

# Student Loan Solutions fact finder

## Your information

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

Occupation \_\_\_\_\_

Current employer \_\_\_\_\_

Marital status

Single       Married

Widowed       Divorced

Birth date \_\_\_\_\_

Number of adults in household \_\_\_\_\_

Number of children in household \_\_\_\_\_

Adjusted gross income \$ \_\_\_\_\_

How do you file taxes?

Single       Head of household

Married/separately       Married/joint

Approximate loan debt \$ \_\_\_\_\_

Federal loan amount \$ \_\_\_\_\_

Monthly payment \$ \_\_\_\_\_

Private loan amount \$ \_\_\_\_\_

Monthly payment \$ \_\_\_\_\_

Current loan servicer \_\_\_\_\_

Current repayment plan \_\_\_\_\_

Current retirement contribution(s) \$ \_\_\_\_\_

Have you taught at a Title I school for 5 years or more?

Yes       No

What subject/grade do you teach?  
\_\_\_\_\_

## Spouse's information

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Current employer \_\_\_\_\_

Birth date \_\_\_\_\_

Adjusted gross income \$ \_\_\_\_\_

Approximate loan debt \$ \_\_\_\_\_

Federal loan amount \$ \_\_\_\_\_

Private loan amount \$ \_\_\_\_\_

Has your spouse taught at a Title I school for 5 years or more?

Yes       No

What subject/grade does your spouse teach?  
\_\_\_\_\_

*Please bring the following to your meeting:*

- FSA ID. Sign up at [fsaid.ed.gov](https://fsaid.ed.gov). It may take up to 48 hours to receive ID.
- Most recent pay stub for yourself and spouse, if applicable.
- Most recent tax return, if possible.
- Original loan documents or loan summary.

## Student loan and forgiveness programs resources

- National Student Loan Data System [www.nslds.ed.gov](http://www.nslds.ed.gov)
- Student guide and repaying your student loans [www.studentaid.ed.gov](http://www.studentaid.ed.gov)
- Federal Direct Consolidation Loans [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov)
- Information on student loans and forgiveness programs  
<https://studentloans.gov/myDirectLoan/index.action>
- Teacher Loan Forgiveness  
<https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/teacher>
- Financial Aid Toolkit <http://www.financialaidtoolkit.ed.gov/tk/>
- Mapping Your Future, Loan Forgiveness  
<http://mappingyourfuture.org/paying/loanForgiveDetails.htm#teachersForgiveness>
- U.S. Department of Education [www.ed.gov](http://www.ed.gov)
- American Student Assistance [www.asa.org](http://www.asa.org)
- The SALT Program [www.saltmoney.org](http://www.saltmoney.org)  
(Created by the ASA - nonprofit American Student Assistance)

Also visit:

- Your local State Department of Education website

AM-C04048 (Aug. 14)

## Define your monthly budget

**Monthly take-home pay** \$ \_\_\_\_\_

**Housing expenses:**

Rent/mortgage payment \$ \_\_\_\_\_

Utilities  
(*electric/gas/water/sewer*) \$ \_\_\_\_\_

Garbage \$ \_\_\_\_\_

Phone (*land-line/cellular*) \$ \_\_\_\_\_

Cable \$ \_\_\_\_\_

Internet \$ \_\_\_\_\_

Maintenance \$ \_\_\_\_\_

Property taxes  
(*zero if escrowed*) \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

**Savings/investments** \$ \_\_\_\_\_

**Insurance:**

Medical \$ \_\_\_\_\_

Dental \$ \_\_\_\_\_

Vision \$ \_\_\_\_\_

Disability \$ \_\_\_\_\_

Life \$ \_\_\_\_\_

Homeowner/renters \$ \_\_\_\_\_

Auto \$ \_\_\_\_\_

**Food:**

Groceries \$ \_\_\_\_\_

Restaurants \$ \_\_\_\_\_

**Transportation cost:**

Car payment(s) \$ \_\_\_\_\_

Routine maintenance/fuel \$ \_\_\_\_\_

**Other:**

Credit cards \$ \_\_\_\_\_

Student loans \$ \_\_\_\_\_

Personal loans \$ \_\_\_\_\_

Alimony/child support \$ \_\_\_\_\_

Clothing \$ \_\_\_\_\_

Dry cleaning/laundry \$ \_\_\_\_\_

Personal care  
(*haircuts, nails, stylist, etc.*) \$ \_\_\_\_\_

Child care \$ \_\_\_\_\_

Pet care  
(*grooming, vet bills, etc.*) \$ \_\_\_\_\_

Entertainment \$ \_\_\_\_\_

Club/organization memberships \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

**Total expenses** \$ \_\_\_\_\_

**Subtract total monthly expenses  
from monthly take home pay =** \$ \_\_\_\_\_

# You need classroom supplies...

And we're here to help. With DonorsChoose.org, you can share your classroom needs with a community eager to give. Supporters have brought teachers' ideas to life in over half of all U.S. public schools. Get started at [www.donorschoose.org/teachers](http://www.donorschoose.org/teachers).



## Post a Project

Request books, technology, field trips - anything you've been dreaming of for your students.



## Get Funded

Tap into our network and reach out to your own. Over 75% of teachers are fully funded.



## Receive the Goods

We order everything you requested and ship it straight to your school. Hello, packages!

### Ms. Kaminski in New York

*Spent the night at the Museum of Natural History*

"The students were able to sleep over at the museum under the giant whale in the ocean life room. They were also able to hold starfish, see spiders, and explore the museum by flashlight."

### Mr. Dinkel in Kansas


*Received Legos*

"From the very first day, when students excitedly opened the large cardboard boxes during our class meeting revealing the Lego sets, to the lessons connecting important math concepts with the popular toy, student engagement has been present."



**DonorsChoose.org**

Support a classroom. Build a future.




**Horace Mann**  
Founded by Educators for Educators

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**Student Loan Solutions**

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**What we believe**

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*Educators are taking care of our children's future, and we believe they deserve someone to look after theirs.*

Auto | Home | Life | Retirement

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**What we do**

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We help you identify **financial goals** and help you develop plans to help reach them.

- Retirement
- College
- Buying a home
- Paying off debt

We know the issues that you face, and we help you develop **solutions** to address them.

- Student loan debt
- Out-of-pocket classroom spend
- Retirement preparation
- Asset protection



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### Student loan debt is an obstacle to financial success

- Student loan debt nationwide tops **\$1.2 trillion** — more than credit card debt or auto loans
- Average student loan debt is more than **\$35,000** — which can be close to a full year's salary for a new teacher (\$36,141)
- 71% of educators agree: "For many young teachers today, student loan debt is the difference between wanting to continue to teach and **wanting to change career paths** to a career that pays better."



Sources: U.S. Federal Reserve, Edvisors, National Education Association, Horace Mann Educator Advisory Panel, June 2015

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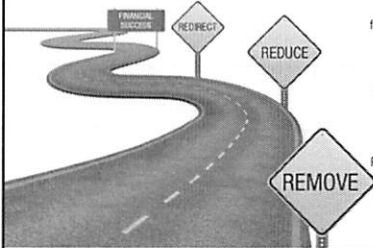
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### We can help: Student Loan Solutions

Horace Mann has a **suite of solutions** to help you manage student loan debt and help you get on the road to financial success.



- ✓ **REMOVE**  
You may qualify for federal forgiveness programs to remove some or all of your debt.
- ✓ **REDUCE**  
Loan repayment and refinancing options may reduce your monthly payments.
- ✓ **REDIRECT**  
Redirect any savings to prepare for other life goals, such as retirement.

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### Remove some or all of your student loan debt

You may be eligible for federal forgiveness programs if you're:

- ✓ REMOVE
- ✓ REDUCE
- ✓ REDIRECT

- A full-time teacher who has taught or will teach in a Title I school for 5 consecutive years
- A school employee or other qualifying public service organization employee who has made 120 qualifying payments
- A Perkins or Parent PLUS Loan borrower



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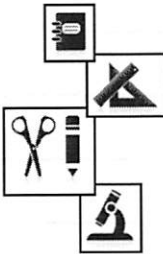
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### Teacher Loan Forgiveness Program

Encourages individuals to enter and continue in the teaching profession

- ✓ Qualifying loans
  - Subsidized and Unsubsidized Stafford Loans
  - Federal Family Education Program Loans (FFEL)
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
- ✓ Forgiveness amount = up to \$17,500

✓REMOVE  
✓REDUCE  
✓REDIRECT



Source: Federal Student Aid 7

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### Public Service Loan Forgiveness Program

- ✓ Qualifying loans
  - Direct Subsidized Loans
  - Direct Unsubsidized Loans
  - Direct PLUS Loans
  - Direct Consolidation Loans
- ✓ Qualifying payment plans
  - Income-based
  - Standard
- ✓ Forgiveness amount = remaining loan balance

✓REMOVE  
✓REDUCE  
✓REDIRECT



Source: Federal Student Aid 8

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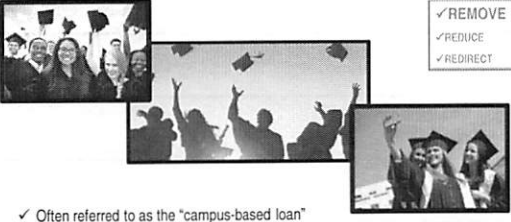
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### Perkins Loan Cancellation & Discharge



✓ Often referred to as the "campus-based loan"

✓ Borrower applies to the college/university that issued the loan

✓ Forgiveness amounts = up to 100% over 5 years

✓REMOVE  
✓REDUCE  
✓REDIRECT

Source: Federal Student Aid 9

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### Repayment plans based on your income

Income-driven repayment options may reduce monthly payments and make them more manageable.

REMOVE  
 REDUCE  
 REDIRECT



- Income based (IBR)
- Pay as you earn (PAYE)
- Income contingent (ICR)
- Income sensitive
- Revised pay as you earn (REPAYE)

Generally, when you make lower payments or extend your repayment period, you will pay more in interest over time.

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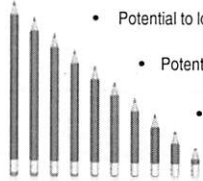
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### Refinancing may be the right option

- Citizens One Education Refinance Loan<sup>®</sup> customers saved an average of **\$137/month**<sup>1</sup>

REMOVE  
 REDUCE  
 REDIRECT

- Potential to lower your interest rate<sup>2</sup>
- Potential to lower your monthly payment<sup>2</sup>
- Potential to increase monthly cash flow to redirect to retirement<sup>2</sup>



**Citizens One**  
Student Loans

1. Average savings based on 23,427 actual customers who refinanced their federal and private student loans through Citizens One between January 6, 2014 and March 31, 2016. The borrower's savings might vary based on the interest rates, balances and remaining repayment term of the loans they are seeking to refinance. The borrower's overall repayment amount may be higher than the loans they are refinancing even if their monthly payments are lower. Refinancing provided by Citizens One. Refinancing a federal student loan will make borrower ineligible for loan forgiveness programs, could lengthen the repayment period of the loan, and would waive any current and future benefits of the program. 2. For eligible applicants Citizens One Education Refinance Loans. For information on eligibility requirements go to [https://studentloans.citizensone.com/FAE\\_TheWayMatters](https://studentloans.citizensone.com/FAE_TheWayMatters). Citizens One is a brand name of Citizens Bank, N.A. and Citizens Bank of Pennsylvania. Member FDIC.

Horace Mann receives compensation from Citizens One for each loan funded through this program. Horace Mann and Citizens One are unaffiliated.

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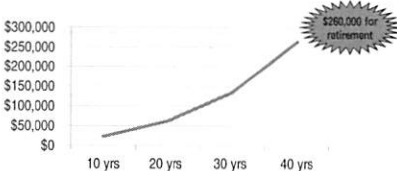
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### Redirect to your future

Redirect any saved dollars to help achieve your long-term financial goals.

REMOVE  
 REDUCE  
 REDIRECT

If you save \$137 in monthly student loan payments and invest it, look at how much you can earn...



Assumes 6% annual earnings and no withdrawals. Results are hypothetical for illustrative purposes only and do not reflect the performance of any specific investment.

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### The power of starting early

**Cherie**

- Started a retirement fund at age 25
- Contributed \$4,000 annually for 10 years for a total of \$40,000
- Earned 6% annually

**Lauren**

- Started a retirement fund at age 40
- Contributed \$4,000 annually for 25 years for a total of \$100,000
- Earned 6% annually

Person	Started at	Total Contributions	Total Accumulated
Cherie	25	\$40,000	\$327,000
Lauren	40	\$100,000	\$233,000

✓ REMOVE  
✓ REDUCE  
✓ REDIRECT

Assumes 6% annual earnings and no withdrawals. Results are hypothetical for illustrative purposes only and do not reflect the performance of any specific investment. 13

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### Reinvest in yourself

Going back to school to further your career or have kids heading to college? Through our relationship with Citizens One, you can apply and may be approved for a Citizens One Student Loan®.

- ✓ Competitive fixed or variable interest rates!
- ✓ No application, origination or disbursement fees!
- ✓ Multiple term and repayment options!
- ✓ Aggregate loan amounts from \$1,000 - \$170,000!

Citizens One Student Loans

1. For eligible applicants of Citizens One Student Loans. For information on eligibility requirements go to <https://studentloans.citizensone.com/#/student/HoraceMann>. Citizens One is a brand name of Citizens Bank, N.A. and Citizens Bank of Pennsylvania. Member FDIC. Horace Mann receives compensation from Citizens One for each loan funded through this program. Horace Mann and Citizens One are unaffiliated. 14

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### What's next?

Schedule an appointment to find the solution that's right for you.

**Agent name**  
**Phone number**  
**Email@horacemann.com**

**Horace Mann**  
*Founded by Educators for Educators*

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# Public Service Loan Forgiveness: Questions and Answers for Federal Student Loan Borrowers

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## Introduction

The following questions and answers (Q&As) provide information about public service loan forgiveness. Throughout the Q&As, we use the following terms:

- **ED** refers to the U.S. Department of Education.
- **We** means either ED or FedLoan Servicing, the servicer that is responsible for administering the Public Service Loan Forgiveness (PSLF) Program on behalf of ED.
- **Direct Loan Program** refers to the William D. Ford Federal Direct Loan Program. This program includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans. Direct Subsidized Loans and Direct Unsubsidized Loans are sometimes called “Stafford Loans.”
- **FFEL Program** refers to the Federal Family Education Loan Program. This program includes Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans, Federal PLUS Loans, and Federal Consolidation Loans. No new loans have been made under this program since July 1, 2010.
- **Perkins Loan Program** refers to the Federal Perkins Loan Program. This program includes Federal Perkins Loans, National Direct Student Loans, and Defense Student Loans.
- **Income-driven repayment plan** refers to a repayment plan that bases your payment amount on your income instead of how much you owe. The following repayment plans are income-driven plans: The Revised Pay As You Earn Plan (REPAYE Plan), the Pay As You Earn Plan (PAYE Plan), the Income-Based Repayment Plan (IBR Plan), and the Income-Contingent Repayment Plan (ICR Plan).
- **Loan servicer** refers to the organization that collects your loan payments and completes other transactions related to your federal student loans. Your loan servicer may or may not be the same organization as your loan holder (the organization that “owns” your loans). If you are unsure who your loan servicer is, you can find this information using “My Federal Student Aid” at [StudentAid.gov/login](https://studentaid.gov/login), or you can call the Federal Student Aid Information Center (FSAIC) at 1-800-4-FED-AID (1-800-433-3243; TTY 1-800-730-8913).

## General Information

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

The PSLF Program was established to encourage individuals to work in public service by forgiving the remaining balance of their Direct Loans after they have made 120 qualifying payments while employed by a qualifying employer.

### 2. What are the eligibility requirements for loan forgiveness under the PSLF Program?

You must be employed full-time by a qualifying employer when you make each of the required 120 qualifying payments on your Direct Loans, and also at the time you apply for loan forgiveness after making the last of those 120 payments, and when you receive loan forgiveness.

### 3. Are loan amounts forgiven under PSLF considered taxable by the IRS?

No. According to the Internal Revenue Service (IRS), student loan amounts forgiven under PSLF are not considered income for tax purposes. For more information, check with the IRS or a tax advisor.

### 4. Does my income level determine eligibility for PSLF?

There is no income requirement to qualify for PSLF. However, since your required monthly payment amount under most of the qualifying PSLF repayment plans is based on your income, your income level over the course of your public service employment may be a factor in determining whether you have a remaining loan balance to be forgiven after making 120 qualifying payments.

### 5. Can I be certain that the PSLF Program will exist by the time I have made my 120 qualifying payments?

We cannot make any guarantees about the future availability of PSLF. The PSLF Program was created by Congress, and Congress could change or end the PSLF Program.

## Eligible Loans

### 6. I have federal student loans from a program other than the Direct Loan Program. Can I qualify for PSLF?

PSLF is available only for Direct Loans. However, if you have loans made under another federal student loan program, you may consolidate those loans into a Direct Consolidation Loan, which is eligible for PSLF. To apply for a Direct Consolidation Loan, visit [StudentLoans.gov](https://studentloans.gov).

Note: Any payments you've made on your loans from other federal student loan programs before you consolidate them into the Direct Loan Program will not count toward PSLF, even if they were made under a qualifying repayment plan.

Learn more about loan consolidation at [StudentAid.gov/consolidation](https://studentaid.gov/consolidation).

7. I consolidated my Direct Loans after I made qualifying PSLF payments on those loans. Do the payments I made before consolidation still count toward PSLF?

No. Payments that you made on Direct Loans prior to consolidation do not count toward the 120 required payments for PSLF. You will need to make 120 qualifying payments on the new Direct Consolidation Loan. For this reason, if you have made qualifying PSLF payments on your Direct Loans and you are thinking of consolidating those loans into a Direct Consolidation Loan along with loans you received under other federal student loan programs, you should leave your Direct Loans out of the consolidation and consolidate only your loans from other federal student loan programs.

8. Are private education loans eligible for PSLF?

No. Private education loans are not eligible for PSLF and cannot be consolidated into a Direct Consolidation Loan.

9. Are Direct Loans that are in default eligible for PSLF?

No. Defaulted Direct Loans are not eligible for PSLF. However, a defaulted loan may become eligible for PSLF if you **resolve the default**. To learn more about getting your loan out of default, visit [StudentAid.gov/end-default](http://StudentAid.gov/end-default).

10. Can a joint FFEL Consolidation Loan that I obtained with my spouse be consolidated into a Direct Consolidation Loan so that one or both of us can qualify for PSLF?

No. The law no longer permits joint consolidation loans to be made, so joint FFEL Consolidation Loan borrowers may not jointly reconsolidate their FFEL Consolidation Loan into a Direct Consolidation Loan. In addition, a borrower may not individually reconsolidate a joint FFEL Consolidation Loan into a new Direct Consolidation Loan to take advantage of PSLF.

11. Are Direct PLUS Loans eligible for PSLF?

Yes. Like other Direct Loans, Direct PLUS Loans are eligible for PSLF. However, there are additional factors to consider if you are a parent who has taken out a PLUS loan.

First, your PSLF eligibility is based on your qualifying employment, not on the employment of the dependent student on whose behalf you borrowed. Second, PLUS loans received by parents may not be repaid under the income-driven plans, the repayment plans that are best for borrowers seeking PSLF. However, if you consolidate a PLUS loan that you took out on behalf of your child, you may then repay the new Direct Consolidation Loan under the ICR Plan (but not the REPAYE, PAYE, or IBR plans).

Note: PLUS loans made to graduate and professional students may be repaid under any of the income-driven plans.

## Qualifying Repayment Plans

12. What Direct Loan Program repayment plans qualify under the PSLF Program?

To count toward PSLF, payments must be made under one or more of the following repayment plans:

- Any income-driven repayment plan
- The 10-Year Standard Repayment Plan

- Any other plan with payments that are at least equal to the monthly payment amount you would be required to pay under the 10-Year Standard Repayment Plan

Learn about your repayment plan options at [StudentAid.gov/repay-loans-understand/plans](https://studentaid.gov/repay-loans-understand/plans).

### 13. What is the best repayment plan if I'm seeking PSLF?

An income-driven plan is your best option.

Although the 10-Year Standard Repayment Plan qualifies for PSLF, it requires you to fully pay off your loan within 10 years (120 monthly payments). Therefore, you will not have any remaining loan balance to be forgiven if you make all of your 120 qualifying payments under the 10-Year Standard Repayment Plan.

The 10-Year Standard Repayment Plan and other plans with payments that are equal to the 10-Year Standard Repayment Plan amount are included as eligible repayment plans for PSLF purposes so that borrowers may receive credit toward the required 120 PSLF payments for any payments they may have made under those plans before switching to an income-driven plan.

### 14. I'm repaying my Direct Consolidation Loan under the Standard Repayment Plan. Does that plan qualify for PSLF?

Generally, no. The Standard Repayment Plan for Direct Consolidation Loans is not the same repayment plan as the 10-Year Standard Repayment Plan, and payments made under the Standard Repayment Plan for Direct Consolidation Loans do not usually qualify for PSLF purposes.

Under the Standard Repayment Plan for Direct Consolidation Loans, the maximum repayment period may be up to 30 years, depending on the amount of the consolidation loan and the amount of your other education loan debt. This longer repayment period generally results in a lower monthly payment than the monthly payment amount required under the 10-Year Standard Repayment Plan.

If you're seeking PSLF, the best option would be to repay your Direct Consolidation Loan under an income-driven repayment plan.

### 15. What other Direct Loan repayment plans would give me a monthly payment that is at least equal to the payment that would be required under a 10-Year Standard Repayment Plan?

Under the Graduated Repayment Plan, payments start out lower and then gradually increase, generally every two years. Therefore, payments made during the later portion of the repayment period under the Graduated Repayment Plan may in some cases equal or exceed the payment amount that would be required under a 10-Year Standard Repayment Plan, and these payments would count for PSLF.

### 16. If I'm repaying my Direct Loans under the PAYE or IBR Plan and my monthly payments are no longer based on my income, will my payments continue to count for PSLF?

Yes. Although you will always initially have a payment based on your income in the PAYE and IBR plans, under certain circumstances your monthly payment under those plans may no longer be based on income. However, your monthly payments will continue to qualify for PSLF if you remain on the PAYE or IBR plan.

17. I'm in the process of rehabilitating a defaulted Direct Loan. Will my rehabilitation payments count toward PSLF?

No. Payments made to rehabilitate a defaulted Direct Loan do not qualify for PSLF

## Qualifying Payments

18. What is a qualifying payment for the PSLF Program?

To receive PSLF, you must have made 120 qualifying payments on the Direct Loans for which you are seeking forgiveness. A qualifying payment is a payment that was

- made after October 1, 2007;
- received no later than 15 days after your due date;
- for the full amount due that month;
- made under a qualifying repayment plan; and
- made while you were employed full-time by a qualifying employer.

19. Do I need to make consecutive payments to qualify for PSLF?

No. The 120 payments do not have to be consecutive payments, but you must be employed by a qualifying employer at the time you make each payment.

20. If I pay more than my scheduled monthly student loan payment amount, can I get PSLF sooner than 10 years?

No. You must make 120 separate monthly payments. Paying extra will not make you eligible to receive PSLF sooner.

If you make a payment for more than the scheduled payment amount, the excess amount may be applied to cover all or part of one or more future payments, unless you request otherwise. Depending on how much extra you pay, it's possible that your next due date could be a month or more in the future from the date you made the extra payment amount. If you make subsequent payments during a period when you are not required to make a payment (that is, when your account is paid ahead), those payments will not count toward PSLF.

If you request that your extra payment amount not be applied to future scheduled payments, the excess amount will not advance the due date of your next scheduled payment, and any subsequent monthly payments you make can count toward the required 120 payments.

21. If I return to school and qualify for an in-school deferment on my Direct Loans that are in repayment, can I decline the deferment and make qualifying PSLF payments while I'm in school?

Yes. You may decline an in-school deferment on your loans that are in repayment status and make qualifying payments on those loans while you are in school. Remember, in order for your payments to qualify for PSLF, you must be employed full-time by a public service organization while you attend school.

Note: If you receive new Direct Subsidized Loans or Direct Unsubsidized Loans when you return to school, you will not be able to make qualifying PSLF payments on those loans while you are in school. Any new Direct Subsidized Loans or Direct Unsubsidized Loans you receive will not enter repayment until

the end of the six-month grace period. Although you could voluntarily make payments on your new Direct Subsidized Loans and Direct Unsubsidized Loans while you are in school or during your grace period, those payments would not count toward PSLF.

22. Can I waive the six-month grace period on my Direct Subsidized Loans and Direct Unsubsidized Loans and begin making qualifying PSLF payments early?

No. The law that governs the Direct Loan Program does not allow borrowers to waive the grace period on Direct Subsidized Loans and Direct Unsubsidized Loans. You cannot begin making qualifying PSLF payments until after your loans have entered repayment at the end of the grace period. Any payments you make on a loan during the grace period will not count toward PSLF.

However, if you want to immediately begin making qualifying payments on your federal student loans as soon as you leave school, you may consolidate your loans into a Direct Consolidation Loan during your grace period and enter repayment right away.

23. I'm thinking of serving as a Peace Corps or AmeriCorps volunteer and plan to request a deferment or forbearance on my Direct Loans. If I'm not making payments during my service period, can I receive credit toward PSLF?

If you receive a deferment or forbearance during your volunteer service, you can use the transition payment you receive after completing your period of Peace Corps service or the Segal Education Award you may receive after AmeriCorps service to make a lump-sum payment on your Direct Loans. If you use some or all of your Peace Corps transition payment or AmeriCorps Segal Education Award to make a lump-sum payment on your Direct Loans, you will receive credit for up to 12 qualifying payments for PSLF. The number of payments for which you receive credit is determined by dividing the amount of your lump-sum payment by your scheduled full monthly payment amount, but you may not receive credit for more than 12 monthly payments toward the PSLF payment requirement. This benefit is available to you only one time for Peace Corps service and one time for AmeriCorps service. However, there is an alternative that you may want to consider.

As an alternative to receiving a deferment or forbearance during your volunteer service and then using your Peace Corps transition payment or Segal Education Award to make a lump sum payment on your loans, you could choose to not request a deferment or forbearance and instead make qualifying PSLF payments during your volunteer service. If you repay your Direct Loans under an income-driven plan, your required monthly payment is likely to be an amount that you can afford even while you are performing volunteer service and receiving very little income. For some borrowers, the required monthly payment amount under one of these repayment plans may be \$0.

If you do not request a deferment or forbearance and instead make payments under an income-driven plan during your Peace Corps or AmeriCorps service, you may be able to receive credit for a larger number of qualifying PSLF payments than you would if you received a deferment or forbearance and then used your Peace Corps transition payment or Segal Education Award to make a lump-sum payment on your Direct Loans. This is because you can receive credit for a maximum of only 12 qualifying payments if you make the lump-sum payment, but each payment you make under the income-driven plan (including a scheduled payment amount of \$0) while you are serving as a full-time Peace Corps or AmeriCorps volunteer counts as a qualifying PSLF payment if it meets all of the requirements described elsewhere in this document.

24. If my scheduled monthly payment under an income-driven plan is \$0, does each month during which my payment is \$0 count toward the required 120 separate, monthly payments?

Yes. Any month when your scheduled payment under an income-driven plan is \$0 will count toward PSLF if you also are employed full-time by a qualifying employer during that month.

25. If I make payments more frequently than monthly (for example, twice each month, when I get paid), will my payments count toward PSLF?

If you make multiple partial payments that total at least your monthly payment amount, and you make those payments no later than 15 days after the scheduled payment due date for that month's payment, the series of partial payments will count as a one qualifying payment for PSLF.

For example, if your required monthly payment is \$200 and you make two \$100 payments no later than 15 days after your due date, you would receive credit for one qualifying payment.

## Qualifying Employment

26. What types of employers are qualifying employers for the PSLF Program?

All federal, state, local, or tribal government agencies or organizations, and many not-for-profit organizations, are qualifying employers for PSLF.

27. What counts as a government employer for the PSLF Program?

In addition to any federal, state, local, or tribal government agency, eligible government employers for the PSLF Program include the U.S. military, public elementary and secondary schools, public colleges and universities, public child and family service agencies, and special governmental districts (including entities such as public transportation, water, bridge district, or housing authorities).

View a listing of most government agencies and departments at [USA.gov](http://USA.gov).

Note: Service as an elected member of the U.S. Congress is not qualifying employment for PSLF.

28. What not-for-profit organizations qualify as eligible employers for the PSLF Program?

Eligible not-for-profit organizations include

- those that are tax-exempt under section 501(c)(3) of the Internal Revenue Code, and
- those that are *not* tax-exempt under section 501(c)(3) of the Internal Revenue Code, but provide a qualifying public service.

However, if the organization is a labor union or a partisan political organization, it is not an eligible PSLF employer. In addition, if you perform religious activities as part of your job, there are limitations on your ability to have your employment qualify for PSLF.

Eligible not-for-profit organizations include most private elementary and secondary schools, private colleges and universities, and thousands of other organizations. Your employer can tell you if it is a not-for-profit organization and what its tax status is, or you can use the searchable database of tax-exempt organizations at [www.IRS.gov](http://www.IRS.gov).

A not-for-profit organization that is not exempt under section 501(c)(3) of the Internal Revenue Code must provide one of the following public services:



- Emergency management
- Military service
- Public safety
- Law enforcement
- Public interest law services
- Early childhood education (including licensed or regulated childcare, Head Start, and state-funded pre-kindergarten)
- 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

29. I'm employed full-time by a qualifying not-for-profit organization, but my job duties include religious activities. Does my employment qualify for PSLF?

It depends on how much of your job is related to religious activities. When determining whether you are a full-time employee for PSLF, your employer may not include the time you spend participating in religious instruction, worship services, or any form of proselytizing.

30. What types of public service jobs will qualify me for loan forgiveness under the PSLF Program?

The specific job that you perform does not matter, as long as you are employed by an eligible public service organization. For example, if you are a full-time employee of a public school system, your employment would meet the requirements for PSLF, regardless of your position (teacher, administrator, support staff, etc.).

31. What is considered full-time employment for PSLF?

If you only have one employer, you must meet your employer's definition of full-time. However, for PSLF purposes, that definition must be at least 30 hours per week.

32. I am a teacher who does not teach over the summer break. If I make payments during the summer, do those payments count toward PSLF?

Payments you make during the summer will count if you have a contract for an employment period of at least eight months and you work an average of 30 hours per week during that period, and if your employer still considers you to be employed full-time during the summer break. Of course, the payments must otherwise meet all PSLF requirements. In this circumstance, your employer should include the dates of the summer break when reporting your dates of employment on the PSLF Employment Certification Form, even though you are not actually teaching during that period.

33. I'm working for more than one employer during the same period of time, but I'm not employed by any one of them on a full-time basis. Will my combined employment be considered full-time for PSLF?

Yes, as long as the combined number of hours you work for each employer equals at least 30 hours per week. Each employer must be a qualifying employer for the employment to be included in determining whether you are employed on a full-time basis.

For example, if you worked for one qualifying employer for 10 hours per week and you concurrently worked for a second qualifying employer for 20 hours per week, this would meet the 30 hours per week requirement.

34. Is Peace Corps or AmeriCorps service considered qualifying employment for PSLF?

Yes, if you are serving as a full-time Peace Corps or AmeriCorps volunteer.

35. I'm employed full-time by a company that is doing work for a qualifying PSLF employer under a contract. However, the company that I work for is not a qualifying PSLF employer. Does this employment qualify for PSLF?

No. You must be employed full-time by a qualifying employer.

36. I know that employment with a public school qualifies for PSLF. What about employment with a private school?

Most private elementary and secondary schools, and private colleges and universities are not-for-profit organizations. If a private school has this status, it would qualify as a public service organization for PSLF purposes.

However, employment with a private school, college, or university that operates on a for-profit basis is not eligible employment for PSLF purposes.

37. Can I receive PSLF if I have more than one employer over the course of 10 years?

Yes. However, you must provide documentation that demonstrates that you were employed full-time by a qualifying employer at the time you made each of the required 120 payments.

38. If I'm employed by a 501(c)(3) organization, but I work outside the United States, would the employment qualify under the PSLF program?

Yes. Full-time employees of 501(c)(3) organizations may perform their work anywhere.

39. I'm a full-time employee of a foreign not-for-profit organization that is not a 501(c)(3) organization. Will my employment with this not-for-profit organization qualify for PSLF?

It depends on whether the organization operates in the United States.

If the organization operates in the U.S., your employment would qualify for PSLF purposes. If the organization does not operate in the U.S., your employment does not qualify.

40. Does employment by a foreign government or international, intergovernmental organization (such as the United Nations, Organization for Economic Cooperation and Development, Organization of American States, North Atlantic Treaty Organization) qualify for PSLF?

No. Only U.S. federal, state, local and tribal government organizations, agencies, or entities qualify as public service organizations for purposes of PSLF. However, if you work for a U.S. delegation to an international, intergovernmental organization, such as the U.S. mission to the United Nations, your employment qualifies because your employer is the U.S. government.

41. I'm employed full-time by an eligible public service organization in one of the islands that have a legal relationship with the United States. Will that employment qualify for PSLF purposes?

Yes. American Samoa, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are considered part of the United States for PSLF.

42. 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.

43. I am serving a fellowship with a qualifying employer. Does this qualify for PSLF?

It depends on the terms of your fellowship. It would qualify only if you are considered an employee who is hired and paid by the public service organization where you are serving the fellowship.

44. Are vacation and leave periods considered when determining whether I am a full-time employee?

Vacation or leave time provided by your employer is counted as 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*.

45. I'm the only official who can certify my employment. Can I certify my own qualifying employment?

Yes, you may certify your own employment if you are the only employee of the organization who can do so. However, we will request additional documentation concerning your employment, such as earnings statements, IRS W-2 forms, your application for tax-exempt status, or any other documentation required to be filed with the IRS on a periodic basis regarding the activities of the organization.

46. What if I make my last qualifying payment while working for a qualifying employer, but then leave that job to work for a for-profit corporation before applying for the PSLF benefit. Am I still eligible for PSLF?

No. To be eligible for forgiveness after making 120 qualifying payments, you must be employed full-time by a qualifying employer at the time you made each qualifying payment, at the time you apply for loan forgiveness, and at the time you receive loan forgiveness.

Therefore, if you leave your job at a qualifying employer after meeting the PSLF eligibility requirements but before you apply for loan forgiveness, you would not be eligible for forgiveness since you must be working for a qualifying employer at the time you apply for and receive forgiveness. However, you could regain eligibility if you later find full-time employment at another qualifying public service organization and then apply for loan forgiveness.

## Application Process

### 47. How can I find out if my employment and payments qualify for PSLF?

If you submit the **PSLF Employment Certification Form** at <https://studentaid.ed.gov/sa/sites/default/files/public-service-employment-certification-form.pdf>, we will tell you if your employment and payments qualify for PSLF. You are encouraged to submit this form to FedLoan Servicing, our PSLF servicer, annually while you are working to fulfill the requirements for PSLF so that you will receive feedback on the eligibility of your employment and payments on an ongoing basis.

After you submit your first Employment Certification Form, and if our PSLF servicer determines that your employment qualifies, all of your loans owned by the U.S. Department of Education will be transferred to the PSLF servicer, which will then verify that the loan payments you made during the period covered by the Employment Certification Form are qualifying payments. After reviewing your Employment Certification Form, the PSLF servicer will tell you how many qualifying payments you have made toward PSLF.

### 48. After I submitted the Employment Certification form, I was notified that I would now have a different servicer for my federally held student loans. Why did my servicer change?

One of the federal loan servicers, FedLoan Servicing, has been assigned the responsibility of administering PSLF for all Direct Loan borrowers. As a result, if you submit an Employment Certification Form and FedLoan Servicing determines that your employment qualifies, all of your Direct Loans as well as any of your FFEL Program loans that are held by ED will be transferred to FedLoan Servicing.

### 49. What kind of documentation do I need to keep to show that I worked for a qualifying PSLF employer while making the required 120 payments on my Direct Loan(s)?

The PSLF servicer will confirm that your employer is a qualifying public service organization based on the information provided on the Employment Certification Form that you submit. In some cases, the PSLF servicer may require additional documentation about your qualifying employment. Therefore, you should keep records that identify your employer, show your dates of employment with that employer, confirm that you were a full-time employee, and demonstrate that your employer meets the definition of a public service organization. Examples of such documents include, but are not limited to, IRS W2 forms and pay stubs.

You should retain as many documents supporting your qualifying employment as possible.

### 50. What should I do after I qualify for PSLF?

You must submit an application for Public Service Loan Forgiveness.

Please note that the earliest any borrower will be able to qualify for Public Service Loan Forgiveness is October 2017. Therefore, there is no application for forgiveness yet. The application will be released closer to the time when the first borrowers will qualify for forgiveness.

51. When I'm ready to submit my loan forgiveness application, do I need to submit any other documents to the PSLF servicer?

Yes. Even if you submitted Employment Certification Forms to the PSLF servicer during the entire period when you were making your 120 qualifying payments, you will need to submit one additional Employment Certification Form to verify that you are employed full-time with a qualifying public service organization at the time you submit your PSLF application.

If you did not submit any Employment Certification Forms, did not submit forms for some of your employers, or submitted forms for only a portion of your period of qualifying employment, you will need to provide one or more Employment Certification Forms, as necessary, to cover your entire period of qualifying employment (including your current employment) at the time you submit your loan forgiveness application.

52. I made some qualifying payments, but I no longer work for my qualifying employer and do not think I will work in qualifying employment again. Can I receive partial forgiveness based on the number of qualifying payments that I made?

No. There is no partial loan forgiveness. To receive PSLF, you must make all 120 qualifying payments while working for a qualifying employer.

53. When I submit my application for loan forgiveness after making the required 120 qualifying payments, how long will it take to process my application and forgive my remaining loan balance?

Processing times will vary depending on factors such as whether you previously submitted documentation of employment for review or submitted documentation only at the time you applied for loan forgiveness, the number of your employers, any gaps in your employment or payment history, and any required follow-up.

If you periodically submitted the Employment Certification for Public Service Loan Forgiveness Form so that your eligibility could be tracked while you were making the required 120 payments, your application for loan forgiveness will likely be processed more quickly.

The PSLF servicer will notify you that you are not required to continue making payments on your loans during the period when your loan forgiveness application is being processed.

54. What will happen if my PSLF application is denied?

If we determine that you are not eligible for loan forgiveness, you will be notified of this determination and will be provided with the reason you were determined to be ineligible. FedLoan Servicing, ED's PSLF servicer, will then resume billing on your loans.

The PSLF servicer will also grant forbearance of payments of principal and interest to cover the period when collection activity was suspended during the application processing period. If you are not granted forgiveness, interest that accrues (accumulates) during a period of suspended collection activity may be capitalized.

Capitalization means that we add accrued interest to the unpaid principal amount of your loan.

Capitalization increases the unpaid principal balance of your loan, and we will then charge interest on the increased principal amount.

55. If I receive loan forgiveness under the federal Teacher Loan Forgiveness Program after completing five years of qualifying teaching service, will I also be able to qualify for PSLF?

Yes. However, you may not receive a benefit under both the Teacher Loan Forgiveness Program and the Public Service Loan Forgiveness Program for the same period of teaching service. For example, if you make payments on your loans during your five years of qualifying employment for Teacher Loan Forgiveness and then receive loan forgiveness for that service, the payments you made during that five-year period will not count toward PSLF.

56. If I'm employed by a qualifying employer and receive a student loan repayment benefit from my employer under the Federal Student Loan Repayment Program or under another employer-based student loan repayment program, can I also receive PSLF based on the same employment?

Yes. You may receive benefits under both an employer loan repayment plan, including the Federal Student Loan Repayment Program and the PSLF Program for the same period of qualifying public service.

**Note:** If your employer makes a single lump-sum payment that covers multiple monthly student loan payments, it will count as only one qualifying monthly payment and may affect whether future payments qualify.

Learn more about the Federal Student Loan Repayment Program at [www.opm.gov/policy-data-oversight/pay-leave/student-loan-repayment](http://www.opm.gov/policy-data-oversight/pay-leave/student-loan-repayment).

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