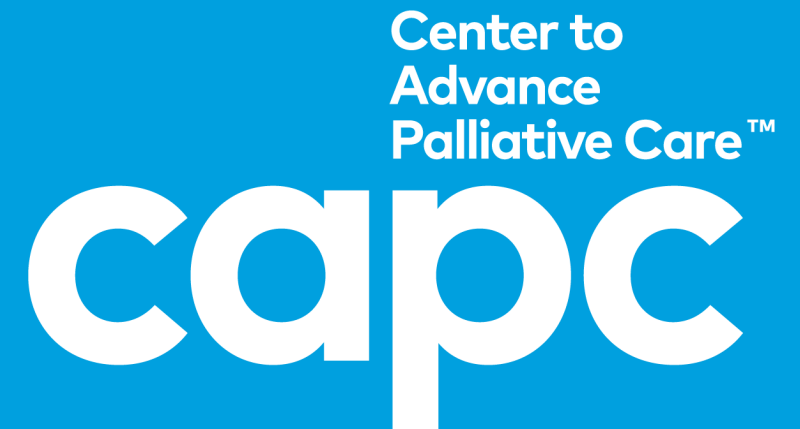


Public Service Loan Forgiveness Waiver: What You Need to Know

Christopher A. Jones, MD, MBA, HMDC, FAAPHM

Director of Outpatient Palliative Care, Duke Health

Associate Professor of Medicine, Duke University SOM



Join Us For Upcoming CAPC Events

Upcoming Webinars

- **Why Patient Experience Matters and How to Achieve It**
 - Thursday, July 28 at 4 p.m. ET
- **The Only Constant is Change: Principles of Effective Change Management**
 - Monday, August 15 at 2 p.m. ET

Upcoming Virtual Office Hours

- **Breaking Point: Debriefing to Address the Challenges of Our Work (OPEN TO ALL)**
 - Tuesday, August 2 at 3:30 p.m. ET
- **Achieving Health Equity and Reducing Implicit Bias in Palliative Care**
 - Wednesday, July 27 at 10:30 a.m. ET

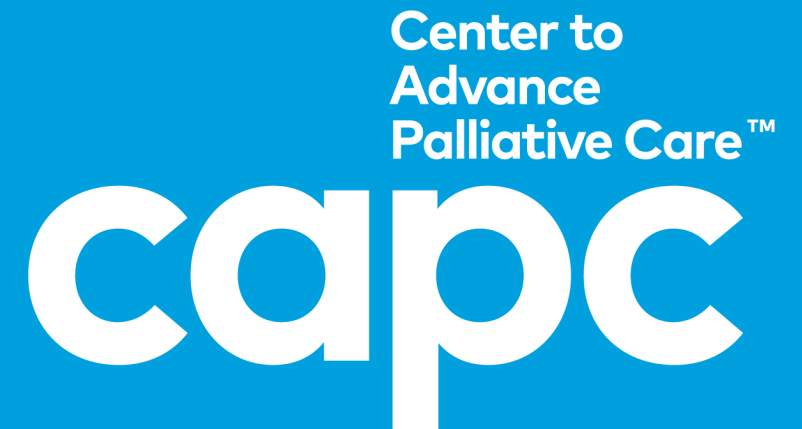
Register at <https://www.capc.org/events/>

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Disclaimer

I am not a financial advisor, let alone YOUR financial advisor! What I present today will be accurate as of the creation of the slides (July 2022). Things can and do change. Review information at the US Department of Education's website: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service> and consult with your financial advisor as needed.

April 26, 2022

The day I caught my UNICORN.



\$105,875.36

Loans Details

Loan Sequence	Loan Program	Disbursement Date	Amount Forgiven (Principal and Interest)	Outstanding Balance
0001	DLSCNS	01/10/2022	27,574.03	\$0.00
0002	DLUCNS	01/10/2022	78,301.33	\$0.00

You have satisfied your obligation and no additional payments are required on these loans.

Public Service Loan Forgiveness (PSLF)

→ *College Cost Reduction and Access Act of 2007*

Permits ***Direct Loan borrowers*** who make 120 ***qualifying monthly payments*** under a ***qualifying repayment plan***, while ***working full time*** for a ***qualifying employer***, to have the remainder of their balance forgiven.

The Idea Was Noble

Student loan borrowers who became public servants would have a portion of their loans forgiven after 10 years of working full-time and paying on their loans.

The Implementation Was Faecal

98% of PSLF applications were rejected from 2017-2021



<https://www.foxbusiness.com/personal-finance/public-service-student-loan-forgiveness-applicants-rejected-college-debt>

Public Service Loan Forgiveness

→ *October 6, 2021 – October 31, 2022*



PSLF Today

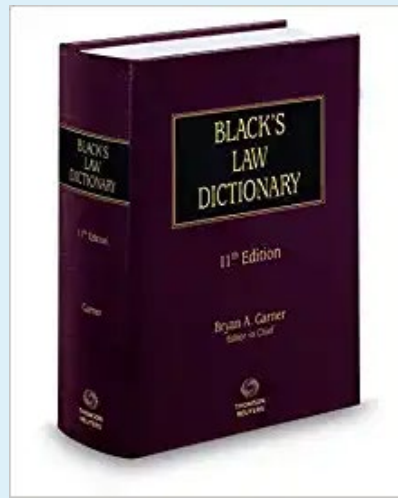
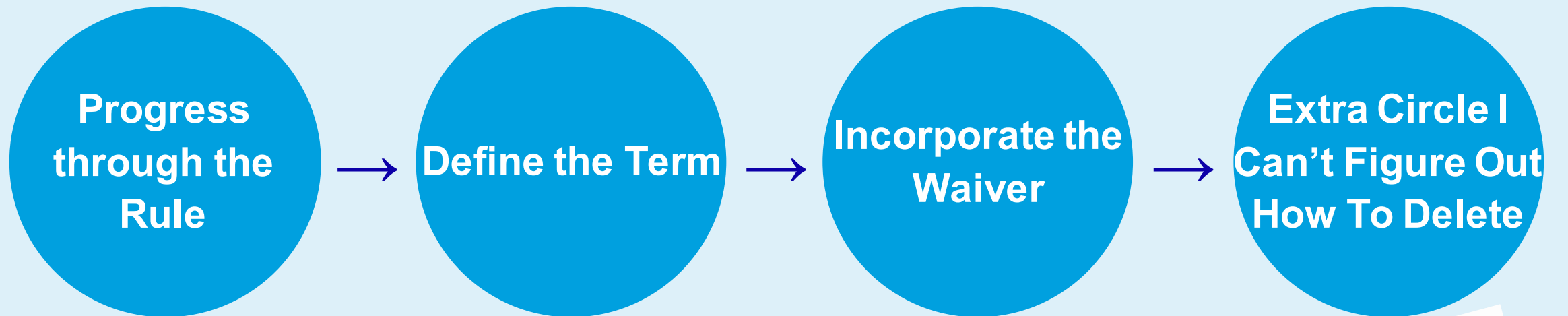
You didn't used to qualify. You might now.

Public Service Loan Forgiveness

→ *Returning to define our terms*

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Roadmap for the Next Series of Slides

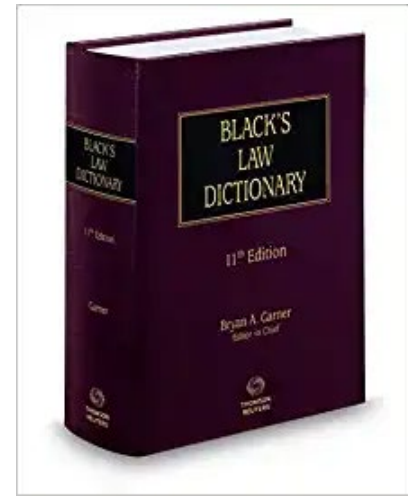


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Public Service Loan Forgiveness



→ *Returning to define our terms*

Direct Loan borrowers - have a student loan made directly by the US Department of Education

- Most loans after 7/1/2010 were direct: Direct Subsidized Loans; Direct Unsub Loans; Direct PLUS Loans; Direct Consolidation Loans
- PRIVATE LOANS DO NOT COUNT

WAIVER SAYS



- *If you consolidate into a Direct Consolidation Loan before October 31, 2022, past payments in the wrong type of loan will qualify.*
- *Non-COVID forbearance periods of 12 months or more AND months in deferment between 10/2007 and 2013 will count toward payments made.*

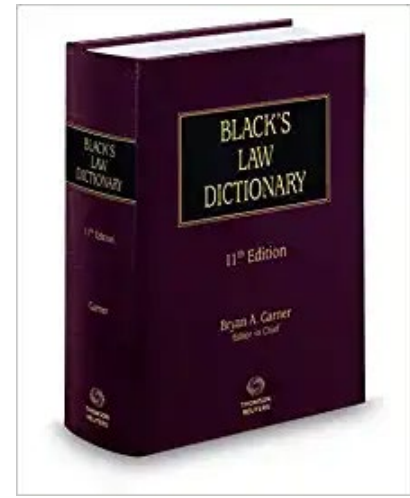
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Public Service Loan Forgiveness

→ *Returning to define our terms*



Qualifying monthly payments – full amount due and on time

WAIVER SAYS



→ *Past periods of repayment WILL now count whether or not you made a payment, made that payment on time, for the full amount due, or on a qualifying repayment plan.*

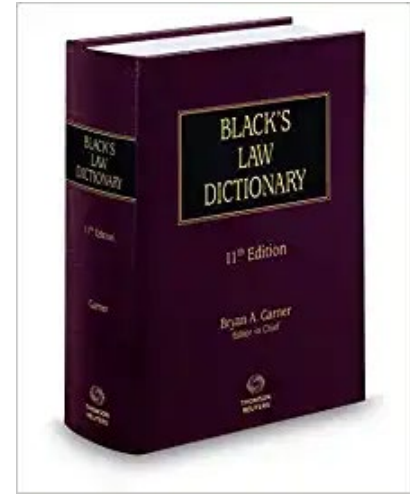
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Public Service Loan Forgiveness

→ *Returning to define our terms*



Qualifying repayment plan – 10-year Standard Plan
OR income-driven plans including PAYE, REPAYE,
IBR, ICR

WAIVER SAYS



- *Receive credit for periods of repayment on Direct, FFEL, or Perkins loans*
- *Periods of repayment under any plan count*
- *Periods of repayment on loans before consolidation count, even if on the wrong repayment plan*

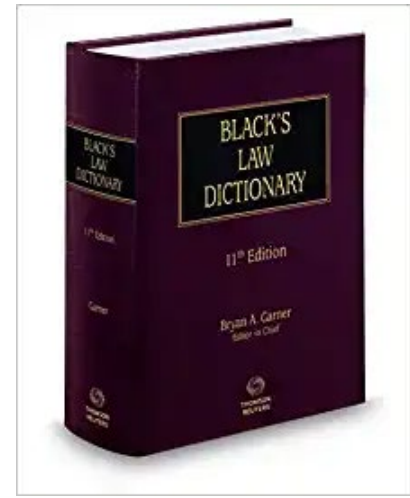
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Public Service Loan Forgiveness

→ *Returning to define our terms*



Full-time work – meet employer's definition of full time or >30 hours per week, whichever is GREATER

Combined average of 30 hours between multiple qualifying employers can be added together and count

WAIVER SAYS



- *Payments count only during full-time employment*
- *You can get forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness*

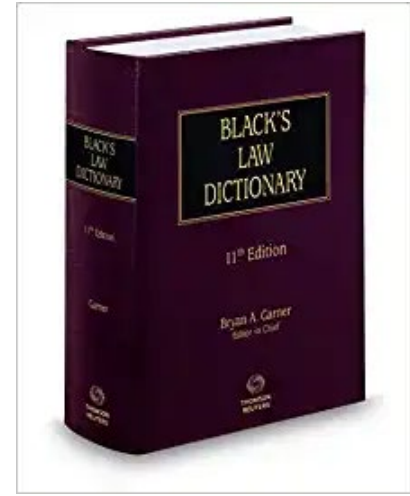
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Qualifying Employer – any governmental employer or non-profit employer with 501(c)3 designation

FAQ: WHAT IS QUALIFYING EMPLOYMENT FOR PUBLIC SERVICE LOAN FORGIVENESS (PSLF)?

EMPLOYERS THAT QUALIFY:

- Government organizations at any level (federal, state, local, or tribal)
- Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
- Other types of not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code, if their primary purpose is to provide certain types of qualifying public services

EMPLOYERS THAT DO NOT QUALIFY:

- Labor unions
- Partisan political organizations
- For-profit organizations (this includes for-profit government contractors)
- Not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that do not provide a qualifying public service as their primary function

WAIVER SAYS



- Be employed by government, 501(c)3 not-for-profit, or other not-for-profit organization that provides a qualifying service
- Employment at a for-profit organization does NOT qualify

Putting It All Together

Permits ***Direct Loan borrowers (or consolidators)*** who make 120 ***qualifying monthly payments (or not)*** under a ***qualifying repayment plan (or not)***, while ***working full time*** for a ***qualifying employer***, to have the remainder of their balance forgiven.

Until Halloween 2022.



FAQs

Is this just for doctors? – NO! Anybody who works/worked full-time for a qualifying employer.

What if I made MORE than 120 payments already?
– Money paid while in a Direct Loan after 120 payments gets refunded!

What if I already consolidated into a private loan for a lower interest rate? – You no longer qualify.



I MIGHT QUALIFY! WHAT DO I DO?



I MIGHT QUALIFY! WHAT DO I DO?

<https://studentaid.gov/pslf/>



Using the PSLF Help Tool

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from MOHELA. For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under [COVID-19 relief measures](#) and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled “Special Notice for the COVID-19 Emergency” and [check out the limited PSLF waiver announcement](#).

Learn more about [PSLF](#) and [TEPSLF](#).

[Log In To Start](#)

[Search for Qualifying Employers](#)



Who should complete this?

This tool is for all borrowers who are interested in PSLF or TEPSLF. There is now only a single form that you need to complete to certify employment, or to receive PSLF or TEPSLF.



30 Minutes

How long will it take?

Most people complete the PSLF Help Tool process in less than 30 minutes. The process must be completed in a single session.



What do I need?

Your most recent [W-2](#) from your employer(s)

OR

Your employer's [Federal Employer Identification Number \(EIN\)](#)

Your PSLF Road Map

Step 1

Begin the process in the
PSLF Help Tool
(<https://studentaid.gov/pslf>)

Step 2

Add past/current
nonprofit or
governmental employers
using their EIN (Google
for this or look on your
W2 tax form; ignore the
hyphen or it won't fit in
the box)

Step 3

Consolidate into a Direct
Loan through the PSLF
Help Tool, choosing the
loan servicer that links to
PSLF. Choose an income-
based repayment if you've
not already made 120
payments

Step 4

Finalize the application,
print out the packet, get
required signatures from
past employers, and
fax/mail everything in!

Things That Will Make You Crazy

After consolidation, you'll get automated rejection letters for:

- Wrong type of loan
- Not enough payments made

Your 'number of qualifying payments made' will start at zero and remain there for weeks to months. You're OK.



FAQ: How Long Will This Take?

PSLF Processing & Limited PSLF Waiver Update!

Due to high in the limited PSLF waiver, we have received a significant volume of forms and are processing them in the order received. **It may take a few MONTHS for forms to be processed and qualifying payment counts to be updated.** You will be notified when forms process and when account updates occur. For more details, [visit StudentAid.gov/pslfwaiver](https://studentaid.gov/pslfwaiver) or [get answers to to common questions](https://studentaid.gov/pslfwaiver/faq).

FAQ: Will My Interest Rate Change?

Yes. And it will be higher.

The new interest rate should be roughly the weighted average of the loans you have, plus a little bit. There is a small amount of risk here. The payoff for those who qualify is tremendous, though.



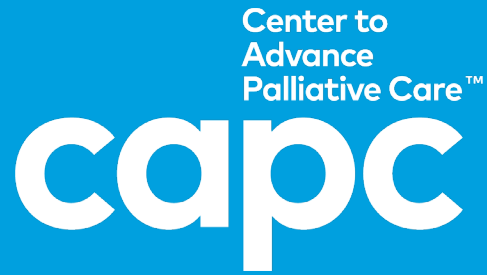
FAQ: WHY HALLOWEEN 2022?

The PSLF Waiver is being offered under an emergency authority from the HEROES Act of 2003 so must have an end date.

Summary

You probably didn't qualify for PSLF before. You and MANY people you know may qualify now. Tell them about the waiver and send them to the PSLF Help Tool. It may change your life, and they will owe you bigtime!

<https://studentaid.gov/pslf/>



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