Public Service Loan Forgiveness:
Making the Program Work for You & Your Employer

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Douglas County Libraries
Castle Rock, CO

FDLP Academy
Government Publications Office Webinar
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Learning Outcomes

• Learn about the impact of student loan borrowing and debt

• Learn about Public Service Loan Forgiveness, a program offered by the U.S. Department of Education to aid in forgiving portions of loan debt
  • Program requirements
  • How to successfully enroll

• Become familiar with a few government department websites
  • Federal Student Aid
  • Consumer Finance Protection Bureau
  • Internal Revenue Service
Student Loan Debt
Impacts of Borrowing

- National student loan debt
  - $1.5 Trillion and counting

- State levels
  - The Institute for College Access and Success – Project on Student Loan Debt
    - 2016 graduate debt loads range from $19,000-36,000

- Local levels
  - Interactive mapping combines 2013 American Community Survey Census data with 2015 Experian credit data
    - [http://mappingstudentdebt.org/#/map-1-an-introduction](http://mappingstudentdebt.org/#/map-1-an-introduction)
Current Pitfalls of Student Loans

• Student loans are exempt from bankruptcy protections

• No statute of limitations on collection of educational debt

• Default
  • Loss of Social Security benefits
  • Loss of tax refunds
  • Negative credit reporting
  • Multi-generational impact on families

Photo Credit: Occupy Wall Street
Basics of Public Service Loan Forgiveness

Created in 2007 with passage of the *College Cost Reduction and Access Act*

---*Purpose of policy:*

---Encourage work in public service

---Redirect subsidies away from student loan companies and increase grant aid for borrowers

- Do you work full-time (30+ hours per week) in a qualifying public service organization?
  - Do you work *multiple part-time jobs* for qualifying employers, averaging 30+ hours per week?
  - Are you a parent working in public service and repaying on PLUS loans?

- Are you willing to get onto an income-based repayment plan that qualifies for PSLF?

- Are you willing to submit annual forms for income + employment certifications?

- Payments made between October 2007 – Present may qualify toward forgiveness of student loan balances!
Which public service organizations are qualified employers?

**501-C3 Non-Profit + Private Public Service Organizations**

Includes private public service organizations including:

Military, public safety/law enforcement, emergency management, public libraries, public education, school libraries, public service for disability and elderly, public health. For a comprehensive list please see:


**Government**

Includes employees for all local, state, federal, tribal agencies.

Congressmembers are not eligible to participate in the Public Service Loan Forgiveness program.

**AmeriCorps or Peace Corp Service**
Income Driven Repayment Plans

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Available?</th>
<th>Eligibility</th>
<th>Monthly Payment</th>
<th>Discharge After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>Now (since Dec. 17, 2015)</td>
<td>All Direct student loan borrowers. No partial financial hardship (PFH) requirement</td>
<td>10% of discretionary income</td>
<td>20 years if repaying only undergraduate debt; 25 years if repaying any graduate debt</td>
</tr>
<tr>
<td>Income-Based Repayment (2014 IBR)</td>
<td>Now (since July 1, 2014)</td>
<td>Borrowers who take out their first federal student loan on or after July 1, 2014, and have a PFH</td>
<td>10% of discretionary income, up to the fixed 10-year payment amount</td>
<td>20 years</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>Now (since 2012)</td>
<td>Direct student loan borrowers who took out their first loan after September 30, 2007 and at least one loan after September 30, 2011, and have a PFH</td>
<td>10% of discretionary income, up to the fixed 10-year payment amount</td>
<td>20 years</td>
</tr>
<tr>
<td>Income-Based Repayment (Original IBR)</td>
<td>Now (since 2009)</td>
<td>All federal student loan borrowers (Direct or FFEL) with a PFH</td>
<td>15% of discretionary income, up to the fixed 10-year payment amount</td>
<td>25 years</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>Now (since 1994)</td>
<td>All Direct Loan borrowers. No PFH requirement</td>
<td>The lesser of: 20% of discretionary income and 12-yr repayment amount x income percentage factor</td>
<td>25 years</td>
</tr>
</tbody>
</table>

Chart credit: www.ibrinfo.org
Repayment Estimators

- Compare results from Federal Student Aid’s website with your loan servicer’s website
- If numbers differ, ask the loan servicer to honor FSA’s calculations

Example based on $50,000 loan balance using Federal Student Aid’s estimator

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>First Monthly Payment</th>
<th>Last Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Public Service Loan Forgiveness</th>
<th>Repayment Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$509</td>
<td>$509</td>
<td>$61,033</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Graduated</td>
<td>$285</td>
<td>$185</td>
<td>$63,782</td>
<td>$0</td>
<td>120 months</td>
</tr>
<tr>
<td>Extended Fixed</td>
<td>$267</td>
<td>$267</td>
<td>$80,006</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Extended Graduated</td>
<td>$171</td>
<td>$472</td>
<td>$87,496</td>
<td>$0</td>
<td>300 months</td>
</tr>
<tr>
<td>Revised Pay As You Earn (REPAYE)</td>
<td>$183</td>
<td>$331</td>
<td>$30,168</td>
<td>$38,890</td>
<td>120 months</td>
</tr>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$183</td>
<td>$331</td>
<td>$30,168</td>
<td>$38,890</td>
<td>120 months</td>
</tr>
<tr>
<td>Income-Based Repayment (IBR)</td>
<td>$274</td>
<td>$496</td>
<td>$45,252</td>
<td>$20,690</td>
<td>120 months</td>
</tr>
<tr>
<td>IBR for New Borrowers</td>
<td>$183</td>
<td>$331</td>
<td>$30,168</td>
<td>$38,890</td>
<td>120 months</td>
</tr>
<tr>
<td>Income-Contingent Repayment (ICR)</td>
<td>$364</td>
<td>$419</td>
<td>$47,008</td>
<td>$17,601</td>
<td>120 months</td>
</tr>
</tbody>
</table>

https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action
If you are employed by a government or not-for-profit organization, you may be able to receive loan forgiveness under the Public Service Loan Forgiveness Program.

Learn more to see whether you might qualify.

Alert! The Consolidated Appropriations Act, 2018 provided limited, additional conditions under which a borrower may become eligible for loan forgiveness if some or all of the payments made by the borrower do not qualify under current requirements for Public Service Loan Forgiveness (PSLF). The U.S. Department of Education is assessing the newly enacted law and will explain the new forgiveness conditions to customers on this page as soon as more details are available. We encourage you to check back periodically.

The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

If you want to qualify for Public Service Loan Forgiveness now or in the future, complete and submit the Employment Certification form as soon as possible. Too many borrowers wait to submit this important form until they have been in repayment for several years, at which point they learn that they have not been making qualifying payments. In order to ensure you’re on track to receive forgiveness, you should continue to submit this form both annually and every time you switch employment.

Figuring Out Your Loan Situation

https://fp.ed.gov/nslds.htm
Employment Certification

• The *only* way to track how many payments count toward 10 year/120 payment requirement

• Your HR Department must sign off on this form

• Annual form submission strongly encouraged

To keep track of your eligibility,
Fill out the Employment Certification for PSLF form
PSLF Initial Enrollment

- Do paper applications!
- Mail all forms together the first time to loan servicer!
  - Income-Driven Repayment Plan Request
    - Supplemental income information
      - Tax Return
      - Paystubs
    - PSLF Employment Certification
      - Signed by Human Resources
  - Cover Letter
Tools for Handling Disputes

• Federal Student Aid

• Work with your Loan Servicer directly

• Consumer Finance Protection Bureau

• My favorite
Consumer Finance Protection Bureau
Employer Pledge

- Government agency created in 2010 with passage of the Frank-Dodd Act

- Aim is to raise awareness of the Public Service Loan Forgiveness program to help borrowers stay on track for loan forgiveness

- Simple, step-by-step guide to help start the conversation with your Human Resources Department
Human Resources as Ally

- Fast way to share information with staff
- Needed to sign PSLF forms and provide past income data
- Potential staff recruitment/retention tool
Human Resources Partnering Success

Do you have Federal Direct student debt? You may qualify for Public Service Loan Forgiveness (PSLF)!
Visit consumerfinance.gov/pledge to learn more.

Wednesday, 31 January, 2018
6:11 PM
Advocacy

Helping Yourself...

Life Lesson: Put on your own oxygen mask before assisting others.

Help Others

Be Your Workplace Hero
Consolidated Appropriations Act of 2018

• Passed government spending bill (HR 1625) for fiscal year 2018.

• Includes a *one-time* $350 million fund for increasing accessibility Temporary Expanded Public Service Loan Forgiveness (TEPSLF).
  • First come, first serve basis until funds run out.
  • Partially acknowledges the problem of borrowers on non-qualifying loan repayment plans.

• *More advocacy work necessary* to keep Public Service Loan Forgiveness around!
Temporary Expanded PSLF -- Initial Steps

• Send email request to FedLoans to ask for PSLF reconsideration
  • TEPSLF@myfedloan.org

• Submit PSLF Application for Forgiveness form
  • Be prepared to provide additional paperwork
    • Provide proof of 10+ years full-time employment for qualifying employer
    • Made 120+ payments on a Direct Loan
    • Provide proof of past rejection/non-qualification

• Transcripts available at IRS.gov
  • https://www.irs.gov/individuals/get-transcript
Questions?

• Contact Information
  • Kyra Hahn
  • Douglas County Libraries
    • www.dcl.org
  • Email
    • PubSvcLibrarian4PSLF@gmail.com
    • khahn@dclibraries.org
  • Facebook Group
    • Librarian 4 PSLF
      • Join for updates on PSLF policy changes
      • Share your success story with me!