Public Service Loan Forgiveness Waiver: What You Need to Know

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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/
Public Service Loan Forgiveness Waiver: What You Need to Know

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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.
### Loans Details

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<th>Disbursement Date</th>
<th>Amount Forgiven (Principal and Interest)</th>
<th>Outstanding Balance</th>
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</tr>
</tbody>
</table>

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

Public Service Loan Forgiveness

→ October 6, 2021 – October 31, 2022

https://studentaid.gov/announcements-events/pslf-limited-waiver
You didn’t used to qualify. You might now.
Public Service Loan Forgiveness

→ Returning to define our terms

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.

Roadmap for the Next Series of Slides

Progress through the Rule → Define the Term → Incorporate the Waiver → Extra Circle I Can’t Figure Out How To Delete
Public Service Loan Forgiveness

→ *Returning to define our terms*

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.

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.

https://studentaid.gov/announcements-events/pslf-limited-waiver
Public Service Loan Forgiveness

→ Returning to define our terms

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.

Public Service Loan Forgiveness

→ Returning to define our terms

**Qualifying monthly payments** – full amount due and on time

https://studentaid.gov/announcements-events/pslf-limited-waiver
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.

https://studentaid.gov/announcements-events/pslf-limited-waiver
Public Service Loan Forgiveness

→ Returning to define our terms

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.

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

[https://studentaid.gov/announcements-events/pslf-limited-waiver](https://studentaid.gov/announcements-events/pslf-limited-waiver)
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

https://studentaid.gov/announcements-events/pslf-limited-waiver
Public Service Loan Forgiveness

→ Returning to define our terms

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.

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

https://studentaid.gov/announcements-events/pslf-limited-waiver
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

https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service
Public Service Loan Forgiveness

→ Returning to define our terms

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.

Public Service Loan Forgiveness

→ Returning to define our terms

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

https://studentaid.gov/pslf/employer-search
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

[https://twitter.com/FAFSA/status/1239977990982963201/photo/1](https://twitter.com/FAFSA/status/1239977990982963201/photo/1)
[https://studentaid.gov/pslf/employer-search](https://studentaid.gov/pslf/employer-search)
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

https://studentaid.gov/pslf/employer-search
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.
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.

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

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)

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

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/pslfwavier or get answers to common questions.

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!

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