

*In partnership with US Department of Education*

# Public Service Loan Forgiveness: A Primer for AmeriCorps Grantees and Members

September 20, 2023



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# Tips for Support and Participation

Recording

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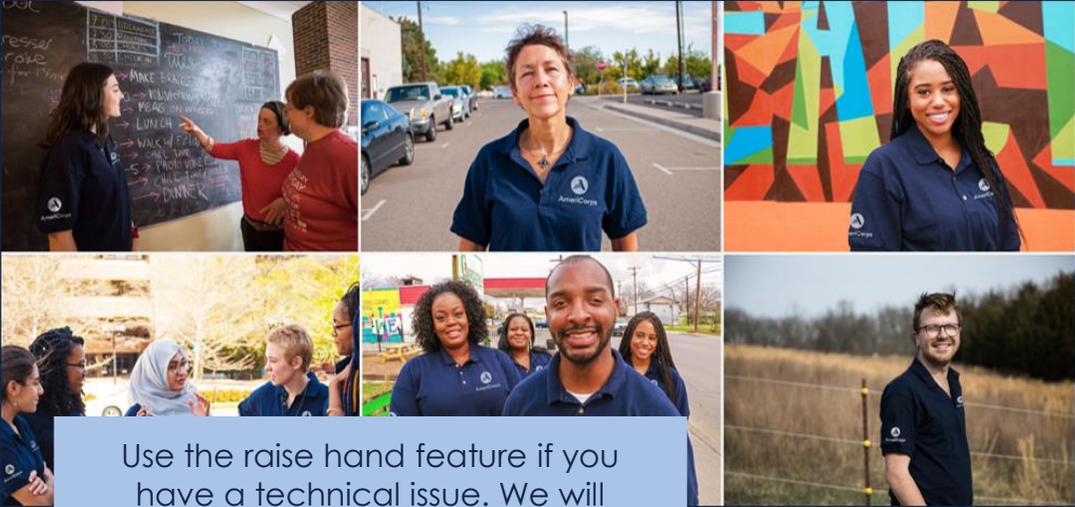
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# Tips for Support and Participation

Recording

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# Tips for Support and Participation

Recording

## Join AmeriCorps



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# Public Service Loan Forgiveness: A Primer for AmeriCorps Grantees and Members

September 20, 2023

*Terra Wallin, Expanded Learning Partnerships Fellow*



# PUBLIC SERVICE LOAN FORGIVENESS (PSLF)

Information presented today is on background and not for direct attribution. For comment about the information presented today, please contact [press@ed.gov](mailto:press@ed.gov).

# TARGETED STUDENT LOAN RELIEF

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**The Department has approved over \$116 billion in student loan forgiveness for almost 3.4 million borrowers.**

- \$10.5 billion for 491,000 borrowers who have a total and permanent disability;
- \$22 billion for nearly 1.3 million borrowers who were cheated by their schools, saw their schools precipitously close, or are covered by related court settlements;
- \$39 billion for 804,000 borrowers as the result of fixes to income driven repayment plans; and
- \$45.7 billion for 662,000 public servants through improvements to PSLF

# PSLF BASICS

120 qualifying payments...

While working for a qualifying employer



...on Direct Loans...

...when applying for and receiving PSLF

*Forgiven amount is not taxable income*

# LIMITED PSLF WAIVER

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- On Oct. 6, 2021, the Department announced a change to PSLF rules for a limited time.



- Borrowers received credit for past periods of repayment that would otherwise not qualify for PSLF. Under these temporary rules, any prior period of repayment would count as a qualifying payment, regardless of the loan program, repayment plan, or whether the payment was made in full or on time.



- This change applied to borrowers who had Direct Loans, or who consolidated into Direct Loans by Oct. 31, 2022.

# LIMITED PSLF WAIVER: THROUGH 10/31/22

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**Payments made prior to consolidation were now eligible**

- No matter the loan program (DL, FFEL, Perkins)
- No matter the repayment plan
- No matter the loan type (with the exception of Parent PLUS)

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**Employment requirements still applied**

- Must have been employed (1) full-time and (2) for a qualifying employer when prior payments were made

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**Employment requirements still applied**

When prior payments were made, the borrower must have been employed:

1. full-time; and
2. for a qualifying employer



**Borrowers had to act by October 31, 2022**

Borrowers with FFEL and/or Perkins Loans could get credit for past payments if they consolidated into DL and filed PSLF forms by October 31, 2022.

# THE END OF THE WAIVER

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**As a result of the PSLF Waiver, hundreds of thousands of borrowers received billions of dollars in Public Service Loan Forgiveness during the COVID-19 Pandemic.**

- After the PSLF Waiver lapsed, many borrowers wondered, “what’s next?”
  - IDR Adjustment
  - PSLF 2023 Regulation

# THE IDR ADJUSTMENT AND PSLF

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The Income Driven Repayment (IDR) Account Adjustment, [announced on April 19, 2022](#), will help borrowers pursuing PSLF.

- Borrowers with 12 or more months of consecutive forbearance or 36 or more months of cumulative forbearance will receive PSLF credit for those periods of time if qualifying employment has been certified.
- These changes will be applied automatically. But, if a borrower believes they might benefit, they should be sure to consolidate by the end of the year, if appropriate, and submit a PSLF Form to certify all periods of qualifying employment.
- At a high level, the One-Time IDR Adjustment extended many of the benefits associated with the PSLF Waiver, with two notable exceptions.

# THE IDR ADJUSTMENT AND DEFERMENTS

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## What else counts under the IDR adjustment?

- Deferments prior to 2013 (except in-school)
- Economic Hardship Deferments (not unemployment deferment)
- Military-related forbearances and deferments

# PARENT PLUS LOANS

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- Parent PLUS Loans are not excluded from PSLF, but they are not eligible for all income-driven repayment plans.
- Parent PLUS borrowers can consolidate their debt to access IDR plans, and thus, PSLF.



# DIGITAL SIGNATURES AND THE 2023 REGULATION

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## Change is coming to PSLF...

- [Digital signatures](#)
- [2023 PSLF Regulations](#)
  - Full-time
    - 30 hours per week
    - Minimum adjunct multiplier
  - Qualifying Employer
  - Weighted average for consolidation loans
  - Treatment of late / installment / lump sum payments
  - Counting certain types of deferment and forbearance
  - Fixing the doctor / contractor issue
  - Hold harmless
  - Codifies the reconsideration process

# PSLF RECONSIDERATION

If a borrower believes the Department made a mistake in determining that their employer(s) or payment(s) did not qualify for PSLF, they may [submit a request for reconsideration](#).

## Choose your Reconsideration Type

Only one reconsideration type may be chosen per submission. If you have more than one request to submit, you may begin another request once you complete a submission.

Ineligible Employer



Incorrect Payment Count



Previous

Submit

# PSLF AND AMERICORPS

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The 2023 PSLF Regulation, which took effect on July 1, 2023, expressly designated full-time positions with the Peace Corps and AmeriCorps as PSLF-eligible.

(ii) Is employed full-time by a qualifying employer or serving in a full-time AmeriCorps or Peace Corps position—

Time spent in AmeriCorps forbearance now counts toward PSLF!

# PSLF AND AMERICORPS

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## Repayment Approach

1. AmeriCorps Forbearance;
2. Enroll in IDR at the end of service;
3. Use Segal Educational Award lump sum payment to cover future PSLF-eligible IDR payments

# PSLF LANDING PAGE

To learn more about PSLF and access the PSLF Help Tool, visit the [PSLF Landing Page](#).

## 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.



### Using the PSLF Help Tool

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may 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.

Please note that the PSLF Help Tool was created before the COVID-19 relief measures and the limited PSLF waiver period began, so it was not designed to address those flexibilities. 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](#).

Learn more about [PSLF](#) and [TEPSLF](#).

[Log In To Start](#)

# RETURN TO REPAYMENT

# Repayment Refresher Information

- The federal student loan payment pause and the 0% interest benefit ended on Sept. 1, 2023.
- If you haven't already received a billing statement from your servicer, you will within the next month.

You will get your bill at least 21 days prior to the payment due date. On your billing statement, you will find your payment amount and due date.

Your statement will come from one of the following servicers. If you have more than one, you'll receive a statement from each servicer.

Loan Servicer	Contact
Edfinancial	<a href="http://edfinancial.com">edfinancial.com</a>
MOHELA	<a href="http://mohela.com">mohela.com</a>
Aidvantage	<a href="http://aidvantage.com">aidvantage.com</a>
Nelnet	<a href="http://nelnet.com">nelnet.com</a>
ECSI	<a href="http://efpls.ed.gov">efpls.ed.gov</a>
Default Resolution Group	<a href="http://myeddebt.ed.gov">myeddebt.ed.gov</a>



[StudentAid.gov/restart](http://StudentAid.gov/restart)

## Auto Pay

To make sure you never miss a payment, enroll in auto pay.

For Direct Loans, you'll get an interest rate **deduction** of 0.25% for enrolling in auto pay!

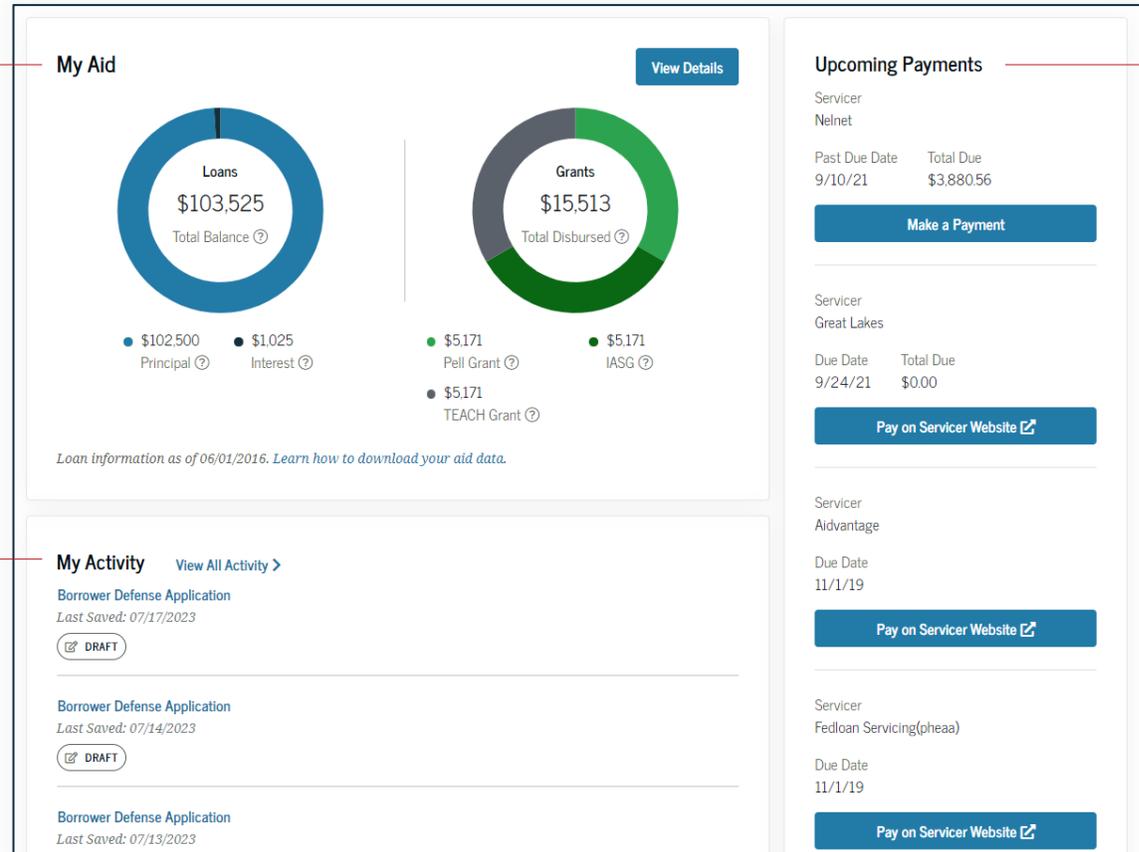
## Remember

Please make sure your contact information is up to date on both your servicer's website and on StudentAid.gov.

# Student Aid Dashboard Overview

When you log in to your StudentAid.gov account, you will see your Dashboard which will include the following information:

**My Aid**  
Displays your total loan and grant amount



**Servicer Information and Upcoming Payments**  
Breaks down your payments by amount and servicer(s).

**My Activity**  
Includes current outstanding actions such as borrower defense or PSLF application statuses.

# SAVING ON VALUABLE EDUCATION PLAN (SAVE)

In the summer of 2023, the U.S. Department of Education introduced the **Saving on a Valuable Education (SAVE) Plan**, which ensures borrowers only pay what they can afford.

## 01

The SAVE Plan replaces the Revised Pay As You Earn (REPAYE) Plan. Federal Direct loans for graduate and undergraduate education are eligible for SAVE.

## 02

If you were on the REPAYE Plan, you'll automatically receive the benefits of the new SAVE Plan. **No action is needed on your part.**

## 03

The SAVE Plan, like other IDR plans, calculates your monthly payment amount based on income and family size.



[StudentAid.gov/SAVE](https://studentaid.gov/SAVE)

# New Benefits Offered by the SAVE Plan

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## Lower monthly payments

Single borrowers earning \$32,800 or less and families of four earning \$67,500 or less will have **\$0 monthly payments**.

Borrowers earning more than these amounts will save **at least \$1,000 per year**, compared to other IDR plans.

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## Less interest accrual

Once you pay what you owe on your loans, you will no longer see your loans grow due to unpaid interest. Any monthly interest not covered by your monthly payment on the SAVE Plan will be covered by the government.

For example, if \$50 in interest accumulates each month and you have a \$30 payment, the remaining \$20 would not be charged.

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## No interest capitalization

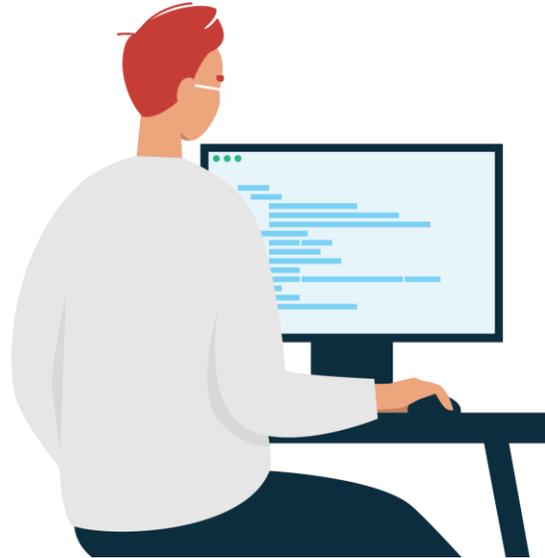
If you're on an IDR plan, you will not add more interest to your total loan balance by switching to SAVE, **except** if you're on the Income-Based Repayment (IBR) Plan.

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## Spousal income exclusion

Spousal income is excluded for borrowers who are married and filing taxes separately, removing the need for spouses to cosign an IDR application.

**There are additional benefits to the SAVE Plan scheduled for 2024.**



## Question

# How do I apply for the SAVE Plan?



## Answer

Borrowers can now apply for the SAVE Plan through the IDR application.



[StudentAid.gov/idr](https://studentaid.gov/idr)

# Our Loan Simulator Can Help You



estimate your monthly student loan payments and



choose the best repayment option to meet your financial needs and goals.



[StudentAid.gov/loan-simulator](https://StudentAid.gov/loan-simulator)



I Want to Find the Best Student Loan Repayment Strategy

[Log In and Start](#)

[Or Start From Scratch](#)

- See how you can lower your student loan payment.
- See how you can pay off your student loans faster.
- Decide whether to consolidate your student loans.



I'm Struggling With My Student Loan Payments

[Log In and Start](#)

[Or Start From Scratch](#)

- Consider a new repayment plan instead of suspending payments.
- Find out about the impacts of suspending payments.
- Learn how to avoid loan default.



I Want to Simulate Borrowing More

[Log In and Start](#)

[Or Start From Scratch](#)

- Explore impacts when you borrow more student loans.
- Find out about federal student loan limits.
- See how your choice of school affects how much you may need to borrow.

# Action Steps

You will start receiving your billing statements within the next month, and payments will start in October. This checklist can help you prepare for repayment.



01

Set up your account on StudentAid.gov.



02

Review loan forgiveness options — if you have FFEL Program loans, consolidate into a Direct Consolidation Loan.



03

Update your contact information with your loan servicer and on StudentAid.gov.



04

Enroll in the new SAVE Plan. A verbal enrollment process is currently available.



05

Enroll in auto pay to stay on top of payments. If you have Direct Loans, you will get an interest rate **deduction** of 0.25% when you enroll in auto pay!

# Additional Resources

## Helpful Links

[Apply for an Income-Driven Repayment Plan](#)

[Apply for PSLF using the Help Tool](#)

[Prepare for Student Loan Payments To Restart](#)

[Get Out of Default With Fresh Start](#)

[Explore Student Loan Forgiveness Options](#)

[Loan Simulator](#)

[How To Avoid Student Loan Forgiveness Scams](#)

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# AmeriCorps Support

- If you have questions about your Segal Education Award or are seeking certification verifying your service for PSLF, please contact the AmeriCorps hotline via phone, live chat, or webform - <https://americorps.gov/contact>.

**Thank you for joining!**

