

# Public Service Loan Forgiveness:

Program Requirements, Eligibility,  
Application, & Limited PSLF Waiver

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# Agenda

- ▶ But First! Recent Student Loan Debt Cancellation
- ▶ Disclaimer
- ▶ Overview
- ▶ Eligibility
- ▶ Application Process
- ▶ Limited Temporary PSLF Waiver
- ▶ Facts & Myths
- ▶ Tips & Tricks
- ▶ Resources

# One-Time Student Loan Debt Relief

- ▶ On Aug. 24, 2022, the Biden-Harris Administration announced a [Student Debt Relief Plan](#) that includes one-time student loan debt relief targeted to low- and middle-income families.
- ▶ The U.S. Department of Education (ED) will provide up to \$20,000 in debt relief to Federal Pell Grant recipients and up to \$10,000 in debt relief to non-Pell Grant recipients. Borrowers with loans held by ED are eligible for this relief if their individual income is less than \$125,000 (or \$250,000 for households).
- ▶ Eligibility, FAQs, etc.: <https://studentaid.gov/debt-relief-announcement/one-time-cancellation>
- ▶ Sign up for text alerts through your StudentAid.gov account and [email updates](#) (choose “NEW!! Federal Student Loan Borrower Updates”).
- ▶ Application: <https://studentaid.gov/debt-relief/application>

# Disclaimer

- ▶ This information is accurate as of today. Over the past year there have been several updates and changes (both permanent and temporary) and it's important to stay up to date on the most current program requirements and conditions.

# Overview

- ▶ Initiated in 2007, 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.
- ▶ [StudentAid.gov Public Service Loan Forgiveness \(PSLF\)](#)



# Program Eligibility

To qualify for PSLF, you must:

- ▶ Be employed by a U.S. federal, state, local, or tribal government or not-for-profit organization (includes U.S. military service);
- ▶ Work full-time for that organization;
- ▶ Have Direct Loans (or consolidate into a Direct Loan);
- ▶ Repay your loans under an eligible repayment plan;
- ▶ Make 120 qualifying payments.

# Eligibility - Employment

- ▶ Qualifying employment isn't about your specific role/job, it's about who your employer is.
  - ▶ Government organizations at any level (U.S. federal, state, local, or tribal) - this includes the U.S. military
  - ▶ Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
  - ▶ Serving as a full-time AmeriCorps or Peace Corps volunteer also counts as qualifying employment for the PSLF Program.
  - ▶ If you work for a not-for-profit organization that is not tax-exempt under Section 501(c)(3) of the Internal Revenue Code, it can still be considered a qualifying employer if it provides certain types of qualifying public services such as: Emergency Management, Public Safety, Public Interest Law Services, Public Health.
- ▶ For PSLF, you're generally considered full-time if you meet your employer's definition of full-time or work at least 30 hours per week, whichever is greater. If you are employed in more than one qualifying part-time job at the same time, you will be considered full-time if you work a combined average of at least 30 hours per week with your employers.

# Eligibility - Loans

- ▶ Any loan received under the William D. Ford Federal Direct Loan (Direct Loan) Program qualifies for PSLF.
- ▶ Loans from these federal student loan programs don't qualify for PSLF: the Federal Family Education Loan (FFEL) Program and the Federal Perkins Loan (Perkins Loan) Program. *However, they may become eligible if you consolidate them into a Direct Consolidation Loan.\**
- ▶ Student loans from private lenders do not qualify for PSLF.
- ▶ Repay your loans under an eligible repayment plan;



# Eligibility - Loans

- ▶ Under normal PSLF Program rules, if you consolidate your loans, only qualifying payments that you make on the new Direct Consolidation Loan can be counted toward the 120 payments required for PSLF. Any payments you made on the loans before you consolidated them don't count. **However**, if you consolidate these loans into a Direct Loan before October 31, 2022, you may be able to receive qualifying credit for payments made on those loans through the limited PSLF waiver. [Learn more](#).
- ▶ The [PSLF Help Tool](#) will tell you whether you need to consolidate some or all of your loans.

# Eligibility – Qualifying Payments

A qualifying monthly payment is a payment that you make:

- ▶ After 10/1/2007;
- ▶ 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
- ▶ While you are employed full-time by a qualifying employer.

# Eligibility – Qualifying Payments

Now, you can make future payments (or prepayments) to your qualifying federal student loans, and they will all be counted toward your PSLF qualifying payment count if all other program criteria are met. Prepayments will count for up to 12 months or the next time you're due to recertify for your income-driven repayment (IDR) plan, whichever is sooner. Here's an example:

| Public Service Loan Forgiveness (PSLF) Update: Lump-Sum Payments <small>Federal Student Aid</small>  |  |
|--|--|
| Previous Processing  | Current Processing   |
| <ul style="list-style-type: none"><li>✓ Your monthly payment is \$100 and your due date is the first day of the month.</li><li>✓ On Nov. 1, 2020, you pay \$1,200.</li><li>✓ You are set to recertify for your income-driven repayment (IDR) plan on May 23, 2021.</li><li>✓ The \$1,200 payment you made on Nov. 1 counts as one qualifying payment toward PSLF loan forgiveness.</li></ul> | <ul style="list-style-type: none"><li>✓ Your monthly payment is \$100 and your due date is the first day of the month.</li><li>✓ On Nov. 1, 2020, you pay \$1,200.</li><li>✓ You are set to recertify for your IDR plan on May 23, 2021.</li><li>✓ The \$1,200 payment you made on Nov. 1 counts as seven eligible PSLF payments*.</li></ul> |
| <small>*Provided all other program criteria are met, the lump-sum payment counts for November and December 2020 (two) and January, February, March, April, and May 2021 (five), for seven total eligible payments. Once your employment is certified, your eligible Payments will become qualifying payments.</small>  |  |

# Eligibility – Qualifying Payments

You can only make qualifying monthly payments during an active repayment status. This does not include:

- ▶ An in-school status (although this can be forfeited);
- ▶ The grace period (which can be expedited through consolidation);
- ▶ A deferment; or
- ▶ A forbearance.

If you want to make qualifying payments but are in a forbearance or deferment, contact your student loan servicer to waive the deferment or forbearance.

**HOWEVER, you can still receive credit toward PSLF during the COVID-19 payment pause.**

# Eligibility – Repayment Plans

Qualifying repayment plans include all of the income-driven repayment (IDR) plans:

- ▶ REPAYE
- ▶ PAYE
- ▶ IBR
- ▶ ICR

While payments made under the 10-year Standard Repayment Plan are qualifying payments, you would have to change to an IDR plan to benefit from PSLF.

[AAMC Repayment Plans Compared](#)

# Eligibility – Repayment Plans

The following repayment plans do *not* qualify for PSLF\*:

- ▶ Standard Repayment Plan for Consolidation Loans
- ▶ Graduated Repayment Plan
- ▶ Extended Repayment Plan
- ▶ Alternative Repayment Plan



# Eligibility – Repayment Plans

\*The qualifying repayment plan rules have been temporarily suspended as a result of the limited PSLF waiver. You may receive credit toward PSLF, provided you had qualifying employment, if you made payments on any type of non-consolidation Direct Loan on any repayment plan prior to October 6, 2021. These loan types include:

- ▶ Direct Subsidized Loans.
- ▶ Direct Unsubsidized Loans, and
- ▶ Graduate PLUS Loans made to students.

For consolidation loans, borrowers may get credit for payments made on the underlying loans after Oct. 1, 2007. [Learn more.](#)



# Limited PSLF Waiver

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a change to Public Service Loan Forgiveness (PSLF) program rules for a limited time as a result of the COVID-19 emergency. Throughout the emergency, ED has provided a variety of benefits to borrowers.

Now, for a limited time (through 10/31/2022), borrowers may receive credit for past periods of repayment that would otherwise not qualify for PSLF.

Key changes include:

- ▶ You may receive credit for past periods of repayment on loans that would not otherwise qualify for PSLF.
  - ▶ Periods of repayment on Direct, FFEL, or Perkins Loans.
  - ▶ Periods of repayment under any plan count.
  - ▶ Periods of repayment on loans before consolidation count, even if on the wrong repayment plan.
  - ▶ Periods of repayment where payments were late or for less than the full monthly payment amount due also count.
  - ▶ Can get forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness.

# Application Process

Because you have to make 120 qualifying monthly payments, it will take at least 10 years before you can qualify for PSLF. To start the application process, fill out the Public Service Loan Forgiveness (PSLF) & Temporary Expanded PSLF (TEPSLF) Certification & Application form or complete the PSLF Help Tool and print the form.

- ▶ You complete page 1.
- ▶ Employer (HR/Manager/Etc.) complete page 2. For OHSU, email to [tuition\\_benefit@ohsu.edu](mailto:tuition_benefit@ohsu.edu). **Must be submitted before 10/15/2022 to make sure it's completed and returned to you before 10/31/2022.**
- ▶ Mail or fax to [MOHELA](#). If you are already with MOHELA, upload it to your account.
- ▶ Complete the application annually.

# PSLF Facts & Myths

- ▶ PSLF started in 2007 as part of the College Cost Reduction and Access Act (CCRAA) and the first forgiveness was possible after October 2017.
- ▶ As of November 30, 2020, the Department of Education reported that 3,776 borrowers have had their loans forgiven for a total of \$290,395,836 (an average of \$76,906 per application).
- ▶ At that time, 269,611 applications were processed and 263,118 were ineligible for PSLF. Only 6,493 applications were deemed eligible for forgiveness by the servicer - that is only a 2.4% approval rate.
  - ▶ Denial happens when...

# PSLF Facts & Myths

- ▶ In October 2021, the Department announced the new limited PSLF waiver which qualifies more borrowers for forgiveness. As of 6/30/2022:
  - ▶ 1,330,968 borrowers are actively seeking PSLF.
  - ▶ 189,956 borrowers have received forgiveness under PSLF (including PSLF, TEPSLF, and the waiver).
  - ▶ \$12,013,178,374 is the total federal student loan amount forgiven for all borrowers.
  - ▶ The average balance of forgiveness for each borrower is \$63,242.
- ▶ Currently, the amount forgiven under PSLF is NOT considered taxable income.

# PSLF Tips & Tricks

- ▶ More information on O2: <https://o2.ohsu.edu/human-resources/benefits/supplemental-benefits/pslf.cfm>
- ▶ Think about ALL full-time employment, especially in between undergraduate and graduate school.
- ▶ Submit a PSLF application to EACH qualifying employer.
- ▶ Can be used simultaneously with a [state loan repayment programs](#) or [NHSC/HRSA loan repayment program](#) (or when fulfilling a service agreement).
- ▶ The 120 payments does *not* need to be consecutive.
- ▶ IF you made payments during the pandemic payment pause, they are fully refundable.
- ▶ IF you have loans with different payment counts (for example, undergraduate with 24 and graduate with 3), you can consolidate them and the count of the new consolidation loan will be the highest number.



# PSLF Tips & Tricks

How many payments can I get if I consolidate loans with different numbers of qualifying payments?



Assuming your repayment history overlaps for each loan, the consolidation loan will be credited with the largest number of payments of the loans that were consolidated. For example, if you had 50 qualifying payments on one Subsidized Stafford Loan and 100 qualifying payments on another Subsidized Stafford Loan and you consolidate those loans, you will receive 100 qualifying payments on the new Direct Consolidation Loan.

If your repayment history does not overlap for each loan, the consolidation loan may be credited with more total payments than the loan with the largest number of payments.

I am already in PSLF, and I have Direct Loans that have different payment counts. Should I consolidate my Direct Loans?



Under the time-limited PSLF rule changes, your consolidation loan will receive credit for time in repayment on your loans with different counts. Your consolidation loan will be credited with at least the largest number of payments on the loans that were consolidated.

# PSLF Tips & Tricks

- ▶ Fill out the forms entirely
  - ▶ Make sure you only complete page 1 and the employer completes page 2, even if you think you know the answers.
- ▶ Signatures must be hand drawn on paper, drawn from a signature pad, mouse, or finger - they CANNOT be digital.
- ▶ Keep copies of all your applications and notes of when you submit the paperwork.
- ▶ Complete paperwork annually along with the IDR form.
- ▶ NEVER pay for assistance with your student loans. Even if free, often times employers will not access links and require it to be the actual PDF, from you.
- ▶ Contract work *usually* does not qualify.

# Loan Repayment & PSLF Resources

- ▶ [StudentAid.gov Public Service Loan Forgiveness Info](#)
- ▶ [StudentAid.gov Limited PSLF Waiver & FAQs](#)
- ▶ [StudentAid.Gov Loan \(Repayment\) Simulator](#)
- ▶ [PSLF Help Tool](#)
- ▶ [PSLF Help Tool Ninja](#) (How-to)
- ▶ [PSLF Application](#) (PDF)
- ▶ [StudentAid.gov PSLF FAQ](#)
- ▶ StudentAid.gov Article: [Take Advantage of the Public Service Loan Forgiveness Waiver by Oct. 31](#)
- ▶ Complete paperwork annually along with the [IDR form](#).
- ▶ For questions about PSLF, contact MOHELA at 1-855-265-4038.
- ▶ [Reconsideration process](#) for PSLF (if denied).

# Questions/Comments



# Thank you so much for your time today!

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[https://www.ohsu.edu/education/educational-debt-  
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