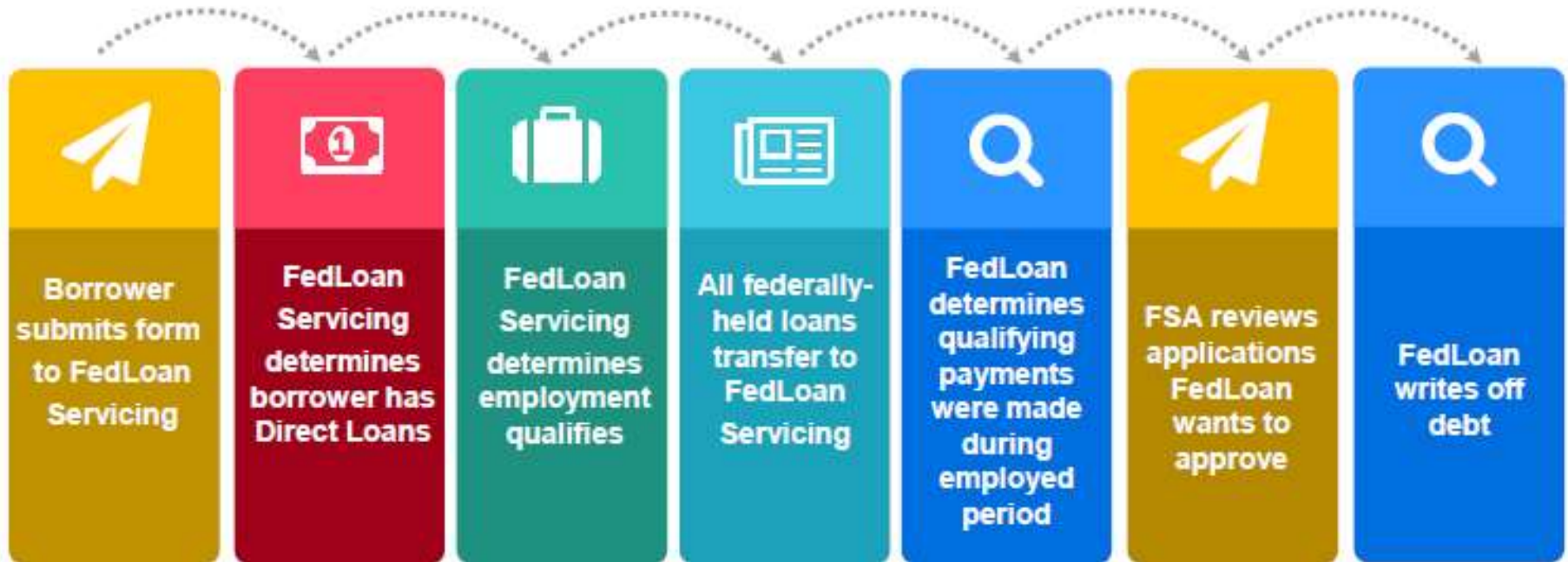
If you think you might qualify..

- Go to [StudentAid.gov/PSLF](https://StudentAid.gov/PSLF)
- Use the PSLF tool
- Verify your employment
  - PSLF tool creates an Employment Certification that must be signed by employer
  - OR tells you next steps to get eligible if you aren't already

The screenshot shows the Federal Student Aid website's PSLF Help Tool page. The header includes the "Federal Student Aid" logo and navigation links for "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", and "MANAGE LOANS". The main heading is "Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool". Below this, a paragraph explains that the tool helps determine eligibility for PSLF or TEPSLF, suggests actions, and guides through the form submission process. A section titled "Using the PSLF Help Tool" provides detailed instructions on how to use the tool, including a recommendation to read the "Become a Public Service Loan Forgiveness (PSLF) Help Tool Ninja" guide. A "Log In To Start" button is visible on the right side of the page. At the bottom, there is a link to "Learn more about PSLF and TEPSLF."



## What happens next??





## A few things to remember

- ✦ You must be employed by an eligible employer:
  - ✦ At the time you make all 120 PSLF eligible payments
  - ✦ At the time you ask for forgiveness **AND**
  - ✦ At the time the Dept. of Education reviews your request for forgiveness
  
- Payments do not have to be consecutive

✦ signals eligibility changes temporarily waived through October 31, 2022



## CARES Act

### CARES ACT & EXECUTIVE ACTION

For payments that would have been due March 13, 2020 - December 31, 2020:

- The borrower **does not need** to make payments to get credit for PSLF or TEPSLF so long as the borrower is employed full-time for a qualifying employer during the same period
- The borrower will **automatically get credit** for having paid as much as would have been due under an income-driven repayment plan 12 months prior to applying for TEPSLF and the month prior to applying for TEPSLF



## NEW PSLF Temporary Waiver





## NEW PSLF Temporary Waiver

### Key Highlights:

- **For a limited time**, borrowers may receive credit for past periods of repayment on loans that had not previously qualified for PSLF.
- **Any prior period of repayment will count** as a qualifying payment, regardless of loan program, repayment plan, or whether the payment was made in full or on time.
- If borrowers have FFEL, Perkins, or other federal student loans, they'll **need to consolidate into a Direct Consolidation Loan to qualify**.
- Periods of deferment or forbearance, and periods of default, continue to not qualify.



## PSLF Temporary Waiver

Federal Student Aid  
U.S. DEPARTMENT OF EDUCATION

UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾ Log In | Create Account 🔍

### Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool

The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process.

#### Using the PSLF Help Tool

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from FedLoan Servicing. For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under COVID-19 relief measures and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled "Special Notice for the COVID-19 Emergency" and [check out the limited PSLF waiver announcement](#).

[Learn more about PSLF and TEPSLF.](#)

Log In To Start

### What borrowers should do:

- Use the PSLF tool to see if their payments are **now** eligible for PSLF
- Send in the Employer Certification form the PSLF Tool generates. Borrowers will need eligible employer(s) since 2007 to verify their employment.
- If borrower has FFEL loans they will need to consolidate into Direct Loan Program **BEFORE 10/31/2022.**





## FAME resources

A screenshot of the FAME website. The top navigation bar includes links for Contact, About, News, Events, Publications, and a Manage My Loan button. Below the navigation, there are dropdown menus for Affording Education and Business Financing. The main heading is "Important Federal Education Loan Updates". A breadcrumb trail reads: HOME &gt; AFFORDING HIGHER EDUCATION &gt; PAY FOR SCHOOL &gt; REPAYING STUDENT LOANS &gt; IMPORTANT FEDERAL EDUCATION LOAN UPDATES. On the left, a sidebar menu lists: Make a Plan, Start to Save, Pay for School (with sub-items: Getting Financial Aid, Free Community College, Maine Scholarship Search, Maine Grant and Tuition Programs, Borrowing Student Loans, Repaying Student Loans), and Important Federal Education Loan Updates (with sub-item: Student Loan Repayment). The main content area contains a paragraph: "As we continue to navigate changes to the federal education loan program that have occurred due to the COVID-19 pandemic, we want to provide you with the latest information. We will continue to monitor for new developments and make updates to this page when needed." Below this is a section titled "Public Service Loan Forgiveness (PSLF) Waiver Opportunity" with a sub-heading. The text explains that the PSLF program forgives the remaining balance on Federal Direct Loans\* after a borrower has made 120 qualifying monthly payments while working full-time in a public service job. It concludes with "To qualify for PSLF, you must:".

[FAMEmaine.com/PSLF](https://FAMEmaine.com/PSLF)



YouTube

See our short video on YouTube. Subscribe to **FAME Maine**





## Facebook Group



<https://www.facebook.com/groups/PSLFprogramsupport>



## Additional Resources

- FSA PSLF Info
  - <https://studentaid.gov/announcements-events/pslf-limited-waiver>
- ECMC – free student loan counseling for Maine borrowers
  - <https://www.ecmcsolutions.org/>
- The Institute of Student Loan Advisors
  - [freestudentloanadvice.org](https://freestudentloanadvice.org)

## Slide 20

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**MT22** I update the links to same font size and adjusted the indentation on the first one.  
Mila Tappan, 2/25/2022



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