

# ELIZABETH WARREN

UNITED STATES SENATOR  FOR MASSACHUSETTS

## Public Service Loan Forgiveness Fact Sheet

In 2007, Congress created the Public Service Loan Forgiveness (PSLF) program to encourage more Americans to pursue careers serving their communities – without spending decades stuck under crushing federal student loan debt. **Congress made a promise to America’s public servants: 10 years of public service means student debt forgiveness.** This promise encouraged hundreds of thousands of teachers, nurses, firefighters, police officers, social workers, military personnel, and other Americans to pursue public service careers and envision a future without student loan debt.

### Who is eligible?

Anyone with a Federal Direct Student Loan who works in public service and makes 120 qualifying student loan payments (over 10 years) is eligible. But there are **4 critical requirements**. You must:

#### 1. Be working for a qualified public service organization for 10 years (including when you apply for and receive forgiveness):

- Organizations include federal, state, or local government agencies, entities, or organizations, such as the public housing authorities and public schools.
- Tax-exempt nonprofit organizations including hospitals and colleges (excluding labor unions and partisan political organizations). Some non-tax-exempt nonprofit organizations are also considered eligible employers if they meet other criteria.
- You must work at a **qualified public service organization** for ten years for at least 30 hours per week, and meet your employer’s definition of a full-time employee. You can also work at multiple qualifying employers part time for a total minimum of 30 hours per week
- You do not need to work for the same qualifying employer for the entire period, nor have consecutive qualifying employment.
- Only qualifying payments made while working for a qualifying employer will count towards the 120 payments needed for PSLF forgiveness
- It does not matter what your actual job is. Qualifying employment is defined by who you work for.

#### 2. Have a Federal Direct Student Loan:

- You must have a Federal Direct Student Loan.
- If you do not have a Federal Direct Student Loan, but you have a different kind of federal student loan, you can consolidate your loan(s) into a new Federal Direct Student Loan and become eligible. Note that any payments made prior to consolidation cannot count towards the 120 qualifying payments needed for PSLF.
- Private student loans from banks are *not* eligible.

### 3. Be Making Qualified Monthly Payments:

- Must be paid in full each month within 15 days of the payment due date.
- Must be paid after October 1, 2007
- Qualifying payments are NOT: payments made while you're in school or during the post-school grace period, deferment or forbearance or those made while in default. With the exception of payments made by the Department of Defense or AmeriCorps, lump sum payments *do not* count as qualifying payments.

### 4. Be enrolled in a Qualifying Student Loan Repayment Program:

- All 120 monthly payments generally must be in a qualifying repayment plan.
- You do not have to stay on the same qualifying plan for all of the 120 qualifying payments. Nor do qualifying payments need to be consecutive.
- All Income Driven Repayment plans as well as the ten year standard plan are qualifying repayment plans.
- You should contact your student loan servicer to enroll in the right Income Driven Repayment Plan for you.
- Parent PLUS loans are not eligible for any income driven plans unless they are consolidated under the Direct Loan program, at which point they can qualify for income contingent repayment
- In March 2018, Senator Warren successfully got Congress to help people who've worked in public service for 10 years, but spent that time paying into the wrong repayment plan.<sup>i</sup> If you've met all of the other PSLF requirements, but have accidentally been paying into the wrong repayment plan—ask your servicer about the new forgiveness fund to you!
- If you are paying under the wrong plan but have not yet completed 120 qualifying payments, it's important to apply for a qualifying plan now so future payments are not at risk.

### How do I apply?

- If you think you may qualify for PSLF, enroll today by completing the Employment Certification form:
  - Enroll Here: <https://studentaid.ed.gov/sa/sites/default/files/public-service-application-for-forgiveness.pdf>
- Completing this form is *the only way* you can track how many payments you have left and to confirm your employer is eligible.
- You should complete it ASAP, and complete it again each year or whenever you change employers.
- Your loan servicer will update you on your number of qualified payments, and if your organizations, payments, and repayment plan are all qualifying. After you've reached 120 payments, you will be notified by the Department of Education, and you may then fill out the PSLF Application for Forgiveness.

You should contact your federal student loan servicer today to see if you meet these four requirements, and go to the Department of Education's PSLF website<sup>ii</sup> for more information.

***For more information or questions, please contact Senator Warren's Boston Office at (617) 565-3170***

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<sup>i</sup> Lieber, R. (2018, March 30). "A Student Loan Fix for a Teacher, and Many Other Public Servants." *The New York Times*. Online at: <https://www.nytimes.com/2018/03/30/your-money/student-public-service-loan-forgiveness-program.html>

<sup>ii</sup> "Public Service Loan Forgiveness." *Federal Student Aid, U.S. Department of Education*. Online at: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>