



Public Service Loan Forgiveness Limited Waiver Opportunity

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Outline

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 - “Limited Waiver” Explanation – Looser Requirements
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 - Informing and Identifying Individuals Who may Benefit



Overview of the PSLF

Initial Promise

The initial “deal” was simple (announced in 2007):

If you made **120 Qualifying Payments** toward your loans, the Federal Government would forgive **100%** of your remaining federal loans.



The 3 “Rights”

What Constituted a “Qualifying Payment?”

1. Having the “Right” Type of Loan

A Federal Direct Loan

2. Making the “Right” Type of Payment

Monthly payments, in-full, under an Income Driven Repayment Program

3. While working for the “Right” Type of Employer

“Public Service” – Government, Non-Profit

Promises Broken

Approximately 98% of initial applicant were rejected.

The main issues:

1. Borrowers had the “wrong” type of loan:
2. Borrowers were making the “wrong” type of payments

In other words, public servants who were relying on this program were rejected due to administrative issues.

yahoo!finance

'Designed to fail': Two public servants describe the government's troubled student loan forgiveness program

Aarthi Swaminathan and Reggie Wade

June 14, 2020 · 8 min read



Limited Waiver Opportunity

A Hopeful Turn!

Limited Waiver Opportunity

On October 6, 2021, the U.S. Department of Education announced that borrowers may receive credit for past periods of repayment that would otherwise not qualify for PSLF.

Payments that didn't 'count' can now be forgiven

1. MORE (“Wrong” types of payments) Payments will count
 - Immaterial if the payment was in full or on time or under the right “repayment program”
2. Payments made to OTHER federal loans (“Wrong” loans) count
 - Payments to FFEL and Perkins Loan will qualify

But the details still matter ...

Waiver Details

NORMAL PSLF REQUIREMENTS

- Receive credit only on Direct Loans
- Repay under Standard or IDR Plan
- On-Time Payments
- Employed Full-time for a Qualifying Employer
- Can only receive Forgiveness if Working for a Qualifying Employer At the Time of the Application and Forgiveness

CHANGES UNTIL OCTOBER 31, 2022

- Receive Credit for Direct, FFEL, or Perkins Loans
- Payments on Any Plan Count for Non-Consolidation Loans through 9/30/21
- Past Payments Pre-Consolidation Count even if on Wrong Repayment Plan
- Past Payments that were late or for less than the amount qualify
- Can be forgiven even if not employed by a qualifying employer at the time of the application

Unchanged Requirements

Still need:

1. 120 payments or the equivalent.
2. Be Employed by a Government, 501(c)(3) not-for-profit, or other not-for profit organization that provides a qualifying service.
3. Work full time.
4. Have Direct Loans or Consolidate into a Direct Consolidation Loan.

Who does this help?

Public Servants in Three Categories:

1. Individuals who are *presently* working, who may have loans that *could* be forgiven.
2. Individuals who may have worked as public servants for at least ten years but *left service*.
3. Individuals *considering* becoming public servants.

Nov 10, 2021, 05:19pm EST | 569,876 views

First Wave Of Borrowers Gets \$715 Million In Student Loan Forgiveness Under New Program Expansion

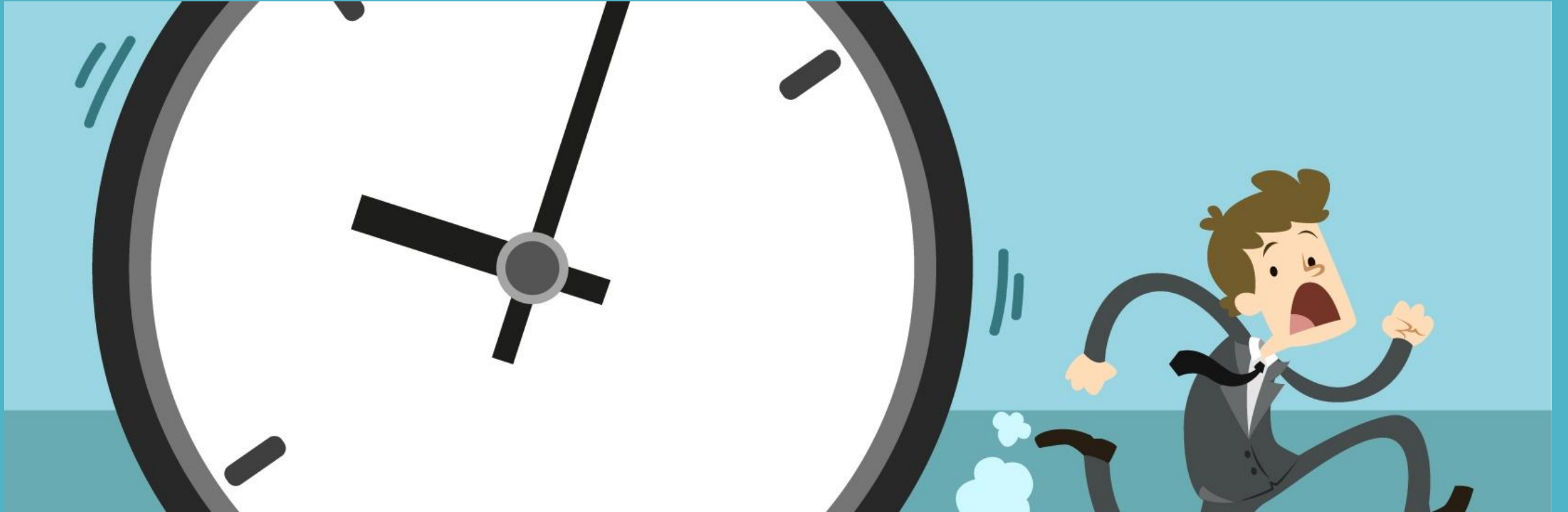
Nearly 30,000 borrowers awarded Public Service Loan Forgiveness so far under new rules



By [Katie Lobosco](#), CNN
Updated 5:38 PM ET, Tue November 23, 2021

Great News is Already Coming in!

- Some benefits occurring automatically



Next Steps

Deadlines Looming

What's the Rush?

The Loan Moratorium Ends on January 31, 2022.

- The LOAN TYPE change is the biggest issue to address.
- For Individuals to have their payments qualify for the NON-Direct Loans, the Loans must be CONSOLIDATED INTO DIRECT LOANS BEFORE OCTOBER 31, 2022.
- AS OF NOW, IT IS UNCLEAR IF THOSE PAYMENTS MADE TO NON-DIRECT LOANS FROM THE END OF THE MORATORIUM THROUGH CONSOLIDATION WILL COUNT. (2/22-10/22)

Best Next Steps

1. Encourage all membership to review their personal loan situation and determine if they may benefit from the limited opportunity waiver. More guidance is available here: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>
2. If a member has non-Direct Federal Loans, start the consolidation process NOW.
3. The Moratorium expires January 31, 2022, so prepare to reenter repayment.

WARNING! – FORGIVENESS SCAMS ARE ON THE RISE!

Questions?

Learn more by going to the Federal Student Aid Website: www.StudentAid.gov.