Legal Aid Staff FAQ On Public Service Loan Forgiveness
Introductions
Setting the Stage
1. Public Service Loan Forgiveness Basics
2. Details of the PSLF Waiver
3. Your Questions
On to Public Service Loan Forgiveness!
Four Elements of Public Service Loan Forgiveness:

Type of Employment + Loan Type + Repayment Plan + Number of (non-consecutive) Payments = Cancellation
The General Rules

Before the PSLF & IDR Waivers
1. Type of Employment

Borrower must have qualifying employment. Qualifying employment is **full-time** public service employment at a **nonprofit employer**.
1. Type of Employment

Qualifying employment is full-time public service employment at a **nonprofit employer**
- 501(c)(3) employment **always counts**!
- Government employment (any level) **always counts**!
- US military service **always counts**!
1. Type of Employment

Qualifying employment is full-time public service employment at a nonprofit employer.
- But, other types of nonprofit organizations count too if they provide qualifying public services.
1. Type of Employment

One more thing...
2. Loan Type

Normal (non-waiver) times:
- Only federal Direct Loans count
2. Loan Type

Normal (non-waiver) times:
- Borrowers with FFEL or Perkins Loans could consolidate into Direct Loans but it would “restart the clock”
3. Repayment Plan

Normal (non-waiver) times:
- Only payments made in Income Driven Repayment Plans (and standard repayment*) during qualifying employment would count towards cancellation
3. Repayment Plan

Normal (non-waiver) times:

These did not count:
- Graduated repayment
- Extended repayment
- Forbearance
- Deferments
- Time in default.
3. Repayment Plan

Normal (non-waiver) times:
Parent PLUS loans (even Direct Loan Parent PLUS loans) are ineligible for PSLF because they are not eligible for income driven repayment plans.*
3. Repayment Plan

Normal (non-waiver) times:

*= Parent PLUS loans ARE eligible if they are consolidated into a Direct Loan, which is eligible for the Income Contingent Repayment plan. But the clock resets with consolidation.
4. Number of Payments

120 qualifying payments = 120 months

Normal (non-waiver) times:
Qualifying payment=
1) On time, full payment
2) Made in qualifying repayment plan
3) While working in qualifying employment
4. Number of Payments

120 qualifying payments = 120 months

Months do not need to be consecutive.

*OK if you have breaks b/c of non-qualifying employment, non-employment, nonpayment, whatever*
How do I start demonstrating that I am accruing/have accrued eligible time?

By submitting employer certification forms (ECF s).
Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool

The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process.

Important Limited PSLF Waiver Opportunity

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.

Learn More About this limited PSLF waiver.

Using the PSLF Help Tool

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from FedLoan Servicing. For the best experience using this tool, we strongly recommend that you read Become a Public Service Loan Forgiveness (PSLF) Help Tool Ninja before getting started.

The PSLF Help Tool has been modified to align with the conditions under COVID-19 relief measures and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled “Special Notice for the COVID-19 Emergency” and check out the limited PSLF waiver announcement.
Then send to your employer for a signature.*
Last thoughts on the ECF form…
Normal times **before** the waiver:
When you reach more than 120 payments and apply for PSLF Cancellation you must:
- Be enrolled in qualifying repayment plan
**AND**
- Be working in qualifying public interest employment
What does the waiver change?
(Only until October 31, 2022!!)
Waiver Changes 2 of the 4 PSLF Elements

Type of Employment + Loan Type + Repayment Plan + Number of (non-consecutive) Payments = Cancellation
What loans are eligible for PSLF under the waiver?

Direct Loans

AND

Pre-consolidation time for FFEL and Perkins loans if the borrower consolidates and submits ECF form before waiver is up!
What loans are eligible for PSLF under the waiver?

That’s right--consolidation will NOT reset the clock for FFEL and Perkins loans!
What loans are eligible for PSLF under the waiver?

Note: some Parent PLUS loans are excluded* and default still doesn’t count.
What else does the waiver do for borrowers who consolidate?

1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*
What else does the waiver do for borrowers who consolidate?

1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*

2) Parent PLUS loans can count towards PSLF forgiveness if consolidated with Direct, FFEL, or Perkins Loan
What else does the waiver do for borrowers who consolidate?

1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*

2) Parent PLUS loans can count towards PSLF forgiveness if consolidated with Direct, FFEL, or Perkins Loan

*But Bonnie, what happens if Parent PLUS loan(s) just consolidates into a Direct Loan without a FFEL or Direct loan?*

*Clock resets.*
Grad PLUS Direct Consolidation Loan
60 months of qualifying payments

FFEL Loan
125 months of qualifying payments

Parent Plus Loan
12 qualifying payments

New direct consolidation loan with credit for 125 qualifying payments
EXAMPLES

 FFEL loan
  43 qualifying payments

 FFEL Loan
  72 months of qualifying payments

 Perkins loan
  51 qualifying payments

= New direct consolidation loan with credit for 72 qualifying payments
EXAMPLES

Parent PLUS loan that has been in repayment for 34 months

+ Parent PLUS loan that has been in repayment for 124 months

= New Direct Consolidation Loan with no credit -- but can be eligible for PSLF moving forward if enrolled in ICR
BUT Borrowers must consolidate & submit ECF forms before the waiver ends
What repayment plans/repayment plan is eligible under the waiver?

*Benefits of PSLF AND IDR Waivers!*
What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
What payments/repayment plan are eligible under the waiver?

Eligible until Oct 31, 2022:
1. All time in repayment
2. Pre-consolidation time for FFEL and Perkins loans. *Note:* Parent PLUS loans are excluded (but there are workarounds)
Bonnie, two concerns: I’m worried about consolidating and getting a higher interest rate on my loans, but not being approved for forgiveness—after all I’ve been told I didn’t qualify in the past. I’m also worried about counseling clients to consolidate because I am worried they will default in the future. Thoughts?
What repayment plans are eligible under the PSLF and IDR waiver?

**Eligible until Oct 31, 2022:**

1. All time in repayment
2. Pre-consolidation time (minus some Parent Plus)
3. Time in forbearance
What repayment plans are eligible under the PSLF and IDR waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
   - automatic recount if you have 36 mo. cumulative, or 12 mo consecutive in forbearance
   - can also submit complaint to ombuds office for a recount for shorter periods
Eligible until Oct 31, 2022:
1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 time in deferment
What repayment plans/enrollment are eligible under the PSLF and IDR waiver?

Eligible until Oct 31, 2022:
1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 time in deferment
   - Does not include in-school deferment
What repayment plans are eligible under the PSLF and IDR waiver?

Eligible until Oct 31, 2022:
1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 Time in deferment
4b. All economic hardship deferments
What repayment plans are eligible under the PSLF and IDR waiver?

*Eligible until Oct 31, 2022:*
1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Time in deferment

And permanently eligible:
- Time in qualifying employment during payment pause
This makes a lot more people & time eligible!
One more payment pause note
But Bonnie, my account (on my servicer’s website or studentaid.gov) doesn’t reflect my complete payment history--years are missing! (Or) My account is showing different amounts of qualifying time for different loans that were treated identically! Should I be worried? What should I do?
This does NOT still apply to borrowers covered by waiver

When you reach more than 120 payments and apply for PSLF Cancellation, you must:
- Be enrolled in a qualifying repayment plan
AND
- Be working in qualifying public interest employment
A Quick Word On The Cancellation Announcement....
What do borrowers need to do to take advantage of the waiver?

Before October 31, 2022, borrowers must:

1) Submit an ECF form for all qualifying time (even if you previously received a ECF denial)

AND

2) You must initiate consolidation if that applies to you (VERY important for loans that are not Direct Loans)
Bonnie, is there any way I can verify that I am on track? How will I know if I need to do anything? What if it’s been months and I haven’t heard anything since I submitted my ECF?
This all sounds encouraging, but… I’ve got more questions.
Your questions:

I’ve been on a graduated repayment plan that only counts towards cancellation because of the waiver, but I haven’t made it to 120 payments yet. Do I need to enroll in an IDR plan to receive cancellation?
Your questions:

You shared that the time in forbearance and deferment would count, but my account hasn’t been adjusted to account for that time. When can I expect to see those changes? Should I be worried if I only see an account adjustment for specific years?
Your questions:

I’ve gotten multiple notifications from my servicer with different amounts of qualifying payments. Which can I trust? What should I do if I think the last number of qualifying months is wrong?
How does the PSLF waiver interact with TEPSLF? Are there circumstances where I might be eligible under TEPSLF but not under the PSLF waiver?
I consolidated my loans, and my servicer changed. I have not received credit for the pre-consolidation payments that were made to the prior servicer. What should I do?
I’ve been repaying FFEL loans since 2006, and I’ve been working at a legal aid organization that entire time. Will the Department refund all payments made after the 120th qualifying month?
Should we anticipate hearing anything regarding the status/receipt of our application? I submitted my application, but have not received any notice that it was received. I also understand that there is likely an influx of applications, so I wanted to verify that even if they don't process my application by the 10-31 deadline, they will still accept the application since it was received before then.
I have been working for (approved) public service employers since I finished law school in May 2013. Some of my months of employment have not been counted towards PSLF because I "...do not have a bill for this payment period." Is a "bill" a requirement under the waiver? I believe I did not have a bill because FedLoan was recalculating how much I should pay because my income changed.
Can a client who believes they have all 120 qualifying payments under the Waiver and has filed all the required paperwork prior to the deadline but does not receive the actual count until after October 31, 2022, leave their public service job and still get loan forgiveness?
Where can I go for additional information/help?

**PSLF Waiver:**
https://studentaid.gov/announcements-events/pslf-limited-waiver

**Student loan info:**
NCLC student loan law manual
and
studentloanborrowerassistance.org

**Income Driven Repayment Plan information:**
https://studentaid.gov/manage-loans/repayment/plans

**Breaking news about administrative relief:**
https://www.studentloanborrowerassistance.org/resources/blog/
STUDENT
LOAN LAW
SIXTH EDITION

NATIONAL CONSUMER LAW CENTER®

https://library.ncllc.org/bookstore
Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org

Thank you!