



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

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WASHINGTON
Student Loan
— **Advocate** —

OFM
OFFICE OF FINANCIAL MANAGEMENT

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
- Live closed captions available.

Questions
we will answer:



What is the PSLF program?

How is Washington helping borrowers?

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?

Federal student loan debt in Washington



790,800
federal student loan
borrowers

\$28.7 billion
outstanding student debt

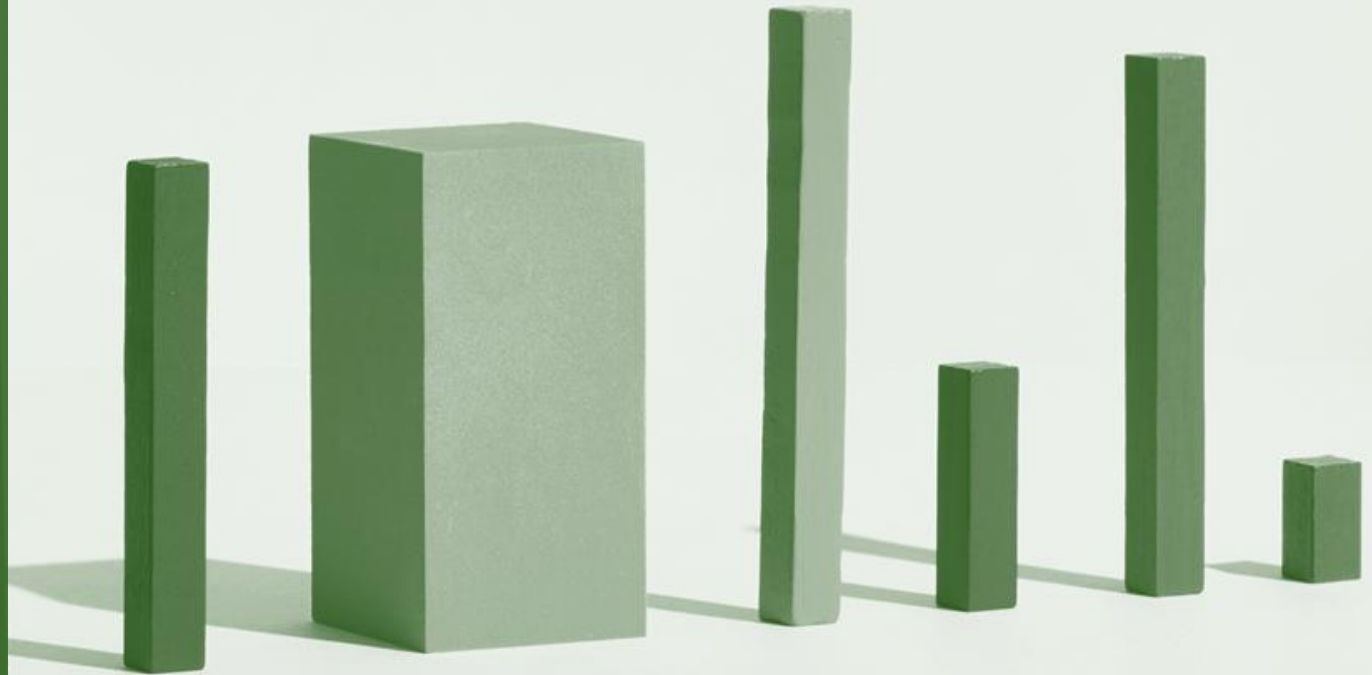
\$32,498
average student debt

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



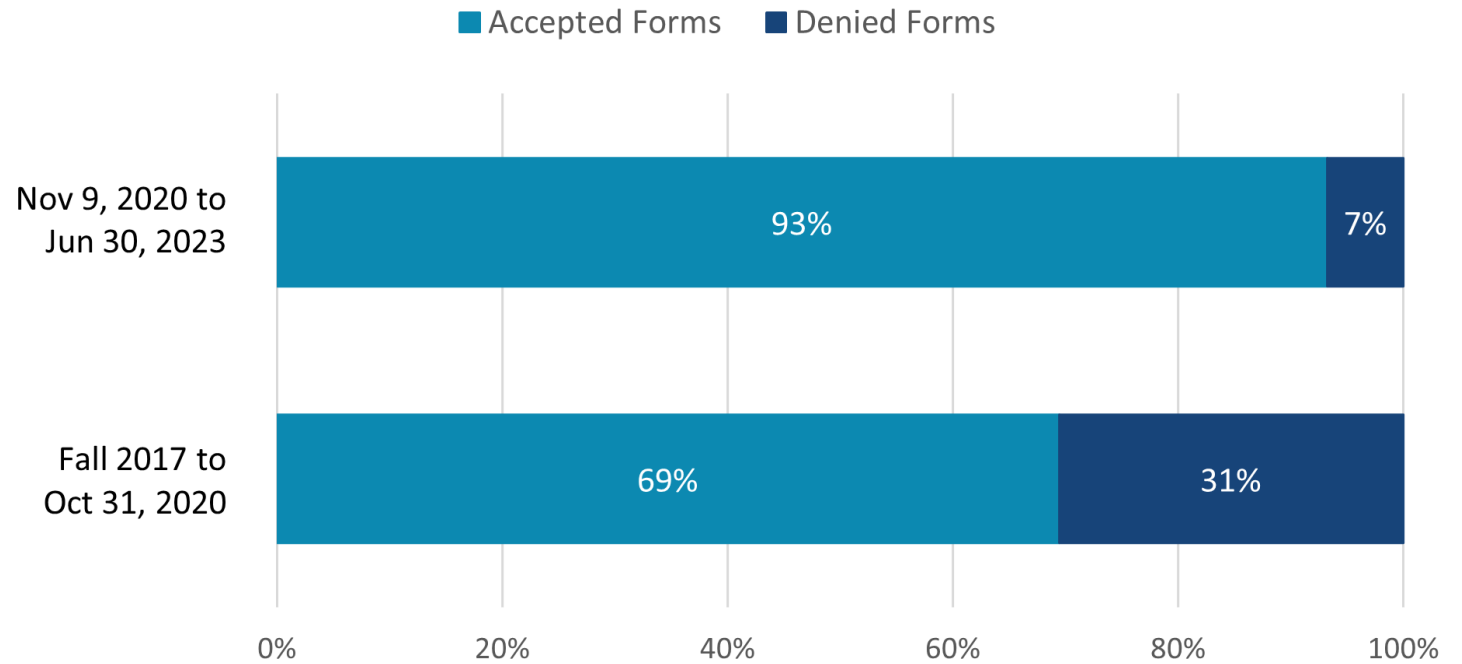
PSLF in Washington State



PSLF
acceptance
rates are
improving!



Accepted and denied PSLF forms before and after November 2020

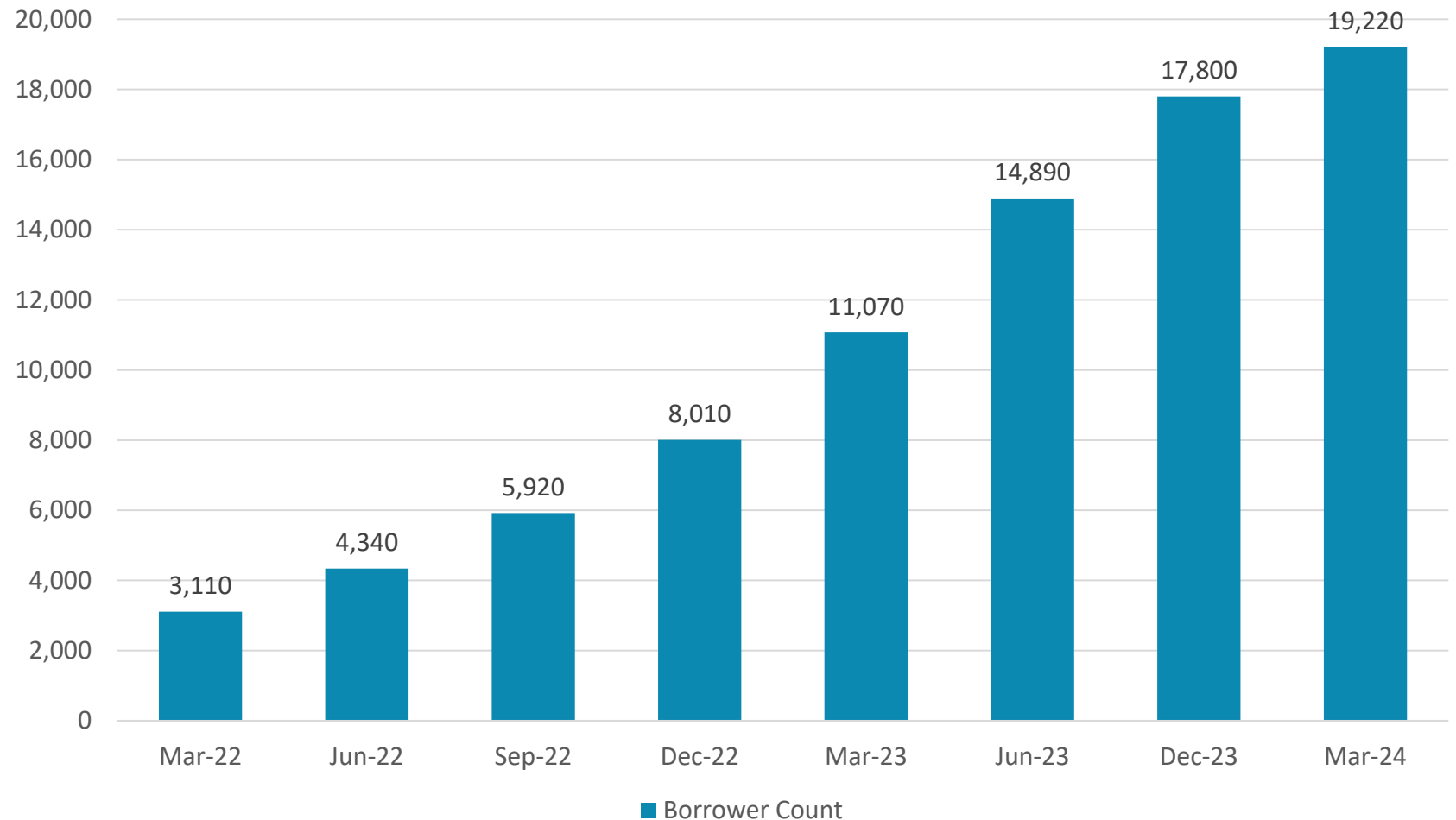


Source: U.S. Department of Education Office of Federal Student Aid. (2022-2023). Public Service Loan Forgiveness Data. <https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>.

Washington borrowers are receiving student loan forgiveness!



Washington borrowers with processed PSLF discharges (PSLF, TEPSLF, and limited waiver) in Washington state

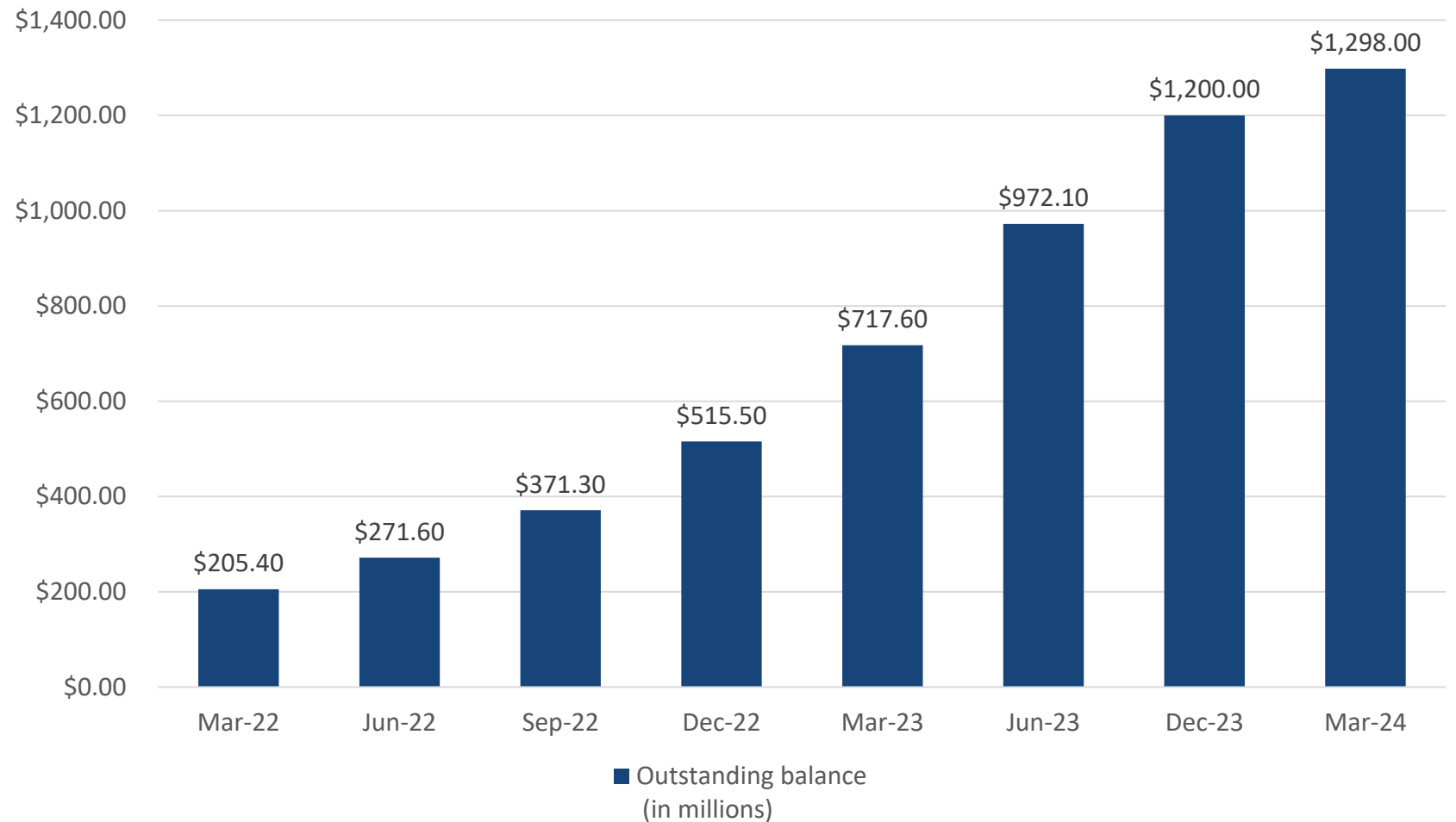


Source: U.S. Department of Education Office of Federal Student Aid. (2022-2024). Public Service Loan Forgiveness Data. <https://www.studentaid.gov/data-center/student/loan-forgiveness/pslf-data>.

Washington borrowers are receiving student loan forgiveness!



Amount of loans forgiven in millions (\$) through PSLF (PSLF, TEPSLF, and limited waiver) in Washington state



Source: U.S. Department of Education Office of Federal Student Aid. (2022-2024). Public Service Loan Forgiveness Data. <https://www.studentaid.gov/data-center/student/loan-forgiveness/pslf-data>.

How is Washington helping student loan borrowers?



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 and HB 1950)

- Student Loan Advocate developed PSLF awareness materials for qualifying public service employees
- OFM launched PSLF employment certification program
- Legislative plan for statewide initiative to raise awareness and remove barriers for all public service employees to access the PSLF program due December 1, 2024

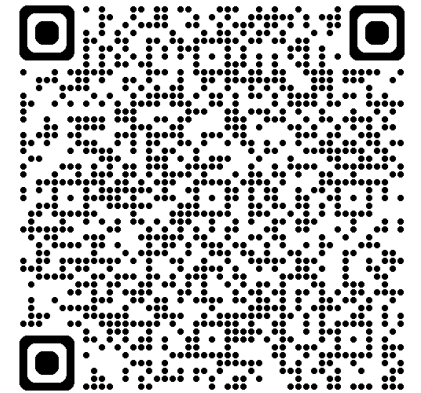
Codified as [RCW 28B.77.009](#), [RCW 43.41.425](#), [RCW 41.04.045](#), and [RCW 41.04.055](#)

Share your
experience as
a student loan
borrower!



Help shape the Washington State PSLF Initiative!

- Complete a survey to share information about your experience and challenges accessing the PSLF program.



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

501c3 nonprofit organizations

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

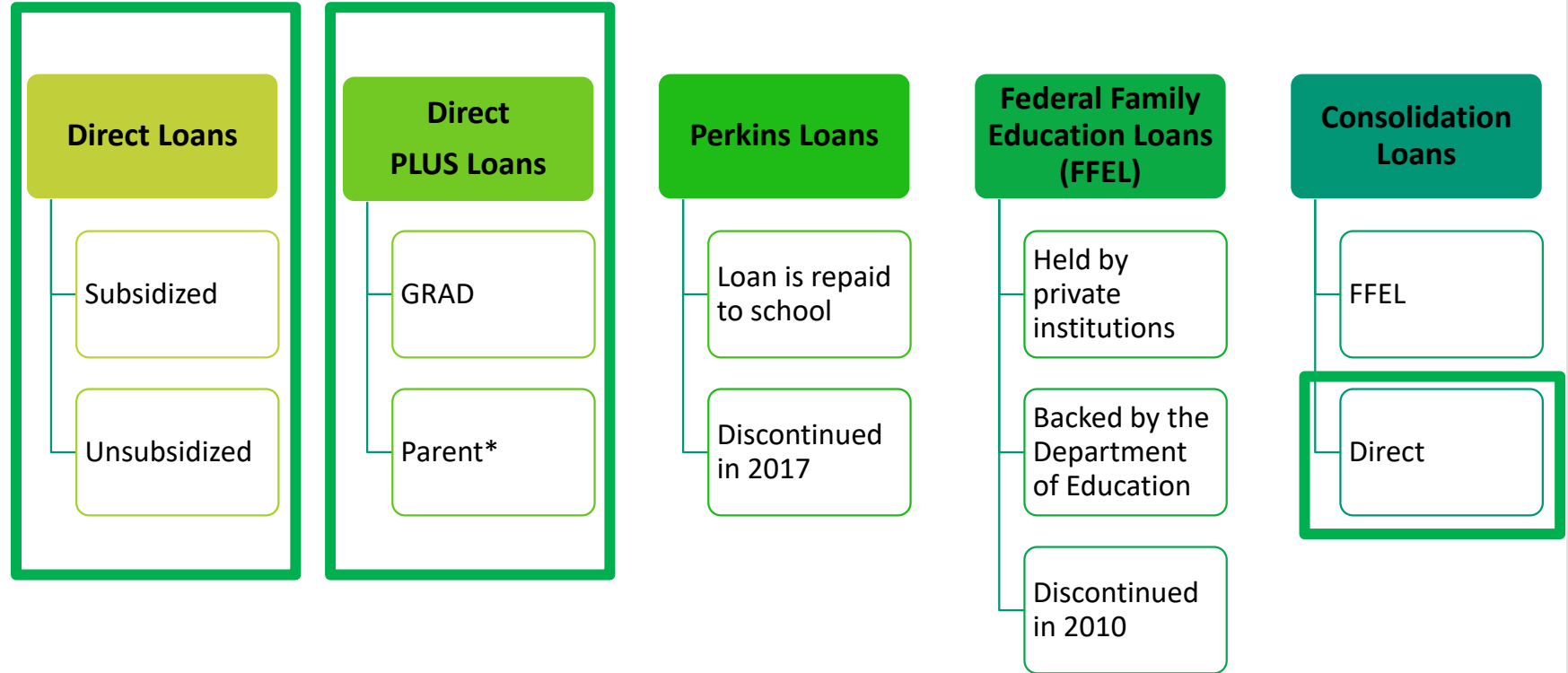
No labor unions or partisan political orgs

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](#)
[PSLF and Direct Parent PLUS Loans | Student Loan Advocate](#)

2

Find your federal student loans on FSA website



A screenshot of the Federal Student Aid website. At the top, there is a navigation bar with links for 'Help Center', 'Submit a Complaint', and 'English | Español'. Below this is the 'Federal Student Aid' logo and a menu with options: 'FAFSA® Form', 'Loans and Grants', 'Loan Repayment', and 'Loan Forgiveness'. A red box highlights the 'Log In | Create Account' link, with a large orange arrow pointing down to it. The main content area features a large heading 'Apply for Aid Using the FAFSA Form' with an 'Apply Now' button and a link to 'Learn About Applying for Aid'. To the right, under 'POPULAR TOPICS', there are several links: 'Learn About Public Service Loan Forgiveness >', 'Learn About Student Loan Debt Relief >', 'Prepare for Loan Payments To Restart >', 'Compare School Aid Offers >', and 'Complete a Master Promissory Note (MPN) >'. The background of the main content area shows an illustration of diverse students.

[StudentAid.gov](https://studentaid.gov)

2

Find your loan servicer



Dashboard

My Aid

[View Details](#)

Category	Amount
Principal	\$20,507
Interest	\$34
Total Balance	\$20,541

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

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

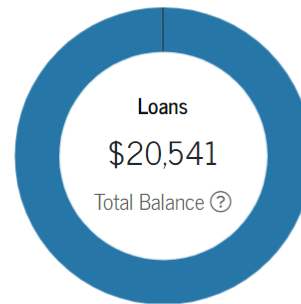
View your
loan details



Dashboard



My Aid



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

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[Pay on Servicer Website](#)

My Loan Servicers [View More >](#)

DEPT OF ED/MOHELA
www.mohela.com



My Activity [View All Activity >](#)

Which repayment plans qualify for PSLF?



3

Choose an eligible repayment plan



Repayment plans eligible for PSLF:

- **Any Income-Driven Repayment (IDR) plans:**
 - Saving on a Valuable Education (SAVE)
 - Income-Based Repayment (IBR)
 - Pay as You Earn (PAYE) - not eligible for new enrollments after July 1, 2024.
 - Income-Contingent Repayment (ICR) - after July 1, only for Consolidated Loans w/ Parent PLUS
- **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

3

Choose
a repayment
plan – using the
IDR application



Income-Driven Repayment (IDR) Plan Request

Apply for a new income-driven repayment (IDR) plan or recertify an existing IDR plan on this page. IDR plans often provide a lower monthly payment compared to other plans because they are based on your income and family size rather than your loan amount. If your situation changes, you have options, including having your IDR plan recalculated or switching to a new IDR plan.

If you have parent PLUS loans, you must consolidate your loans to become eligible for an IDR plan.



Learn About the SAVE Plan

The new IDR application is available. You can now enroll in the Saving on a Valuable Education (SAVE) Plan, with payments capped at 10% of discretionary income and greater income protections, plus other benefits.

[More Info About SAVE](#)

New IDR Applicants



Apply for an Income-Driven Repayment Plan

There are four different IDR plans to choose from. Our loan estimator can help you compare IDR plans to see which is best for your situation.

[Learn more about IDR plans](#)

[Log In to Start](#)

[View Demo](#)

OMB No. 1845-1012 • Form Approved

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

Which payments count towards PSLF?



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.
- If you are going back to school, you can decline in-school deferment for older loans in some circumstances
 - If you're not sure about waiving in-school deferment, contact your servicer to discuss options.

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 June 30, 2024

“Buyback” available for certain forbearance and deferment periods (excludes in-school deferment/grace periods)

Formalized the reconsideration process for PSLF denials

PSLF Program Transition to Federal Student Aid



- Beginning May 1, 2024, the PSLF program will be managed by FSA rather than through one loan servicer.
- In the future, you'll be able to:
 - submit your PSLF forms on StudentAid.gov
 - track your progress on StudentAid.gov
 - get support for these programs through FSA's contact centers.
- Between May – June 2024, FSA will pause processing any forms for PSLF.
 - You can continue to submit your PSLF forms, but they will be put on hold and not processed until July.

[We're Streamlining Your Loan and Grant Web Experience | Federal Student Aid](#)

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 Federal Student Aid (FSA)
- Remember to submit a PSLF form:
 - every year
 - whenever you switch employers
 - when you switch between full- and part-time employment with the same employer.

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 your form is processed and eligibility determined, you'll be able to:
 - view eligible and qualifying PSLF payments on [StudentAid.gov](https://studentaid.gov) and
 - access enhanced self-service tools, including program dashboards and status tracking for your forms and applications.
- You'll continue making payments to your current servicer

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 June 30, 2024, to fully take advantage of this opportunity!

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

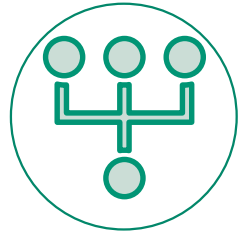
Who may benefit from consolidating before June 30, 2024?



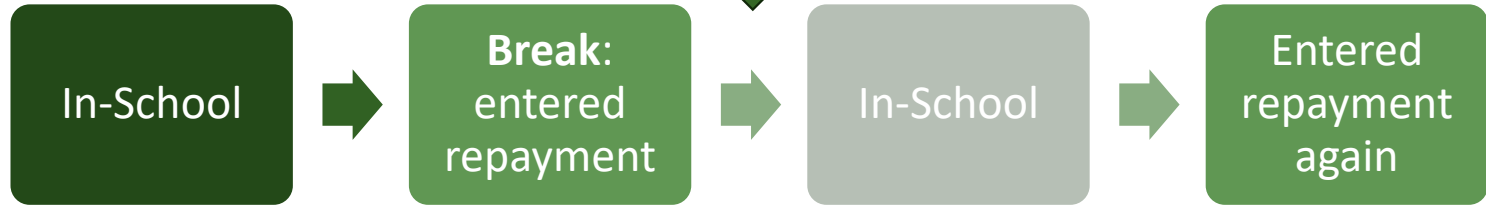
You have **commercially-held** FFEL, Perkins, or Health Education Assistance Loan (HEAL) Program loans. These loans will be listed with only the servicer's name on your StudentAid.gov account.



You have ED-held FFEL, Perkins, Health Education Assistance Loan (HEAL) Program loans and want to qualify for PSLF. These Loans will be listed as "Dept of ED/Servicer Name" on your the StudentAid.gov account.



You have loans with different periods in repayment.

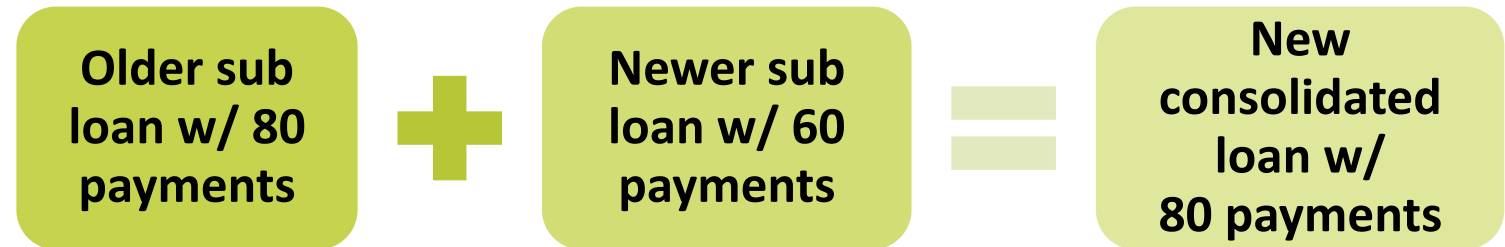


Why someone may consider consolidating before June 30, 2024?



- Apply to consolidate before June 30, 2024:
 - 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 June 30, 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?



- Get out of default with [Fresh Start](#) – ends September 2024!
- New Saving on a Valuable Education ([SAVE](#)) repayment plan
 - Forgiveness in 10 years if total original balance < \$12,000
- MOHELA is [changing platforms](#)
- Major servicer transfers:
 - FedLoan Servicing (PHEAA) → MOHELA
 - Navient → Aidvantage
 - Great Lakes → Nelnet
 - OSLA → Aidvantage
 - [So Your Loan Was Transferred, What's Next? | FSA](#)

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 6-8 weeks

Let us know how we're doing!

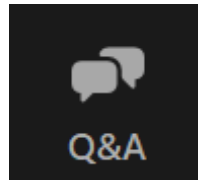
Please fill out a [survey](#) and help us continue providing resources for WA student loan borrowers.



Upvote questions to show your interest



- Typically, we're unable to answer all the questions in the Q&A.
- Please upvote questions you would like to hear the answer to.
Questions with more upvotes will be answered first!
- To upvote questions, click the **Q&A** button at the bottom of your screen.



- View the open questions and click the **Thumbs Up** button.

