



PSLF Waiver 2.0: Get a Second Chance with the IDR Recount

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WASHINGTON
Student Loan
— **Advocate** —

Student debt in Washington



807,000+
federal student loan
borrowers

\$28.9 billion
outstanding student
debt

\$35,740
average student debt

98,214
borrowers
in delinquency

\$2.4 billion
in delinquency

36% increase
in senior citizens
w/debt

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

<https://lawfilesexternal.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/Senate/6029-S2.SL.pdf>

New WA state legislation



- SB 5847 requires ([RCW 41.04.045](#)):
 - The Office of the SLA to create materials to increase awareness of the PSLF program
 - A standardized letter for public employees
 - A detailed fact sheet
 - An FAQ sheet
 - The development of a program for state agencies to certify employment for PSLF
 - Develop statewide initiative to improve access and remove barriers to PSLF
- This information will be provided:
 - All employees annually
 - Newly hired employees within 30 days of starting
 - When employees leave their jobs

Federal Student Aid (FSA) ID



An official website of the United States government

Help Center Submit a Complaint English | Español

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾ Loans and Grants ▾ Loan Repayment ▾ Loan Forgiveness ▾

Log In | Create Account

Apply for Federal Student Loan Debt Relief

Apply Now

Learn About Debt Relief

POPULAR TOPICS

- Learn About Public Service Loan Forgiveness >
- Apply for Aid Using the FAFSA® Form >
- Complete a *Master Promissory Note* (MPN) >

www.studentaid.gov

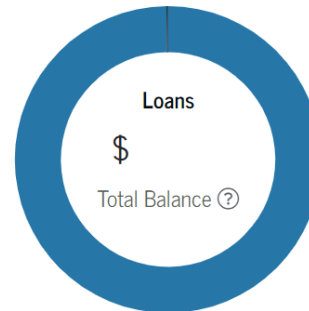
View your loan details



Dashboard

My Aid

[View Details >](#)



- \$ Principal ?
- \$ Interest ?

Loan information as of 10/31/2022

Checklists

Upcoming Payments

Servicer
Mohela

Due Date
1/30/23

[Pay on Servicer Website](#)

My Loan Servicers

[View Servicer Details >](#)

DEPT OF ED/MOHELA

www.mohela.com

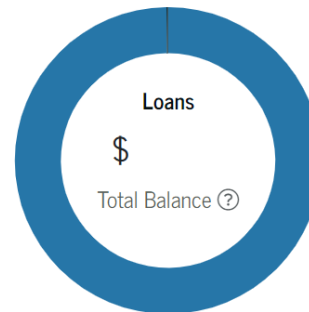


Find your loan servicer information



Dashboard

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DEPT OF ED/MOHELA

www.mohela.com



Federal loan servicers



**FedLoan
Servicing
(PHEAA)**

Great Lakes
Educational Loan
Services

Hesc/EdFinancial

MOHELA

Aidvantage

Nelnet

OSLA Servicing

Heartland ECSI

Federal loan servicers



Great Lakes
Educational Loan
Services

Hesc/EdFinancial

MOHELA

Aidvantage

Nelnet

OSLA Servicing

Heartland ECSI



(Normal) Public Service Loan Forgiveness (PSLF) Eligibility

Overview



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

1

Employment



Full time

30 hours/week

or “FT” by
employer definition

part-time public
service jobs = 30
hours+

Public employer(s)

Any level of
government

501c3 organization

Employer more
important than role

Must be employed
when apply &
forgiveness granted

*Org with another tax status (501c4)

Military service
Public health services
Public education

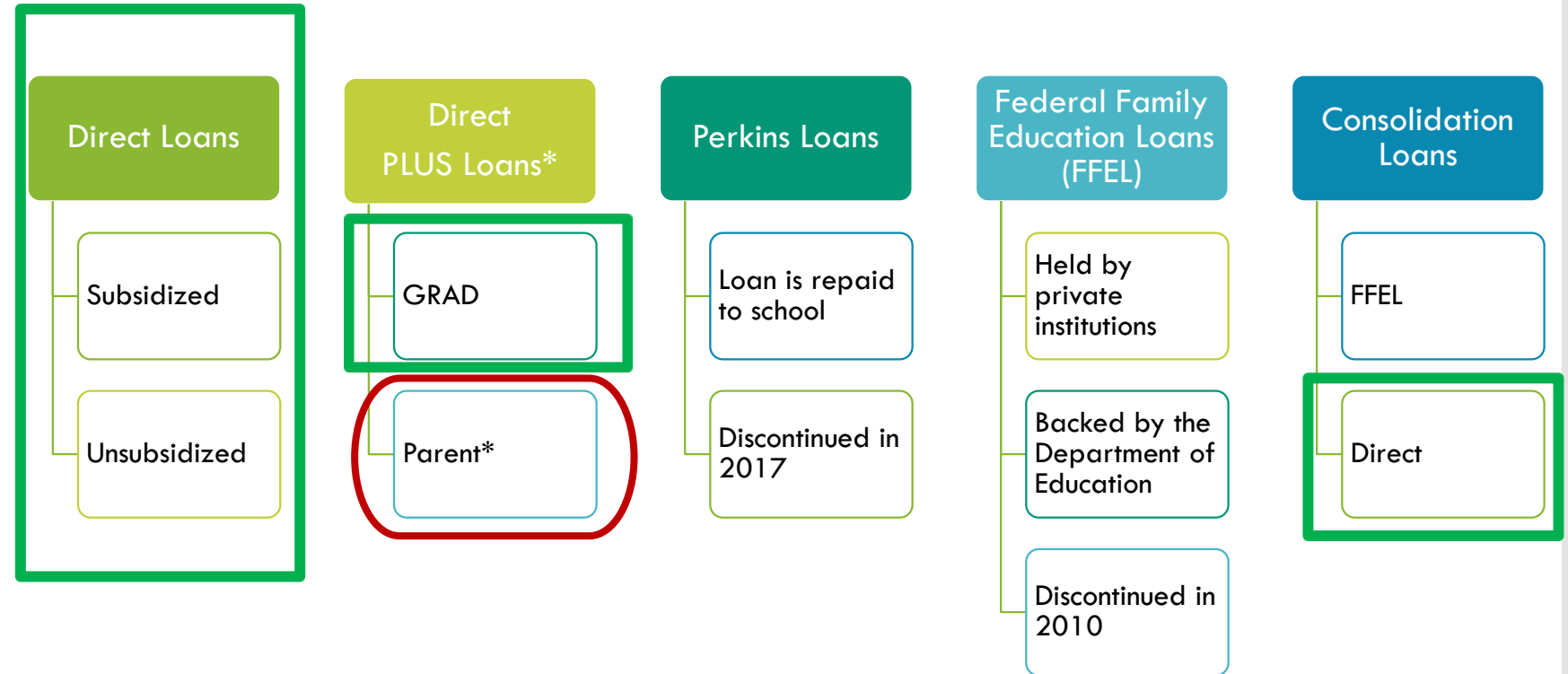
Public library services
Early childhood ed.

Public interest law
Disability services

*No labor unions or
partisan political orgs*

2

Eligible federal student loans



3

Choose an eligible repayment plan



- Repayment plans eligible for PSLF:
 - Any Income-Driven Repayment (IDR) Plans:
 - Income-Based Repayment Plan (IBR)
 - Pay as You Earn (PAYE)
 - Revised Pay as You Earn (REPAYE)
 - Income-Contingent Repayment (ICR)
 - Non-Income Repayment plan:
 - 10-year Standard Repayment plan – **A limited amount of time on it is OK, but not a good strategy long-term.**
- Repayment plans **not** eligible for PSLF:
 - 30-year Standard Plan (for Consolidated Loans), Graduated and Extended Repayment plans.

<https://studentaid.gov/loan-simulator/>

4

Make 120 qualifying payments



- All 120 payments (about 10 years) **must** be:
 - On-time
 - Full
 - Scheduled
 - Made after October 1, 2007
 - Made via a qualifying repayment plan
- All payments **are not** required to be:
 - Made consecutively
 - Made with one student loan servicer
 - Made with one employer

PSLF Form & PSLF Help Tool



PUBLIC SERVICE LOAN FORGIVENESS (PSLF) & TEMPORARY EXPANDED PSLF (TEPSLF) CERTIFICATION & APPLICATION

William D. Ford Federal Direct Loan (Direct Loan) Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0110
Form Approved
Exp. Date 08/31/2023
PSFAP - XBCR

- New form (known as “PSLF Form”) created in 2020 combines:
 - Employment certification for PSLF, TEPSLF and application for forgiveness for both programs
- One form for all processes eliminates confusion
- Once form submitted and eligibility determined, loans are transferred to MOHELA if they’re not your current servicer
 - Transfer can take up to 90 days

PSLF Form & PSLF Help Tool



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OMB No. 1845-0110
Form Approved
Exp. Date 08/31/2023
PSFAP - XBCR

- Recommend submitting **every year** to certify employment, evaluate eligibility and number of qualifying payments
 - Use [PSLF Help Tool](#) to generate form(s)
 - Sign & collect employer(s)'s signatures
 - **NEW** DocuSign feature allows borrowers and employers to digitally sign the PSLF Form
 - Automatically submits digitally signed form to MOHELA using the PSLF Help Tool

Record keeping is key



- While the servicer should keep detailed records, it is also crucial for the borrower to as well
- Keep records of payments, completed/signed PSLF Forms, and all correspondence with MOHELA and other servicers
- If you call and speak with a representative, get all employment ID numbers and note the date and time of your call
 - The more communication in writing, the better!

PSLF Waiver ended on 10/31/2022

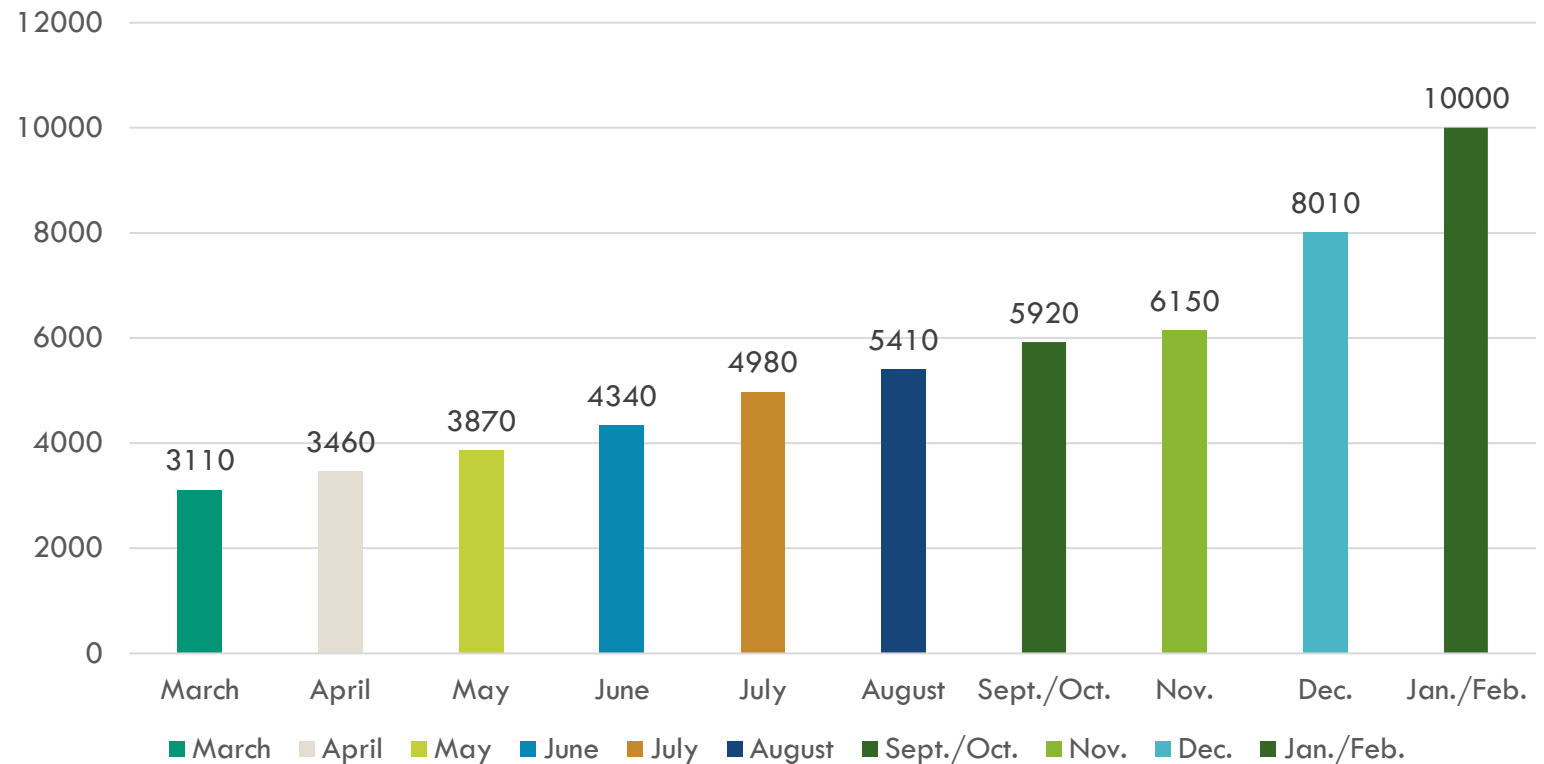


- Special period where ED waived many rules around what counts as a qualifying payment
 - Repayment on all loan types (**except** Parent PLUS) counted
 - Repayment on loans before consolidation counted
 - Could have received forgiveness if no longer employed
 - Teacher Loan Forgiveness (TFL) & PSLF periods could overlap

PSLF outcomes in WA (22-23)



Borrowers w/ Loans Forgiven

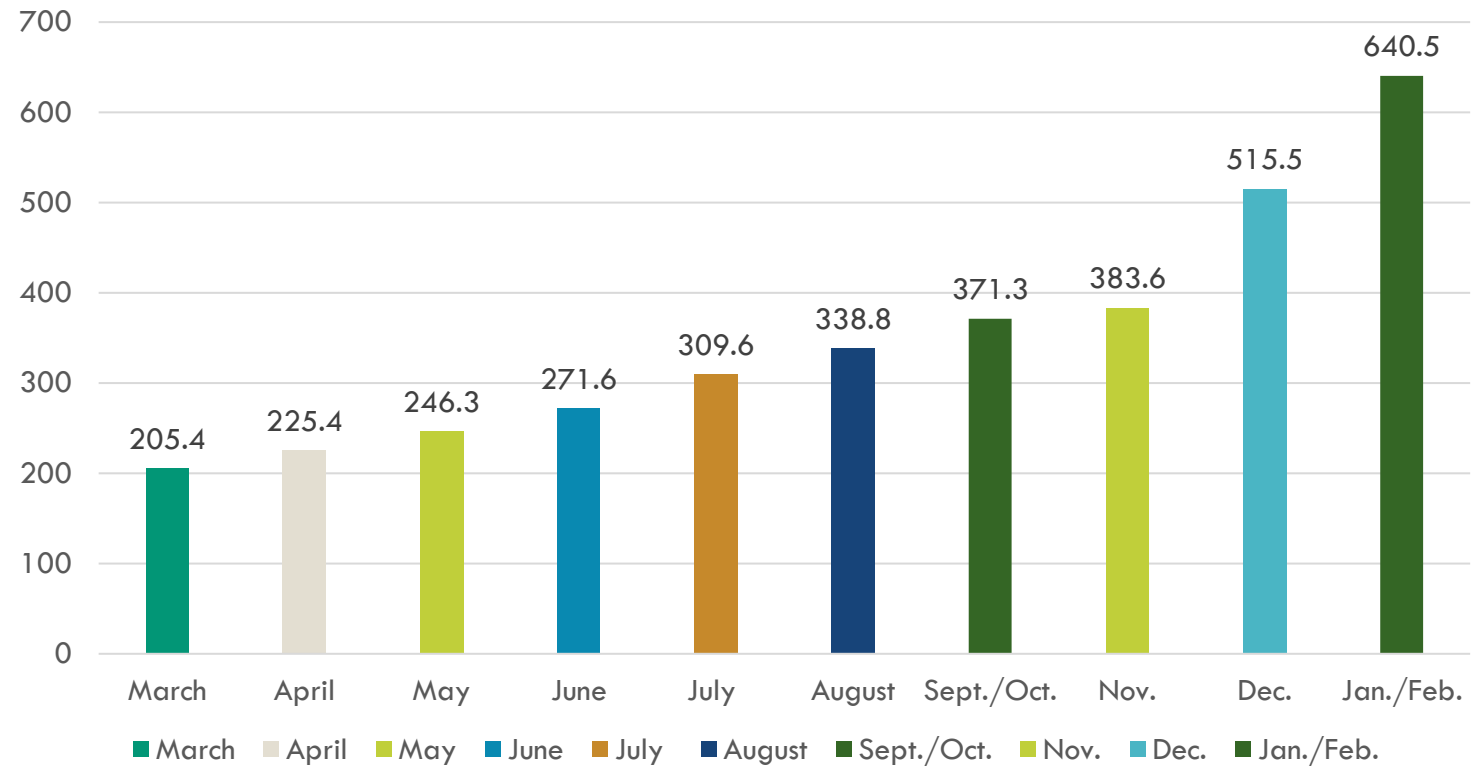


<https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>


PSLF outcomes in WA (22-23)



\$\$ forgiven (in millions)



<https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>



IDR One-Time Adjustment & ~~PSLF~~ ~~Waiver 2.0~~

COVID-19 Administrative Forbearance

- This is **not** the same as a forbearance you request from your servicer
- It is an administrative forbearance that is being applied to Direct and other Dept. of Education-held loans (does 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, **even if you did not submit payments**
- If you made voluntary payments during the payment pause on an **eligible loan**, you can request a refund by contacting your servicer

Deferment vs. Forbearance



Deferment

- Temporary suspension of payments
- Interest on unsub loans accrues

No
progress
towards
forgiveness

Forbearance

- Temporary reduction or postponement of payments
- Interest on all loans accrues

IDR one-time adjustment period



- Aims to correct for borrowers who were steered into forbearance/deferment unnecessarily
- 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 spent in economic hardship or military deferments after 2013
 - Periods of deferment before 2013 (excluding in-school)
- Borrowers with commercial FFEL & Perkins loans will **need to consolidate before the end of 2023**
 - Automatic for borrowers with all other federally-held loans
- **Any time spent in repayment will also convert into IDR payments (including pre-consolidation, if applicable)**
- Loans that qualify and hit the necessary number of payments under either PSLF or IDR forgiveness will start to be forgiven this spring

IDR Adjustment & PSLF Waiver 2.0



- New IDR payments will be eligible for PSLF
 - Borrower will need to certify employment for these new payments
 - This would lead to forgiveness after 120 payments, instead of 240/300.
- **Parent PLUS** loans are eligible for IDR Adjustment & to receive PSLF credit!
- Many of last year's waiver rules apply, **except:**
 - Must still be employed in public sector
 - TFL period can't overlap with PSLF
 - Parent PLUS are now eligible!

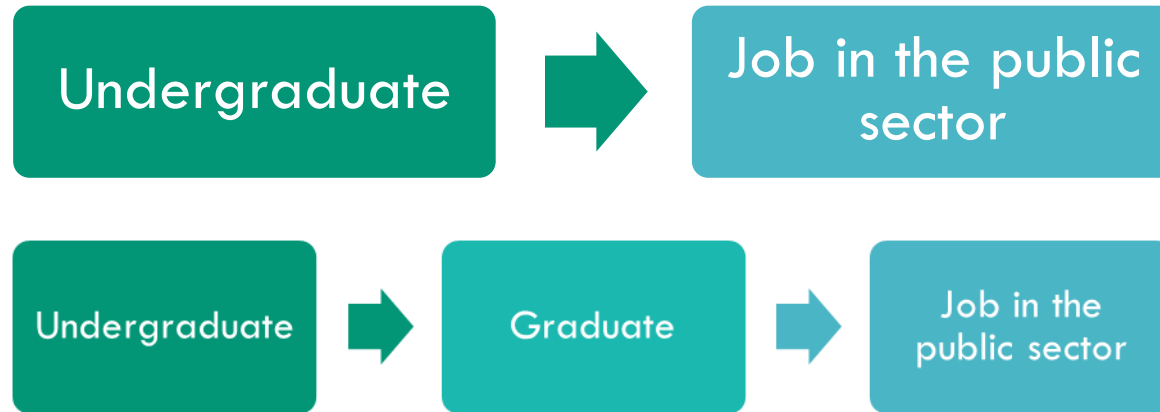
IDR Adjustment & PSLF Waiver 2.0



- 1 ~~Right type of loans~~
- 2 ~~Right type of repayment plan~~
- 3 Right type of employment
- 4 Right number of “payments”

Do I need to act to take advantage of the IDR Adjustment?

- **Scenario 1:** I have only Direct Loans, have been paying all loans for the same amount of time, and have certified and received approval on my PSLF form(s) in the last 12 months
- Examples of paying loans for the same amount of time for PSLF:



No action needed: The IDR adjustment will automatically apply to your account by the end of 2024.

Do I need to act to take advantage of the IDR Adjustment?

- **Scenario 2:** I have only Direct loans, have been paying all loans for the same amount of time, but I have not submitted a PSLF form in the last 12 months
- **Action needed:**
 - Submit PSLF Form(s) for all qualifying public sector employers you have not yet certified so your qualifying payment counts are updated to reflect any new IDR-eligible payments.

•

Do I need to act to take advantage of the IDR Adjustment?

- **Scenario 3:** I have Parent Plus Loans and/or non-Direct loans (like FFEL, Perkins, HEAL, etc.)
- **Action needed:**
 - Consider Applying for a Direct Consolidation Loan by **December 31, 2023** to get the full benefits of the IDR recount
 - Submit PSLF Form(s) for all qualifying public sector employers you have not yet certified so your qualifying payment counts are updated to reflect any new IDR-eligible payments.

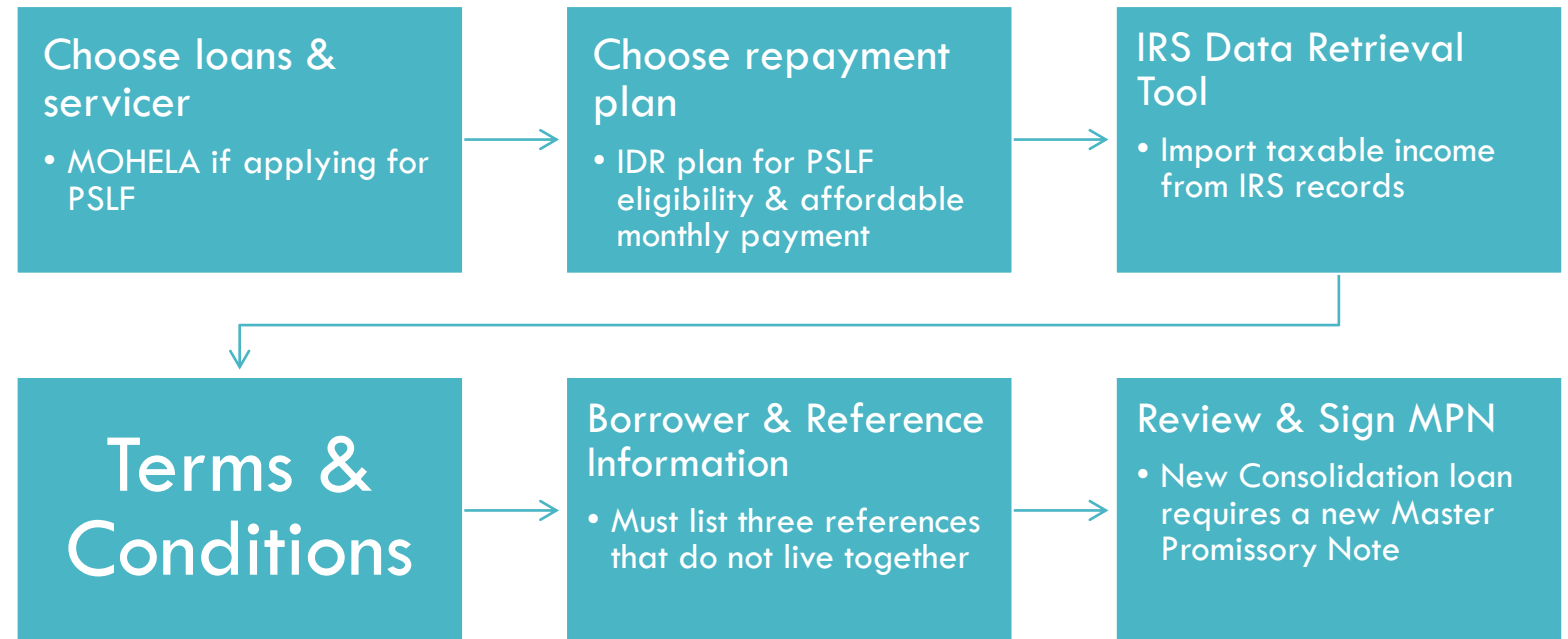
Do I need to act to take advantage of the IDR Adjustment?

- **Scenario 4:** I have been paying some of my loans for a longer period of time than others. Example for PSLF:



- **Action needed:**
 - Consider Applying for a Direct Consolidation Loan by **December 31, 2023** to get the full benefits of the IDR recount and place all loans on the same timeline for forgiveness
 - Submit PSLF Form(s) for all qualifying public sector employers you have not yet certified so your qualifying payment counts are updated to reflect any new IDR-eligible payments.

Direct consolidation in 6 steps



Use the [Steps to Apply for PSLF](#) prior to applying for Consolidation!

Things are changing!



- Major servicer transfers
 - FedLoan Servicing (PHEAA) → MOHELA
 - Navient → Aidvantage
 - Great Lakes → Nelnet
- Payment pause will end **sometime in 2023**
 - 60 days after the debt relief litigation is resolved
 - OR 60 days after June 30th
- One-time relief Supreme Court case – *still* no decision
- IDR One-Time Account Adjustment (by the end of 2024)
- “Fresh Start” is in effect
- New regulations in effect July 1st, 2023 including new PSLF rules
- Proposed new 5% new IDR Plan (tentatively by the end of 2023)

Upcoming webinars



Upcoming Webinars

PSLF Waiver 2.0: Get a Second Chance with the IDR Recount

Have you sought to apply for the Public Service Loan Forgiveness (PSLF) program, but have more questions than answers? Have you heard about the PSLF Limited Waiver Opportunity but think you missed the deadline? Do you have Parent Loan for Undergraduate Students (Parent PLUS) loans and think you don't qualify? In this webinar, you will learn how to get many of the benefits and more from the waiver under the upcoming Income-Driven Repayment (IDR) Account Adjustment:

- Get PSLF credit for previous payments made under PSLF ineligible repayment plans or loan types, including Parent PLUS loans!
- Get PSLF credit for certain periods of forbearance and/or deferment.
- Get automatic discharge if you have been in repayment for 20-25 years, even if you don't qualify for PSLF.

Take Advantage of the IDR Recount! We'll provide time for questions and links to resources so you can take the next steps and navigate your way through the process. Register today and we look forward to seeing you online soon!

Presenters: Jessica M. Manfredi, PSLF Program Associate

Dates & Registration:

- [Monday, April 10 at 12 p.m.](#)
- [Wednesday, April 26 at 9 a.m.](#)

If you are not able to attend one of the webinars, you can access our [recorded presentation](#), [the presentation slides](#), and [the transcript](#).

<https://wsac.wa.gov/loan-advocacy>

<https://wsac.wa.gov/PSLF>

Resources



- Steps to Apply for PSLF:
 - <https://tinyurl.com/PSLFsteps>
 - Step by step instructions on how to apply for PSLF
- PSLF Help Tool:
 - <https://studentaid.gov/pslf/>
 - Will need:
 - ☐ your employer's tax Employer ID (EIN)
 - ☐ dates of employment at your employer(s)
 - Allows you and the employer to digitally sign the form using the new DocuSign feature
- Check the status of your PSLF application:
 - <https://www.mohela.com/DL/secure/borrower/PSLF/PSLFInformation.aspx#FormStatus>
- PSLF FAQs and more resources:
 - <https://wsac.wa.gov/PSLF>



Let us know how we're doing!

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

Questions?

Complete our complaint/questions form to get assistance from us!

<https://www.studentcomplaints.wa.gov/>

Make sure to select “Student Loan Questions and Complaints Form”!

