

---

# Legal Aid Staff FAQ On Public Service Loan Forgiveness



# Introductions

# Setting the Stage



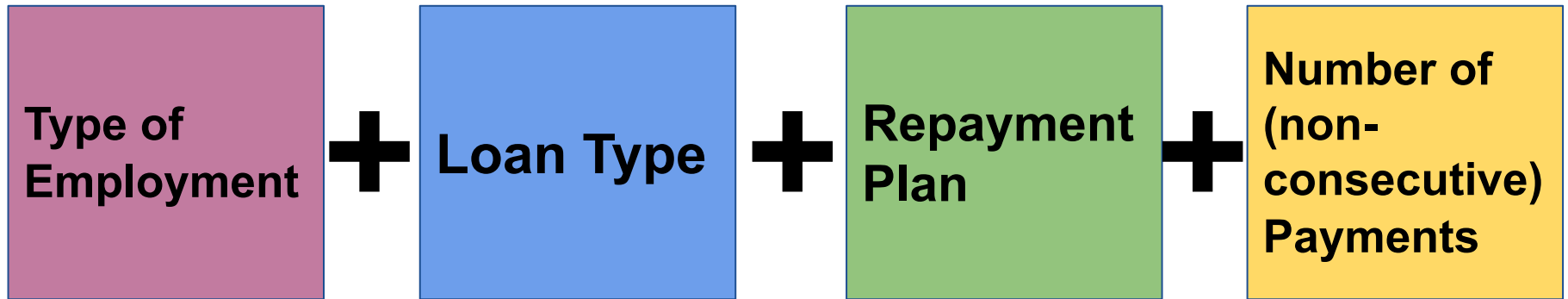
# Agenda

1. Public Service Loan Forgiveness Basics
2. Details of the PSLF Waiver
3. Your Questions



**On to Public Service Loan  
Forgiveness!**

# Four Elements of Public Service Loan Forgiveness:



**= Cancellation**



# The General Rules

## *Before the PSLF & IDR Waivers*



# 1. Type of Employment

Borrower must have qualifying employment. Qualifying employment is **full-time public service employment** at a **nonprofit employer**.



# 1. Type of Employment

Qualifying employment is full-time public service employment at a **nonprofit employer**

- 501(c)(3) employment **always counts!**
- Government employment (any level) **always counts!**
- US military service **always counts!**

# 1. Type of Employment

Qualifying employment is full-time public service employment at a **nonprofit employer**

- But, other types of nonprofit organizations count too if they provide qualifying public services

# 1. Type of Employment

One more thing...



## **2. Loan Type**

**Normal (non-waiver) times:**

- Only federal Direct Loans count

## 2. Loan Type

### Normal (non-waiver) times:

- Borrowers with FFEL or Perkins Loans could consolidate into Direct Loans **but it would “restart the clock”**



# 3. Repayment Plan

## **Normal (non-waiver) times:**

- Only payments made in Income Driven Repayment Plans (and standard repayment\*) during qualifying employment would count towards cancellation

# 3. Repayment Plan

**Normal (non-waiver) times:**

**These did not count:**

- **Graduated repayment**
- **Extended repayment**
- **Forbearance**
- **Deferments**
- **Time in default.**



# 3. Repayment Plan

**Normal (non-waiver) times:**

**Parent PLUS loans (even Direct Loan Parent PLUS loans) are ineligible for PSLF because they are not eligible for income driven repayment plans.\***

# 3. Repayment Plan

**Normal (non-waiver) times:**

**\*= Parent PLUS loans ARE eligible if they are consolidated into a Direct Loan, which is eligible for the Income Contingent Repayment plan. But the clock resets with consolidation.**

## 4. Number of Payments

120 qualifying payments = 120 months

**Normal (non-waiver) times:**

Qualifying payment=

- 1) On time, full payment
- 2) Made in qualifying repayment plan
- 3) While working in qualifying employment

# 4. Number of Payments

120 qualifying payments = 120 months

**Months do not need to be consecutive.**

*OK if you have breaks b/c of  
non-qualifying  
employment,  
non-employment,  
nonpayment,  
whatever*



**How do I start demonstrating that I am accruing/have accrued eligible time?**

**By submitting employer  
certification forms  
(ECFs).**

# Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool

The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process.



## Important Limited PSLF Waiver Opportunity

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.

[Learn More About this limited PSLF waiver.](#)

## 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 FedLoan Servicing. 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.



[Log In To Start](#)

**Then send to your employer  
for a signature.\***



# Last thoughts on the ECF form...



# One more thing....

## **Normal times before the waiver:**

When you reach more than 120 payments and apply for PSLF

Cancellation you must:

- Be enrolled in qualifying repayment plan

**AND**

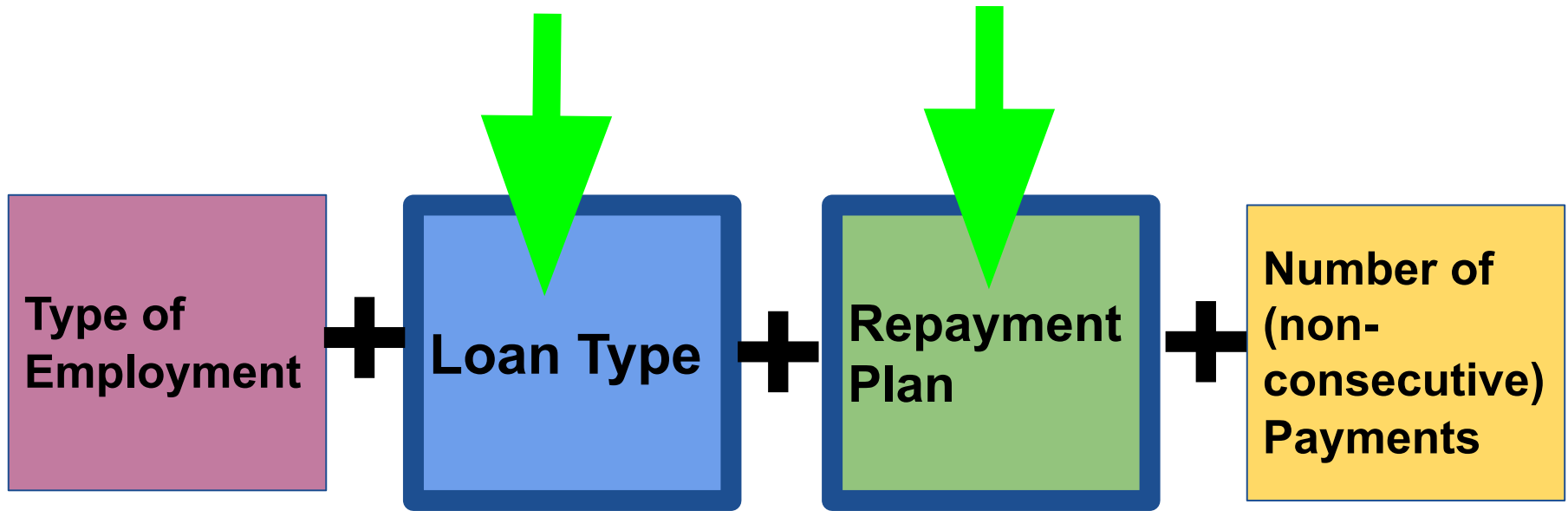
- Be working in qualifying public interest employment

**What does the waiver  
change?  
(Only until October  
31, 2022!!)**





# Waiver Changes 2 of the 4 PSLF Elements



**= Cancellation**

# What loans are eligible for PSLF under the waiver?

Direct Loans

AND

Pre-consolidation time for FFEL and Perkins loans if the borrower consolidates and submits ECF form before waiver is up!

# What loans are eligible for PSLF under the waiver?

That's right--  
consolidation **will**  
**NOT** reset the  
clock for FFEL and  
Perkins loans!





# What loans are eligible for PSLF under the waiver?

*Note: some Parent PLUS loans are excluded\* and default still doesn't count.*

# What else does the waiver do for borrowers who consolidate?

- 1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*

# What else does the waiver do for borrowers who consolidate?

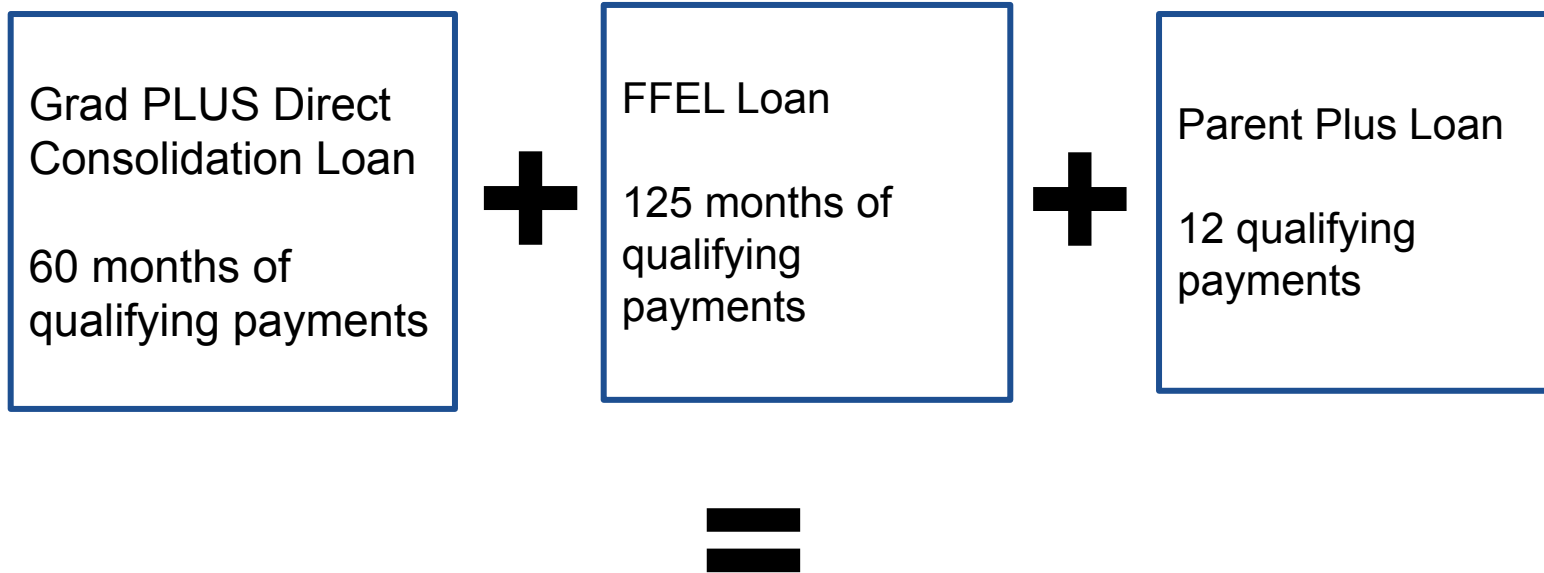
- 1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*
- 2) Parent PLUS loans can count towards PSLF forgiveness if consolidated with Direct, FFEL, or Perkins Loan

# What else does the waiver do for borrowers who consolidate?

- 1) Old loans + new loans consolidated together into one consolidated get credit for time of *oldest loan*
- 2) Parent PLUS loans can count towards PSLF forgiveness if consolidated with Direct, FFEL, or Perkins Loan

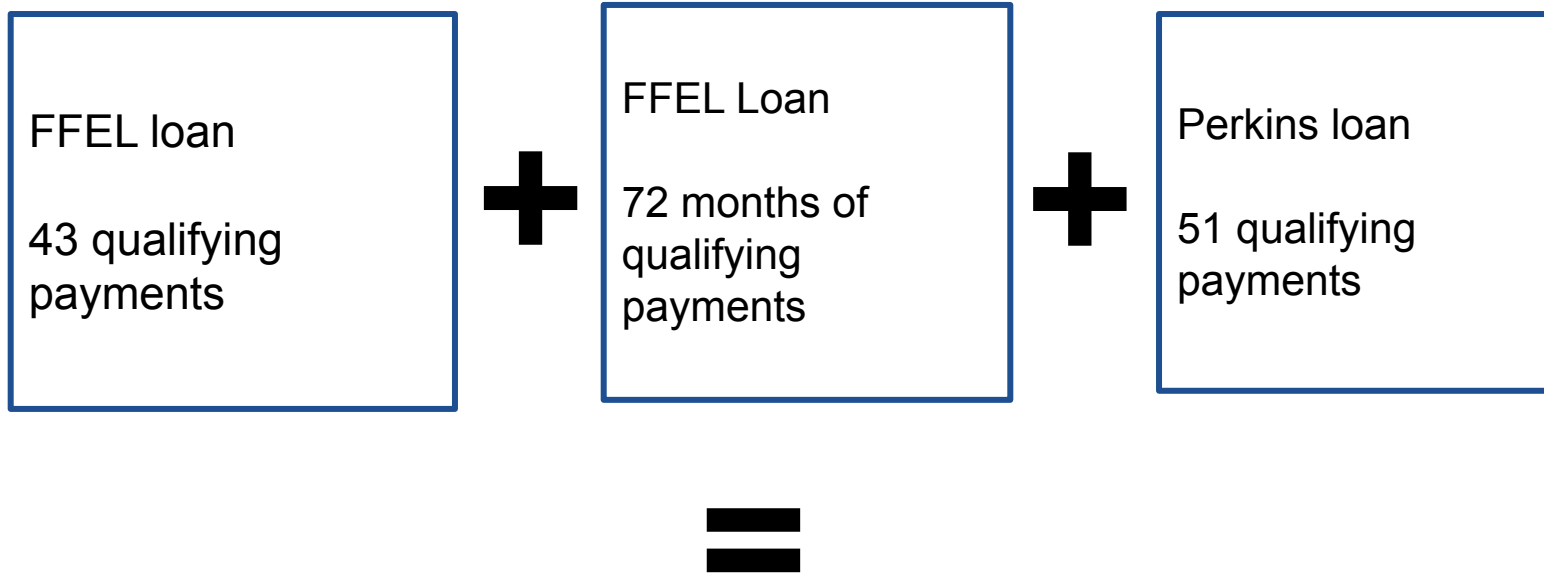
***But Bonnie, what happens if Parent PLUS loan(s) just consolidates into a Direct Loan without a FFEL or Direct loan?  
Clock resets.***

# EXAMPLES



New direct consolidation loan  
with credit for 125 qualifying payments

# EXAMPLES



New direct consolidation loan with credit  
for 72 qualifying payments

# EXAMPLES

Parent PLUS  
loan that has  
been in  
repayment for  
34 months

+

Parent PLUS  
loan that has  
been in  
repayment for  
124 months

=

New Direct Consolidation Loan  
with no credit -- but can be eligible for  
PSLF moving forward if enrolled in ICR

**BUT Borrowers must  
consolidate & submit  
ECF forms before the  
waiver ends**



# What payments/repayment plan is eligible under the waiver?

*Benefits of PSLF AND IDR Waivers!*



# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment

# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time for FFEL and Perkins loans. *Note: Parent PLUS loans are excluded (but there are work arounds)*

*Bonnie, two concerns: I'm worried about consolidating and getting a higher interest rate on my loans, but not being approved for forgiveness--after all I've been told I didn't qualify in the past. I'm also worried about counseling clients to consolidate because I am worried they will default in the future. Thoughts?*

# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus some Parent Plus)
3. Time in forbearance

# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
  - **automatic** recount if you have 36 mo. cumulative, or 12 mo consecutive in forbearance
  - can also submit complaint to ombuds office for a recount for shorter periods



How Aid is Calculated

Comparing School Aid Offers

Accepting Financial Aid

Receiving Financial Aid

Complete Annual Student Loan Acknowledgment

Complete a Master Promissory Note (MPN)

MPN for Undergraduates

MPN for Graduate/Professional Students

MPN for Parents

Complete Entrance Counseling

Complete TEACH Grant Counseling and Agreement

Escalate to the Ombudsman Group.



### Submit a Complaint ?

Submit a complaint or report a suspicious activity or scam, on behalf of yourself or someone else.

Submit Complaint



### Share Positive Feedback

Share positive feedback about your financial aid experience.

Share Positive Feedback



### Manage My Cases

Log in to your account to view, track, or update your case(s).

Manage Cases



# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 time in deferment



# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 time in deferment
  - **Does not include in-school deferment**

# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Pre-2013 Time in deferment

**4b. All economic hardship deferments**

# What payments/repayment plan are eligible under the waiver?

*Eligible until Oct 31, 2022:*

1. All time in repayment
2. Pre-consolidation time (minus Parent Plus)
3. Time in forbearance
4. Time in deferment

And permanently eligible:

- Time in qualifying employment during payment pause

**This makes a lot more people &  
time eligible!**



# One more payment pause note



*But Bonnie, my account (on my servicer's website or studentaid.gov) doesn't reflect my complete payment history--years are missing!*

*(Or) My account is showing different amounts of qualifying time for different loans that were treated identically!*

*Should I be worried? What should I do?*

# **This does NOT still apply to borrowers covered by waiver**

When you reach more than 120  
payments and apply for PSLF

Cancellation of your loan

- Be enrolled in a qualifying repayment plan

AND

- Be working in qualifying public interest employment

# **A Quick Word On The Cancellation Announcement....**



# **What do borrowers need to do to take advantage of the waiver?**

**Before October 31, 2022, borrowers must:**

- 1) Submit an ECF form for all qualifying time (even if you previously received a ECF denial)

**AND**

- 2) You must initiate consolidation if that applies to you (VERY important for loans that are not Direct Loans)

*Bonnie, is there any way I can verify that I am on track? How will I know if I need to do anything? What if it's been months and I haven't heard anything since I submitted my ECF?*

**This all sounds encouraging, but...  
I've got more questions.**



## Your questions:

*I've been on a graduated repayment plan that only counts towards cancellation because of the waiver, but I haven't made it to 120 payments yet. Do I need to enroll in an IDR plan to receive cancellation?*

# Your questions:

*You shared that the time in forbearance and deferment would count, but my account hasn't been adjusted to account for that time. When can I expect to see those changes?*

*Should I be worried if I only see an account adjustment for specific years?*

# Your questions:

*I've gotten multiple notifications from my servicer with different amounts of qualifying payments. Which can I trust? What should I do if I think the last number of qualifying months is wrong?*

# Your questions:

*How does the PSLF waiver interact with TEPSLF? Are there circumstances where I might be eligible under TEPSLF but not under the PSLF waiver?*

# Your questions:

*I consolidated my loans, and my servicer changed. I have not received credit for the pre-consolidation payments that were made to the prior servicer. What should I do?*



# Your questions:

*I've been repaying FFEL loans since 2006, and I've been working at a legal aid organization that entire time. Will the Department refund all payments made after the 120th qualifying month?*

# Your questions:

*Should we anticipate hearing anything regarding the status/receipt of our application? I submitted my application, but have not received any notice that it was received. I also understand that there is likely an influx of applications, so I wanted to verify that even if they don't process my application by the 10-31 deadline, they will still accept the application since it was received before then.*

## Your questions:

*I have been working for (approved) public service employers since I finished law school in May 2013. Some of my months of employment have not been counted towards PSLF because I "...do not have a bill for this payment period." Is a "bill" a requirement under the waiver? I believe I did not have a bill because FedLoan was recalculating how much I should pay because my income changed.*

# Your questions:

*Can a client who believes they have all 120 qualifying payments under the Waiver and has filed all the required paperwork prior to the deadline but does not receive the actual count until after October 31, 2022, leave their public service job and still get loan forgiveness?*



# Where can I go for additional information/help?

## **PSLF Waiver:**

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

## **Student loan info:**

NCLC student loan law manual  
*and*  
[studentloanborrowerassistance.org](https://studentloanborrowerassistance.org)

## **Income Driven Repayment Plan information:**

<https://studentaid.gov/manage-loans/repayment/plans>

## **Breaking news about administrative relief:**

<https://www.studentloanborrowerassistance.org/resources/blog/>





THE CONSUMER CREDIT AND SALES LEGAL PRACTICE SERIES

NCLC<sup>®</sup>  
DIGITAL  
LIBRARY

# STUDENT LOAN LAW

SIXTH EDITION



Full text, plus exclusive  
digital features included  
[www.nclc.org/library/](http://www.nclc.org/library/)

- All chapters and appendices online, with frequent updates highlighted and integrated
- Powerful search engine
- Live links to key resources
- Downloadable sample greetings ready to edit

(See page ii for details)

NATIONAL CONSUMER LAW CENTER<sup>®</sup>

<https://library.nclc.org/bookstore>



National  
Consumer Law  
Center  
*Fighting Together  
for Economic Justice*

# **2022 Consumer Rights Litigation Conference & Class Action Symposium**

Seattle, Washington | November 10-13

<https://www.nclc.org/conferences-training/consumer-rights-litigation-conference.html>



# Thank you!



Since 1969, the nonprofit **National Consumer Law Center® (NCLC®)** has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)