A vertical strip on the left side of the slide showing a stack of US dollar bills, including a \$100 bill with Benjamin Franklin's portrait.

Understanding PSLF and the Temporary Waivers

Generously Sponsored by:



Presented by:
Betsy Mayotte President, The Institute of Student Loan Advisors

A solid teal horizontal bar located at the bottom left of the slide.

Who Are We?

- MA based non-profit that offers free, expert, unbiased, student loan advice and dispute resolution to all consumers.
- freestudentloanadvice.org

The Institute of Student Loan
Advisors (TISLA)



Agenda

- PSLF Eligibility
 - Eligible loans
 - Eligible employment
 - Eligible payments
- COVID-19 Student Loan Relief
- Resources

*This session is being recorded

The information in this session is should not be considered
legal advice.





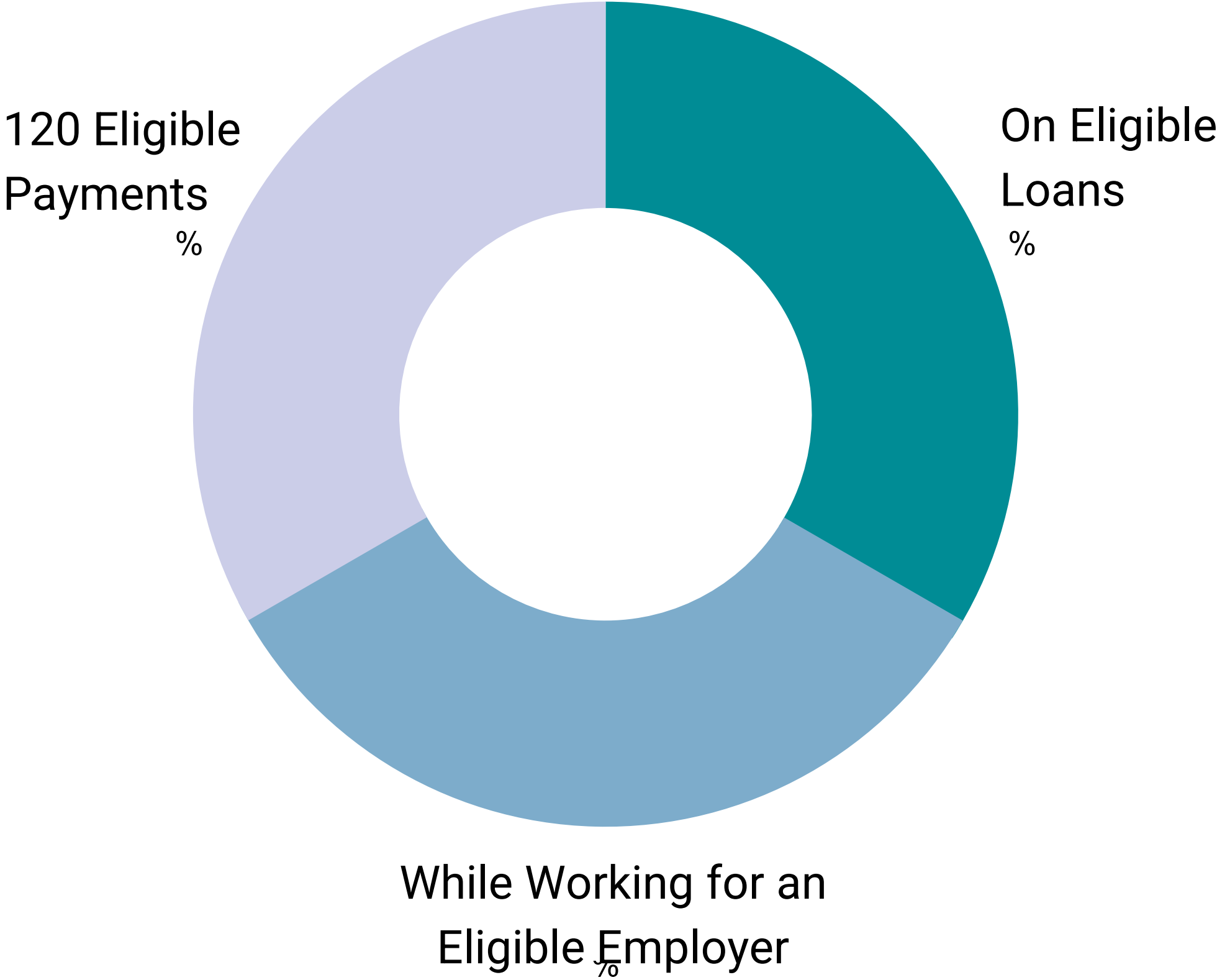
Public Service Loan Forgiveness




To Obtain Forgiveness Under Public Service Loan Forgiveness

All of These

At the Same
Time



A close-up photograph of a person's hands in a dark suit and white shirt. The person is holding a black pen with a silver clip, poised to sign a document. The document is out of focus but appears to be a legal or financial form. The background is a soft, out-of-focus grey.

Eligible Loans

- Federal Direct Loans including
 - Subsidized and Unsubsidized Stafford Loans
 - Graduate PLUS Loans
 - Parent PLUS Loans
 - Consolidation Loans
- Made at any time
- Any Stafford, PLUS or consolidation loan made on or after July 1, 2010 is a Direct Loan.

Loans Eligible If Consolidated Under Direct Loans

- Federal Family Education Loan Program Loans including
 - Subsidized and Unsubsidized Stafford Loans
 - Graduate and Parent PLUS Loans
 - FFELP Consolidation Loans
 - Federal Nursing Loans
 - Federal Perkins Loans
 - Health Education Assistance Loans
 - Nurse Faculty Loans
 - Loans for Disadvantaged Students
 - Health Profession Student Loans
- studentaid.gov to consolidate
- Payments made prior to consolidation do not count towards PSLF
- Private and other non-federal loans are never eligible for PSLF





Eligible Employers

- It doesn't matter what you do, it matters who you work for
- Must be full time as defined by your employer or
 - Must be at least 30 hours per week if working part time for multiple eligible employers
- To verify your employer is eligible, submit proof of employment via the PSLF form.
 - **Must be signed off on by employer**
 - ECF is now part of the overall forgiveness form

-Recommend this form be filed annually



Eligible Employers



- Any government employer including
 - Federal
 - State
 - Local
 - Tribal
 - Contractors are not government employers even if you work in a government building. You must be directly employed by the eligible employer.
 - Serving full time for
 - The military
 - The Peace Corps
 - AmeriCorps
-

Eligible Employers

- **Any 501(c)(3) non-profit**

- Other non-profits whose primary purpose is one of the following:

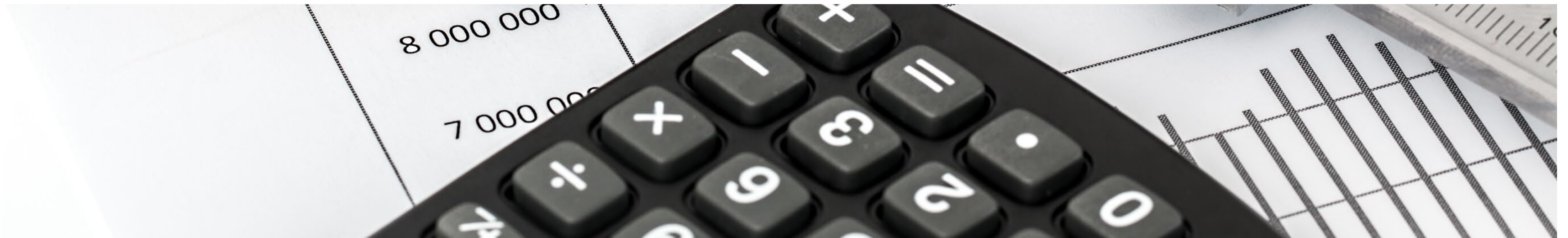
- Emergency management
- Military service: service on behalf of the U.S. armed forces or the National Guard
- Public safety
- Law enforcement: crime prevention, control or reduction of crime, or the enforcement of criminal law
- Public interest law services
- Early childhood education
- Public service for individuals with disabilities and the elderly
- Public health: includes nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health support occupations, as such terms are defined by the Bureau of Labor Statistics
- Public education
- Public library services
- School library or other school-based services



A Few Things to Remember

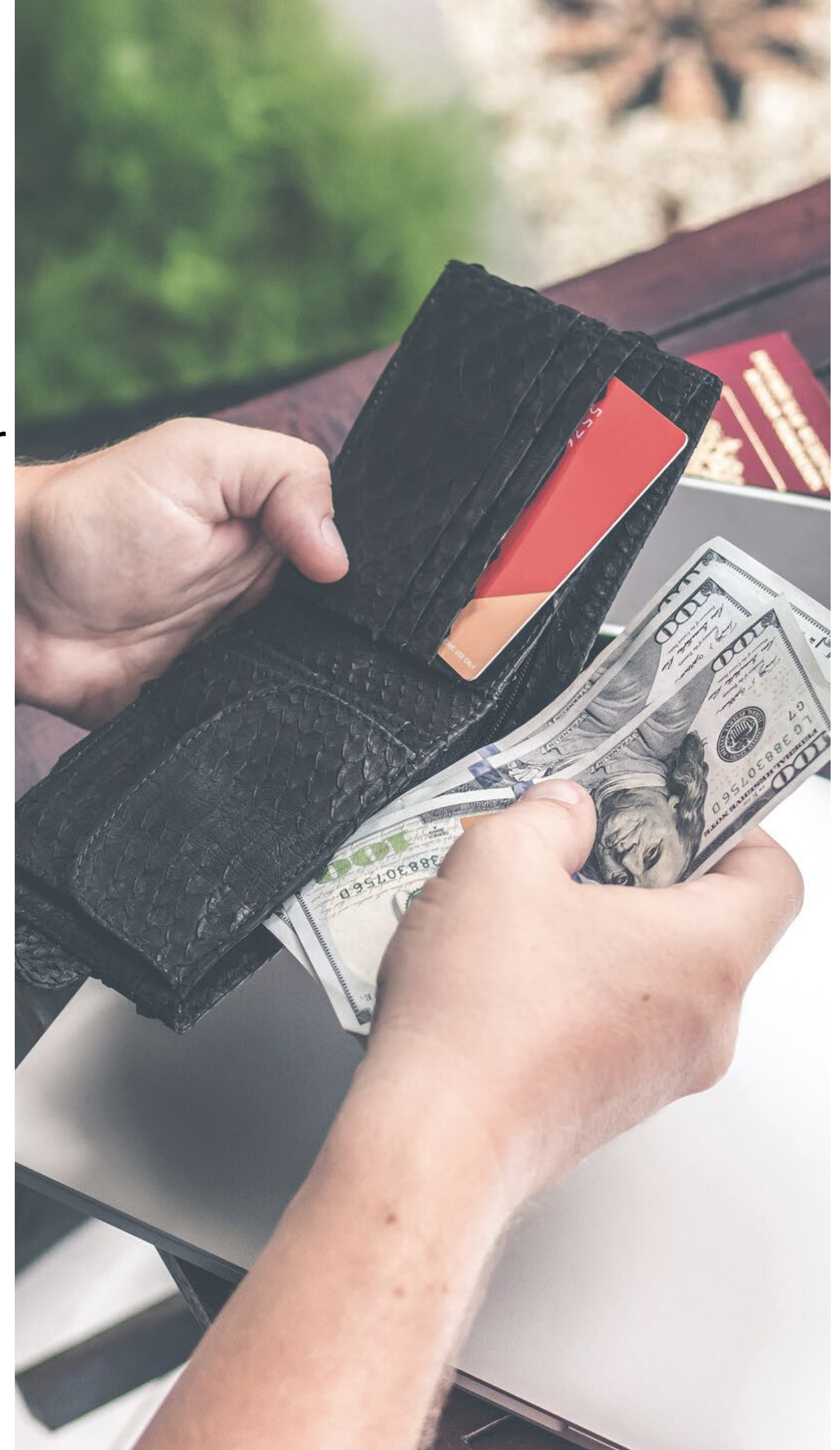
- You must be employed by an eligible employer:
 - At the time you make all 120 of your PSLF eligible payments
 - At the time you apply for forgiveness* AND
 - At the time the feds review your forgiveness application*
- You do not have to work for the same employer for the entire 120 payments
- You do not have to have consecutive eligible employment
- You do not have to have consecutive eligible payments

*temporarily waived through October 31, 2022




Eligible Payments

- Must be made on time (within 15 days of the due date)
 - Lump sum payments can count up to the lesser of 12 payments or until the next IDR renewal date
- Must be made under an eligible repayment plan
 - Eligible plans are income driven or a ten-year standard
 - The TEPSLF allows for other plans (as does the temporary waiver)
- Must be made after October 1, 2007
- Cannot be made while in default
- Must be made while working full time for an eligible employer
- Must be made on a federal Direct Loan
- Does not matter who makes the payment



A close-up, angled view of several US dollar bills stacked on top of each other. The top bill is a \$100 bill featuring Benjamin Franklin. The serial number KB 46279860 I is visible. The text 'FEDERAL RESERVE NOTE' and 'THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE' are also visible. The Treasury of the United States logo is present. The bills are slightly out of focus, emphasizing the top one.

Eligible Payment Plans

- 10 Year Standard repayment
 - Income-based repayment
 - Pay As You Earn
 - Revised Pay As You Earn
 - Income-contingent repayment
- This is the only income driven plan Parent PLUS borrowers can use, and only if they consolidate under Direct Loans
- Does not have to be the same plan for all 120 payments
 - These plans only count if made on Direct Loans
- 
- A small, solid orange rectangle located in the bottom right corner of the slide.



Temporary Expanded Public Service Loan Forgiveness (TEPSLF) AKA: The PSLF “fix”



Who qualifies/doesn't qualify for the “fix”

Qualifies

Borrowers who made payments under a graduated, extended or standard consolidation plan

Does not Qualify

- Borrowers who consolidated after making eligible payments cannot receive credit for these payments
- Borrowers who made payments under a Perkins or Federal Family Education Loan program loan
- Borrowers who made payments while in default, or made payments late
- Borrowers with private student loans



How It Works

- Make 120 qualifying payments while working for a qualifying employer
- Some or all of these payments may have been made under a graduated, extended or standard consolidation repayment plan
- The 12th to last payment, as well as the last payment made, must have been at least as much as you would have paid under an income driven repayment plan. FedLoan Servicing will make that determination.**
 - COVID months count for these two payments – no income test required
- Limited funding, first come first served





How To Apply



How to Apply

- Submit ten years of proof of eligible employment via the PSLF form
 - Strongly recommend this is submitted annually
- When first is submitted and approved, loans will transfer to FedLoan Servicing
- They will count your eligible payments
- After payment 120, submit the combined PSLF/ECF/TEPSLF forgiveness form
 - Using the PSLF tool will reduce approval timeframe

Loans will be placed in forbearance during application review

- Any overpayments will be refunded
- Only overpayments made post consolidation are refunded



COVID-19 Waivers

- 0% interest rate effective March 13th for federally held federal student loans, until August 31, 2022
 - Includes defaulted loans
 - Includes commercially held defaulted FFEL
 - Payment waiver for same period
 - **Waiver period DOES count for PSLF, TEPSLF, IDR forgiveness, rehabilitation purposes**
 - Interest will not capitalize
 - Unless another capping event occurs
 - Credit report will reflect same as if borrower was paying
-



10/6/2021 Announcement

- The following are temporary exceptions:
 - Payments made under the FFEL, Perkins or prior to consolidation will be counted
 - Does not apply to periods of default
 - Does not apply to Parent PLUS
 - Unless consolidated with loans taken out for the parent borrowers' own education
 - Counted even if past due or short payments
 - All payment plans count
 - Some periods of deferment and forbearance will count, but not until later in the year
 - Periods counted under Teacher Loan Forgiveness will count
 - Review will be done automatically
 - They are looking at months in repayment status only, nothing else



HEROES

10/6/2021

Announcement

- Must consolidate ineligible loans into the Direct Loan program and have at least one approved employment certification by October 31, 2022 to take advantage
- Must still be working for an eligible employer for these months
- Any payments made over 120 after the consolidation will be refunded
- All prior denied applications for forgiveness will be reviewed
- Borrower does not need to have been working for an eligible employer at the time of forgiveness application during waiver period
- Should receive letter from the ED in a month or two, FedLoans will reflect updated count by March



10/6/2021 Announcement

- The following are temporary exceptions:
 - Consolidation will not reset the forgiveness count
 - If the loans have different payment counts, the consolidation will be assigned the higher count
 - If the loan was consolidated more than once all prior periods of repayment status will be counted





What to Expect

- Two phases of review
 - Initial FedLoan review likely won't have the correct count
 - Federal review will include all periods of repayment
- Initial consolidation will show a count of zero
 - Will update once review is complete
- Process can take several months
- Reconsideration process will be created Spring/Early Summer

April 2022 Waiver

- New waiver related to income driven plan forgiveness announced in April
- Gives one time adjustment allowing for all periods of repayment to count towards IDR forgiveness
- Some periods of forbearance will count for PSLF
 - 12 months consecutive or
 - 36 months cumulative
 - Only counts if prior to deadline, likely January 2023
 - Does not include COVID waiver (but this period already counts for PSLF)



Resources

- www.freestudentloanadvice.org

-The Institute of Student Loan Advisors (TISLA)

Information, advice, disputes

Detailed PSLF and IDR information

Forgiveness database

For questions go to

the Contact page and use our TISLA email

- <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

-The Department of Education's website

Where to consolidate into Direct Loans if needed

PSLF Tool

