Public Service Loan Forgiveness Program

What is the Public Service Loan Forgiveness (PSLF) Program?

The PSLF Program is intended to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, you may qualify for forgiveness of the remaining balance due on your William D. Ford Federal Direct Loan (Direct Loan) Program loans after you have made 120 qualifying payments on those loans while employed full-time by certain public service employers. Since you must make 120 qualifying payments on your eligible federal student loans after Oct.1, 2007, before you can qualify for the loan forgiveness, the first forgiveness of loan balances will not be granted until October 2017.

What federal student loans are eligible for forgiveness under the PSLF Program?

Any nondefaulted Direct Loan is eligible for loan forgiveness. (See below for information on how non-Direct Loans may become eligible.) The Direct Loan Program includes the following loans:

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans—for parents and graduate or professional students
- Direct Consolidation Loans

NOTE: Parents who received a Direct PLUS Loan may qualify for forgiveness of the PLUS loan, if the parent borrower—not the student on whose behalf the loan was obtained—is employed by a public service organization (*additional conditions apply; see the Q&As below*).

How can other federal student loans become eligible for loan forgiveness under the PSLF Program?

Although loan forgiveness under this program is available only for Direct Loans, loans made under other federal student loan programs may become eligible for PSLF if they are consolidated into a Direct Consolidation Loan. However, only payments made on the Direct Consolidation Loan will count toward the required 120 qualifying payments.

The following loans may be consolidated into a Direct Consolidation Loan:

- Federal Family Education Loan (FFEL) Program loans, which include the following:
  - Subsidized Federal Stafford Loans
  - Unsubsidized Federal Stafford Loans
  - Federal PLUS Loans—for parents and graduate or professional students
  - Federal Consolidation Loans (excluding joint spousal consolidation loans)
- Federal Perkins Loans
- Certain Health Professions and Nursing Loans

NOTE: *To consolidate a Federal Perkins Loan or Health Professions or Nursing Loan into a Direct Consolidation Loan, you also must consolidate at least one FFEL Program loan or Direct Loan. If you are unsure about what kind of loans you have, you can find that information at StudentAid.gov/login.*

What are the borrower eligibility requirements for loan forgiveness under the PSLF Program?

- You must not be in default on the loans for which you are requesting forgiveness.
- You must be employed full-time by a public service organization
  - when making each of the required 120 qualifying loan payments (*certain repayment conditions apply—see below*);
  - at the time you apply for loan forgiveness; and
  - at the time the remaining balance on your eligible loans is forgiven.

What are the specific loan repayment requirements for loan forgiveness under the PSLF Program?

- You must have made 120 separate monthly payments after Oct. 1, 2007, on the Direct Loans for which you are requesting forgiveness. Payments made before this date do not count toward meeting this requirement. Each of the 120 qualifying payments must be made for the full scheduled installment amount and no later than 15 days after the scheduled payment due date. The 120 required payments do not need to be made consecutively.
- The 120 required payments must be made under one or more of the following Direct Loan Program repayment plans:
  - Revised Pay As You Earn Repayment Plan (REPAYE Plan)
  - Pay As You Earn Repayment Plan (PAYE Plan)
  - Income-Based Repayment Plan (IBR Plan)
  - Income-Contingent Repayment Plan (ICR Plan)
  - 10-year Standard Repayment Plan
  - Any other Direct Loan Program repayment plan; but only payments that are at least equal to the monthly payment amount that would have been required under the 10-year Standard Repayment Plan may be counted toward the required 120 payments

The REPAYE, PAYE, and IBR plans are not available for Direct PLUS Loans made to parents or for Direct Consolidation Loans that repaid Direct or FFEL PLUS Loans made to parents.

The ICR Plan is not available for Direct PLUS Loans made to parents. However, Direct PLUS Loans that repaid Direct or FFEL PLUS Loans made to parents may be repaid under the ICR Plan.

For more information about the repayment plans available in the Direct Loan Program, please visit StudentAid.gov/repay.

IMPORTANT NOTE: *The PSLF Program provides for forgiveness of the remaining balance of your eligible loans after you have made 120 qualifying payments on those loans. In general, you will have a remaining balance on a loan after making 120 payments only if you are making reduced monthly payments under the REPAYE, PAYE, IBR, or ICR repayment plans.*

What types of public service jobs will qualify a borrower for loan forgiveness under the PSLF Program?

You must be employed full-time (in any position) by a public service organization, or must be serving in a full-time AmeriCorps or Peace Corps position. Here are the types of organizations that meet the definition of "public service organization" for purposes of the PSLF Program:

- A government organization (including a federal, state, local, or tribal organization, agency, or entity; a public child or family service agency; or a tribal college or university)
- A not-for-profit, tax-exempt organization under section 501(c)(3) of the Internal Revenue Code
- A private, not-for-profit organization (that is not a labor union or a partisan political organization) that provides one or more of the following public services:
  - Emergency management
  - Military service
  - Public safety
  - Law enforcement
  - Public interest law services
  - Early childhood education (including licensed or regulated health care, Head Start, and state-funded prekindergarten)
  - Public service for individuals with disabilities and the elderly
  - Public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations)
  - Public education
  - Public library services
  - School library or other school-based services

What is full-time employment?

You must meet your employer's definition of full-time. However, for PSLF purposes, that definition must be at least an annual average of 30 hours per week. For purposes of the full-time requirement, your qualifying employment at a not-for-profit organization does not include time spent participating in religious instruction, worship services, or any form of proselytizing.

If you are a teacher or other public service organization employee who works under contract for at least eight out of 12 months, you meet the full-time standard if you work an average of at least 30 hours per week during the contractual period and receive credit by your employer for a full year's worth of employment.

If you are employed in more than one qualifying part-time job at the same time, you may meet the full-time employment requirement if you work a combined average of at least 30 hours per week with your employers.

How can I keep track of my eligibility?

The Department of Education has created the **Employment Certification for Public Service Loan Forgiveness** form (Employment Certification form) and a process to help you monitor your progress toward making the 120 qualifying payments necessary to apply for PSLF. You should complete the form, including your employer's certification of employment, and submit it to FedLoan Servicing (PHEAA), the PSLF servicer, at the address listed in Section 6 of the Employment Certification form.

The form allows you to get your employer's certification of employment while you are still employed at that organization or shortly after leaving. The process allows you to receive confirmation of qualifying employment and Direct Loan payment eligibility. You may also submit the form less frequently than annually to cover more than one year's employment or for more than one employer.

While use of the form and process is not required, it will help you keep track of your progress toward meeting the PSLF eligibility requirements. If you do not periodically submit the form, you will still be required to submit a form for each qualifying employer at the time you apply for forgiveness and when forgiveness is granted.

Where can I find additional information about the PSLF Program?

For detailed information—including how to monitor your progress toward qualifying for PSLF—read the PSLF Questions and Answers document at StudentAid.gov/publicservice or contact your federal loan servicer.

This information was updated in the fall of 2015. For updates or additional information on federal student aid, visit StudentAid.gov.

December 2015