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# What is Public Service Loan Forgiveness (PSLF)?

Created by Congress in 2007, to encourage individuals to enter and continue to work full-time in public service jobs. Borrowers may qualify for forgiveness of the remaining Direct Loan balance after making 120 qualifying payments on a Direct Loan student loan.

**Key concepts:**

* For a payment to be considered eligible to be applied toward PSLF forgiveness, at the time of your payment you must work full-time for an eligible employer and be on an accepted repayment plan.
* At the time of your application for PSLF (when you believe you have made 120 qualifying payments), you must be working full-time for an eligible employer.
* The amount of your student loan that is forgiven under PSLF is non-taxable once the Department of Education certifies your eligibility and approves your forgiveness.

# How do I qualify for PSLF?

To qualify for PSLF, you must

* Be employed by a U.S. federal, state, local, or tribal government or qualifying not-for-profit organization (federal service includes U.S. military service);
* Work full-time for that agency or organization;
* Have Direct Loans (or consolidate other federal student loans into a Direct Loan);
* Repay your loans under an income-driven repayment plan or a 10-year Standard Repayment Plan; and
* Make a total of 120 qualifying monthly payments that need not be consecutive.

# What is considered an eligible payment?

A qualifying monthly payment is one you make while employed full-time by a qualifying employer (after October 1, 2007) at any time during that month:

* While under a qualifying repayment plan, **and**
* For the full amount due as shown on your bill; **or**
* *When you are in one of the accepted types of deferments or forbearance at any time during that month*. (see below)

**As a result of the CARES Act, months that you were in repayment while the requirement to make a payment was paused, count as qualifying payments if you also certify your employment for the same period**.

**NOTE**: Your 120 qualifying monthly payments don’t need to be consecutive. For example, if you have a period of employment with a nonqualifying employer, you will not lose the payment counts for prior qualifying payments you made. However, the payments you made while employed at the nonqualifying employer will not count toward PSLF forgiveness.

## Accepted types of deferments or forbearance

When you are in one of the following deferments or forbearances at any time during a month, that month will count as a qualifying payment if you also certify your employment for the same period of time:

* Cancer treatment deferment
* **Economic hardship** [**deferment**](https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/deferment)**\***
* Military service deferment
* Post-active-duty student deferment
* [**AmeriCorps forbearance**](https://my.americorps.gov/trust/help/member_portal/forbearance_overview.htm)
* National Guard Duty forbearance
* U.S. Department of Defense Student Loan Repayment Program forbearance; or
* Certain administrative forbearances related to local or national emergencies or military mobilizations and or mandatory administrative forbearances provided to borrowers for collecting supporting documentation.

\*An option for VISTA members who choose the cash stipend as their end of service benefit or whose loans do not qualify for forbearance.

# Who are eligible employers?

* U.S.-based government organizations at any level (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
* Other not-for-profit organizations that devote a majority of their full-time equivalent employees to providing certain qualifying public services
* Serving full-time as an AmeriCorps member or Peace Corps volunteer

***Payments made on your loans during employment with these employers would not count toward the 120 qualifying payments as they are ineligible employers:***

* For-profit organizations, including for-profit contracted organizations
* Labor unions
* Partisan political organizations

Use the [PSLF Employer Search](https://studentaid.gov/pslf/employer-search) tool to find out if your current and/or past employer(s) are among the qualifying organizations.

# What is considered working ‘full-time’?

For PSLF, full-time employment is working for a qualifying employer(s) for a weekly average, alone or when combined, equal to at least 30 hours:

* During the period being certified
* Throughout a contractual or employment period of at least 8 months in a year, such as elementary and secondary school teachers, in which case the borrower is deemed to have worked full time for the entire year; or
* Determined by multiplying each credit or contact hour taught per week by at least 3.35 in non-tenure track employment at an institution of higher education.

Routine paid vacation or paid leave time provided by an employer, and leave taken under the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)(1)) is to be included when determining if you are working full-time.

Time spent on religious instruction, worship services, or any form of proselytizing as a part of your job responsibilities should be included when determining if you are working full-time. (Remember these types of activities are prohibited during your AmeriCorps service)

However, time spent providing volunteer work or services for which you are not paid should not be included when determining if you are working full-time. (Full time AmeriCorps service counts because it’s full-time and paid)

# What loans are eligible for forgiveness under PSLF?

## Loans eligible for forgiveness under PSLF

* Direct Subsidized Loans
* Direct Unsubsidized Loans
* Direct Plus Loans
* Direct Consolidation Loans

While a Direct PLUS loan made to a parent borrower is eligible for PSLF, it cannot be paid via a qualifying repayment plan (other than the 10-year standard repayment plan or a plan where the payment is equal or greater than the 10-year standard plan) unless it is first consolidated into a Direct Consolidation Loan.

## Loans NOT eligible for forgiveness under PSLF

* Federal Family Education Loan (FFEL)
* Federal Persons Loans
* Student Loans from Private Lenders

FFEL and Perkins loans may become eligible if you consolidate them into a Direct Consolidation Loan. If you have these types of loans and questions about consolidating them into a Direct Consolidation Loan please go to the [Department of Education webpage](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service) on PSLF.

# Which repayment plans qualify for PSLF?

While payments made under the 10-year Standard Repayment Plan are qualifying payments, you might have to change to an IDR plan to benefit from PSLF. Under the 10-year Standard Repayment Plan, generally your loans will be paid in full once you have made 120 qualifying PSLF payments so there would be no balance left to forgive unless periods of qualifying deferments or forbearances are included in your 120 qualifying payments.

Not all borrowers qualify for every IDR plan. Your monthly payment amount could increase under these plans, depending on your income. You could pay off your loan before qualifying for forgiveness depending on the amount that you owe. Use the Loan Simulator to review your options.

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

* Standard Repayment Plan for Direct Consolidation Loans
* Graduated Repayment Plan
* Extended Repayment Plan

While these plans do not qualify under PSLF, these plans are eligible for the Temporary Expanded PSLF (TEPSLF) opportunity.

You can find out more about in the [7 FAQs About Income-Driven Repayment Plans](https://studentaid.gov/articles/faqs-idr-plan/).

# How do I apply for PSLF?

To be considered for PSLF, you only need to submit a PSLF form. The easiest way to do this is by using the [PSLF Help Tool](https://studentaid.gov/pslf/). The PSLF Help Tool allows you to:

* Check to see if your employer is already in our employer database.
* Request that your employer’s eligibility be reviewed if it is not already in our database or has not yet had its eligibility determined.
* Prepare and sign your PSLF form, and request certification and signature from your employer—all electronically.
* Generate your PSLF form for manual signature and submission to the PSLF servicer (if electronic submission isn’t possible).

*Top tip:* Certify your employment every year and any time you change employers. This lets you confirm you’re on track toward forgiveness.

# Tips for maximizing your AmeriCorps service and Education Award

* Request [loan forbearance](https://my.americorps.gov/trust/help/member_portal/forbearance_overview.htm) (for members who choose the Education Award) or [deferment](https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief/deferment)  for economic hardship (for those who choose the cash stipend) during your full-time term of service as these months during your AmeriCorps service term will count toward the 120 qualifying payments. (34 CFR 685.219(c)(2)(v))
* Certify AmeriCorps as an ‘eligible employer’ at the end of your term of service. (34 CFR 685.219(c)(1)(ii))
	+ You will need your National Service Participant ID (NSPID), a unique identifier assigned to you by AmeriCorps and their method to track you in their system instead of using your social security number. It may be called Member ID in the portal and is (currently) a 7-digit number.
	+ Call the Hotline at 800.942.2677 to get your ‘employment’ or service certified; make sure your email address in your profile in the My AmeriCorps portal is up to date; the hotline can help you with this too. Once you receive your employment certification form, you will need to mail it to MOHELA, the US Dept of Education’s federal loan servicer for the PSLF Program:
		- US Department of Education
		- MOHELA
		- 633 Spirit Drive
		- Chesterfield, MO 63005-1243
* Certify your eligible employer(s) each year using the [PSLF Employer Search tool](https://studentaid.gov/pslf/employer-search).
* Use the [loan simulator](https://studentaid.gov/loan-simulator) to see which plan gives you the lowest repayment option but that is one of the accepted repayment plan options for PSLF.
* Once you are employed with an eligible employer, make your monthly payment. You may use your education award to make your qualifying payment (Reminder, a qualifying payment is one made while you are on an approved IDR and working full-time for an eligible employer.) (34 CFR 685.219(c)(2))
* You may make a lump sum payment on your student loans using your education award but there are a couple of things to know:
	+ You aren’t required to use your Education Award all at once, you can request multiple payments.
	+ You will owe taxes on the amount of your Education Award in the year that you use a portion of it.
	+ You can use your Education Award to make lump-sum payments (or pre-payments) that would also be ‘qualifying payments’ for PSLF. The lump-sum payment would apply to future months up to your next income-driven payment (IDR) plan certification date or 12 months.
		- For example, if you recertified your IDR and your monthly payment was $100, but you paid $1200 for the first month’s payment, that payment would count as 12 separate monthly payments and count toward your PSLF forgiveness once you certify your employment with a qualifying employer for the same 12-month period (which you can’t do in advance).
		- If, during that 12-month period, you worked for a period for an ineligible employer, that time/those payments would not count toward your PSLF forgiveness. So, think carefully about how many months you should ‘pre-pay’ if there’s a possibility that your employment situation may change. You may want to only prepay three or four months at a time.
	+ You should balance the need to ‘spend down’ your Education Award(s) within the 7-year time frame and making payments/pre-payments to count toward PSLF; you don’t want to forfeit the Education Award that you worked hard to earn.
* If your loans are in default, they are not eligible for repayment under any of the income-driven repayment plans which would make your loan ineligible for forgiveness under PSLF. But you can use the [Fresh Start program or Loan Consolidation](https://studentaid.gov/manage-loans/default/get-out) to get your loans out of default. You must not be in default when you make application for forgiveness. 34 CFR 685.219(c)(1)(i)

# References:

[**Department of Education, Public Service Loan Forgiveness**](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service)

[**Public Service Loan Forgiveness Regulations**](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-685/subpart-B/section-685.219)

[**Public Service Loan Forgiveness FAQ**](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions)