

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

Notes



Repayment Plans

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

Notes



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**

Notes



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:

Emergency management
Public safety and law
Public education
Public health
Public library

❑ 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

Notes



PSLF: What you need to know

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

Notes



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.studentaid.ed.gov>
- <https://www.studentloans.gov>
- <https://www.nsls.ed.gov>

Notes

