

WHAT YOU NEED TO KNOW ABOUT THE TEMPORARY WAIVER OPPORTUNITY FOR PSLF

By Aoife Delargy Lowe

Public Service Loan Forgiveness (PSLF) is the only educational debt program specifically targeted at public service professionals, designed to make a career in public service possible.

To earn Public Service Loan Forgiveness, a borrower must make 120 qualifying payments while employed full-time for a qualifying public service employer. In other words, after working in public service for 10 years while making ongoing monthly payments on student loans, public service professionals are eligible to earn tax-free forgiveness on their remaining federal loan balance thanks to PSLF. In essence,

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PSLF allows public service professionals to pursue their passion for service professionally even if they have student debt.

On Oct. 6, 2021, the U.S. Department of Education announced changes to the PSLF program rules for a limited time. Until Oct. 31, 2022, borrowers may receive credit for past periods of repayment that would otherwise not qualify for PSLF.

Here are some key points about the waiver:

- Under this waiver, a borrower may receive credit for past periods of repayment on loans that would otherwise not qualify for PSLF.
- If a borrower has a Federal Family Education Loan (FFEL), Perkins, or other federal student loans, they must consolidate their loans into a Direct Consolidation Loan to qualify for PSLF both in general and under the waiver.

- Past periods of repayment will now count regardless of whether a borrower made a payment, made that payment on time, for the full amount due, on a qualifying repayment plan.
- Periods of deferment or forbearance, and periods of default, continue to not qualify. However, COVID-19 forbearance or forbearance granted to active military may qualify.
- The qualifying employment requirement or number of qualifying payments have not changed.

What Borrowers Need to Do

First, verify their loan types and consolidate any FFEL, Perkins, or other federal student loans that are not already Direct Consolidation Loans before Oct. 31, 2022.

Second, certify eligible employment by submitting a PSLF form. This must be done for



every qualifying employer the borrower has worked for after Oct. 1, 2007, or when the borrower started in public service after that date.

Want to Learn More?

The PSLF Coalition is a group of over 90 allied public service organizations committed to supporting Public Service Loan Forgiveness. The Coalition offers a free webinar during the first Wednesday of each month to educate borrowers on this topic. To register for a webinar, go to www.pslfcoalition.org. +

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