

American Psychological Association

Webinar | December 11, 2018

*(Slides were updated after webinar)*

# Public Service Loan Forgiveness

## How You Can Get It

### *and Why We're Fighting to Preserve It*

Eddy Ameen

Jennifer Smulson

# Logistics

- You are on mute
- Download handouts at anytime
- Webinar recording will be available after the session



# Today's Outline

1. Program overview
2. Tools available to you
3. A view from Capitol Hill
4. Your chance to advocate
5. Questions and Answers

*Disclaimer: APA and today's presenters will not provide financial or legal advice. We do our best to provide accurate information but we recommend you always consult with your own loan servicers, financial advisors, accountants, or attorney(s) as necessary.*

# Have a question?

- We've received over 100 questions from registrants that we've incorporated into our presentation. Thank you.
- While you won't be able to talk during the webinar, please submit your questions by using the "Questions" field located in the webinar control panel.
- We will get to as many questions as we can today.



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- Anticipated recipient of Public Service Loan Forgiveness

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Public Service Loan Forgiveness

# Program Overview

## Renewed Focus on Access and Service



*“This is an incentive for young people to be able to go into public service and serve their community. I think it enormously important and responsive to the time.”*

*– Sen. Edward Kennedy*



# PSLF: Great Ingredients

- Senator Kennedy, in one of his last acts, worked with Congress and the Bush administration to create this program.
- 11 years ago – created with BIPARTISAN support to PAVE paths to pursue PUBLIC SERVICE– even in the face of debt upon graduation.
- Since 2017, first borrowers eligible to apply for PSLF.

# Overview

The government agrees to forgive your loan balance, tax-free....

- A. **After** you make 120 Monthly Payments
- B. **On** Federal Direct Loans and Direct Consolidation Loans
- C. **In** a Qualified Income-Based Repayment Plan
- D. **While** working in a Qualified Employment Setting

# A. Make 120 Monthly Payments

- Do not need to be consecutive
  - Example: 12 one year, 3 the next due to medical leave, 10 the next (first two months part time, then back to full-time), 6 the next (worked second half of year on a government contract)
- Payments must be made on-time (no more than 15 days late)
- Made as scheduled, for full amount due (and no extra payments count)
- Status cannot be “in-school,” grace period, deferment, forbearance
- Tip: According to GAO, payments are easier to track when made with FedLoans

## B. On Federal Direct Loans and Direct Consolidation Loans

- Any non-defaulted loan received under the Federal Direct Loan Program
- FFEL and Perkins count only if consolidated into a Direct Consolidation Loan
  - Note: The “120 month” clock restarts if you consolidate direct loans you’ve been making payments on with other loans
- Private Loans DO NOT ever count for PSLF
- Can be for undergraduate AND/OR graduate loans
- Tip: Find out your loan type at **[nslds.ed.gov](https://nslds.ed.gov)** or **[studentloans.gov](https://studentloans.gov)**

## C. In a Qualified Income-Based Repayment Plan

- Four income-driven repayment plans qualify, typically based on your monthly income and family size: PAYE, REPAYE, IBR, ICR
  - Switching between qualified plans is ok, though it may delay you some months
- “10 Year Standard Repayment Plan” qualifies – but is not logical.
  - Oddly, “Standard Repayment Plan for Direct Consolidated Loans” does not qualify
- Tip: Weigh pros, cons of different plans
- Bonus tip: Estimate repayment amounts at [studentloans.gov](https://studentloans.gov)

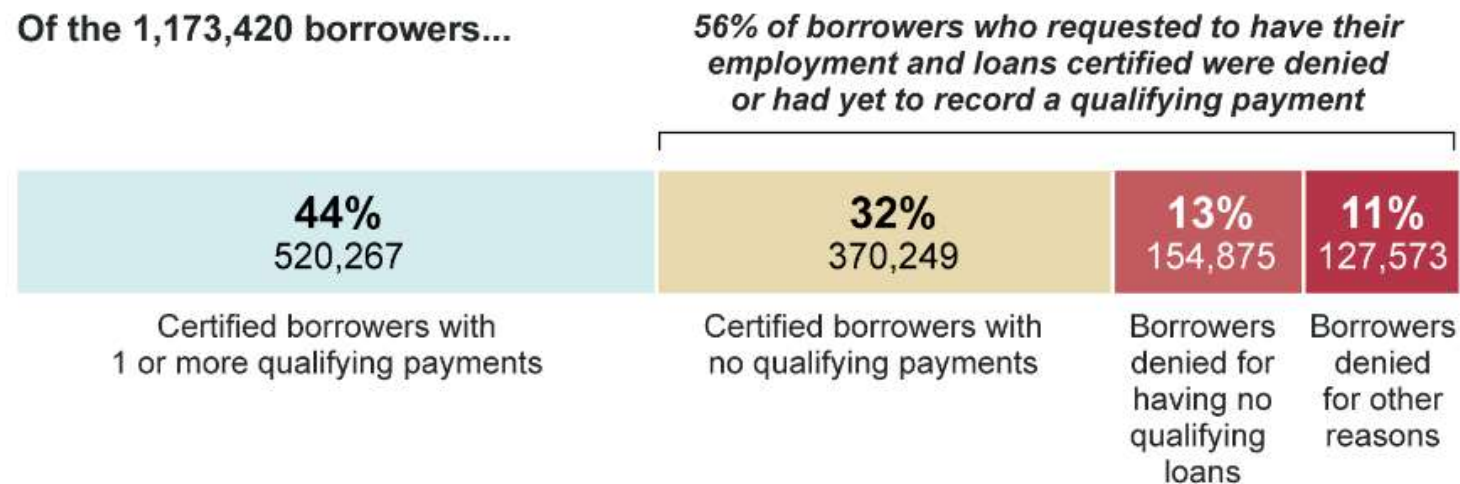
## D. While working in a Qualified Employment Setting

- It's about the employer, not about your position, your income, or how your degree relates!
- Full time: Annual average of 30 hrs/week min. (combined if you work more than one job)
- Ok: Government orgs at any level – federal, state, local, tribal
- Ok: Tax exempt 501c3 not-for-profits
- Ok: Other non-tax except 501c3 not-for-profits if their primary mission is a qualifying public service (see employment certification form)
- Ok: AmeriCorps, Peace Corps.
- **Not Ok:** For-profit orgs, partisan orgs, labor unions, and any for-profit gov't contractor.

# Hurdle 1: Certifying Employment/Loans

**Figure 6: Certification and Denial Outcomes for Borrowers Who Requested to Have Their Employment and Loans Certified as Eligible for Loan Forgiveness, as of April 2018**

Of the 1,173,420 borrowers...



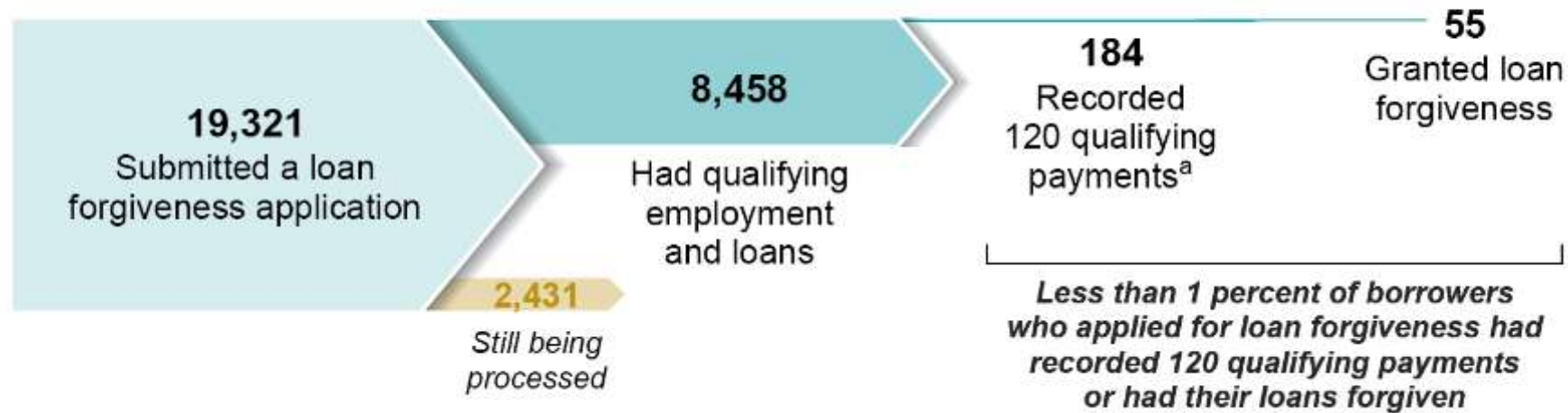
Source: GAO analysis of data from the Public Service Loan Forgiveness (PSLF) servicer. | GAO-18-547

*After you are on a qualified payment plan and your loans are consolidated:*

- 1. Download employment certification form at [studentaid.gov/publicservice](https://studentaid.gov/publicservice).*
- 2. You and your employer complete it.*
- 3. Return it as instructed.*
- 4. Repeat steps 1-3 as needed – frequency is up to you, but some do so yearly and when changing jobs.*

# Hurdle 2: Applying for Forgiveness

**Figure 5: Loan Forgiveness Applications: Selected Outcomes for Borrowers Who Applied for Loan Forgiveness, as of April 2018**



*After you have have made 120 qualified payments, you can download the forgiveness application at [studentaid.gov/publicservice](https://studentaid.gov/publicservice).*

Source: GAO analysis of data from the Public Service Loan Forgiveness (PSLF) servicer. | GAO-18-547



# Were you denied PSLF?

- Look into Temporary Expanded PSLF -- find info at [studentaid.gov](https://studentaid.gov)
- TEPSLF is for people who applied for PSLF and were denied because some or all of their payments were not made under a qualifying repayment plan.
- You are not eligible if your loans were not Direct Loans.
- This pot of money is limited and applicants are compensated on a first-come, first-serve basis.
- You do not need to wait for your PSLF application to be denied before you submit your TEPSLF request via email, as instructed on [studentaid.gov](https://studentaid.gov). But in order to be potentially eligible to receive loan forgiveness, you must have submitted the PSLF application and had that PSLF application denied only because some or all of your payments were not made under a qualifying repayment plan.

# “Manage up” Your Loan Servicer


- Once you certify your employment, and it is approved, your loan servicer will become FedLoans
- File employment recertification forms regularly and at the end of employment periods
- Provide income-based plan information annually
- Check your online loan account
  - Call if anything is discrepant
  - ...And call back if something doesn't sound right

Public Service Loan Forgiveness

Tools Available to You

# Studentaid.gov/publicservice

- Check out the brand new tool to help you complete forms
- In-depth FAQs
- Employment Certification Forms >>
- PSLF Application



**PUBLIC SERVICE LOAN FORGIVENESS (PSLF):  
EMPLOYMENT CERTIFICATION FORM**

William D. Ford Federal Direct Loan (Direct Loan) Program

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

GMB No. 1845-0110  
Form Approved  
Exp. Date 5/31/2020  
PSECF - XBCR

**SECTION 1: BORROWER INFORMATION**

Please enter or correct the following information.  
☐ Check this box if any of your information has changed.

SSN \_\_\_\_\_  
Date of Birth \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone - Primary \_\_\_\_\_  
Telephone - Alternate \_\_\_\_\_  
Email (Optional) \_\_\_\_\_

**SECTION 2: BORROWER AUTHORIZATIONS, UNDERSTANDINGS, AND CERTIFICATION**

Before signing, carefully read the entire form. For more information on PSLF, visit [StudentAid.gov/publicservice](https://studentaid.gov/publicservice).

**I authorize:**

1. My employer or other entity having records about the employment that is the basis of my request to make information from those records available to the U. S. Department of Education (the Department) or its agents or contractors.
2. The entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

**I understand that:**

1. To qualify for PSLF, I must make 120 qualifying payments on my Direct Loans while employed full-time by a qualifying employer or employers. Neither the 120 qualifying payments nor the employment have to be consecutive.
2. To qualify for PSLF, I must be employed full-time by a qualifying employer when I apply for and receive PSLF.
3. If I qualify for forgiveness, only the remaining balance on my Direct Loans will be forgiven.
4. By submitting this form, my student loan(s) held by the Department will be transferred to FedLoan Servicing.
5. The Department may request supplemental documentation substantiating my employment.
6. The Department will notify me in writing or electronically of the number of qualifying payments I have made while employed full-time by a qualifying employer and how many more I must make before I am eligible to apply for PSLF.
7. I will be notified if the form that I submit is incomplete, or if my employment or payments do not qualify for PSLF, why the determination was made, and the steps I need to take to correct the form or make qualifying payments.
8. The Department will retain this certification form until I submit my application for forgiveness.

**I certify** that all of the information I have provided on this form and in any accompanying document is true, complete, and correct to the best of my knowledge and belief.

☐ Check this box if you cannot obtain certification from your employer because the organization is closed or because the organization has refused to certify your employment. The Department will follow up to assist you in getting documentation of your employment. **Complete Section 3, but do not complete Section 4.**

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

# Toolkit on Costs, Repayment, Budgeting

[apa.org/apags/resources/affording-repaying](https://apa.org/apags/resources/affording-repaying)

## Affording and Repaying Graduate School



This frequently-updated APAGS toolkit offers guidance on how to afford and repay graduate school. Our resources are sorted into four helpful areas: (1) education costs and affordability; (2) aid, grants and funding opportunities; (3) loan repayment and forgiveness; and (4) financial fitness. No matter what phase of career you're in (a prospective, current or recent graduate student) there's likely a high quality and trustworthy link or two to assist you.

- ▶ [Education costs and affordability](#)
- ▶ [Aid, grants and funding opportunities](#)
- ▶ [Loan repayment and forgiveness](#)
- ▶ [Financial fitness toolbox](#)

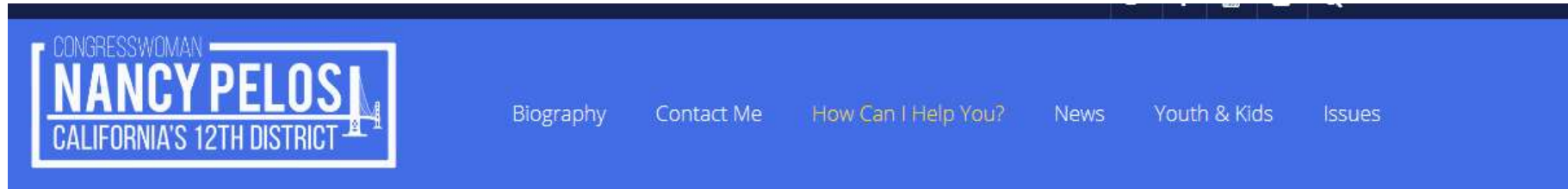
# Benefit for APA Members

[apa.org/members/your-membership/benefits/iontuition.aspx](https://apa.org/members/your-membership/benefits/iontuition.aspx)



- Calculators
- Loan dashboard
- Online and phone-based loan counseling
- Articles and more

# Other Resources: Congressional Caseworkers



## How Can I Help You?



Information on types of services and help Congresswoman Pelosi's office may be able to provide, and how to request more information or assistance.

Whether you need help with a federal agency, would like to order a flag, are requesting tours and tickets for a visit to Washington DC-- Congresswoman Pelosi's office is here to help you.

## How Can I Help You?

[Additional Services and Resources](#)

[Flags](#)

[Help with a Federal Agency](#)

[Passports](#)

[Tours and Tickets](#)

Public Service Loan Forgiveness

*A view from Capitol Hill*



# Congress, White House and PSLF

What does the new year hold?

- U.S. House of Representatives will be controlled by the Democrats
- PROSPER is out, AIM HIGHER is in
- Senate generally more supportive of PSLF but may seek modification
- Administration still opposes PSLF
- Grassroots Advocacy remains essential



# Department of Education

Responsible for management and implementation of this program

- Agency manages hundreds of programs
- Complexity of each one
- Expect greater oversight on program management of PSLF and other federal programs
- Your messages matter – can inform oversight and improve implementation



# How does PSLF address the nation's needs?

- ✓ Provides a reasonable repayment option for those willing to commit to service.
- ✓ Provides a meaningful solution to tackling debt for those students who have to borrow.
- ✓ Focuses on the needs of the nation by encouraging public service.
- ✓ Because of time commitment to receive the benefit, PSLF can help with recruitment and retention in social service sector.

Public Service Loan Forgiveness

Your Chance to Advocate

# Action Alerts

A simple way to share your views

[www.apa.org/advocacy](http://www.apa.org/advocacy)

- Take action today
- Sign up for the APA FEDERAL ACTION NETWORK (FAN)
- Keep updated with our Monthly Legislative Updates
- See what other issues are important to psychology and psychologists



# Tell Us Your Story

What are the challenges you face as borrowers?

- 2018 Election brings New Leaders
- Increased Oversight of Current Programs
- Seeking to Better Understand Challenges
- Individual stories help APA and more importantly, Congress understand the struggles borrowers are encountering



## APA Call for Personal Stories about the Public Service Loan Forgiveness Program

### Share Your Story

Are you aware of the Public Service Loan Forgiveness Program (PSLF)? Are you seeking to participate in the program? Have you encountered challenges along your path to loan forgiveness? Protecting the PSLF program during the reauthorization of the Higher Education Act is one of APA's priorities. We are equally committed to ensuring that the program is being implemented with integrity. Would you like to help in this advocacy effort?

Share Your Story!



## What More Can I Do?

How can APA help you be a grassroots leader and advocate for yourself and for the PSLF program?

- FIND your Senator or Representative
- Make an Appointment with staff – the legislative aid working on higher education issues
- Ask APA for help
- Meet with staff and remind them that PSLF is making a difference in your career



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The screenshot shows the official website of the United States House of Representatives. The top navigation bar includes links for Visitors, Educators and Students, Media, Doing Business with the House, and Employment. A search bar is located on the right. Below the navigation bar is a large blue banner with the House of Representatives logo and the text "FIND YOUR REPRESENTATIVE". A "LOOK UP" button is visible next to a map of the United States. The banner also indicates the 115th Congress, 2nd Session, and notes that the House is not in session.

Below the banner, there are several sections. On the left, a large image shows a truck carrying a large Christmas tree, with the headline "The 'People's Tree' Arrives" and the subtext "Capitol Christmas Tree Lightings Scheduled for December 6." Below this image are four buttons: "Honoring President George H.W. Bush", "Watch Live House Proceedings", "Find Your Representative", and "The 'People's Tree' Arrives".

On the right, the "Legislative Activity" section is active, showing a table of events for Wednesday, December 5, 2018. The table has two columns: "Time (EST)" and "Session".

Time (EST)	Session
10:00 am	Department of Defense Artificial Intelligence Structure Investments and Applications (H) Committee on Armed Services Subcommittee on Emerging Threats and Capabilities
2:00 pm	**POSTPONED** Hearing entitled "Oversight of the Federal Housing Administration" (H) Committee on Financial Services Subcommittee on Housing and Insurance

At the bottom of the legislative activity section, there is a link to "View all upcoming events".



# Helpful Hints

How can You Prepare for a constituent visit?

- Fill out a Talking Points Sheet
- Provide the sort of details that matter to legislators
- Explain to them how the PSLF program has impacted your career decisions
- Detail the work you provide to benefit society and improve lives
- Let staff know if you have faced hurdles in the program

Public Service Loan Forgiveness

# Questions and Answers

# What do your questions look like?



# RESOURCES

- [studentaid.gov/publicservice](https://studentaid.gov/publicservice)
- [apa.org/apags/resources/affording-repaying](https://apa.org/apags/resources/affording-repaying)
- [apa.org/members/your-membership/benefits/iontuition.aspx](https://apa.org/members/your-membership/benefits/iontuition.aspx)
- [apa.org/advocacy](https://apa.org/advocacy)
- Complaints and concerns?
  - Consumer Finance Protection Bureau: 1-855-411-2372
  - Dept of Ed Loan Hotline: 1-800-557-7394

# THANK YOU

*We will post this webinar and slides on  
[www.apa.org/careers/early-career](http://www.apa.org/careers/early-career)*