

# FEDERAL STUDENT LOAN REPAYMENT AND FORGIVENESS OPTIONS

*April 6, 2023*

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

# ONE-TIME DEBT RELIEF

**Courts have issued orders blocking our student debt relief program. As a result, at this time, we are not accepting applications. We are seeking to overturn those orders.**

**Up to \$20,000 in debt relief:** If you received a Pell Grant in college and meet the income threshold, you'll be eligible for up to \$20,000 in debt relief.

**Up to \$10,000 in debt relief:** If you did not receive a Pell Grant in college and meet the income threshold, you'll be eligible for up to \$10,000 in debt relief.

**Eligibility:** All borrowers who have ED-held loans and an annual federal income below \$125,000 (individual) or below \$250,000 (household) in 2020 or 2021.

# TARGETED STUDENT LOAN RELIEF

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## THE DEPARTMENT HAS APPROVED OVER \$55 BILLION IN DEBT CANCELLATION FOR MORE THAN 2 MILLION BORROWERS

- \$30.9 billion for over 453,000 public servants through improvements to PSLF;
- Over \$9.8 billion for more than 469,000 borrowers who have a total and permanent disability;
- \$14.5 billion for 1.1 million borrowers whose institutions took advantage of them through discharges related to borrower defense and school closures.

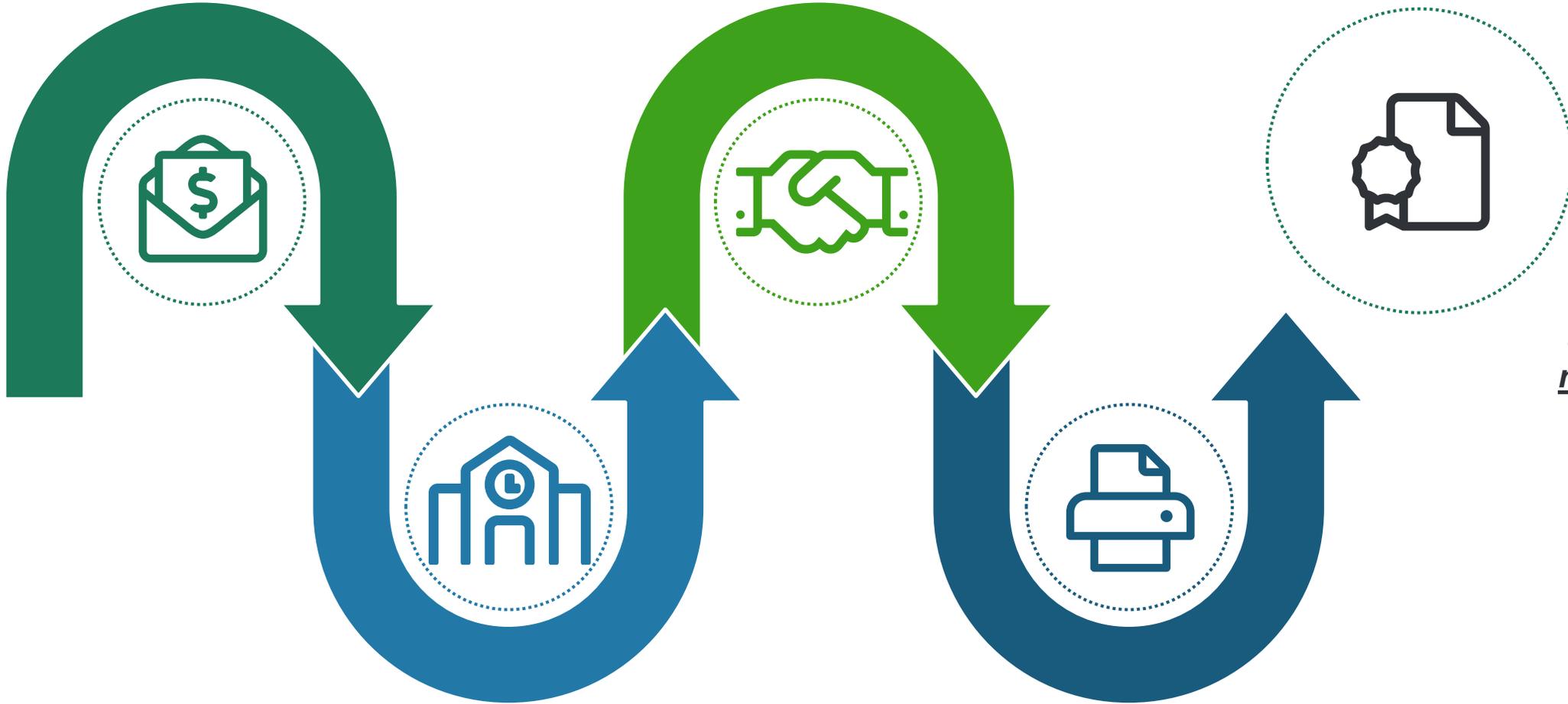
# **PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM**

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# PSLF BASICS

120 qualifying payments...

While working for a qualifying employer



...on Direct Loans...

...when applying for and receiving PSLF

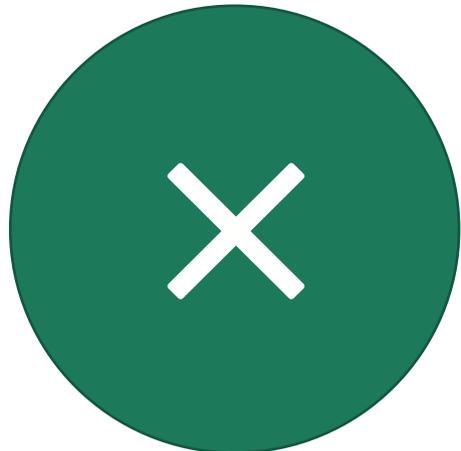
*Forgiven amount is not taxable income*

# PSLF BASICS: ELIGIBLE LOAN TYPES

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- Direct Loans, including:
  - Consolidation Loans
  - Parent PLUS Loans



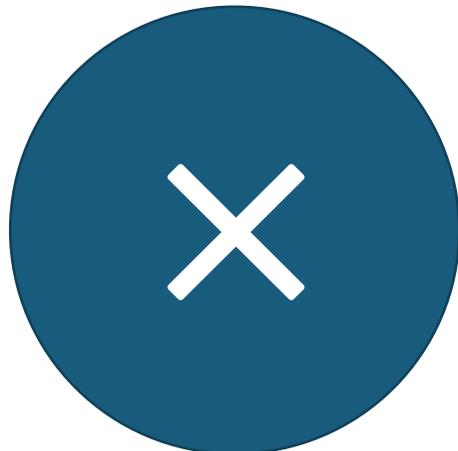
- FFEL Program Loans
- Perkins Loans
- Any other federal or private student loan

# PSLF BASICS: ELIGIBLE PAYMENTS

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- On-time
- In a Standard Plan or any IDR plan
- For at least the amount due
- Can be non-consecutive



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- More than 15 days late
  - In a Graduated, Extended, or Alternative plan
  - For less than the amount due
  - Made when not required (e.g. in-school deferment)

# NOTE ON 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 the ICR plan and thus, PSLF. ICR is the least generous of the IDR plans.
- Parent Plus borrowers should use the Loan Simulator to compare how an ICR payment on a consolidation loan would compare to a graduated or extended payment they may currently be making.

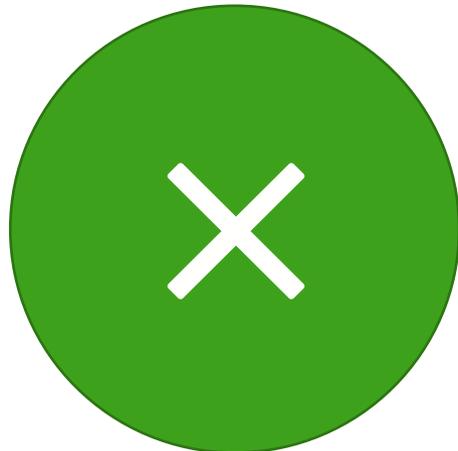


# PSLF BASICS: ELIGIBLE EMPLOYMENT

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- Full-time (30 hours/week) or equivalent
- Government (including military)
- All 501(c)3 non-profits
- Some limited exceptions



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- Part-time work that does not add up to full-time
  - Volunteer work
  - For-profit entities
    - Including those that employ essential workers
  - Labor unions

# PSLF BASICS: ELIGIBLE EMPLOYMENT

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- It's all about the employer...
  - All federal, state, and local governments, including public schools and military branches
  - All 501(c)3 non-profit organizations
  - Other non-profit organizations that provide a qualifying service (e.g. public safety)
- Multiple part-time jobs can add up to full-time employment
- 2020 regulatory change means time spent on religious activities (e.g. proselytizing) now count toward the full-time allocation
- Must be employed at an eligible employer when forgiveness is granted

# TEMPORARY EXPANDED PSLF

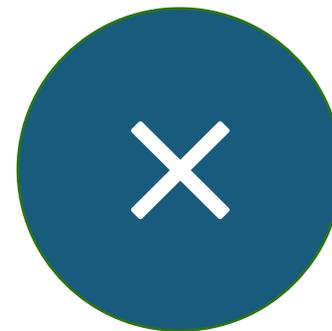
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Provides loan forgiveness to those who do not qualify for PSLF ***only*** because some or all their qualifying payments were made on non-qualifying plans

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- Extended and Graduated, if:
  - In the 12 months before applying for TEPLSF, the borrower paid at least the amount they would have paid under an IDR plan



- Alternative

# COVID-19 FLEXIBILITIES

*StudentAid.gov/Coronavirus*

- Loans in forbearance due to the payment pause are eligible for PSLF and TEPSLF
- Borrowers do not have to be in an eligible repayment plan if they are in forbearance due to the payment pause
- Borrowers need to submit a PSLF form to receive PSLF credit for any time during the payment pause



# THE LIMITED PUBLIC SERVICE LOAN FORGIVENESS WAIVER

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## What was the limited PSLF waiver?

The time-limited changes to the Public Service Loan Forgiveness (PSLF) Program rules, referred to as the limited PSLF waiver, allowed borrowers to receive credit for past periods of repayment that would otherwise not qualify for PSLF. This opportunity was announced on Oct. 6, 2021 and ended on Oct. 31, 2022.

Details: [StudentAid.gov/pslfaiver](https://studentaid.gov/pslfaiver)

# THE LIMITED PSLF WAIVER

[www.studentaid.gov/pslfwaiver](http://www.studentaid.gov/pslfwaiver)

Normal PSLF Requirements	Limited PSLF Waiver
<ul style="list-style-type: none"> <li>Receive credit only on Direct Loans</li> </ul>	<ul style="list-style-type: none"> <li>Receive credit for periods of repayment on Direct, FFEL, or Perkins Loans (non-Direct Loans must be consolidated)</li> </ul>
<ul style="list-style-type: none"> <li>Repay under the 10-year Standard Plan or an income-driven repayment plan</li> </ul>	<ul style="list-style-type: none"> <li>Periods of repayment on loans before consolidation count, even if on the wrong repayment plan, even if paid late or for less than the amount due</li> </ul>
<ul style="list-style-type: none"> <li>Make on-time payments</li> </ul>	<ul style="list-style-type: none"> <li>Periods of repayment under any plan count, were late or for less than the amount due also count</li> </ul>
<ul style="list-style-type: none"> <li>Must work with a qualifying employer at the time of application and forgiveness</li> </ul>	<ul style="list-style-type: none"> <li>Can get forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness</li> </ul>
<ul style="list-style-type: none"> <li>If you got Teacher Loan Forgiveness, the period of service that led to your eligibility cannot also count towards PSLF</li> </ul>	<ul style="list-style-type: none"> <li>If you got Teacher Loan Forgiveness, the period of service that led to your eligibility can count towards PSLF if you certify employment for that period</li> </ul>

# LIMITED PSLF WAIVER PROCESSING

We received unprecedented volumes of PSLF form submissions and consolidation applications. It will take time for the PSLF servicer, MOHELA, to process all the form submissions and make adjustments to your accounts.

- ✔ Processing may take at least 90 business days
- ✔ You may receive several auto-generated communications from MOHELA system to inform you of any actions
- ✔ You may check the status of your form on MOHELA.com



**If you have completed one of the actions below, you will still receive the benefits of the limited waiver:**

**PSLF Help Tool** used by Oct. 31, 2022, to generate a PSLF form that is eventually approved.

**Pending Review** of your employer eligibility after using PSLF Help Tool by Oct. 31, 2022, and later determined your employer is eligible.

**Manual PSLF** submitted with your employer's signature dated on or before Oct. 31, 2022, that is later approved.

# IDR AND PSLF

## ONE-TIME ACCOUNT ADJUSTMENT

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# ONE-TIME ACCOUNT ADJUSTMENT

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- On April 19, 2022, the U.S. Department of Education (ED) announced updates to Income-Driven Repayment (IDR) plans.



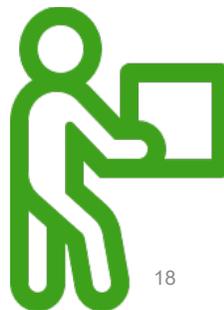
- Under the one-time revision, past inaccuracies, forbearance steering, and deferments will be addressed. Borrowers may receive credit for past periods of forbearances that would otherwise not qualify as an IDR payment or for PSLF.



- This change applies to all borrowers with ED-held loans, including borrowers in default and Parent Plus borrowers.

# ACCOUNT ADJUSTMENT

- Through the one-time account adjustment, borrowers with Direct Loans will be provided with many of the same benefits that were available under the limited PSLF waiver. **FFEL borrowers who apply for consolidation the end of the year will also get PSLF credit.** Two exclusions: waiver of current employment status and dual credit for PSLF/TEACH.



# PAYMENT COUNTING

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## ONE- TIME PAYMENT COUNT ADJUSTMENT INCLUDES:

- Any months in a repayment status regardless of the payment made, loan type or repayment plan.
  - Excludes periods in default
- Select forbearances and deferments
- Any time in repayment prior to consolidation on consolidation loans
  - Includes loans that have been consolidated multiple times
  - Includes consolidated Direct Loans
  - Includes consolidated FFEL and Perkins loans

# PAYMENT COUNTING

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## ONE- TIME PAYMENT COUNT ADJUSTMENT INCLUDES:

- Your consolidation loan will receive credit for time in repayment on your underlying loans with different counts. This includes underlying consolidation loans.
- Your consolidation loan will be credited with at least the largest number of payments on the loans that were consolidated.
  - Normally, consolidation would reset your payment count to zero for PSLF and IDR.
- Your loans must be consolidated prior to the one-time adjustment.

# FIVE THINGS TO KNOW ABOUT CONSOLIDATION

1. Your monthly payment could change. If you no longer have a partial financial hardship, you may lose access to certain IDR plans.
2. If you have unpaid interest, your principal balance will go up.
3. Your new consolidation loan will generally have a new interest rate.
4. You don't have to consolidate all your federal student loans.
5. You must consolidate non-Direct loans prior to the account adjustment. Please note that consolidation loans that include commercially-owned FFEL or Perkins loans may lose eligibility for one-time debt relief. Learn more at [StudentAid.gov/debtrelief](https://StudentAid.gov/debtrelief).

Keep in mind that once your loans are combined into a Direct Consolidation Loan, you can't undo it.

# DEFERMENTS & FORBEARANCES

## WHAT AUTOMATICALLY COUNTS?

- Long-term forbearances (12+ mos consecutive/36+ mos cumulative)
- Deferments prior to 2013 (except in-school)
- Economic Hardship Deferments (not unemployment deferment)
- Some military-related forbearances and deferments
- \*\*Short-term forbearances – process TBD (not automatic)

# PARENT PLUS LOANS

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- Parent PLUS Loans are eligible to receive additional credits under the one-time adjustment for both PSLF and IDR.
- Direct Consolidation Loans that include Parent PLUS Loans and other loan types are eligible to receive additional credit for the time in repayment on the Parent Plus loan.

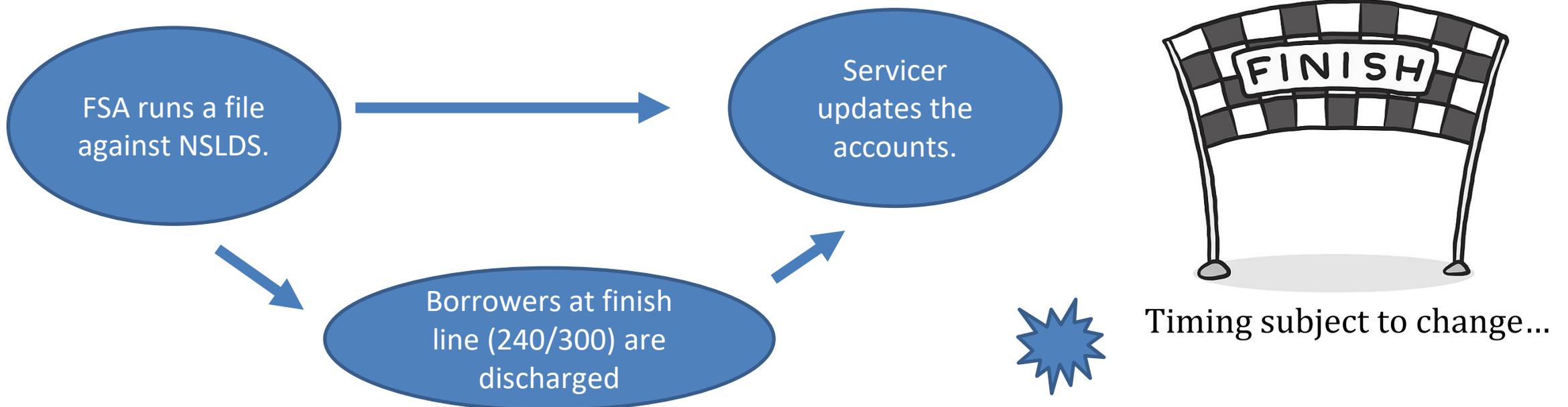
# IDR Forgiveness Under the Account Adjustment

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- Enrolled in PAYE: 240 months
- Parent PLUS: 300 months
- Grad Loans / Never Been on IDR: 300 months
- Just Undergrad: 240 months
- <https://studentaid.gov/loan-simulator>

# ACCOUNT ADJUSTMENT TIMING

- Borrowers who have reached 240 / 300 months worth of payments toward IDR will begin to see their loans forgiven later this year. Recent PSLF applicants may not see their loans forgiven until 2024. Keep in mind, the adjustment will take time to implement!
- Here's what's happening operationally...



# PAYMENT COUNT TRACKING

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- When do you start the clock on payments toward PSLF? **October 2007**
- When do you start the clock on payments toward IDR? **July 1994**
- When do you start the clock on your 12 months consecutively or 36 months cumulatively? To measure whether you've been in long-term forbearance, you can start the clock *before* either of those start periods.



# ACCOUNT ADJUSTMENT BENEFITS

Payment Counts	Automatic Forgiveness	Consolidate Non-Eligible Loans	Overpayment
<ul style="list-style-type: none"> <li>Any months in which you had time in a <b>repayment status</b>, regardless of the payments made, loan type, or repayment plan</li> <li>Any time in repayment <b>prior to consolidation</b> on consolidated loans</li> </ul>	<ul style="list-style-type: none"> <li>Any borrower with loans that have accumulated time in repayment of at least <b>20 or 25 years</b> will see automatic forgiveness, depending on your loan type, <b>even if you are not currently on an IDR plan.</b></li> </ul>	<ul style="list-style-type: none"> <li>Borrowers who have commercially managed FFEL, Perkins, Health Education Assistance Loan (HEAL) Program, or other non-Direct Loan loans should <b>apply for a Direct Consolidation Loan by the end of the year to get the full benefits</b> of the one-time account adjustment.</li> <li>FFEL borrowers will also get <b>PSLF credit</b> if they consolidate by the end of the year.</li> </ul>	<ul style="list-style-type: none"> <li>If you have made qualifying payments that <b>exceed forgiveness thresholds</b> (20 or 25 years), you will receive a refund for your overpayment.</li> </ul>

# LEARN MORE ABOUT THE ACCOUNT ADJUSTMENT!

URL:

<https://studentaid.gov/announcements-events/idr-account-adjustment>

An official website of the United States government. [Help Center](#) [Submit a Complaint](#)

Federal StudentAid  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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[Home](#) > [Announcements & Events](#) > [Income-Driven Repayment and Public Service Loan Forgiveness Program Account Adjustment](#)

## Income-Driven Repayment and Public Service Loan Forgiveness Program Account Adjustment

On April 19, 2022, the U.S. Department of Education (ED) announced several changes and updates that will bring borrowers closer to forgiveness under income-driven repayment (IDR) plans. These adjustments to borrower accounts include conducting a one-time revision of IDR payment counters to address past inaccuracies (including automatically discharging loans for eligible borrowers) and permanently fixing IDR payment counting by reforming ED's IDR tracking procedures going forward.

Based on the newly eligible months from the one-time account adjustment, borrowers who have reached 240 or 300 months' worth of payments for IDR forgiveness or 120 months of PSLF will begin to see their loans forgiven in November 2022. All other borrowers will see their accounts update in July 2023.

# FRESH START FOR BORROWERS IN DEFAULT

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- Borrowers in default have the option to return to good standing
  - Credit reporting protections (reported in good standing; no re-aged debt/tradelines for redefaults)
  - Clearing of CAIVRS
  - Eligibility for additional Title IV aid
- Fresh Start will not use up the borrower's one chance at rehabilitation
- Available for all borrowers whose loans in default are held by the Department of Education. Defaulted Perkins Loans held by postsecondary institutions and defaulted HEAL loans are not eligible for Fresh Start.

# COVID-19 EMERGENCY RELIEF

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*The federal student loan payment pause has been extended.*

- The pause includes the following relief measures for [eligible loans](#):
  - a suspension of loan payments
  - a 0% interest rate
  - stopped collections on defaulted loans
- The student loan payment pause is extended until the U.S. Department of Education is permitted to implement the debt relief program or the litigation is resolved. Payments will restart 60 days later. If the debt relief program has not been implemented and the litigation has not been resolved by June 30, 2023 — payments will resume 60 days after that. We will notify borrowers before payments restart.
- Borrowers can start preparing by updating contact information, enrolling in auto-debit, and reviewing repayment plan options.

# NEXT STEPS FOR PSLF

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# DETERMINING YOUR LOAN TYPES

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Visit Aid Summary (you'll need to log in to your StudentAid.gov account in order to view the page).

Scroll down to the Loan Breakdown section.

In the Loan Breakdown section, you'll see a list of the loans you took out, even those you paid off or consolidated into a new loan.

If you expand "View Loans," then select the "View Loan Details" arrow next to a loan, you'll see a more detailed name for that loan. Direct Loans begin with the word "Direct." Federal Family Education Loan Program loans start with "FFEL." Perkins Loans include the word "Perkins" in the name. Parent PLUS loans are not eligible under the limited PSLF waiver.

# APPLYING FOR PSLF

Eligible payments become qualifying payments when a borrower submits a PSLF Form



**PUBLIC SERVICE LOAN FORGIVENESS (PSLF) & TEMPORARY EXPANDED PSLF (TEPSLF) CERTIFICATION & APPLICATION**  
**William D. Ford Federal Direct Loan (Direct Loan) Program**

OMB No. 1845-0110  
Form Approved  
Exp. Date 08/31/2023  
PSFAP - XBCR

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

**SECTION 1: BORROWER INFORMATION**

Please enter or correct the following information.  
 Check this box if any of your information has changed.

SSN

Date of Birth

Name

Address

City  State  Zip Code

Telephone - Primary

Telephone - Alternate

Email

For more information on PSLF, visit [StudentAid.gov/publicservice](https://studentaid.gov/publicservice). To apply online, visit [StudentAid.gov/PSLF](https://studentaid.gov/PSLF).

**SECTION 2: BORROWER REQUEST, UNDERSTANDINGS, AND CERTIFICATION**

In November 2020, FSA launched a single form for PSLF, TEPSLF, and employment certification

# PSLF HELP TOOL

URL: [StudentAid.gov/PSLF](https://studentaid.gov/PSLF)

## 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](#)

# PSLF HELP TOOL

[StudentAid.gov/pslf](https://StudentAid.gov/pslf)

## WHAT YOU NEED

- 1 Your FSA ID to Log-In
- 2 Employer Identification Number (EIN)  
Or recent Employer W-2

## SECTIONS OF THE HELP TOOL

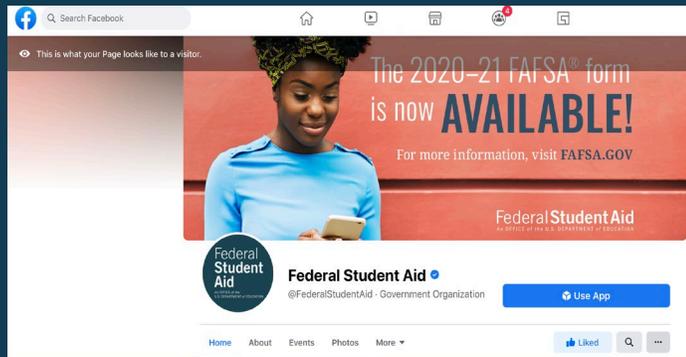
- 1 Employment History
- 2 Loan Tips
- 3 Application Details
- 4 Personal Information
- 5 Review & Save

# Certifying Employment for DOI

- Use EIN 84-1024566.
- For information about where to send your form, please visit the [DOI PSLF SharePoint](#) or email [doi\\_office\\_of\\_human\\_resources@ios.doi.gov](mailto:doi_office_of_human_resources@ios.doi.gov) with questions.

# FSA's Channels

## FACEBOOK: @FEDERALSTUDENTAID



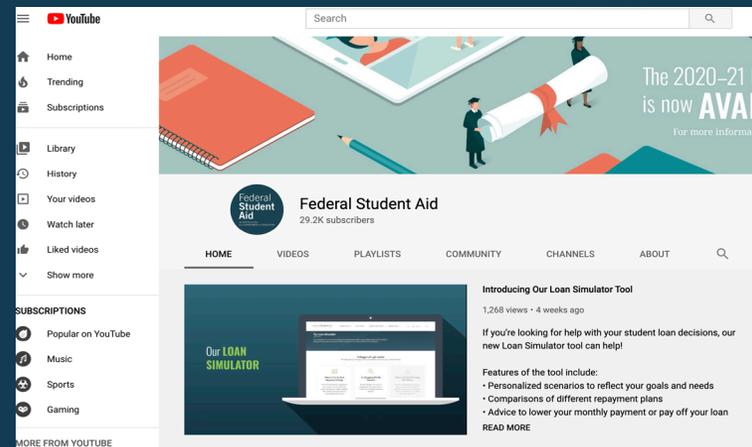
## LINKEDIN: @FEDERALSTUDENTAID



## INSTAGRAM: @FEDERALSTUDENTAID



## YOUTUBE: @FEDERALSTUDENTAID



## TWITTER: @FAFSA



1-800-4FED-AID  
1-800-433-3243



# QUESTIONS

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