

# Public Service Loan Forgiveness

What you need to know to take advantage of the new Limited Waiver | Dec. 2021



# Disclaimer

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*This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.*

# Today's Discussion

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Who is the CFPB?

What is PSLF?

Temporary changes to PSLF: Limited Waiver  
Opportunity

How do I qualify for PSLF Limited Waiver?

Additional Resources

Wrap Up



# About the CFPB

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The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

# Consumer education seeks to prevent harm

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We serve the general public and focus on special populations:

- Servicemembers, veterans, and their families
- Older Americans, their families and caregivers
- Traditionally underserved and economically vulnerable consumers
- **Students and young consumers:** Educate and engage students to help students navigate financial products and services and avoid student loan default or other negative financial events

## Why was Public Service Loan Forgiveness (PSLF) established?

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- The program is intended to encourage individuals to pursue public service careers
  - Certain borrowers who work in public service are likely to face substantial financial hardship, and may be unable to repay their loans over the standard 10-year period
- Designed to ensure public service workers could satisfy their student debt over the standard period of time

# What is PSLF?

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It's a federal program that offers loan forgiveness for borrowers who:

- Has qualifying loans;
- Make 120 on-time, in full monthly payments;
  - While working full-time for an eligible public service employer or non-profit organization; and
- Complete the application process.

# Qualifying Loans

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- ONLY Direct Loans are eligible for PSLF
  - No private student loans
  - No refinanced student loans
  - No spousal consolidation loans
  
- You must consolidate certain types of loans to make them PSLF eligible Direct Loans
  - FFELP or Perkins loans
  - Traditionally, you will lose progress made towards PSLF if you consolidate. PSLF Limited Waiver allows you to keep credit for past payments when you consolidate.
  - Parent PLUS loans can qualify for PSLF if consolidated into a Direct Consolidation Loan
  
- Consolidate your loan(s) at:  
<https://studentaid.gov/app/launchConsolidation.action>



# Temporary changes to PSLF: Limited Waiver

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- On Oct. 6, 2021, the U.S. Department of Education announced a change to PSLF program rules for a limited time.
- **Through October 31, 2022**, you may now receive credit for past payments that would not otherwise qualify for PSLF.
- You must act before October 31, 2022, to receive credit, even if you will not have made 120 payment by October 31, 2022.

# PSLF Limited Waiver

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## Under the limited waiver:

- Any prior payment will count as a qualifying payment
  - Does not matter the type of loan, repayment plan, or whether the payment was made in full or on-time
- You can receive forgiveness even if you are not working at a qualifying employer at the time of application and forgiveness.
- This is a limited time opportunity and it expires Oct. 31, 2022.
- Next steps depend on what type of loans you have. Any next steps must be taken by the deadline to take advantage of this limited opportunity.
  - *Tip: Find out what type of loans you have through [studentaid.gov](https://studentaid.gov)*

# To be eligible for the Waiver, you must work or have worked in a qualifying job.

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You must work full-time for a qualified employer when making your qualifying payments

It matters where you work, not what you do!

## Full-time

- May include multiple qualifying part-time jobs averaging 30+ hrs./week

## Qualifying Employers

- Federal, state, tribal, local gov't
- Military service
- Certain non-profits, including 501(c)(3) or if your employer provides certain types of qualifying public services



# Make sure your payments count

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All payments made after Oct. 1, 2007, count if you apply for the limited waiver by October 31, 2022. They do NOT have to be consecutive.

Check your payment tally at [www.studentaid.gov/pslf!](http://www.studentaid.gov/pslf)

## Keep proof of payment

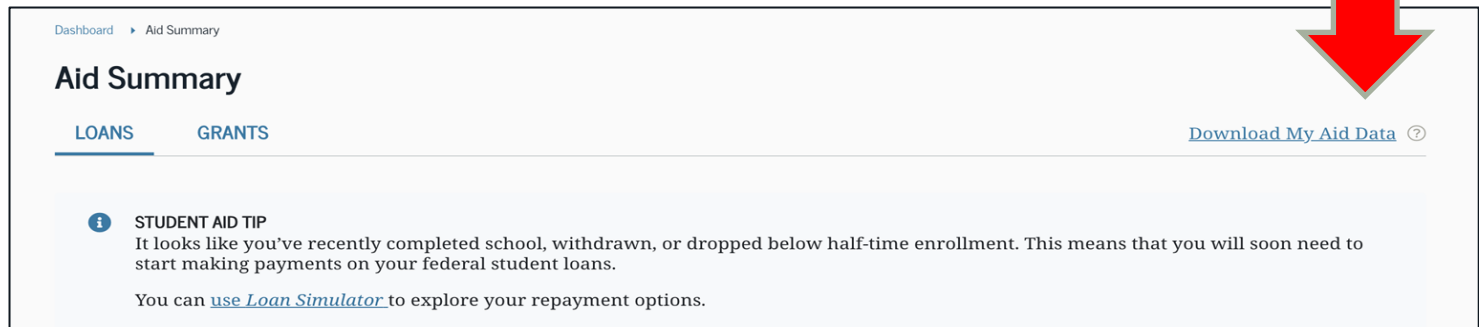
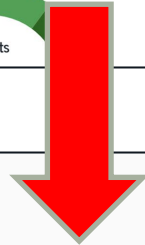
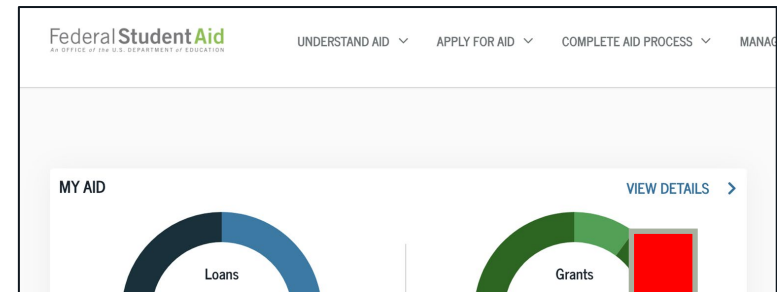
- Email or PDF confirmation received when you make a payment
- Monthly statements

## Call if your count is different

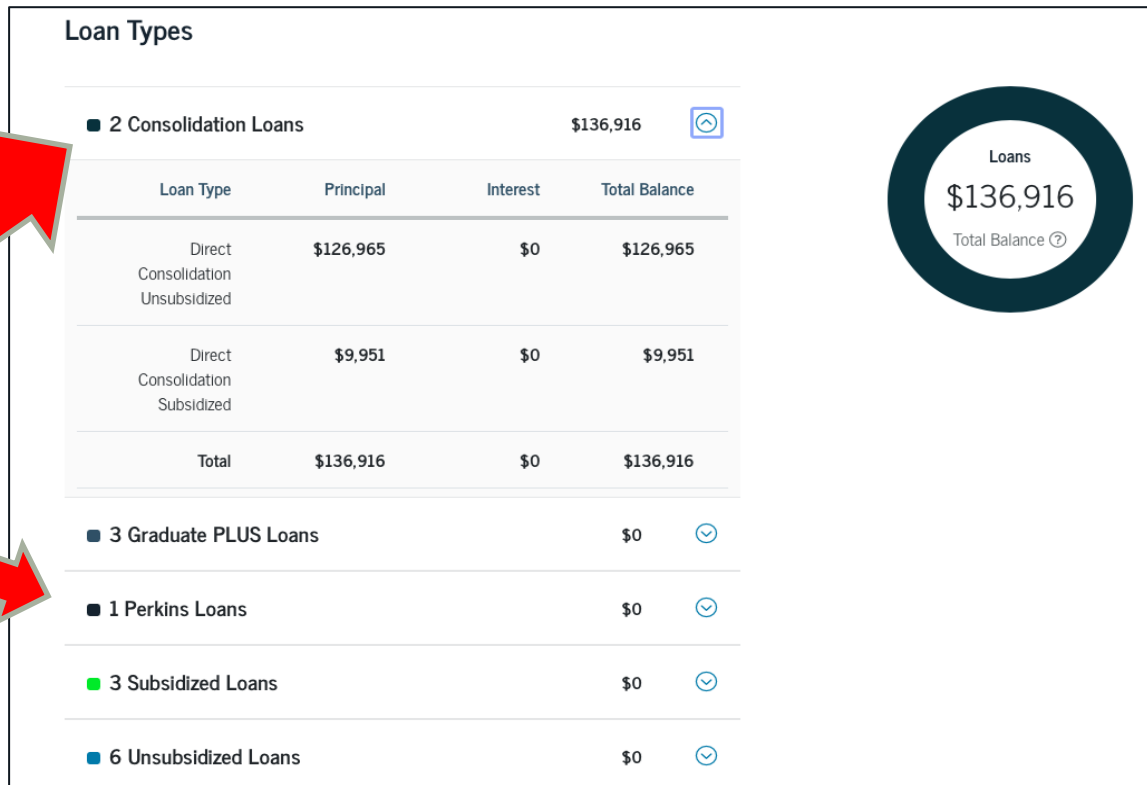
- Reach out to your servicer if the official tally doesn't match your count
- You can also submit a complaint to the CFPB at [consumerfinance.gov/complaint](http://consumerfinance.gov/complaint)

# What type of loans do you have?

- Step 1: Log into studentaid.gov
- Step 2: Under “My Aid,” select “View Details”
- Step 3: Select “Download My Aid Data



# What type of loans do you have?



# How do I qualify if I have Direct Loans?

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## Already submitted a PSLF form?

- If you have previously submitted a PSLF form for all your qualifying employment, set a reminder to submit an updated PSLF form each year to verify that you are still on track

## Need to fill out a PSLF form?

- If you have NOT completed a PSLF form, to go <https://studentaid.gov/pslf/> to fill out the form
- If you have multiple periods of qualifying employment, fill out a PSLF form for each qualifying employer
- Submit the form(s) by Oct. 31, 2022, to receive credit for past payments towards PSLF

# How do I qualify if I have other Federal loans?

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- If you have at least one FFEL Program loan, Perkins Loan, or other federal student loans, request to **consolidate your loans** to receive credit towards loan forgiveness for those loans by Oct. 31, 2022.
  - Consolidation Application available here:  
<https://studentaid.gov/app/launchConsolidation.action>
- You must submit a Direct Consolidation Loan application by Oct. 31, 2022, to receive credit for past payments through this waiver.
- Use the PSLF Help Tool at <https://studentaid.gov/pslf/> to fill out the form and submit by Oct. 31, 2022.



# Mass Loan Forgiveness

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- On August 24, 2022, the Biden administration announced loan forgiveness.
  - \$10,000 vs \$20,000
  - Income Cap
  - Type of Loan
  - Application Process

## Subscriptions

**Please select the topics below that interest you.**

Email Address \*

name@example.com

NEW!! Federal Student Loan Borrower Updates

# Frequently Asked Questions

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- Does COVID forbearance time count as a qualifying payment?
  - Yes, payments postponed due to the CARES Act since March 13, 2020, on Direct Loans will count towards PSLF even though a payment was not made.
- Do \$0 payments on an IDR plan count towards PSLF?
  - Yes, \$0 payments are still considered on-time, in-full payments towards PSLF.
- Is there a limit on how much can be forgiven through PSLF?
  - No, any amount that you still owe after meeting PSLF requirements will be forgiven.
- Do you need to submit a PSLF form for each of my previous employers?
  - Yes, you need to submit a PSLF form for each qualifying employer for which you want to receive PSLF credit.

# Frequently Asked Questions

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- If I have already received PSLF forgiveness, will I receive a refund through the Limited Waiver?
  - No, if you received forgiveness prior to the waiver, you will not receive a refund. However, if you received forgiveness through the limited waiver, you may receive a refund of additional payments you received credit for.
- Do I have to be employed at a qualified employer at the time I receive forgiveness?
  - No. While you do have to be employed at a qualified employer for 120 on-time payments, you do not have to be employed at a qualified employer at the moment you apply for forgiveness or when you receive forgiveness.
- What if I can't get a previous employer to sign the PSLF form?
  - When submitting a PSLF form online, you will be prompted to provide the Department of Education with more information. They may ask for additional paperwork, such as pay stubs or W2s, but you can still receive credit for employers that will not sign your form.

# Want to learn more? Check out our guides

## Tailored guides for:

- Public service employees,
- Servicemembers and Veterans
- Peace Corps volunteers
- AmeriCorps members
- First responders, and
- Teachers

## Public service loan forgiveness

Public service organizations can help student loan borrowers who are serving their communities but may be struggling to pay their loans. We have tools and resources to help you navigate through the public service loan forgiveness process.

### Guides for public service employees

Share these guides with your employees. We also have tips for your employees to [make sure they are on track for loan forgiveness](#).

DESCRIPTION	ACTIONS
Servicemembers	<a href="#">Download PDF</a>
Peace Corps volunteers	<a href="#">Download PDF</a>
AmeriCorps volunteers	<a href="#">Download PDF</a>
First responders Includes firefighters, police officers, nurses, and other emergency service employees.	<a href="#">Download PDF</a>
Teachers	<a href="#">Download PDF</a>
Other public service employees Includes employees of any state, local, or tribal government, and of certain nonprofit agencies.	<a href="#">Download PDF</a>

[www.consumerfinance.gov/consumer-tools/educator-tools/students/loan-forgiveness/](http://www.consumerfinance.gov/consumer-tools/educator-tools/students/loan-forgiveness/)

# Resources for additional help

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- Visit Department of Education's FAQs on the PSLF Limited Waiver at <https://studentaid.gov/announcements-events/pslf-limited-waiver>
- Use the Department of Education's PSLF Help tool at <https://studentaid.gov/pslf/>
- Want to consolidate your loans? Visit the Department of Education's application at <https://studentaid.gov/app/launchConsolidation.action>
- Need additional help? Contact your student loan servicer for additional questions.
- Run into a problem?
  - Contact the FSA Ombudsman Group: <https://studentaid.gov/feedback-ombudsman/disputes/prepare>
  - Submit a complaint to the CFPB: [www.consumerfinance.gov/complaint](http://www.consumerfinance.gov/complaint)

# A new resource for student loan borrowers

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## Financial inTuition Podcast

Learn tips and strategies on how to make more informed financial decisions around managing money, saving and paying for higher education, and repaying student loan debt.



<https://www.consumerfinance.gov/practitioner-resources/students/financial-intuition/>

# Thank you!

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Join our mailing list: <https://www.consumerfinance.gov/consumer-tools/educator-tools/students/signup/>