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## Agenda

- What is Public Service Loan Forgiveness (PSLF)?
- How do I qualify?
  - » Full Time Public Service Employment
  - » Eligible Repayment Plans
  - » Qualifying Repayment
- How to get started
- FAQs and Resources

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## What is Public Service Loan Forgiveness?



The Public Service Loan Forgiveness (PSLF) Program allows eligible borrowers to cancel the remaining balance of their **Direct Loans** after:

- Serving **full time** at a **public service organization**
- For at least **10 years**
- While making **120 qualifying monthly** payments
- After **October 1, 2007**

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### The Components of PSLF




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### The Components of PSLF




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### Definition of Public Service Organization

- A federal, state, local, or Tribal government organization, agency, or entity
- A public child or family service agency
- A non-profit organization under section 501(c)(3) of the Internal Revenue Code
- A Tribal college or university
- A private non-profit organization (that is not a labor union or a partisan political organization) that provides a specific public service




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## Qualified Employment

- Full-time employment in any position with a public service organization
  - » Not including staff of for-profit contractors working for public service organizations
  - » Job duties DO NOT matter (except for time spent participating in religious instruction, worship services, or any form of proselytizing)
  - » Borrowers can work at multiple organizations while making the required 120 payments
- Full-time AmeriCorps or Peace Corps position




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## Definition of "Full-time" Employment

For purposes of eligibility for PSLF, full-time employment is defined as:

Working in qualifying employment in one or more jobs for the greater of:

- » An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); **or**
- » Unless the employment is with two or more employers, the number of hours the employer considers full-time

Employer-provided vacation or leave time is equivalent to hours worked in determining whether you meet the full-time employment requirement. This includes leave taken for a qualifying condition under the Family and Medical Leave Act of 1993.

Note: When determining full-time public service employment at a not-for-profit organization you may not include time spent participating in religious instruction, worship services, or any form of proselytizing.




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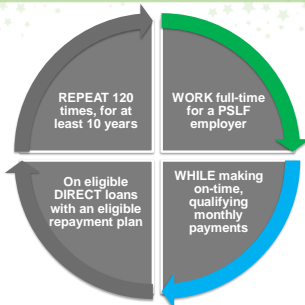
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## The Components of PSLF




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## Qualifying Payments\*

The required 120 payments do not have to be consecutive, but must be:

Must have been made after October 1, 2007

Must be on-time (no later than 15 days after the scheduled due date)

Must be made each month (satisfying the full monthly installment amount that was due for that month)

Must be made when the loan is not in a default status

\* Reduced and/or zero dollar monthly payments under an IDR plan qualify.

Lump sum payments that exceed the scheduled payment amount do not count as separate payments.

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## The Components of PSLF



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## Eligible Loans

Only Federal Direct loans are eligible for PSLF, only those payments made on Federal Direct loans count toward the required 120 qualifying payments -- and only these Federal Direct loans will be forgiven.

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans (for parents and graduate or professional students)
- Direct Consolidation Loans
  - » Borrowers may choose to consolidate loans to establish eligibility for PSLF
- Special Direct Consolidation Loans
- TEACH Loans



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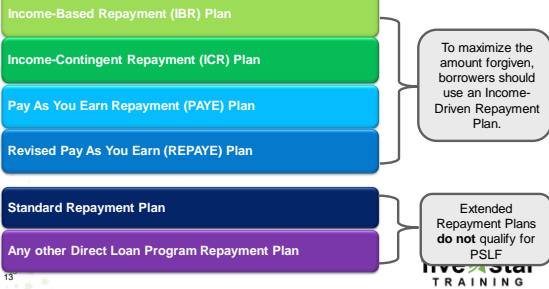
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## Eligible Repayment Plans

Qualifying monthly payments must be made under these plans:




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## The Components of PSLF




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## Forgiveness

Loans will not become eligible for Public Service Loan Forgiveness until AFTER 10/01/2017

Eligibility for forgiveness of an outstanding balance on an eligible Direct Loan occurs if the borrower:

- Is not in default
- Makes 120 separate, full monthly payments (after 10/1/07), within 15 days of due date
- Makes payments under one or more of the eligible repayment plans (referenced on slide 13)
- Is full-time employee of public service organization while making required payments and at time forgiveness is requested and granted




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### What should I do NOW?

Determine if your loans are eligible and consolidate any ineligible loans

Change to an eligible repayment plan, preferably an Income-Driven Repayment Plan

Complete an Employment Certification Form (ECF) to certify any past employment

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### What should I do each month/year?

Make on-time, monthly payments over 10 years

Complete your annual Income-Driven Repayment Plan recertification

Complete your ECF annually to ensure your employment qualifies and to making tracking your payments easy

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### Employment Certification Form

It is recommended to submit the ECF annually to provide an update on your employment status for the prior year of employment.

The form is available at [MyFedLoan.org/PSLF](http://MyFedLoan.org/PSLF) and [StudentAid.gov](http://StudentAid.gov)

**Section 1:**  
Borrower Identification

**Section 2:**  
Borrower Authorizations, Understandings and Certifications

**PUBLIC SERVICE LOAN FORGIVENESS (PSLF)** Form No. 1003-0102 Form Replaces: 1003-0101  
**EMPLOYMENT CERTIFICATION FORM** Form Date: 03/16/2017  
 Warning: Any person who knowingly makes a false statement or representation on this form as an employment certification is subject to penalties that may include fines, imprisonment or both, under title 18, Criminal Code at 208.1, 4, 6, 8.

**SECTION 1 - Borrower**

Print or type in all required information.  
 Check this box if any of your information has changed.

**SECTION 2 - Employer**

Print or type in all required information.  
 Check this box if any of your information has changed.

**SECTION 3 - Lender**

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Save time!  
Use the Electronic ECF process!

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## Meet Aaron



- Graduated in 2009
- Employed full-time as a social worker for a county agency since 2010
- Earned \$35,000 in the last year
  - » AGI expected to increase 5% annually
- Federal loan debt – \$50,000
  - » 6% interest rate
  - » \$23,000 of debt is unsubsidized
  - » Borrowed for graduate school
- Single, family size of 1



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## Examples

Without PSLF	Standard	ICR	IBR	PAYE	REPAYE
Time In Repayment	10 yrs.	14 yrs., 8 mos.	18 yrs., 9 mos.	20 yrs.	25 yrs.
Total Paid	\$66,612	\$76,339	\$91,713	\$71,782	\$108,426
Total Forgiven	\$0	\$0	\$0	\$36,538	\$0

With PSLF	Standard	ICR	IBR	PAYE	REPAYE
Time In Repayment	10 yrs.	10 years	10 years	10 years	10 years
Total Paid	\$66,612	\$50,501	\$36,927	\$24,618	\$24,618
Total Forgiven	\$0	\$22,459	\$45,065	\$55,333	\$51,746



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## FedLoan Servicing Support Center

### FedLoan Servicing responsibilities include:

- ✓ Customer Support
- ✓ Processing Employment Certification forms
- ✓ Tracking qualifying payments for PSLF

### Customer Support

- Specialized customer service and processing team
- Dedicated, toll-free number, **1.855.265.4038**
- Customer service representatives available from Monday through Friday 8:00 AM – 9:00 PM (ET)
- Dedicated site, [MyFedLoan.org/PSLF](http://MyFedLoan.org/PSLF), with ECF form
- Borrower portal to assist in tracking qualifying payments



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## Frequently Asked Questions

**I consolidated my Direct Loans after I made qualifying monthly payments on those loans while working in a qualifying public service organization. Do the payments made prior to the consolidation count toward the 120 payments required for PSLF?**

No. You will need to make 120 qualifying payments on the new Direct Consolidation Loan. Qualifying payments that you made on Direct Loans prior to consolidation do not count toward the 120 required payments for PSLF.

**Under IBR, ICR, REPAYE and PAYE the scheduled payment for a borrower could be \$0. Does this payment count as towards PSLF?**

Yes, this is considered a qualifying payment under that repayment plan.

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## Frequently Asked Questions

**Do I need to have the same job while making all of the required 120 payments for PSLF and still be eligible for forgiveness?**

No. However, you must provide documentation that demonstrates that you were employed full-time by one or more public service organizations during the period of time you made each of the required 120 separate, monthly payments, and at the time you apply for and receive loan forgiveness.

**Does full-time volunteer service for a public service organization qualify for PSLF?**

No. Unless you are an AmeriCorps or Peace Corps volunteer, you must be a full-time employee who is hired and paid by a public service organization.

**Who is eligible to complete Section 3 of the Employment Certification Form?**

The Employment Certification Form (ECF) must be completed by someone who has access to the borrower's employment or service records, is authorized by the organization to certify the employment status of a current or former employee or service member, and is able to provide all necessary data requested in Section 3 of the ECF.

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## Borrower Resources

- PSLF Fact Sheet and Q&As: [studentaid.ed.gov/publicservice](http://studentaid.ed.gov/publicservice)
- Borrower Information and Employment Certification Form from FedLoan Servicing: [MyFedLoan.org/PSLF](http://MyFedLoan.org/PSLF)
- Income-Driven Repayment Plans: Frequently Asked Questions: [studentaid.ed.gov/sa/sites/default/files/income-driven-repayment-q-and-a.pdf](http://studentaid.ed.gov/sa/sites/default/files/income-driven-repayment-q-and-a.pdf)
- CFPB Action Guide for Employees: [files.consumerfinance.gov/f/201308\\_cfpb\\_pledge-action-guide-for-employees.pdf](http://files.consumerfinance.gov/f/201308_cfpb_pledge-action-guide-for-employees.pdf)

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**five★star**  
TRAINING

Are there any  
questions or  
comments?

**fedloan**  
SERVICING

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