Public Service Loan Forgiveness Program

Presented by

The Foundation for Financial Education
A 501(c)(3) Nonprofit Organization
Federal Loans

Direct Subsidized
- Undergraduate
- Financial need
- Government pays interest
- Payment grace period

Direct Unsubsidized
- Undergraduate/Graduate
- No financial need
- Interest during full term

Direct PLUS
- Graduate or Parents of Dependent Undergraduate
- No adverse credit

Direct Consolidation
- Combines all debt into single payment
- FFEL, Perkins, PLUS, Health and Nursing

Other
- FFEL
- Perkins
- Health and Nursing
- Must be consolidated to qualify
Standard
- 10 Years (up to 30 for consolidated)

Graduated
- Increase every 2 years

Extended
- Up to 25 years
- Must have more than $30k in debt

REPAYE
- 10% of discretionary income
- 20-25 years
- Family income counts

PAYE
- 10% of discretionary income – Never more than standard
- 20 years
- Family income only if filed jointly

IBR
- 10/15% of discretionary income – Never more than standard
- 20-25 years
- Family income only if file jointly

ICR
- 20% of discretionary income
- 25 years
**PSLF: What loans count?**

**Eligible Loans**
- Direct Subsidized
- Direct Unsubsidized
- Direct PLUS*
- Direct Consolidation

**Direct Consolidation**
- Federal Family Education Loan
- Federal Perkins Loan
- Health & Nurse Profession Loans

*Parent Loans have special considerations*
PSLF: What you need to know

Specific Requirements

- Employed **full time** by a public service organization:
  - Government organization (federal, state, local, tribal)
  - 501(c)(3) organization
  - Special nonprofits:

- 120 payments after October 1, 2007
  - Paid in full
  - No later than 15 days late
  - Do NOT need to be made consecutively
  - Loans MUST be up to date – No Forbearance/Default

- Payments must be made under one of the following plans:
  - IBR: REPAYE, PAYE, IBR, ICR
  - 10 year
  - Any Direct Loan Repayment Plan
    (Must be greater than standard payment)

- Direct Loan serviced by FedLoan Servicing
Important Considerations

- Loan Consolidation
  → Restarts clock
- Parent PLUS ICR only
- Multiple employers count
- Does it make sense?

Benefits

- Lower monthly payments
- Significant **Long-Term** savings
- **Tax-free** forgiveness
- Financial fitness
Process & Resources

Selecting Your Plan
- Consolidation and Repayment Plans done through StudentLoans.gov
- 1-800-557-7394 – StudentLoans.gov Assistance Line

Employment Certification for Public Service Loan Forgiveness
- Not Required Annually
- Required for every employer
- Available at studentaid.gov

Websites:
- https://www.studentloans.gov