



Public Service Loan Forgiveness (PSLF): New Regulations and Limited-Time Opportunities

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Q&A and Upvoting



- This presentation is being recorded
- Copy of slides will be available
- Chat is disabled for participants - used only by panelists to share links & resources
- Participants are on mute
- Enter your questions using the Q&A and vote on questions you would like to have answered live
- ASL/CART services are available

Questions we will answer:



What is the PSLF program?

What is the student loan debt crisis?

How is Washington responding to this crisis?

What steps do I need to take to qualify for PSLF?

How do I apply for PSLF?

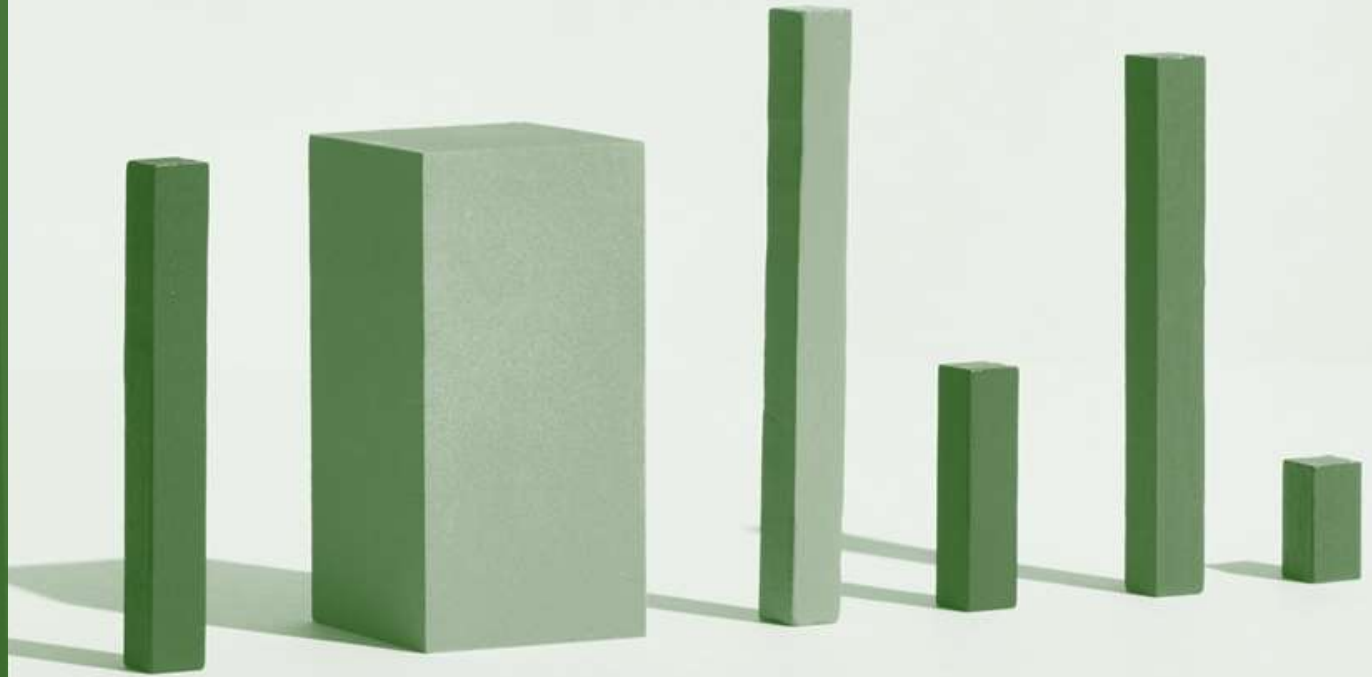
Where can I go to get help with my student loans?

What is the PSLF Program?

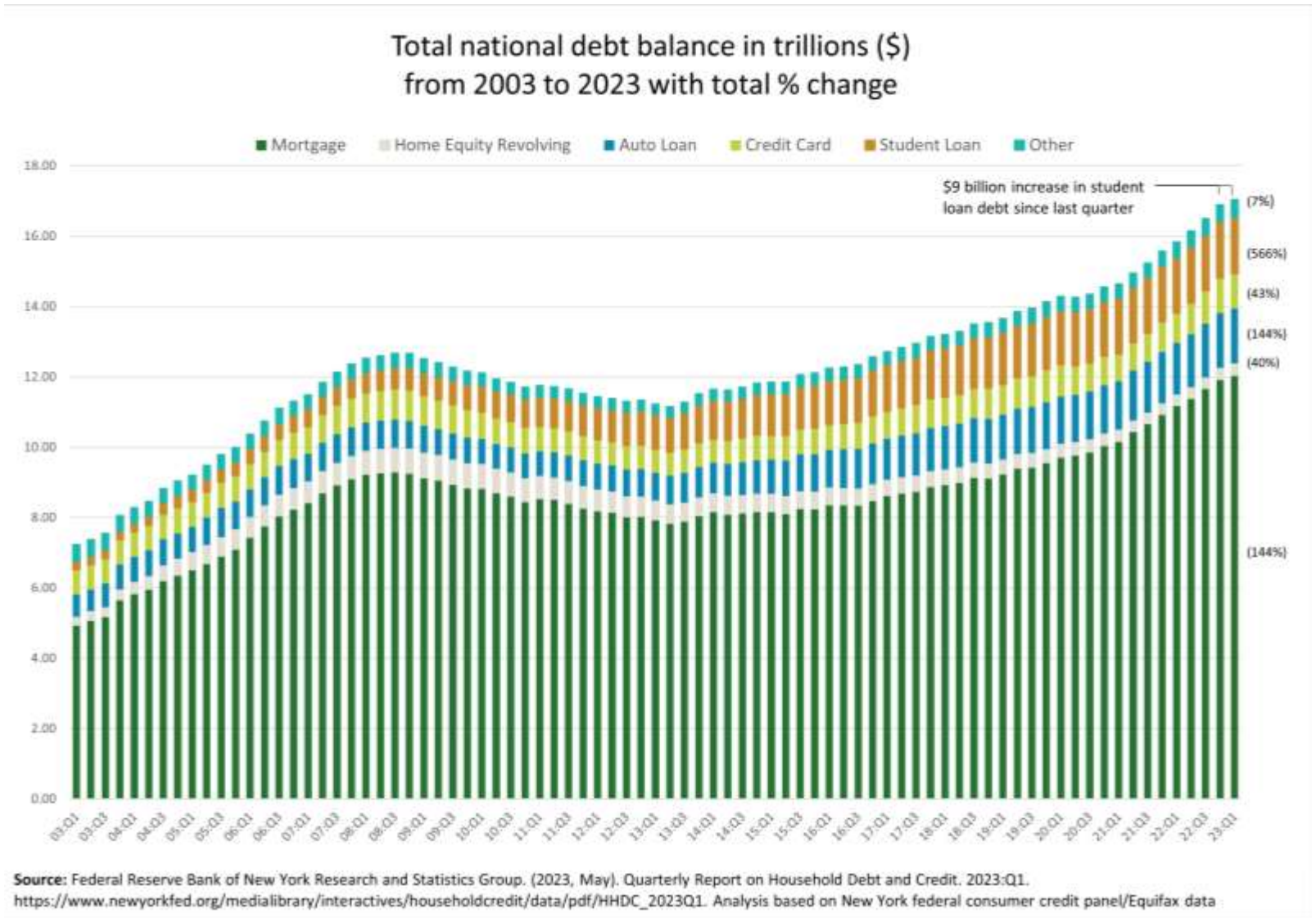
- Federal debt relief program overseen by U.S. Department of Education's Office of Federal Student Aid (FSA)
- Forgives balance on federal student loans after 10 years of public service employment while making qualifying payments



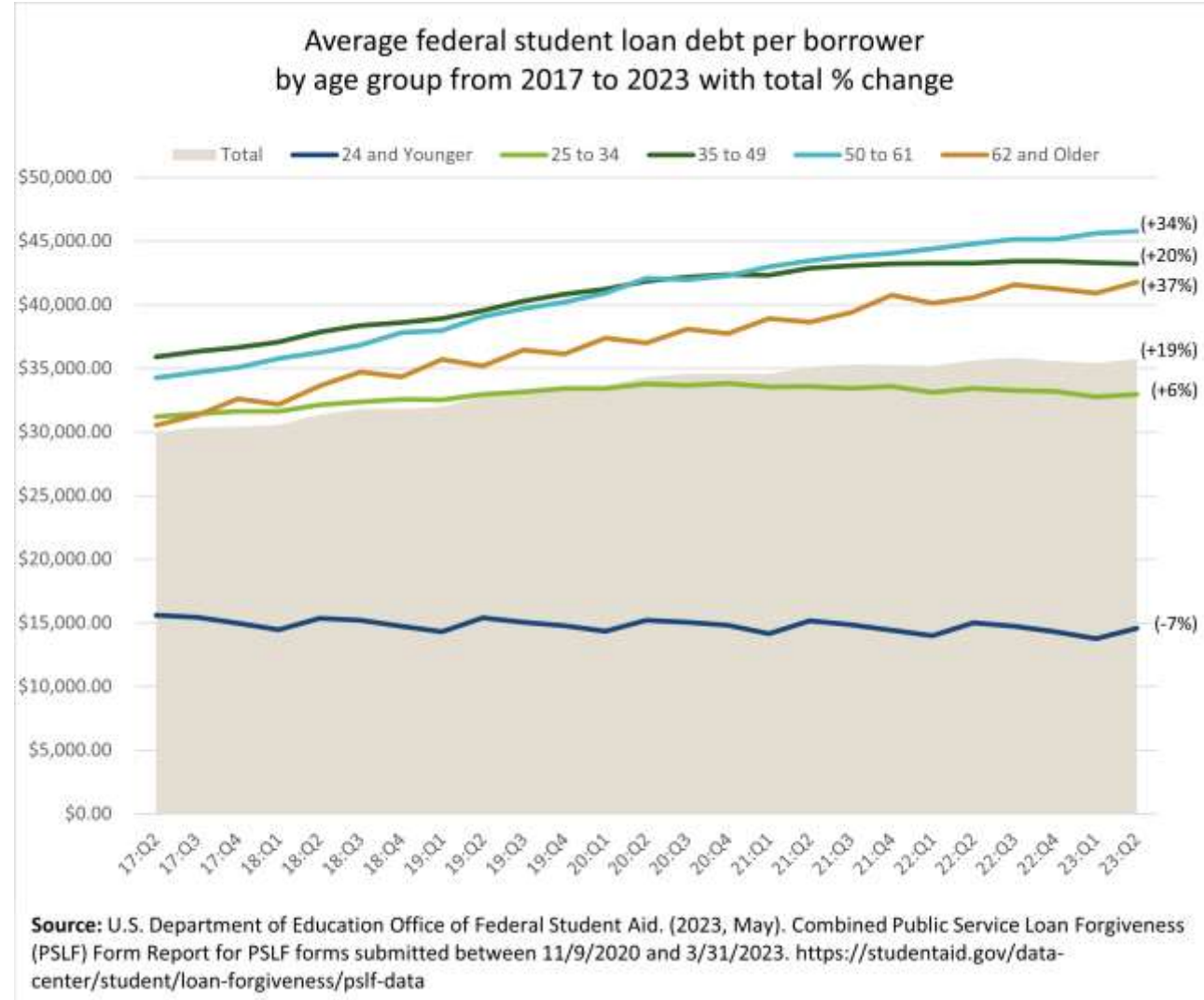
What is the
student loan
debt crisis?



Student loan debt is now the second largest household debt in the U.S.



There has been
a 37%
increase in
senior citizens
with student
loan debt.



Federal student loan debt in Washington

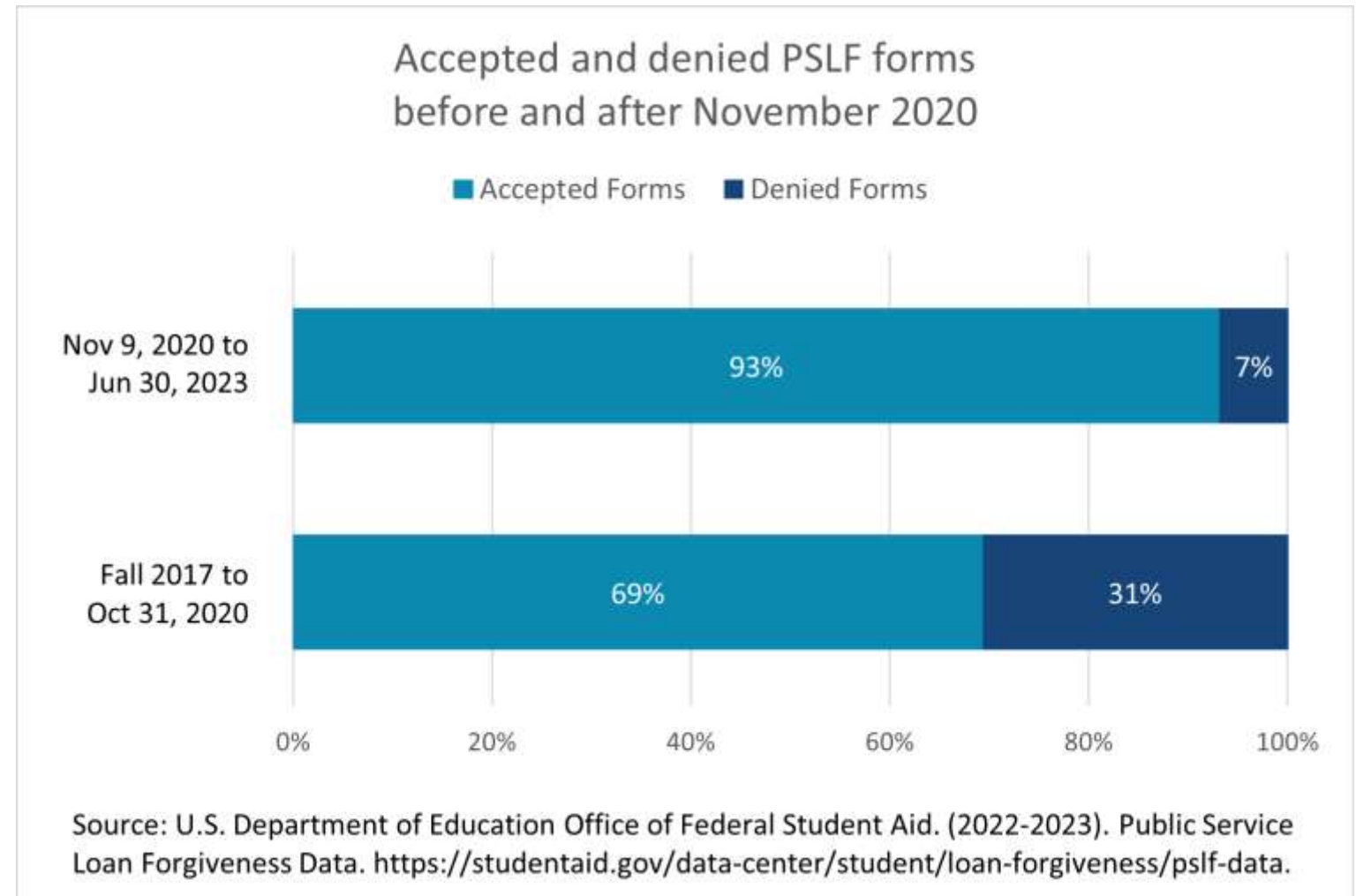


804,400
federal student loan
borrowers

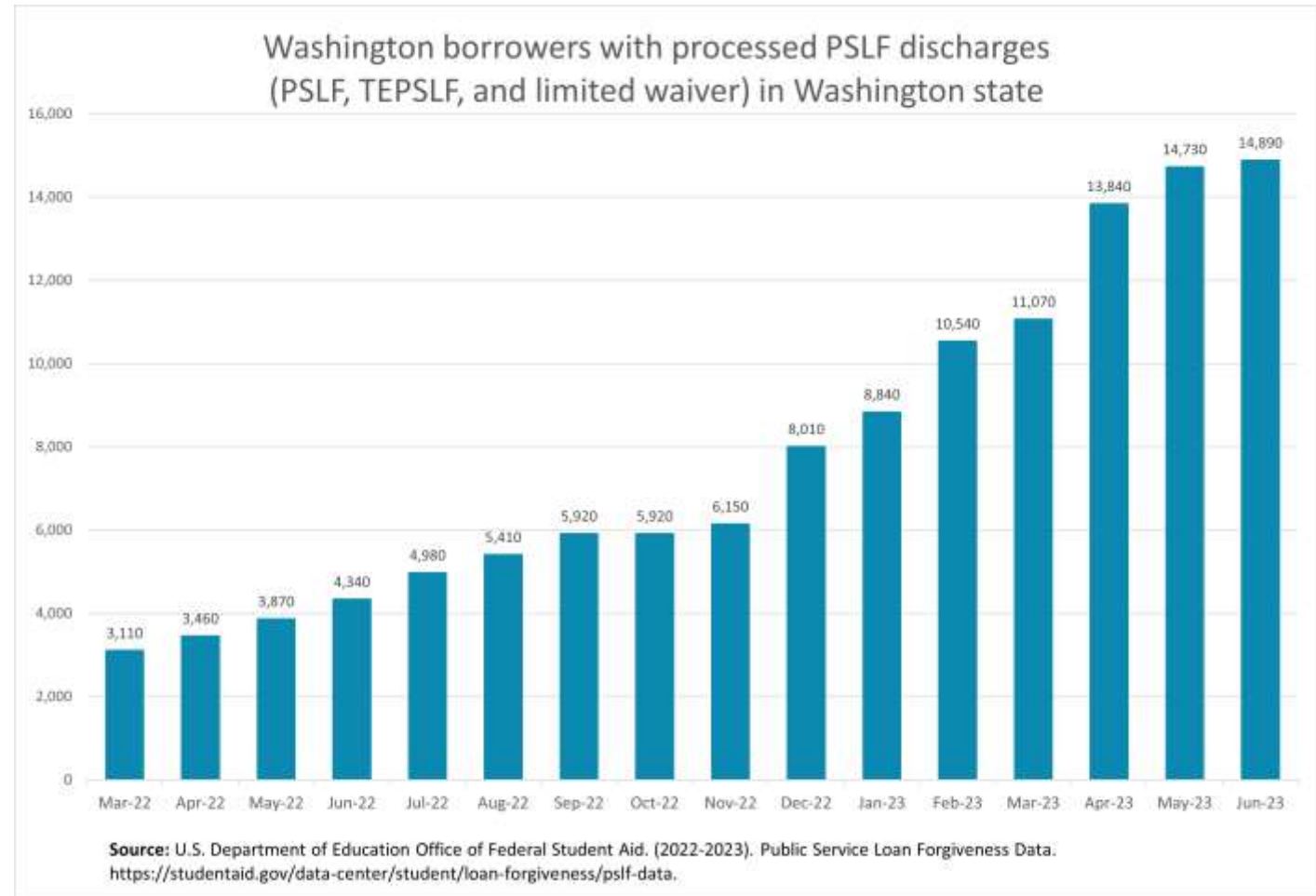
\$29.1 billion
outstanding student debt

\$36,176.03
average student debt

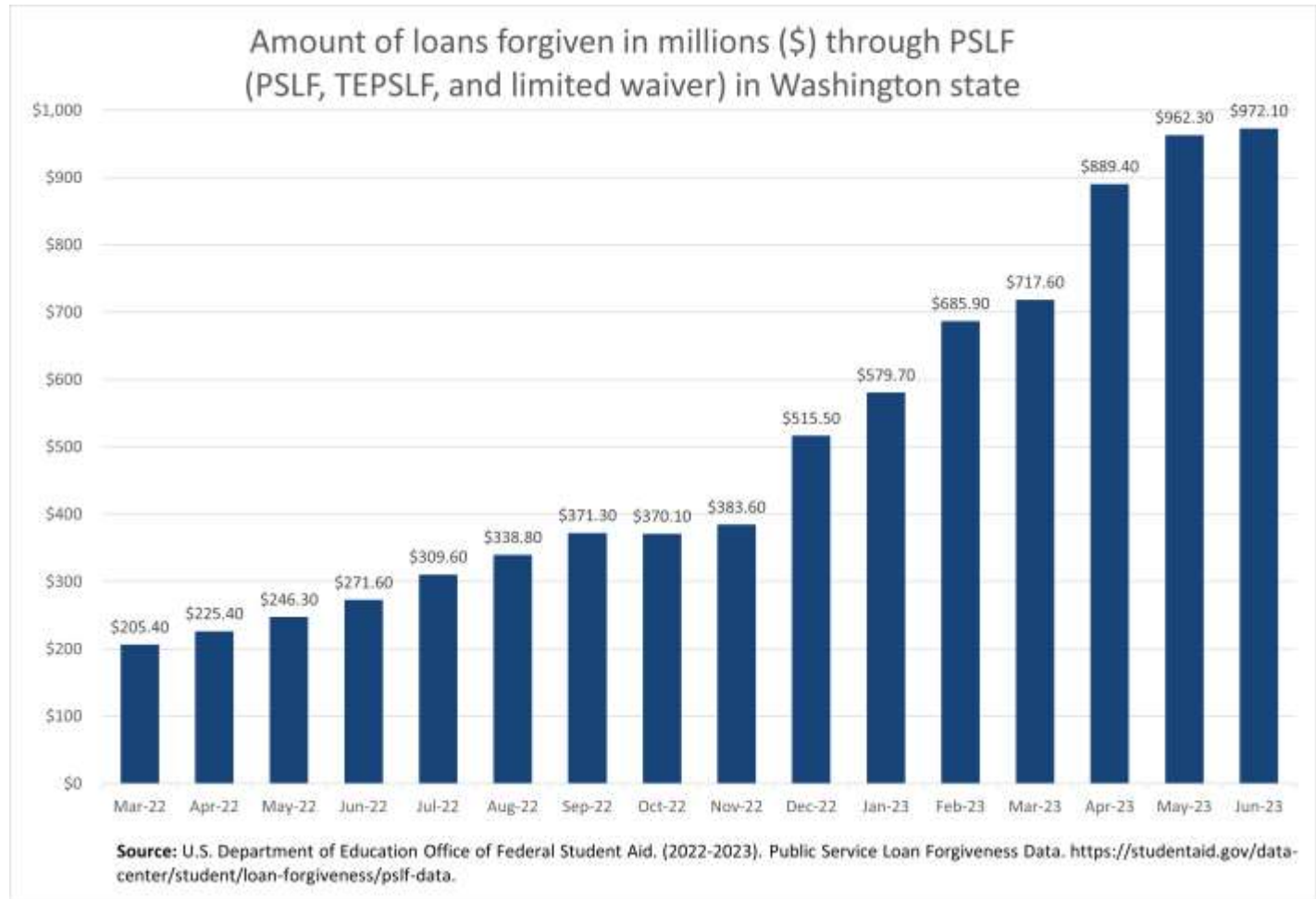
PSLF
acceptance
rates are
improving!



Washington borrowers are receiving student loan forgiveness!



Washington
borrowers are
receiving
student loan
forgiveness!



How is
Washington
addressing
the student
debt crisis?



Washington Student Loan Bill of Rights



- Student loan servicers must be licensed with DFI
- Schools must notify student borrowers about Student Loan Advocate
- Develop student borrower education course
- Borrowers may request information or resources or make a complaint to Advocate
- Advocate makes recommendations to legislature regarding student debt in Washington

Engrossed Senate Bill 6029

Washington PSLF legislation



Washington State PSLF Legislation (ESSB 5847)

- Student Loan Advocate developed PSLF awareness materials for qualifying public service employees
- OFM launched PSLF employment certification program
- Plan statewide initiative to raise awareness and remove barriers for all public service employees to access the PSLF program

Codified as [RCW 28B.77.009](#), [RCW 43.41.425](#), [RCW 41.04.045](#), and [RCW 41.04.055](#)



How can I
qualify for the
PSLF program?



To qualify for
PSLF you need
these 4 things



- 1 Right type of employment
- 2 Right type of loan
- 3 Right type of repayment plan
- 4 Right number of payments

Which employment qualifies for PSLF?



1

Qualifying employment



Full time

Directly employed
with public employer
(W2)

Average of 30+
hours/week

Multiple part-time
public service jobs =
30 hours+/week avg

Contractors **only** if job
is prohibited by state
law to be provided by
direct employees

Public employer(s)

Any level of
government

Nonprofit
organization

Employer more
important than role

Must be employed
when you apply

Nonprofit with other tax status

Military service
Public health services
Public education

Public library services
Early childhood ed.

Public interest law
Disability services

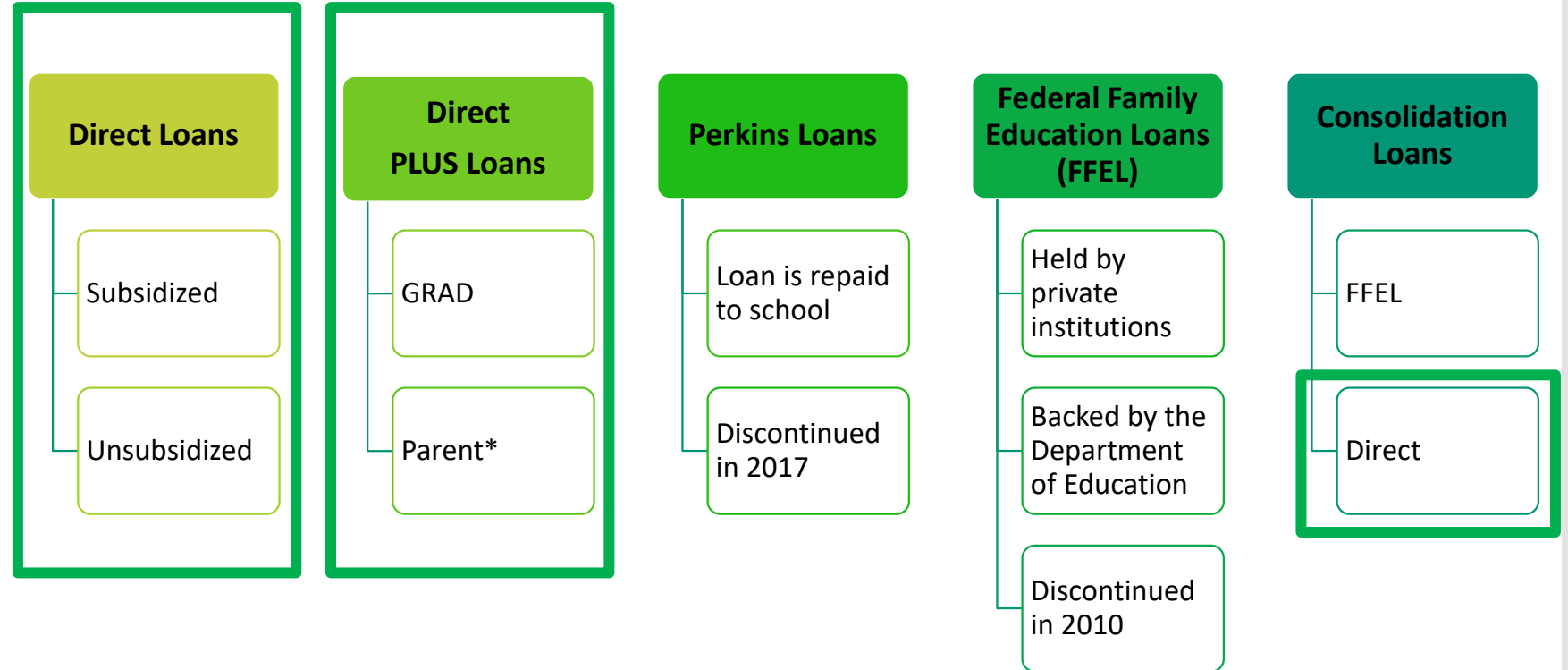
*No labor unions or
partisan political orgs*

Which loans qualify for PSLF?



2

Eligible federal student loans



*Direct Parent PLUS borrowers, while eligible for PSLF, are not eligible for any of the Income-Driven Repayment (IDR) plans. Parent PLUS borrowers need to consolidate into a Direct Consolidation loan to get access to IDR.

2

Apply to
consolidate
student loans
(if needed)



Need to be consolidated into a Direct Consolidation Loan to be eligible for PSLF:

Perkins Loans

Federal Family Education Loans (FFEL)

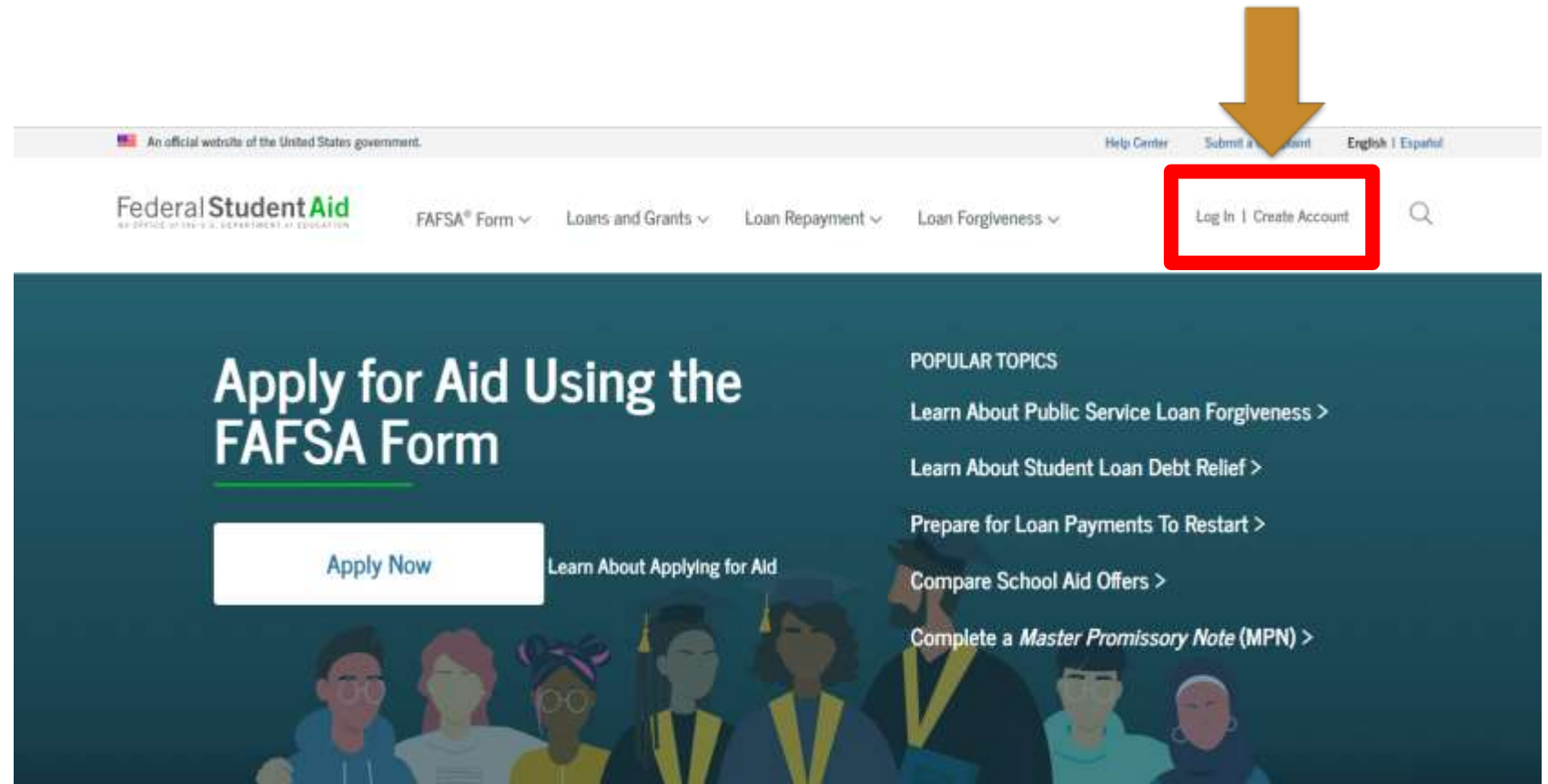
May need to be consolidated if you'd like to access an Income-Driven Repayment (IDR) plan:

Direct Parent PLUS

[How do I consolidate my loans? | Federal Student Aid](#)

2

Find your
federal student
loans on FSA
website



studentaid.gov

2

View your loan details



Dashboard

My Aid



- \$20,507
Principal ⓘ
- \$34
Interest ⓘ

[View Details](#)

Loan information as of 06/30/2023. [Learn how to download your aid data.](#)

My Activity

[View All Activity >](#)

Upcoming Payments

Servicer
Mohela

Due Date
9/30/23

[Pay on Servicer Website](#)

My Loan Servicers [View More >](#)

DEPT OF ED/MOHELA
www.mohela.com



2

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www.mohela.com



Which repayment
plans qualify for
PSLF?



3

Choose an eligible repayment plan



Repayment plans eligible for PSLF:

- **Any Income-Driven Repayment (IDR) plans:**
 - Income-Based Repayment (IBR)
 - Pay as You Earn (PAYE)
 - Saving on a Valuable Education (SAVE, formerly REPAYE)
 - Income-Contingent Repayment (ICR)
- **Non-Income dependent repayment plan:**
 - 10-year Standard Repayment plan
 - A limited amount of time on it is OK, but typically not a good strategy long-term

Repayment plans not eligible for PSLF:

- 30-year Standard Plan (for Consolidated Loans), Graduated and Extended Repayment plans

studentaid.gov/loan-simulator/

Which payments
count towards PSLF?



4

4

Make 120 qualifying payments



All 120 payments (about 10 years) **must** be:

- After October 1, 2007
- while under a qualifying repayment plan, and
- for the full amount due as shown on your bill; **or**
- when you are in one of the accepted types of deferments or forbearance at any time during that month.

All payments **are not** required to be:

- Made consecutively
- Made with one student loan servicer
- Made with one employer

Tip: Sign up for automatic debit payments with your loan servicer!

4

When can you make qualifying payments?



- You can only make a qualifying monthly payment during periods when you have a payment due
- You cannot make a qualifying monthly payment while your loans are in:
 - an in-school status,
 - a grace period,
 - certain types of deferment or forbearance.
- You can decline in-school deferment for older loans in some circumstances
 - Does not apply for the loans you are currently taking for current program you're pursuing

4

Which deferments & forbearances count towards PSLF?



**Cancer treatment
deferment**

**Economic hardship
deferment**

**Military service
deferment**

**Post-active-duty
deferment**

**AmeriCorps
forbearance**

**National Guard Duty
forbearance**

**Department of Defense
Student Loan
Repayment Program
forbearance**

**Administrative
forbearances due to
local or national
emergencies/military
mobilizations**

**Administrative
forbearances for
collecting supporting
documentation**

4

COVID-19 Administrative Forbearance



- This is **not** the same as a general forbearance you request from your servicer
- It is an administrative forbearance that was applied to Direct and other Dept. of Education-held loans
 - March 13, 2020 – August 31, 2023
 - Did **not** include commercially held-FFEL and Perkins loans
- Months during the payment pause **will count as qualifying payments for PSLF** if you were employed full-time at a qualifying PSLF employer
 - Applies even if you did **not** submit payments

New PSLF rules as of July 1, 2023



Defines full-time employment as an average 30 hours per week

Requires employers to credit adjunct/part-time faculty with 3.35 hours of work per credit hour taught

Allows qualifying employers to certify employment for contractors handling tasks prohibited to direct employees by State law

Includes certain deferment and forbearance periods in qualifying payment count

New PSLF rules as of July 1, 2023



Borrowers may now receive PSLF credit on payments that are made late, in installments, or in a lump sum

Borrowers will receive a weighted average of existing qualifying payments toward PSLF when they consolidate their Direct loans on or after January 1, 2024

“Buyback” available for certain forbearance and deferment periods

Formalized the reconsideration process for PSLF denials

How can I
apply for the
PSLF program?



Use the PSLF Help Tool



- Use the PSLF Help Tool to generate and submit PSLF form(s):
 - **NEW** DocuSign feature allows for digital signatures
 - Automatically submits form to MOHELA
- Remember to submit a PSLF form:
 - every year and
 - whenever you switch employers

Certify your employment



- Use the [PSLF Help Tool](#) to sign and submit PSLF forms. You'll need:
 - ☐ your employer's tax Employer ID (EIN),
 - ☐ dates of employment at your employer(s), and
 - ☐ your employer's PSLF Contact email address.
- Use the [PSLF Directory](#) to find this information for:
 - Washington state agencies
 - Washington public institutions of higher education

Wait for your PSLF application to be reviewed



- Once form is submitted and eligibility determined:
 - Loans are transferred to MOHELA
 - May take up to 90 days
- You may receive **multiple** letters/notices
 - Initial letters may not include all qualifying PSLF payments
 - Keep detailed records

[Check the status of your PSLF application](#)

Take advantage
of this
limited-time
opportunity!



What is the IDR Account Adjustment?



Certain periods of forbearance and/or deferment will convert to IDR payments for borrowers with:

- ✓ 12 or more consecutive months of forbearance
- ✓ 36 or more of total months of forbearance
- ✓ Months in economic hardship or military deferments after 2013
- ✓ Periods of deferment before 2013 (excluding in-school)

Any time spent in repayment will also convert into IDR payments.

Includes payments made prior to consolidation.

Excludes periods of bankruptcy or default.

Any borrowers with loans with eligible time in repayment of at least 20 or 25 years will see automatic forgiveness, even if they are not currently on an IDR plan.

What is the IDR Account Adjustment?



These additional IDR payments may count as PSLF qualifying payments if you worked for a qualifying public employer during that period

- Includes Direct Parent PLUS Loans

Loans that hit forgiveness thresholds have started to be forgiven this year.

- Final IDR/PSLF credits may not be applied until 2024

While most people will get the payment adjustment automatically, some may need to act before the end of 2023 to fully take advantage of this opportunity!

- Please watch [our recorded webinar on the IDR Account Adjustment/ IDR Recount](#) for more details.

Who may consider consolidating before the end of 2023?



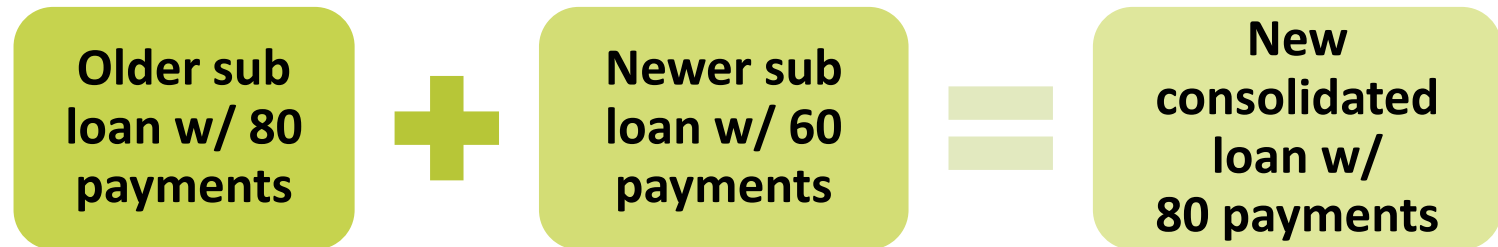
- You have commercially-held FFEL or Perkins Loans
- You have ED-held FFEL or Perkins but want to qualify for PSLF
- You have loans with different PSLF or IDR qualifying payments:
 - Example:
 - Undergraduate loans with 80 PSLF qualifying payments
 - Graduate loans with 60 PSLF qualifying payments

Why someone consider consolidating before the end of 2023?



- Apply to consolidate before December 31, 2023:
 - Retain 100% of your PSLF or IDR credit
 - PSLF counts temporarily reset to 0, but will be adjusted
 - Direct Consolidation loan will be credited with at least the same number of qualifying payments as your oldest loan.

Example:



- Apply to consolidate on or after January 1, 2024:
 - Newly consolidated loans will be credited with a weighted average of the qualifying payments you made to those Direct Loans.

What else
should I be
aware of?



What's happening at the federal level?



- One-Time Debt Relief has been blocked
- Fresh Start
- New Saving on a Valuable Education (SAVE) repayment plan (formerly REPAYE)
- Major servicer transfers :
 - FedLoan Servicing (PHEAA) → MOHELA
 - Navient → Aidvantage
 - Great Lakes → Nelnet
 - OSLA → Aidvantage
 - So Your Loan Was Transferred, What's Next? | FSA

When are student loan payments due?



- The student loan pause ended.
- Interest began accruing on September 1.
- Bills arriving now.
 - Payments due 21 days after you receive your bill.
- Likely long wait times for assistance from servicers.
 - Self-service as much as possible on your servicer's website or [StudentAid.gov](https://studentaid.gov)

Where can I
learn more?



Student Loan Advocate Resources



- Steps to Apply for PSLF, frequently asked questions, webinars, and more at the [Student Loan Advocate's PSLF webpage](#)
- [Subscribe for PSLF updates](#) from the Student Loan Advocate
- [Submit questions or complaints](#) to Student Loan Advocate
 - Make sure to select "Student Loan Questions and Complaints Form"
 - Currently, wait time for a response is about 4 weeks

Let us know how we're doing!

Please fill out a [survey](#) and help us continue providing resources for WA student borrowers.

