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If you work full-time in a public service job, you may qualify for Public Service **Loan Forgiveness**.

Learn more and see if you qualify.

The information below describes the Public Service **Loan Forgiveness** Program (PSLF). It includes the eligibility requirements and the process for tracking your progress toward qualifying for PSLF. This information can also be found in the [PSLF Fact Sheet](#) and the [Dear Borrower Letter](#), which can be downloaded and printed.

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NEW: On January 31, 2012, the U.S. Department of Education released an Employment Certification Package to help borrowers track their progress toward qualifying for PSLF. The PSLF Employment Certification Package includes:

- [Dear Borrower Letter](#)
- [Instructions for Completing Employment Certification for Public Service Loan Forgiveness](#)
- [Employment Certification for Public Service Loan Forgiveness](#)

UPDATED: PSLF Resources

- [Fact Sheet](#)
- [Q&As](#)

What is the Public Service Loan Forgiveness Program?

In 2007, Congress created the Public Service Loan Forgiveness Program to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance due on their eligible federal student loans after they have made 120 payments on those loans under certain repayment plans while employed full time by certain public service employers.

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What must I do to have any remaining balances on my Direct Loans forgiven under the PSLF Program?

- You must make 120 on-time, full, scheduled, monthly payments on your Direct Loans. Only payments made after October 1, 2007 qualify.
- You must make those payments under a qualifying repayment plan.
- When you make each of those payments, you must be working full-time at a qualifying public service organization.

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What loans are eligible for forgiveness?

Only loans you received under the William D. Ford Federal Direct Loan (Direct Loan) Program are eligible for PSLF. Loans you received under the **Federal Family Education Loan (FFEL) Program**, the Perkins Loan Program, or any other student loan program are not eligible for PSLF.

If you have FFEL and/or Perkins loans, you may consolidate them into a **Direct Consolidation Loan** to take advantage of PSLF. However, only payments you make on the new Direct Consolidation Loan will count toward the 120-month payment requirement for PSLF. Payments made on your FFEL or Perkins loans, even if they were made under a qualifying repayment plan, do not count as qualifying PSLF payments.

If you are interested in consolidating your FFEL or Perkins loans into a Direct Consolidation Loan, please visit www.loanconsolidation.ed.gov for more information and an electronic application. If you do not know what type of loans you have, please visit www.nsls.ed.gov.

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What are on-time, full, scheduled, monthly payments?

On-time payments are those that are received by your Direct **Loan servicer** no later than 15 days after the scheduled payment due date.

Full payments are payments on your Direct Loan in an amount that equals or exceeds the amount you are required to pay each month under your Direct Loan repayment schedule. If you make a payment for a month that is less than what you are required to pay for that month, that month's payment will not count as one of the required 120 monthly payments. If you make multiple, partial payments in a month and the total of those partial payments equals or exceeds the required full monthly payment amount, those payments will count as only one qualifying payment.

Scheduled payments are those that are made under a qualifying repayment plan after your servicer has billed you for the month's payment. They do not include payments made while your loans are in an in-school or grace status or in a **deferment** or **forbearance** period.

You must make separate monthly payments. Lump sum payments or payments you make as advance payments for future months are not qualifying payments. There are special rules on lump sum payments for borrowers whose public service employment is with AmeriCorps or the Peace Corps.

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What is a qualifying repayment plan?

To maximize your PSLF benefit, you should repay your loans on the [Income-Based Repayment \(IBR\) Plan](#) or the [Income-Contingent Repayment \(ICR\) Plan](#), which are two of the repayment plans that qualify for PSLF.

Other PSLF-qualifying repayment plans are the [10-year Standard Repayment Plan](#) or any other repayment plan where your monthly payment amount equals or exceeds what you would pay under a 10-year Standard Repayment Plan.

Before deciding which repayment plan you want to use to repay your Direct Loans, it is important that you understand the implications and costs of that decision. The longer you make PSLF-qualifying payments under a 10-Year Standard Repayment Plan, the lower the remaining balance on your loans will be when you meet all of the PSLF Program's eligibility requirements. In fact, if you make all of the required 120 monthly payments under the 10-Year Standard Repayment Plan, there will be no balance left on your loans to be forgiven.

Under the IBR and ICR plans, your monthly payment amount will likely be lower than under any of the other PSLF-qualifying repayment plans and your repayment period will likely be longer. Because of the longer repayment period, additional **interest** that will accrue on your loan, and the smaller monthly payment amount, you will be left with a higher loan balance that could be forgiven. However, if you ultimately do not meet the eligibility requirements for PSLF, you will be responsible for repaying the entire balance of your loan, including all accrued interest.

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What kinds of employment qualify?

Qualifying employment is any employment with a federal, state, or local government agency, entity, or organization or a non-profit organization that has been designated as tax-exempt by the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code (IRC). The type or nature of employment with the organization does not matter for PSLF purposes. Additionally, the type of services that these public service organizations provide does not matter for PSLF purposes.

A private non-profit employer that is not a tax-exempt organization under Section 501(c)(3) of the IRC may be a qualifying public service organization if it provides certain specified public services. These services include emergency management, military service, public safety, or law enforcement services; public health services; public education or public library services; school library and other school-based services; public interest law services; early childhood education; public service for individuals with disabilities and the elderly. The organization must not be a labor union or a partisan political organization.

Generally, the type or nature of employment with the organization does not matter for PSLF purposes. However, when determining full-time public service employment at a not-for-profit organization you may not include time spent participating in religious instruction, worship services, or any form of proselytizing.

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What is full-time employment?

You must meet your employer's definition of full-time. However, for PSLF purposes, that definition must be at least an annual average of 30 hours per week. For purposes of the full-time requirement, your qualifying employment at a not-for-profit organization does not include time spent participating in religious instruction, worship services, or any form of proselytizing.

If you are a teacher, or other employee of a public service organization, under contract for at least eight out of 12 months, you meet the full-time standard if you work an average of at least 30 hours per week during the contractual period and receive credit by your employer for a full year's worth of employment.

If you are employed in more than one qualifying part-time job simultaneously, you may meet the full-time employment requirement if you work a combined average of at least 30 hours per week with your employers.

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What does it mean that my 120 Direct Loan payments must be made while I am working full-time at certain public service organizations?

For a payment to count as one of the required 120 qualifying monthly payments, you must be a full-time employee at a qualifying public service organization on the date that your Direct Loan servicer receives your monthly Direct Loan payment.


In addition, you must be a full-time employee at a qualifying public service organization at the time you apply for PSLF Program loan forgiveness and at the time forgiveness is granted.

How can I keep track of my eligibility?

Because it will take at least 10 years for you to make the 120 qualifying payments necessary to receive PSLF, we have created a [form](#) that you should submit to us and a process that you should follow so that we can assist you in tracking your periods of qualifying employment and your qualifying payments.

The form allows you to get your employer's certification of employment while you are still employed at that organization or shortly after leaving. The process allows you to receive confirmation of qualifying employment and your Direct Loan payment eligibility. You may also submit the form less frequently than annually to cover more than one year's employment or for more than one employer.

While use of this form and process is not required, if you want us to keep track of your progress toward meeting the PSLF eligibility requirements, you should follow the steps below. If you do not periodically submit the form, you will still be required to submit a form for each employer that you want considered for PSLF at the time that you apply for forgiveness.

- **Step 1** — Complete, with your employer's certification, the [Employment Certification for Public Service Loan Forgiveness](#) form (PSLF Employment Certification) annually or whenever you change jobs.
- **Step 2** — Submit the completed form to [FedLoan Servicing](#) , the PSLF servicer, following the [instructions on the form](#).
- **Step 3** — FedLoan Servicing will review your PSLF Employment Certification form, ensure that it is complete, and, based on the information provided by your employer, determine whether your employment is qualifying employment for the PSLF Program.
- **Step 4** — If the form you submit is incomplete or your employment does not qualify, FedLoan Servicing will notify you and you will have an opportunity to provide additional information.
- **Step 5** — If FedLoan Servicing cannot determine whether your employment qualifies, you may be asked to provide additional information or documentation to help establish whether you were employed by a qualifying public service organization. This documentation may include an IRS Form W-2, pay stubs, or other documents from your employer that substantiate your employment at the organization or documentation supporting your employer's eligibility as a public service organization.
- **Step 6** — If your employment qualifies and some or all of your federally held loans are not serviced by FedLoan Servicing, those loans will be transferred to FedLoan Servicing so you will have a single loan servicer for all of your federally held loans. After your loans are transferred, earlier payments made to other servicers will be evaluated to see whether they are qualifying PSLF payments.
- **Step 7** — FedLoan Servicing will notify you whether your employment qualifies, and, if so, how many payments during the certification period were qualifying payments, the total number of qualifying payments you have made, and how many payments you must still make before you can qualify for PSLF.

What should I do after I become eligible for PSLF?

After you make your 120th qualifying payment, you will need to submit the PSLF application to receive loan forgiveness. The

application is under development and will be available prior to the date when the first borrowers will be eligible for PSLF Program forgiveness, in October 2017. You must be working for a qualified public service organization at the time you submit the application for forgiveness and at the time the remaining balance on your loan is forgiven.

We look forward to working with you while you learn more about PSLF and work toward your goal of making 120 qualifying payments. If you have any more questions, look at the PSLF Fact Sheet and the Question & Answer Page for PSLF or contact your Direct Loan servicer. If you don't know who your loan servicer is, go to www.nslds.ed.gov to find out.

Resources



Loan Forgiveness for Public Service Employees

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Loan Forgiveness for Public Service Employees Common Questions

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Glossary

Loan Forgiveness

The cancellation of all or some portion of your remaining federal student loan balance. If your loan is forgiven, you are no longer responsible for repaying that remaining portion of the loan. ...

Federal Family Education Loan (FFEL) Program

Under this program, private lenders provided loans to students that were guaranteed by the federal government. These loans included Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford ...

Direct Consolidation Loan

A federal loan made by the U.S. Department of Education that allows you to combine one or more federal student loans into one new loan. As a result of consolidation, you will only have to make one ...

Consolidation

The process of combining one or more loans into a single new loan.

Loan Servicer

A company that collects payments on a loan, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a loan on behalf of a lender. If you're...

Deferment

A postponement of payment on a loan that is allowed under certain conditions and during which interest does not accrue for subsidized loans. Unsubsidized loans that are deferred will continue to ac...

Forbearance

A period during which your monthly loan payments are temporarily suspended or reduced. You may qualify for forbearance if you are willing but unable to make loan payments due to certain types of fi...

Interest

A loan expense charged for the use of borrowed money. Interest is paid by a borrower to a lender. The expense is calculated as a percentage of the unpaid principal amount of the loan.

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usa.gov

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