



National
Consumer Law
Center

*Fighting Together
for Economic Justice*

Loan Cancellation, Forgiveness, and Discharge Programs

May 2026

Welcome back to
the third session
of NCLC's
student loan
training series!



National Consumer Law Center - NCLC

- The National Consumer Law Center (NCLC) works for **economic fairness and justice** for people with low incomes.
- Through our student loan project we:
 - help student loan borrowers **understand their rights and obligations** ,
 - **train and work with lawyers and advocates** across the country on student loan issues,
 - **advocate for borrowers with lawmakers** , and
 - **fight to make the student loan system better** for borrowers.
- For more information on NCLC's work, visit our website at nclc.org, and our student loan website at studentloanborrowerassistance.org.

Meet the trainers

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Housekeeping

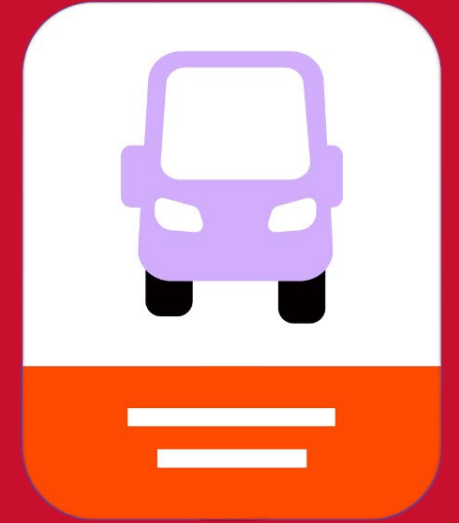
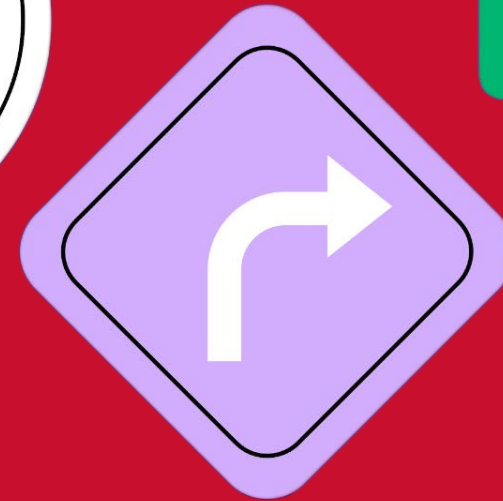
- This session is being **recorded** .
- The **slides and the recording will be sent** to the email address you used to register for the training after the presentation.
 - Slides and recordings are also posted online on the training series landing page: studentloanborrowerassistance.org/for-advocates/training-upcoming-events/training-for-financial-counselors-other-professionals/
- The **links** in all of the slides will be accessible once the materials are sent out.
- Please put **questions in the Q&A** .
- We **will try to answer questions** that aren't covered in the presentation at the end, and we will send additional answers in writing with the slide deck and recording.
- The follow-up email will also include a **short survey form** —if you complete the survey, you will receive a **certificate of attendance** in the training for self-reporting professional development purposes.



What We'll Cover Today

- **Overview** of the federal student loan cancellation, discharge, and forgiveness programs
 - **Screening** for eligibility
 - **Applying** for these programs
 - Deep dive on **PSLF, TPD, and IDR cancellation**
- **Other options for relief**
- **Case examples & hypotheticals**
- **Summing up & questions**
- **Additional resources**

Overview of federal student loan cancellation programs



Common Questions About Student Loan Forgiveness

- Didn't the Supreme Court rule that student loan forgiveness was illegal?
- Are borrowers eligible to have loans canceled after they retire or reach a certain age?
- Isn't Public Service Loan Forgiveness going away?
- Is student loan debt forgiven by the government taxable?
- Does a borrower have to be on disability benefits to get a Total & Permanent Disability Discharge?
- Are Parent PLUS Loans eligible for cancellation?
- If a borrower's private student loans were written off, do they still have to pay the debt?



Common questions about student loan forgiveness

- Didn't the Supreme Court rule that student loan forgiveness was illegal?
- Are borrowers eligible for forgiveness after they retire or become disabled?
- Isn't Public Service Loan Forgiveness (PSLF) just a loan discharge?
- Is student loan debt taxable?
- Does a borrower have to pay taxes on benefits to get a Total and Permanent Disability Discharge?
- Are Parent PLUS Loans eligible for cancellation?
- If a borrower's private student loans were written off, do they still have to pay the debt?

What are some questions you have about student loan forgiveness?



**Screen for
cancellation,
discharge, and
forgiveness
programs**

CANCELLATION, FORGIVENESS & DISCHARGE PROGRAMS

Total &
Permanent
Disability
Discharge
(TPD)

Public Service
Loan
Forgiveness
(PSLF)

Income-Driven
Repayment
(IDR) Loan
Cancellation

Borrower
Defense to
Repayment

False
Certification
& Identity
Theft

Closed
School
Discharge

Death
Discharge

**There are a few other less common programs that may be available to specific borrowers.*

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**There are a few other less common programs that may be available to specific borrowers.*

Are you eligible to have your loans canceled, forgiven, or discharged?

See page 13 of the toolkit. Check the boxes below if any of these apply to you, and review your options for loan cancellation or forgiveness.

Total & Permanent Disability Discharge

- Are you unable to work due to an ongoing disability or a physical or mental condition?
- Do you receive some type of disability benefits, such as VA benefits, SSI benefits, or Social Security benefits?
- Are you retired and not able to go back to work due to a disability?

If you checked any of these boxes, you may be eligible to have your federal student loans canceled through the Total & Permanent Disability Discharge program.

Apply for Relief: Get information about how to apply for a Total & Permanent Disability Discharge at studentaid.gov/cancellation/discharge.

Public Service Loan Forgiveness (PSLF)

- Do you work full-time in a public service job (at least 30 hours or more per week)?
- Is your public service employer a government, 501(c)(3) nonprofit organization, or other nonprofit organization that provides a public service?

If you checked these boxes, you may be eligible to have your federal student loans making 120 qualifying payments) while working in a public service job.

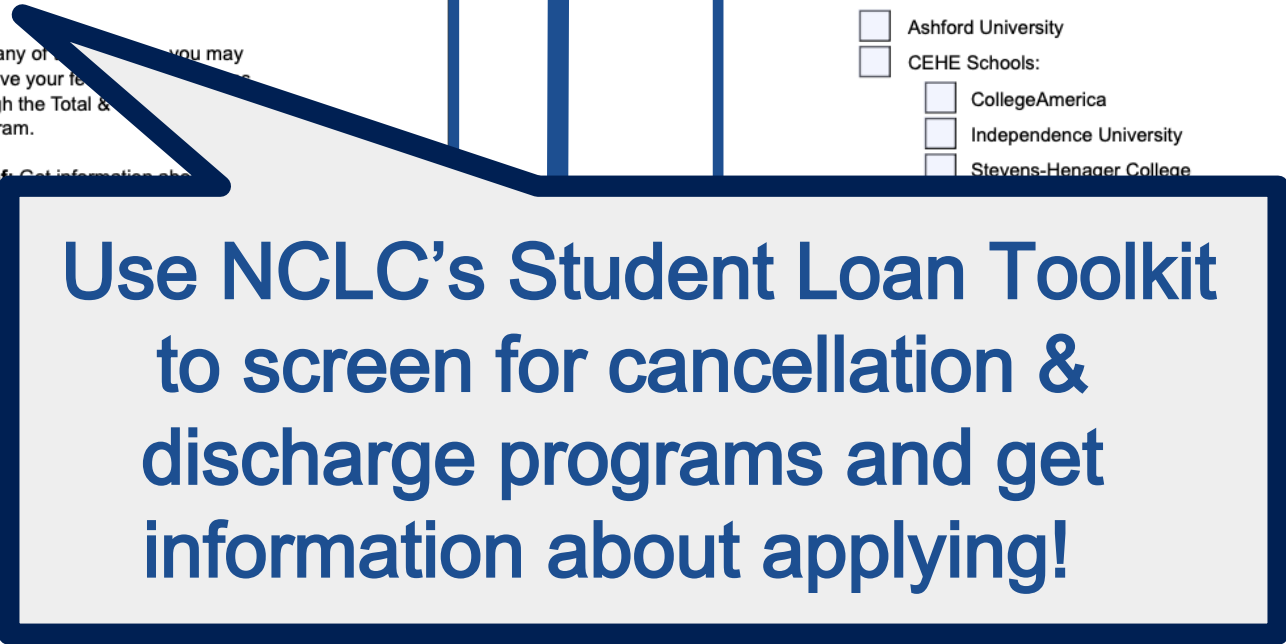
Only Direct Loans are eligible for PSLF, so if you have other federal student loans, you may want to consolidate them into a Direct Loan.

Apply for Relief: Start earning credit toward PSLF or apply for forgiveness using the Department of Education's online PSLF Help Tool at studentaid.gov/pslf.

Did you attend any of the following schools?

Check all that apply. If you attended any of the following schools, the Department of Education may have made eligibility findings for your school, or may have decided to automatically cancel the loans borrowed to attend these schools through the Borrower Defense to Repayment program. See page 13 of the toolkit, "Are You Eligible to Have Your Loans Canceled, Forgiven, or Discharged?"

- Ashford University
- CEHE Schools:
 - CollegeAmerica
 - Independence University
 - Stevens-Henager College



- University of Phoenix
- Westwood College
- The Art Institutes

NOTE: For more information on automatic cancellation, visit studentaid.gov/announcements-events/borrower-defense-update.

What about President Biden's student loan relief?

- The Supreme Court **struck down President Biden's first attempt to provide broad -based debt relief** to student loan borrowers.
- President Biden did enact **time -limited flexibilities in existing programs** to help people recover from the COVID- 19 crisis and to fix long-standing problems within the Federal Student Loan system, including:
 - The **PSLF waiver** and the **IDR Account Adjustment** —which helped millions of borrowers cancel their loans or get closer to cancellation.
 - Cancellation for student loan borrowers who **attended specific predatory schools**.

What about President Biden's student loan relief?

These programs have now ended. And there is no new plan to provide more student loan debt cancellation beyond the programs we're talking about today.

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ing:

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to cancellation.

who attended specific predatory



**Public Service
Loan
Forgiveness
(PSLF)**

Public Service Loan Forgiveness

- Does the borrower work in a **public service job**, such as a teaching, nonprofit, military, or government?
 - If so, they may be eligible for credit under the Public Service Loan Forgiveness (PSLF) program.
- To qualify for PSLF, a borrower must:
 - have **Direct Loans**,
 - work **full-time** in a **qualifying public service job** ,
 - be in an **qualifying repayment plan** ,
 - make **120 qualifying monthly payments** (10 years).
- After the borrower meets all of the requirements, they can apply to have their loans forgiven.
- Student loan debt forgiven through the PSLF program is **not considered taxable** income for the purposes of federal taxes.

Qualifying loans

- Only **Direct Loans** are eligible.
 - The borrower **may have to consolidate non - Direct Loans** into a new Direct Consolidation Loan to become eligible.
- **Parent PLUS Loans** likely needed to be consolidated into a new Direct Consolidation Loan prior to July 1, 2026 to be eligible for an IDR plan to earn credit toward PSLF.
- **Be careful about consolidating loans now** due to the downsides of consolidation *–if a borrower has any loans consolidated or disbursed after July 1, 2026, the borrower will only be eligible for the new track of payment plans (Tiered Standard Plan & RAP).*
- Also if the borrower consolidated loans together that have different PSLF payment counts, the **payment count will be reset based on a weighted average** if the borrower has already earned credit.
 - See the **PSLF Weighted Average Calculator Tool** from CSSNY: [edcapny.org/pslf - weighted - average - calculator](https://edcapny.org/pslf-weighted-average-calculator) .

Qualifying employment

- Many jobs are PSLF eligible, including jobs with:
 - **a government entity** at any level (federal, state, local, or tribal),
 - an **organization that is tax exempt under section 501(c)(3)** of the Internal Revenue Code,
 - **certain non - exempt not - for - profit organizations** that work on specific issues.
- The borrower must work **full - time (at least 30 hours/week)** .
- The borrower can **combine multiple part - time qualifying jobs to meet the 30/hour requirement** – *there are also special rules for adjunct professors (adjunct faculty can get at least 3.35 hours of work for every credit hour taught).*

Qualifying repayment plans

- Only payments in the **10-year Standard plan** and an **IDR plan** count – *time in the SAVE forbearance does not count, but time in the COVID-payment pause does count!*
- The borrower **may have to switch repayment plans** to qualify.

Earning credit toward PSLF with ECF

- Borrowers can earn credit to work towards PSLF by submitting an **Employment Certification Form (ECF)** .
- Borrowers can **submit ECFs at any time** , and they **can retroactively submit ECFs** for past qualifying time in repayment.
- Payments **do not have to be consecutive** , and borrowers can bank time at **different jobs** .
- Borrowers can use the **Department of Education's [PSLF Tool](#)** to easily fill out and send their ECF for their employer to sign.
- We recommend submitting the **ECF annually**, or whenever the borrower **switches jobs** .

ECF processing

- After the ECF is processed, the borrower's servicer will send them a notice letting them know how much credit was approved toward PSLF .
- The borrower's **PSLF count should also appear on their studentaid.gov account** and on their online accounts with their loan servicers.
- Note: **ECFs submitted online** are processed much faster than forms that are faxed or sent in. We recommend uploading a scan of the form digitally if possible to the borrower's studentaid.gov account using the document upload tool, even if they fill it out by hand.

Getting loans forgiven under PSLF

- Once the borrower has reached 120 qualifying payments (the **final ECF was processed and approved showing 120 qualifying payments**), the borrower's remaining loan balance should be canceled.
- It may take **time for the cancellation to be processed** –*some borrowers report a quick turn around, while others say it take months to get the approval.*
- The borrower can **request a forbearance** on their loans while waiting for the cancellation to be approved or **continue to make payments** .
- The payments they make beyond the 120 qualifying payments **should be refunded** after their cancellation is approved –*but again, we've seen issues with this.*

Getting loans forgiven under PSLF

- Once the borrower has made 120 qualifying payments (the final ECF was processed and approved for 120 qualifying payments), the borrower's remaining loan balance will be forgiven.
- It may take time for the borrower to receive their refund. *quick turn around*
- The borrower can't have their loans canceled under PSLF if they apply while they are retired or after they left their public service job.
- The payments they made while in public service will be refunded after they leave. *this.*

NOTE: Borrowers have to be working in a qualifying public service job when they apply for forgiveness (submit their last ECF) –*they can't have their loans canceled under PSLF if they apply while they are retired or after they left their public service job.*

PSLF Buyback

- Time in many deferments or forbearances, including the SAVE forbearance, does not count as a qualifying payment toward PSLF—*but the COVID payment pause time does count*
- Borrowers can “buy back” PSLF credit for months spent in non-qualifying deferments and forbearances if the borrower met the other PSLF requirements for those months.
 - Currently, the buyback is **only available to borrowers who already have 120 months** of qualifying employment and buying back those months in forbearance or deferment would result in forgiveness under PSLF.
- Buyback applications take a long time to process and there have been issues with this, so borrowers should have a back-up plan in place—*can they continue making qualifying payments ongoing?*
- See more information here: [studentaid.gov/manage-loans/forgiveness - cancellation/public - service/public - service - loan - forgiveness - buyback](https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/public-service-loan-forgiveness-buyback).

Common PSLF problems & pitfalls to watch out for

- **Problems with employers refusing to fill out ECF** —*there is an alternate way to apply.*
 - On the ECF, the borrower can check a box indicating their employer won't sign, and they can then attach proof of employment (*W2s, paystubs, IRS tax transcripts, direct deposit records, job offer letters, HR emails, or coworker affidavits*) .
- **Problems with payment counts** —*servicer errors are real!*
 - Try to resolve with the servicer.
 - Contact the Department's PSLF helpline at 1-888-303-7818.
 - File complaints FSA Ombudsman or state ombuds offices.
 - Reach out to local congressional office for help—*constituent services offices can be very helpful.*
- **IDR account adjustment issues:**
 - Many borrowers got credit for otherwise ineligible time toward PSLF cancellation due to the [one-time IDR account adjustment](#) out of the Biden administration. However, some borrowers didn't get the full credit they were entitled to, which may need to be addressed.
- **Failing to submit ECFs regularly** —*we recommend annually or whenever the borrower changes jobs.*
- **Not being in a qualifying repayment plan or not having qualifying loans** .
- **"Hanging loan" situation**, where some loans aren't eligible for PSLF, but others are forgiven.



**Total &
Permanent
Disability
Discharge (TPD)**

Total & Permanent Disability Discharge

Is the borrower **not able to work** due to an ongoing disability, physical, or mental condition?

- If so, they may be eligible to have their loans canceled through the **Total & Permanent Disability Discharge (TPD)** program.
- Some borrowers may be **automatically eligible** for TPD if they receive Social Security Disability or Veteran's Disability benefits for certain kinds of disabilities.
- **Even if they do not receive disability benefits,** they may still be able to receive a TPD discharge if a **medical professional fills out the TPD application** certifying that they cannot work.
- Loan forgiveness through the TPD program is **not considered taxable income** for the purposes of federal taxes

Confusion around TPD

- TPD is one of the **easiest ways to qualify** for federal student loan forgiveness.
- Many borrowers who may be eligible for this program are not aware of it or **incorrectly assume that they have to be on disability benefits** to qualify.
- There is **no cancellation after you retire or reach a certain age**, but many **older adults in retirement** who wouldn't be able to go back to work full-time due to their physical or mental health **could qualify for TPD** and have their loans forgiven—*all they need is a medical professional to sign off on their disabling medical condition.*

Qualifying for TPD

There are generally three different ways to qualify for TPD:

- **Medical Professional's Certification** : A qualified medical professional confirms the borrower can't work due to a disability that has lasted or is expected to last at least 5 years, or is expected to result in death.
- **Veteran Status** : The borrower is a veteran that has a VA determination that they are unemployable due to a service-connected disability.
- **Social Security Disability** : The borrower gets SSDI or SSI benefits and either:
 - Their next medical review is in 5-7 years (or their 3-year review has been renewed),
 - Their disability started at least 5 years before they got benefits (disability onset date), or
 - They're in the SSA Compassionate Allowance program,
 - They were on SSDI or SSI benefits before switching to SSA retirement benefits.

Who is automatically eligible for TPD?

- The Department of Education in the past has **received information from the Department of Veterans Affairs (VA) and Social Security Administration (SSA)** about borrowers with eligible disabilities under VA or SSA benefits (they should also be doing this now, but we're not sure if that's happening).
- If a borrower qualifies based on their status with the VA or SSA, **they may receive a letter** letting them know that the Department thinks they are eligible for a TPD discharge.
- The Department of Education may then **automatically cancel the loans** under the TPD program without the borrower having to apply.
- The **borrower can opt out** if they don't want their loans to be discharged.

Who is automatically eligible for TPD?

NOTE: If the borrower qualifies for TPD based on their VA or SSA status, but they haven't received an automatic discharge, they can still apply using the TPD application. They will have to submit documentation showing they qualify (which may be hard to get in some cases). If they don't have that documentation, they can still apply using the Medical Professional Certification.

Applying for TPD

- A borrower can apply for TPD online or by filling out and uploading or mailing in the paper TPD application .
- If the borrower is applying based on VA or SSA benefits status, then they will need to **submit proof of their eligibility** .
- If they're applying via the medical professional certification, they will **need a medical professional to complete part** of the application certifying you meet the disability requirements.
- The TPD application is very **easy to fill out and submit** (it's 19 pages long, but there are only a few pages that need to be filled out, and the rest is instructions).

Consider pausing payments before applying

- If a borrower plans to apply for a TPD discharge, they can **temporarily stop payments or collections for 120 days** .
- Once a borrower submits an application, collection must stop, and their loans should be put in forbearance until the application is processed.
- The forbearance should be automatic, but it's a good idea to put the Department of Education on notice by:
 - **Contacting their loan servicer**
 - **Calling 1-800 -433-3243**
 - **Faxing a letter to 1 -800 -433-3243**
 - **Mailing a letter to:**

U.S. Department of Education
P.O. Box 300010
Greenville, TX 75403

Getting a medical professional certification

- Medical professionals that can fill out the TPD form include **doctors, nurse practitioners, physician assistants, and licensed psychologists** .
- The section of the application that the medical professional needs to complete is **just 3 pages**, and includes a few short questions about the borrower's disability.
- The borrower **doesn't need to attach other proof** of their disability.
- View the questions on the application, beginning on page 6, here:
<https://studentaid.gov/sites/default/files/TotalandPermanentDisabilityDischargeApplication-en-us.pdf>

Section 6: Authorized Medical Professional Certification

The individual who has asked you to complete this section of the form ("applicant") has applied for discharge of their federal student loans and/or their TEACH Grant service obligation based on total and permanent disability (TPD), as authorized under federal law and the U.S. Department of Education's regulations.

One means by which a federal student loan borrower or TEACH Grant recipient can show that they are totally and permanently disabled for purposes of TPD discharge is to have an authorized medical professional certify that they are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that **(1)** can be expected to result in death; **(2)** has lasted for a continuous period of at least 60 months; or **(3)** can be expected to last for a continuous period of at least 60 months. **Substantial gainful activity** means a level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both. **Note:** This does not mean that the applicant must be unable to work at all. The applicant must be unable to perform a level of work for pay or profit that involves doing **significant** physical and/or mental activities.

To complete this section of the application, you must be one of the following:

- A doctor of medicine or doctor of osteopathy legally authorized to practice in a state;
- A nurse practitioner licensed by a state;
- A physician assistant licensed by a state; or
- A certified psychologist at the independent practice level who is licensed to practice in the United States.

The terms "state" and "United States" as used above include the 50 United States, the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Complete Items 1 through 11 below and on page 7. **Do not use abbreviations or insurance codes.** Print legibly and initial any changes.

Return the form to the applicant or the applicant's representative, or send it directly to the U.S. Department of Education at the address shown in Section 1.

Borrower Name: _____ Borrower SSN: _____

1. Provide the name and date of birth of the applicant:

Name _____

Date of Birth _____

2. Does the applicant have a medically determinable physical or mental impairment that prevents the applicant from engaging in any **substantial gainful activity** (see above)? If the applicant is able to engage in any substantial gainful activity in any field of work, you must answer "No."

Yes - Continue to Item 3.

No - **Do not complete this application.**

3. Is the applicant's impairment expected to result in death?

Yes - Skip to Item 5.

No - Continue to Item 4.

4. Has the applicant's impairment lasted or is it expected to last for a continuous period of at least 60 months?

Yes - Continue to Item 5.

No - **Do not complete this application.**

5. Provide your diagnosis of the applicant's impairment (do not use insurance codes or abbreviations):

6. Describe the severity of the applicant's impairment, including, if applicable, the phase of the impairment:

Borrower Name: _____ Borrower SSN: _____

Explain in Items 7 through 11 how the condition prevents the applicant from engaging in **any** substantial gainful activity in **any** field of work. Attach additional pages if needed. Enter "N/A" if not applicable. You may include additional information you believe is helpful in understanding the applicant's condition, such as medications or procedures used to treat the condition.

7. Limitations on sitting, standing, walking, or lifting:

8. Limitations on activities of daily living:

9. Residual functionality:

10. Social/behavioral limitations (if any):

11. Global Assessment Function Score (for psychiatric conditions):

Authorized Medical Professional's Certification

I **certify** that, in my best professional judgment, the applicant identified in Item 1 on page 7 has a medically determinable physical or mental impairment consistent with my responses in Items 2 through 11. I **understand** that an applicant who is currently able to engage in any substantial gainful activity in any field of work does not have a total and permanent disability as defined on this form.

Borrower Name: _____ Borrower SSN: _____

I am a:

- doctor of medicine legally authorized to practice in a state
- doctor of osteopathy/osteopathic medicine legally authorized to practice in a state
- nurse practitioner licensed by a state
- physician assistant licensed by a state
- certified psychologist at the independent practice level licensed to practice in the United States

State Where Legally Authorized to Practice or Licensed* _____

Professional License Number (subject to verification; stamp is acceptable) _____

*If you are licensed to practice in American Samoa, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, the Marshall Islands, Micronesia, or Palau, attach a copy of your professional license that clearly shows the expiration date.

Signature (a stamp is not acceptable) _____ Date(mm-dd-yyyy) _____

Name (First, Middle, Last) _____

Address (a stamp is acceptable) _____

Email _____ Telephone _____ Fax _____

How to apply for TPD

There are a few different ways a borrower can complete and submit an application for TPD:

- **Completely online:**

- The borrower logs into their account on studentaid.gov and goes to the application page at [studentaid.gov/tpd -discharge/](https://studentaid.gov/tpd-discharge/)
- The borrower completes the online application and will need their **medical professional's email information** *—and email will be sent to them to complete their section electronically.*

- **Partially online:**

- The borrower can **fill out the [application online](#)**, but if they don't have their medical professional's email, they can download and print the application to have the **medical professional complete by hand** and upload and submit the completed application using the [Document Upload Tool](#).
- The borrower can also [download the blank application](#) and fill it out by hand and upload it later to submit using the [Document Upload Tool](#).

- **Manually by fax or mail:**

- The borrower can [download the blank application](#) and **submit it by mail or fax** following the instructions in the application—*not recommended, as it these applications may take longer to process.*

What happens after the application is submitted?

- After a TPD application is submitted, it's **reviewed and processed by a BPO contractor** that works for the Department of Education.
- Again, borrowers **shouldn't have to make any payments** on their loans while their discharge application is being reviewed, but they should call their loan servicer to let them know they're applying.
- If they're still getting bills after they apply, **contact the loan servicer and let them know the borrower applied for TPD and that they want to be put in a forbearance.**
- Right now, we are hearing that there is a **backlog of TPD applications** still waiting to be processed, so there may be delays in hearing back about applications.
- Borrowers should see their online FSA accounts updated with information about the status of their TPD applications.
- If they have questions about the status of an application, they can contact FSA's **TPD Call Center at 1-888-303-7818**

Post-discharge reinstatement period

- If the borrower received a TPD discharge based on their SSA benefits status or a medical professional certification, **they'll be prohibited from taking out new federal loans within 3 years after the discharge is granted.**
- If they attempt to take out a new federal student loan in this 3-year reinstatement period, their **discharged debt will be reinstated !**
- Borrowers who received a TPD discharge based on their service-connected VA disability are not subject to a reinstatement period.

What if the medical professional refuses to help?

- This can be tough.
- Some doctors or medical professionals are **uncomfortable** completing these forms because they are not familiar with them or incorrectly think they require the same standard as other types of disability programs, such as SSDI or SSI .
- Some medical professionals may have **personal or moral reasons** for refusing to sign these forms.
- **Help advocate and educate medical professionals** about the program.
- Some states, like California, **require doctors** to fill out forms like this if requested by a client.
- And remember, that you **don't necessarily need a doctor** to sign the form. The borrower can also ask a nurse practitioner, physician assistant, or licensed psychologist!

Common problems with applications

- **Applications are incomplete:**
 - Borrower and the medical professional must answer all questions, even if they respond to some questions as “not applicable.” In addition, the borrower should tell their medical professional that insurance codes or abbreviations should not be used when describing disability or limitations.
- **Incorrect signatures:**
 - Typed cursive signatures or digital certificate -based signatures are not accepted.
- **Applications are not legible.**
- **If applying based on VA or SSA benefits status, required documentation is not included.**
- **Applications lost** during transition to new processing system.
- **Application rejected because medical professional certifications allegedly expired** before application submitted.
 - ED says these are only good for up to 90 days, but this is not in the law.
 - **TIP:** Even if expiration date is not legal, don't wait to submit applications after the medical professional has completed the form.

Can borrowers reapply if denied?

- Yes, but make sure you **understand why the application** was denied, so you can fix any mistakes, technical errors or get more evidence of the borrower's disability.
- If the application was **denied due to a minor technical problem**, you should also ask the BPO contractor if you can correct the problem without having to reapply.
- Historically, you were also able to ask the Department to **reevaluate the discharge application** if it was denied and you provide new information that supports the borrower's eligibility for discharge within 12 months of getting denied (but we're not sure how this process works now).
 - After 12 months, the borrower has to submit a new TPD discharge application.

The image features a central white rounded square with a thick blue border. This square is flanked by two solid red horizontal bars, one on the left and one on the right. The text 'IDR Cancellation' is centered within the white square in a blue, sans-serif font.

**IDR
Cancellation**

Income-Driven Repayment (IDR) cancellation


- Is the borrower enrolled in an **Income-Driven Repayment plan** (such as PAYE, ICR, or IBR)? Have they been making payments on their federal loans for **20-30 years**?
 - If so, they may be eligible for automatic loan cancellation under the Income-Driven Repayment program.
- There is **no application for this program**, and cancellation **should be automatic** after the borrower reaches the qualifying number of payments.
- Borrowers have to be **enrolled and make payments in an eligible IDR plan** to earn credit (borrowers also get credit for 10-year Standard payments too).
- There is **no current way to track the number of payments** a borrower has toward IDR cancellation—*though for a short window of time this was available on studentaid.gov and it may be coming back at some point.*
- Student loan debt forgiven through the IDR program is not considered taxable income for the purposes of federal taxes if the borrower reached time to forgiveness **before January 1, 2026**—*any future forgiven debts may be considered taxable income.*

IDR changes & issues to watch out for

- Because of pending court cases challenging parts of the IDR program, and recent actions in Congress, there are **big changes coming to IDR this July**, which will likely cause confusion and chaos.
- Borrowers in **SAVE are not earning credit** toward IDR cancellation. SAVE **replaced the old REPAYE plan**, and some borrowers may not know this.
- The new **RAP plan will allow for cancellation after 30 years** of payment.
- The Department has said that borrowers who are signed up for the **PAYE, ICR, and IBR plans should receive automatic cancellation** once they reach the required number of payments—*but there may still be borrowers who haven't received it yet because of court challenges and processing delays.*
- Borrowers **can switch between IDR plans** and transfer credit to the new plan. But borrowers can't transfer RAP credits to other IDR plans as a way to get the best of both worlds (RAP benefits but earlier IBR forgiveness)—RAP credit will only be applied to RAP forgiveness.
- **Consolidating loans will likely reset the borrower's** IDR credit clock—so be very careful about consolidation.

IDR cancellation problems & pitfalls

- **Missing repayment history :**
 - This is a huge problem for a number of borrowers. Loans have historically been transferred between servicers frequently, which has led to a lot of errors and servicing issues, resulting in missing payment histories for some borrowers. Because there is no current way to accurately track IDR payment counts, this is also difficult.
 - Try to resolve with the servicer.
 - File complaints FSA Ombudsman or state ombuds offices.
 - Reach out to local congressional office for help—*constituent services offices can be very helpful.*
- **IDR account adjustment issues:**
 - Many borrowers got credit for otherwise ineligible time toward IDR cancellation due to the [one-time IDR account adjustment](#) out of the Biden administration. However, some borrowers didn't get the full credit they were entitled to, which may need to be addressed following steps above.
- Borrowers are not aware that **periods of default, and some types of forbearance, and deferment don't count toward IDR cancellation** .
- Borrowers in SAVE need to **switch out of SAVE and into a new IDR plan** to continue earning IDR credit.



**Other
Cancellation,
Forgiveness, &
Discharge
Programs**

Death Discharge

- What happens to federal student loans after a borrower dies?
 - Federal student loans will be **discharged due to the death of the borrower** , or the **death of the student** on whose behalf a Parent PLUS loan was taken out.
 - The debt is discharged after a family member or other representative provides the loan servicer **proof of the borrower or student's death** , such as a death certificate.
 - For more information, see studentaid.gov/manage-loans/forgiveness-cancellation/death .

Closed School Discharge

- Was the borrower **unable to complete their program because their school closed** while they were enrolled, or they withdrew shortly before the school closed (and didn't transfer credits from closed school program to new program)?
 - If so, they may be eligible for a Closed School Discharge.
- To apply:
 - **Download the application form here:**
https://studentaid.gov/sites/default/files/SchoolClosureDischarge_en-us.pdf
 - Or call the **loan servicer** and ask for an application.
 - Submit the completed application to their loan servicer.
- For more information, visit studentaid.gov/manage-loans/forgiveness-cancellation/closed-school.
- Right now, student loan debt forgiven through the Closed School Discharge program is not considered federally taxable income.

Borrower Defense to Repayment

- Did the borrower's school mislead them? Lie to them? Fail to tell them important information? Engage in other misconduct when trying to get them to enroll or stay enrolled in the school?
 - If so, they may be able to have their loans canceled through the Borrower Defense to Repayment program.
- Sometimes, the Department of Education will **automatically cancel loans for groups of students** if it finds that a school engaged in misconduct and harmed students in similar ways—*this is called a “group discharge.”*
- If a borrower doesn't qualify for an automatic discharge, they have to apply.
- The **application process can be difficult**, as they have to be able to show that the school engaged in misconduct, that they relied on the schools' misrepresentations, and the misconduct harmed them.
- For more information and to apply, visit [studentaid.gov/borrower -defense](https://studentaid.gov/borrower-defense).
- Right now, student loan debt forgiven through the Borrower Defense program is not considered taxable income for the purposes of federal taxes.

Borrower Defense to Repayment

- Did your school mislead you? Fail to tell you important information? Engage in other misconduct that caused you to enroll or stay enrolled in the school? If so, you may be eligible for Borrower Defense to Repayment.
- Some schools may be more likely to be approved for Borrower Defense to Repayment if they are a for-profit school, a school with a high default rate, or a school that has been sanctioned by the Department of Education.
- If you are approved for Borrower Defense to Repayment, you may be eligible for a loan forgiveness program, a loan discharge, or a loan cancellation.
- For more information, visit nylag.org/wp-content/uploads/2022/03/NYLAG_FSLBDT_R_ApplicationGuide.pdf
- Remember, Borrower Defense to Repayment is a complex process and you should consult with a lawyer for more information.

Warning: Borrower Defense cases are very complicated, there is a guide available here:

nylag.org/wp-content/uploads/2022/03/NYLAG_FSLBDT_R_ApplicationGuide.pdf

False Certification Discharge

- Did the borrower **lack a high school diploma or GED** when they enrolled? Do they have **some type of disqualifying status** (such as a criminal record or medical condition) that prevents them from getting a job in the field they were studying at school?
 - If so, then they may be eligible to have their loans canceled through the False Certification Discharge program.
- Borrowers have to apply for a False Certification Discharge.
- There are **different applications depending on the circumstances** .
- For more information and to download the applications, visit studentaid.gov/manage-loans/forgiveness-cancellation/false-certification .
- Student loan debt forgiven through the False Certification Discharge program is not considered taxable income for the purposes of federal taxes.

False Certification Discharge

- Did you lack a high school diploma or GED when you enrolled? Do you have some type of disqualification (such as a criminal record or medical condition) that prevents you from completing your education?
- You are currently on probation or parole.
- Federal or state law prohibits you from receiving federal financial aid.
- State law prohibits you from receiving state financial aid.

Warning: False Certification cases are very complicated, and the borrower likely needs an attorney to advise them before they proceed.

Identity Theft

- Did someone else forge the borrower's name on loan documents or use their identity to take out student loans ?
 - If so, you may be eligible for a False Certification Discharge (if a school employee uses their identity to take out loans) or Common Law Forgery Discharge (if someone else uses their identity to take out loans), depending on the situation.
- **False Certification ID Theft application:**
 - studentaid.gov/sites/default/files/false-certification-discharge-identity-theft-en.pdf.
 - For more information visit, studentaid.gov/manage-loans/forgiveness-cancellation/false-certification.
- **Common Law Forgery Discharge application:**
 - studentaid.gov/sites/default/files/LoanDischargeApplicationForgery-en-us.pdf.
 - For more information visit, studentaid.gov/manage-loans/forgiveness-cancellation/forgery.
- Right now, this forgiveness is not considered taxable income for federal taxes.

Identity Theft

- Did someone use your name on loan documents or use your identity to take out student loan documents eligible for a False Certification Discharge (if a school

- **Warning:** Identity Theft cases are very complicated, and the borrower likely needs an attorney to advise them before they proceed.

What if borrowers are eligible for multiple programs?

- Some borrowers may be **eligible for multiple different discharge and forgiveness programs** .
 - *A borrower with a Borrower Defense claim may also be eligible for Total & Permanent Disability Discharge if they can't work due to a disability.*
 - *A borrower who was working toward IDR cancellation may also be eligible for PSLF if they're employed in a public service job.*
- **Which program should the borrower apply for?**
 - This will depend on the individual borrower's situation.
 - Look at the pros and cons of each, including the application process, the relief offered, and what the borrower's goals and priorities are.
 - *For example, Borrower Defense offers loan cancellation plus a potential refund of money already paid on loans, but there's no guarantee that you get all of the loan discharged. Additionally, it's hard to get these approved and can take a really long time. Whereas TPD doesn't come with a refund, but it's a fairly quick and easy application process for many borrowers.*



**Other Student
Debt Relief
Options**

What if a borrower doesn't qualify for cancellation?

- They may other options for managing their student loan payments.
- Look into more affordable repayment options, such as **income-driven repayment (IDR)** .
- Consider a **forbearance or deferment** to temporarily pause payments.
- As a last resort, talk to an attorney with student loan bankruptcy experience to see if they can **discharge their student loan debt in bankruptcy** –*it has become easier to discharge student loans in bankruptcy in recent years.*



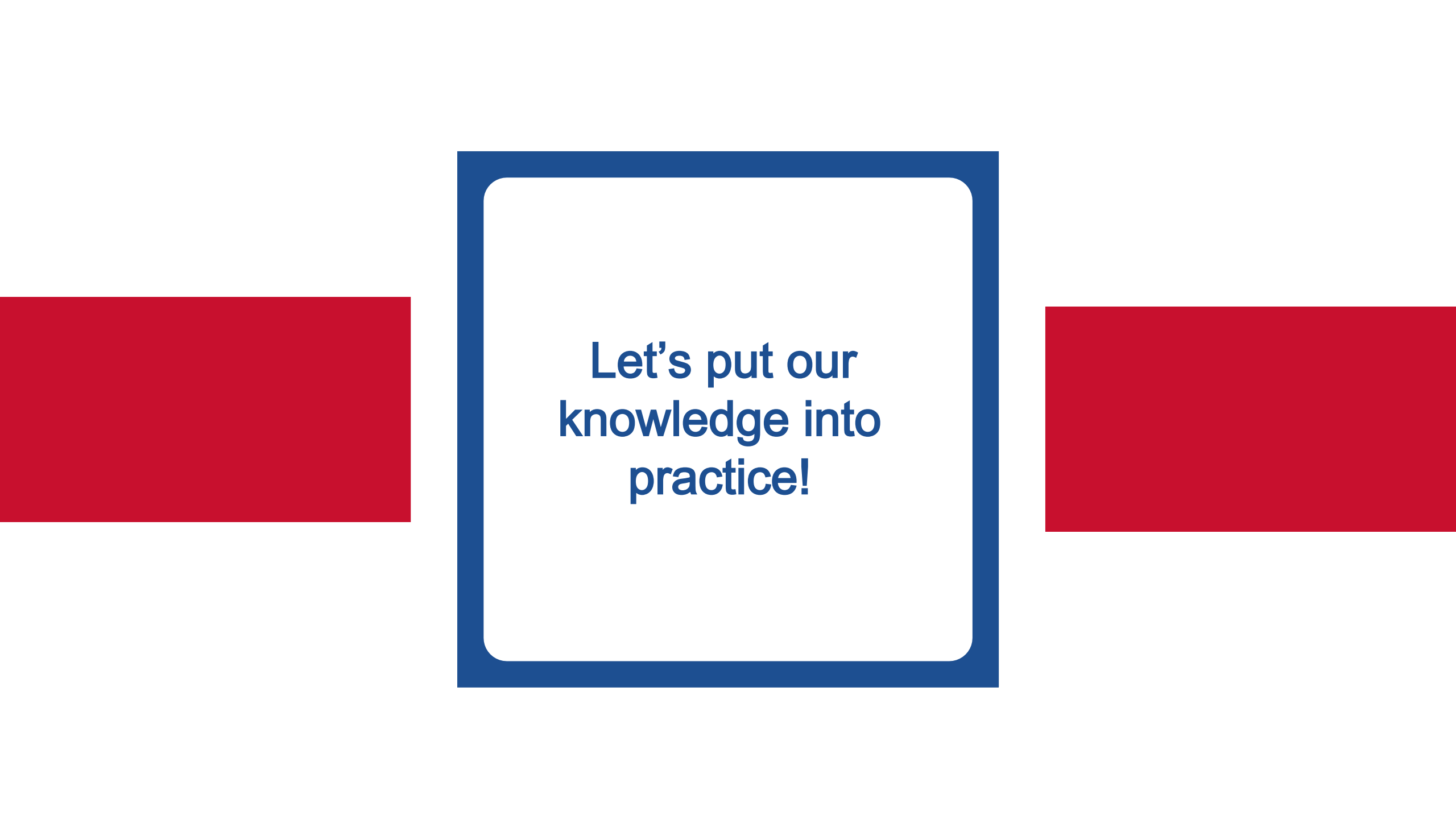
Private student loan cancellation & forgiveness options

- Unfortunately, most private lenders **do not offer loan cancellation or forgiveness** .
- Unless a private lender made a promise about a cancellation program, they usually don't have to provide cancellation to borrowers.
- But, in limited cases, some private student loan lenders will allow a borrower to cancel their loans, such as if a **borrower is disabled** and unable to work, or to **settle their debt for less than what they owe** .
- Borrowers should **ask their loan servicers** about loan cancellation programs available.
- If they **haven't paid on their private student loans in a while**, it may be **beyond the statute of limitations to collect** —*but get advice from an attorney on this.*
- Borrowers may also be able to **discharge private student loan debt in bankruptcy** , but again, they likely need an attorney to advise them on whether or not this is an option.

Are private loans that were written - off forgiven?

- No. A write -off or charge -off of an account by a lender or creditor does not necessarily mean the debt was forgiven.
- The creditor may still **file a lawsuit to collect** on the debt or **sell the debt to debt collectors** .
- But, if it's been a while since the borrower last paid on the debt, **the statute of limitations to collect the debt may have expired** (this is different depending on where the borrower lives), so they should **talk to an attorney** if they need advice about dealing with these types of debts.





**Let's put our
knowledge into
practice!**

Case example: social worker's college closed

Sarah graduated with a Master's in Social Work in **2018**. Sarah has been **working as a school social worker** since she graduated, and was on the **REPAYE** plan before the payment pause. She says she hasn't had to make payments on her loans since the pandemic, but she thinks she got a **notice from her servicer** that she may have to pay again soon. Her college just announced **it was closing**, so she contacted you to see if she could get her loans canceled.



Case example: social worker's college closed

1. Is Sarah eligible for a Closed School Discharge?
2. What payment plan is she likely on right now?
3. What other cancellation program is Sarah potentially eligible for?



Case example: social worker's college closed

1. Is Sarah eligible for a Closed School Discharge?
 - **No**—*she completed her degree and wasn't in attendance when the school closed.*
2. What payment plan is she likely on right now?
 - **SAVE**—*SAVE replaced the REPAYE plan, and borrowers on SAVE are currently on an automatic forbearance.*
3. What other cancellation program is Sarah potentially eligible for?
 - **PSLF**—*but confirm her eligibility or take steps needed to make her eligible, and make sure she is on track with her ECFs.*



Case example: social worker's college closed

4. Does the time Sarah worked during the payment pause count toward PSLF?
5. What about now? Is Sarah likely still earning credit toward PSLF?
6. What does she have to do to get PSLF credit?
7. Can Sarah “buy back” her non-qualifying time?



Case example: social worker's college closed

4. Does the time Sarah worked during the payment pause count toward PSLF?
 - **Yes**—*time in the payment pause should count as long as she met the other requirements.*
5. What about now? Is Sarah likely still earning credit toward PSLF?
 - **No**—*if she is on SAVE, that time is not earning credit toward PSLF, so she will need to switch plans to keep earning credit.*
6. What does she have to do to get PSLF credit?
 - **Submit the ECF**—*she can even do this retroactively for larger chunks of time.*
7. Can Sarah “buy back” her non-qualifying time?
 - **Probably not right now** —*if she's not at 120 qualifying payments, she can't submit an application for a the PSLF buyback right now.*



Case example: in student loan debt since the 90s

Doris has been paying on her student loans **since the 90s**. She's been on many different repayment plans over the years, and has paused her payments several times when she was out of work. Doris lost her part-time job at a local pharmacy during the pandemic, and she **hasn't made any payments** on her loans since then. She hasn't been able to go back to work because of **cancer treatments** she's receiving. She's worried what will happen if she starts to collect **Social Security** retirement benefits.



Case example: in student loan debt since the 90s

1. What loan forgiveness program is Doris potentially eligible for?
2. What's the likely status of Doris' student loans?
3. Is Doris at risk of having her Social Security benefits seized to pay back her student loans?



Case example: in student loan debt since the 90s

1. What loan forgiveness program is Doris potentially eligible for?
 - **TPD**—*and possibly IDR cancellation.*
2. What's the likely status of Doris' student loans?
 - **Hard to tell** —*if she hasn't paid on her loans since before the pandemic, she may either be in forbearance or in default.*
3. Is Doris at risk of having her Social Security benefits seized to pay back her student loans?
 - **Maybe if her loans are in default** —*Social Security offset is current paused, but it will likely be turned back on again.*



Case example: in student loan debt since the 90s

4. How can Doris find out if her loans are in default?
5. If her loans are in default, can she apply for TPD?
6. Can Doris' radiation therapist sign the TPD application for her?



Case example: in student loan debt since the 90s

4. How can Doris find out if her loans are in default?
 - **Check her account on studentaid.gov** – *she can also contact her servicer or DRG.*
5. If her loans are in default, can she apply for TPD?
 - **Yes**–*she can apply for TPD to have her loans canceled even if she is in default.*
6. Can Doris' radiation therapist sign the TPD application for her?
 - **No**–*radiation therapists can't sign a TPD, but if Doris has a doctor, nurse practitioner, physician assistant, or licensed psychologist she sees, they could sign the form.*



Summing up & questions



Key takeaways

- Student loan debt **cancellation, forgiveness, and discharge programs** are still available to help relieve borrowers of their federal student loan debt.
- Use NCLC's [Student Loan Toolkit](#) and studentloanborrowerassistance.org to get information and help screen borrowers for eligibility for federal student loan forgiveness.
- Screen every borrower you work with for these programs, especially **PSLF, Total & Permanent Disability Discharge, and IDR cancellation**.
- Some cancellation and forgiveness program **applications are much more complex and may require help from a lawyer** – *Borrower Defense, False Certification, Closed School Discharge*.
- Getting a federal student loan canceled or discharged is one way to **resolve default** !
- Borrowers may be eligible for multiple forgiveness and discharge programs, so make sure you help them **choose the path that is best for their situation** .
- Keep in mind **changes coming in July** that may impact how you advise borrowers on pursuing **forgiveness** —*make sure to watch out for special considerations around consolidation and IDR.*

Loan forgiveness, cancellation & discharge

Total and Permanent Disability Discharge: discharges loans when borrower cannot work because of a mental or physical condition.

Public Service Loan Forgiveness (PSLF): forgives balance of Direct Loans after 10 years of qualifying payments while working in qualifying public service employment.

Income-Driven Repayment Cancellation : borrowers enrolled in an income-driven repayment plan may automatically have loans canceled after a number of years in repayment.

Death Discharge : family is not liable for a borrower's loans if they die. Parent borrowers can also apply for a discharge of if the child they took the loan out for dies.

Closed School Discharge: available if a borrower did not complete their program because their school closed.

Borrower Defense : available to discharge loans borrowed to attend school that misled, deceived, or tricked students.

False Certification Discharge : available to discharge loan for borrowers where school falsely certified borrower's eligibility for federal loans (such as no GED/HS diploma, school signed for loans borrower didn't receive, etc).

Identity Theft Discharge : available to victims of identity theft that have evidence (police/FTC report, credit report dispute).

See you on August 20th for a deep dive on repayment options, including an overview of new changes to the system





QUESTIONS?



**Additional
Resources**

Previous Training Materials

- All materials are available on the landing page here: studentloanborrowerassistance.org/for-advocates/training-upcoming-events/training-for-financial-counselors-other-professionals/
- *The Ins and Outs of Student Loan Basics*, held on January 29, 2026:
 - Recording: vimeo.com/1169954605/3702fd52cd
 - Slides: studentloanborrowerassistance.org/wp-content/uploads/2026/03/Slides-The-Ins-and-Outs-of-Student-Loan-Basics-1.29.26-1.pdf
 - FAQs: studentloanborrowerassistance.org/wp-content/uploads/2026/03/Follow-Up-QA-Student-Loan-Basics.pdf
- *Default and Debt Collection*, held on February 26, 2026
 - Recording: vimeo.com/1169955695/082c4fde54?fl=pl&fe=cm
 - Slides: studentloanborrowerassistance.org/wp-content/uploads/2026/03/Slides-Default-Debt-Collection-2.26.26.pdf
 - FAQs: studentloanborrowerassistance.org/wp-content/uploads/2026/03/Follow-Up-QA-Default-Debt-Collection-Webinar-2.26.26.pdf

Relevant Links

Forgiveness, Cancellation & Discharge Programs

- Public Service Loan Forgiveness (PSLF)
 - PSLF Help Tool
 - PSLF Certification Form (PDF)
- Income Driven Repayment Forgiveness (IDRF)
 - Information on back -end way to find IDR payment count: tateesq.com/learn/idr-tracker.
- Teacher Loan Forgiveness (TLF)
- Total and Permanent Disability Discharge (TPD)

Relevant Links

Forgiveness, Cancellation & Discharge Programs, (cont'd)

- Borrower Defense to Repayment (BDR)
 - Application Guide from NYLAG: nylag.org/wp-content/uploads/2022/03/NYLAG_FSLBDTR_ApplicationGuide.pdf
- Closed School Discharge
- Perkins Cancellation

Relevant Links

Student Loan Basics

- [Federal Student Aid \(FSA\) Home Page](#)
- [FSA ID: Login, Reset, Create](#)
- [William D. Ford Direct Loan Program](#)
- [Federal Family Education Loan \(FFEL\) Program](#)
- [Perkins Loans](#)
- [Direct Plus Loans](#)
- [Direct Loan Servicers](#)
- [Borrowing Limits](#)
- [Federal Student Loan Interest Rates](#)

Relevant Links

Repayment Plans

- [Traditional Plans](#)
- [Income-Driven Repayment \(IDR\) Plans](#)
- [IDR Q&A](#) (comprehensive guide to IDR plans)

Relevant Links

Deferment & Forbearance

- [Deferment](#)
- [Forbearance](#)

Relevant Links

Consolidation

- [Basics](#)
- [Payback periods in Traditional Plans for Consolidation Loans](#)

Relevant Links

Delinquency & Default

- [Delinquency](#)
- [Default](#)
- [Getting out of Default](#)

File a Complaint

- [FSA Complaints Portal](#)
- [FSA Ombudsman](#)
- [Consumer Financial Protection Bureau](#)

Relevant Links

Federal Student Aid (FSA): Key Pages and Tools

- [Announcements](#)
- [Contact Information](#)
- [Forms Library](#)
- [Loan Simulator](#)
- [SAVE Plan Court Actions Updates](#)

NCLC's Student Loan Borrower Assistance Website

Changes Coming

Big changes may be coming to the student loan system. **Two court decisions** have temporarily blocked parts of the SAVE Plan from taking effect, which has also impacted borrowers' rights to other benefits and repayment plans. The Department of Education and Congress are also considering other changes to student loan repayment and discharge programs.

Sign up to receive the latest NCLC student loan news and updates via email. Borrowers can also get more information on the Department of Education's website: studentaid.gov.

Latest News

Big Bill Means Big Changes For Student Loan Borrowers: What You Need to Know

July 15, 2025

Student Loan Collections Are Back—Here's What You Need to Know

July 3, 2025

Screenshot Your IDR Progress Today

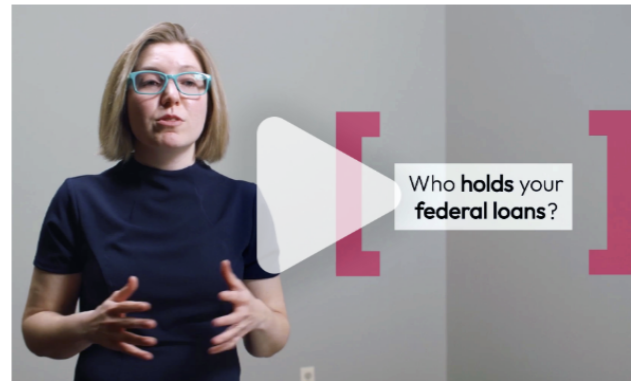
April 25, 2025

Common Issues

- [Understanding your loan situation](#) →
- [Help with repayment](#) →
- [Stop collections and get out of default](#) →
- [Cancellation and other relief](#) →
- [Get more help](#) →

Help Videos

Watch NCLC's **help videos** for tips on a number of student loan issues.



Share Your Story



Have issues with your student loans, loan servicers, or repayment? NCLC wants to hear from you! NCLC shares stories about borrower issues with lawmakers and policy advocates on a regular basis. [Share your story here!](#)

■ studentloanborrowerassistance.org

■ Learn the **latest student loan news** and what borrowers need to know.

■ Find **answers** to common student loan questions.

■ Get links to **applications for relief** and **referral information** for other help.

■ Watch **help videos** from NCLC and the Department of Education.

■ **Share stories** with NCLC to help make the student loan system work for borrowers.



STUDENT LOAN TOOLKIT

A GUIDE FOR ADVOCATES AND BORROWERS



May 2024
Updated March 2025

NCLC's Student Loan Toolkit

- A guide for advocates and borrowers.
- Includes **fillable pages** that can be used as a roadmap to:
 - **guide meetings** with borrowers,
 - **collect key information** , and
 - **document information** for the borrower to refer back to as needed.
- An updated version is coming in 2026.
- nclc.org/resources/student-loan-toolkit

Student Loan Video Series

These videos provide information that all borrowers should know:

- [Know what type of loan you have](#)
- [How to use studentaid.gov](#)
- [Who's Who in the Federal Student Loan System](#)
- [Federal Student Loan Repayment Options](#)
- [Do You Have FFEL or Perkins Loans?](#)
- [Parent PLUS Loans](#)
- [Loan Forgiveness and Relief Programs](#)
- [Dealing with Default](#)
- [Private Student Loans](#)





Student Loans Practice Suite

Navigating student loan debt can be confusing and stressful, especially as the landscape constantly changes. Resources for advocates defending student loan borrowers are below, including a number of helpful videos.

library.nclc.org/student-loan-practice-suite



Student Loans Practice Suite

Navigating student loan debt in a landscape constantly changes. Resources for borrowers are below, including:

Collection of all of these resources and more, including recorded webinars and trainings

library.nclc.org/student-loan-practice-suite