



Colorado Student Loan Lawyers
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FEDERAL PUBLIC SERVICE LOAN FORGIVENESS [PSLF] HIGHLIGHTS

So what are the PSLF requirements? What do you have to do to qualify to get your student loans balance forgiven?

Number 1: You have to work or have worked for a **qualified employer** like a **government** [local, state, federal or tribal] like a public school or a police department or a fire department or government agency **OR ANY 501(c)(3) non-profit** [many types!!]. You can have a mixed set of eligible employers with employment or payment gaps as long as you have 120 timely payments when you apply for PSLF.

- Government organizations at any level (federal, state, local, or tribal)
- Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
- Other types of not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code, if their primary purpose is to provide certain types of qualifying public services
- Serving as a full-time AmeriCorps or Peace Corps volunteer

Number 2: You have to work or have worked full-time for qualified employer(s) and the minimum total to be a **full-time eligible employee is 30 hours per week**. So you can have 2 part-time qualifying jobs equal 30+ hours and be eligible.

Number 3: You will have to have worked for **one or more qualified employer(s) for ten years TOTAL** after October, 2007.

Number 4: You have to be **current and not in default on your federal student loans payments for a payment to count**. Payments made while in default do not count.

Number 5: You have to have a federal student loan type that's qualified for this program. **ONLY DIRECT loans count** – not FFEL or Perkins or Parent Plus or other types and no private student loans count. **But if you have an ineligible federal student loan you may be able to convert it to an eligible type!**

NOTE: Federal Family Education Loan (FFEL) Program or the Federal Perkins Loan (Perkins Loan) Program. Loans from these programs do not qualify for PSLF, but they may become eligible if you consolidate them into a Direct Consolidation Loan. However, only qualifying payments that you make on the new Direct Consolidation Loan can be counted toward the 120 payments required for PSLF. Any payments you made on the FFEL Program loans or Perkins Loans before you consolidated them don't count.

BUT -- it's important to understand that if you consolidate your existing Direct Loans with the other loans, you will lose credit for any qualifying PSLF payments you made on your Direct

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Loans before they were consolidated. In this situation, you may want to leave your existing Direct Loans out of the consolidation and consolidate only your other federal student loans.

Number 6: Your 120 payments you use to apply must have been made while you were in a qualifying repayment program.

Qualifying repayment plans include all of the income-driven repayment plans [ICR, IBR, PAYE, REPAYE]

- Even though the 10-year Standard Repayment Plan is also a qualifying repayment plan for PSLF, you cannot receive PSLF unless you enter an income-driven repayment plan. Here's why: If you are in repayment on the 10-year Standard Repayment Plan during the entire time you are working toward PSLF, you will have no remaining balance left to forgive after you have made 120 qualifying PSLF payments. Therefore, if you are seeking PSLF and are not already repaying under an income-driven repayment plan, you should change to an income-driven repayment plan as soon as possible.
- It's important to understand that the Standard Repayment Plan for Direct Consolidation Loans is not the same repayment plan as the 10-Year Standard Repayment Plan, and payments made under the Standard Repayment Plan for Direct Consolidation Loans do not usually qualify for PSLF purposes.

And number 7: You have to apply to federal student loan Servicer, FedLoan, for forgiveness,

And for those who have not yet made 10 years [which is 120 months] of eligible payments, you can submit paperwork to verify that your past payments qualify and calculate how many more payments you need to make the required 120 and apply for forgiveness in 2018 or later.