

PAYING FOR COLLEGE

How to Qualify for Public Service Loan Forgiveness

The Department of Education revamped the Public Service Loan Forgiveness program started under the Bush administration. Here's how to see if you qualify for student loan forgiveness.



Getty Images

While student loan forgiveness may be up in the air, the administration has taken steps to reform debt relief programs that already exist. The Department of Education revamped the Public Service Loan Forgiveness (PSLF) program, which was started under the Bush administration in 2007. The program is designed to reduce student debt for graduates who go on to work in a range of government, nonprofit and healthcare jobs; see below for a list and more details.

Announced last October, the new rules include a limited requirement-waiver that allows eligible borrowers to have payments that were previously excluded counted toward loan forgiveness. The waiver ends October 31 of this year. To see if you qualify, go to studentaid.gov/pslf/ to use the PSLF Help Tool, which will generate the form you need. And make sure to have your old W-2 forms on hand. To see if your employers—past and present—qualify as an eligible or ineligible employer you will have to enter the employer's tax identification number which is in box b of your W-2. For more information on the tool and how to use it, go to studentaid.gov/articles/become-a-pslf-help-tool-ninja/.

The waiver seems to have worked as it's supposed to for at least one now-former debtor. Ricardo Maldonado of New York City recently tweeted how roughly \$139,000 worth of his federal student loans (connected to a graduate degree) was forgiven thanks to the PSLF

waiver. Maldonado applied for forgiveness back in November 2021. After applying he got letters updating him about the process and received official notice of forgiveness on May 31, 2022.

Maldonado says that the PSLF form was easy to manage for himself thanks to having one employer for the past 15 years, but more importantly “[It] was useful seeing folks say that [forgiveness] was possible,” he said via a direct message on Twitter.

What Went Wrong with Public Service Loan Forgiveness?

People with student loans who work in qualifying non-profit or government jobs may have their loans forgiven after ten years of qualifying payments to a qualifying loan program. These payments may be adjusted in consideration of the borrowers’ income level.

The first borrowers would have been eligible for forgiveness in October 2017 (remember, the program was launched in 2007). But four months before that, the Consumer Financial Protection Bureau reported problems: “Borrowers report that servicers delay or deny access to loan forgiveness through wrong information about their loans, flawed payment processing, and bungled job certifications.”

One major complication involves how federal student loans originated. Prior to 2010, federally backed student loans were issued by financial institutions and not directly by the federal government. PSLF applies only to direct student loans, or those issued by the federal government. Earlier loans could be consolidated into direct loans, and payments made after that consolidation would apply toward PSLF.

Who Qualifies for Public Service Loan Forgiveness?

The PSLF program covers a wide range of jobs, including virtually all direct government employment (whether federal, state, local or tribal). Many jobs at nonprofits as well as public health work also qualify. Some exceptions include Labor unions or partisan political organizations. Members of Congress are also specifically excluded. The program also has provisions that work must be full time (at least 30 hours a week), though this can be through multiple jobs with qualified employers.

Positions include:

- Public school employees
- Emergency management
- Military service: service on behalf of the U.S. armed forces or the National Guard
- Public safety
- Law enforcement: crime prevention, control or reduction of crime, or the enforcement of criminal law
- Public interest law services: legal services provided by an organization that is funded in whole or in part by a local, state, federal, or tribal government
- Early childhood education including licensed or regulated child care, Head Start, and state-funded prekindergarten
- Public service for individuals with disabilities and the elderly
- Public health including:
 - Nurses
 - Nurse practitioners
 - Nurses in a clinical setting

- Full-time professionals engaged in health care practitioner occupations, health support occupations, and counselors, social workers, and other community and social service specialist occupations as such terms are defined by the Bureau of Labor Statistics
- Public library services
- School library or other school-based services

More detail is available

at: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions>.

NYSUT NOTE: Interested in student loan forgiveness and other repayment options? Check out the NYSUT Member Benefits Corporation-endorsed Cambridge Credit Counseling program. This program helps NYSUT members better understand their student loan re-payment options like student loan forgiveness programs, income-based repayment plans and more. [Click here](#) for more information and a free, no obligation consultation with one of Cambridge's nationally-certified counselors.

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