

Public Service Loan Forgiveness

The Public Service Loan Forgiveness (PSLF) Program discharges any remaining debt after 10 years of full-time employment in public service. The borrower must have made 120 payments as part of the Direct Loan program in order to obtain this benefit. Only payments made on or after October 1, 2007 count toward the required 120 monthly payments.

What is forgiven? The remaining interest and principal of the borrowers loans are forgiven.

How many payments are required? The loan forgiveness occurs after 120 monthly payments made on or after October 1, 2007 on an eligible Federal Direct Loan. Periods of deferment and forbearance are not counted toward the 120 payments. Payments made before October 1, 2007 do not count.

Define public service employment? The borrower must be employed full-time in a public service job for each of the 120 monthly payments. Public service jobs include, among other positions, emergency management, government, military service, public safety and law enforcement (police and fire), public health (including nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in health care practitioner occupations and health care support occupations), public education, early childhood education (including licensed or regulated childcare, Head Start, and State-funded prekindergarten), social work in a public child or family service agency, public services for individuals with disabilities or the elderly, public interest legal services (including prosecutors, public defenders and legal advocacy on behalf of low-income communities at a nonprofit organization), public librarians, school librarians and other school-based services, and employees of tax exempt 501(c)(3) organizations. Full-time faculty at universities, as well as faculty teaching in high-need subject areas and shortage areas (including nurse faculty, foreign language faculty, and part-time faculty at community colleges), also qualify.

Which loans qualify for the PSLF Program? Eligible loans include Federal Direct Stafford Loans (Subsidized and Unsubsidized), Federal Direct PLUS Loans, and Federal Direct Consolidation Loans. Borrowers in the Direct Loan program do not need to consolidate in order to qualify for loan forgiveness. Borrowers in the FFEL program will need to consolidate into Direct Loans.

What should I do now? Submit the *Employer Certification Form* to the US Department of Education annually to ensure that the qualifying public service employment is properly recorded.

How do I erase my loans under the PSLF Program? File a PSLF application with the US Department of Education after making 120 qualifying payments while working full-time in a qualifying public service job.