

Everything Nonprofit Employees Need to Know About Public Service Loan Forgiveness

October 18, 2022

Housekeeping

- All lines are in **listen-only mode**
- **Live captioning** is available
- **Questions are welcomed** via the Q&A feature
- **More than 1,000 questions** were submitted during the registration process. We're going to cover as many as possible, but will not be able to answer every nuance.
- A recording of this webinar **will be posted tomorrow** and all registrants will receive an email from us once it is up.

Everything Nonprofit Employees Need to Know About Public Service Loan Forgiveness

October 18, 2022

theforakergroup
Standing Beside Alaska's Nonprofits



Learn more at www.councilofnonprofits.org

Today's Experts



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PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM

TARGETED STUDENT LOAN RELIEF

THE DEPARTMENT HAS APPROVED NEARLY \$36 BILLION IN DEBT CANCELLATION FOR ALMOST 1.7 MILLION BORROWERS

- Nearly \$13 billion for over 211,000 public servants through improvements to PSLF;
- Over \$9.1 billion for more than 425,000 borrowers who have a total and permanent disability;
- \$14.5 billion for 1.1 million borrowers whose institutions took advantage of them through discharges related to borrower defense and school closures.

PSLF BASICS

120 qualifying payments...

While working for a qualifying employer



...on Direct Loans...

...when applying for and receiving PSLF

Forgiven amount is not taxable income

PSLF BASICS: ELIGIBLE LOAN TYPES



- Direct Loans, including:
 - Consolidation Loans
 - Parent PLUS Loans



- FFEL Program Loans
- Perkins Loans
- Any other federal or private student loan

PSLF BASICS: ELIGIBLE PAYMENTS



- On-time
- In a Standard Plan or any IDR plan
- For at least the amount due
- Can be non-consecutive



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- More than 15 days late
 - In a Graduated, Extended, or Alternative plan
 - For less than the amount due
 - Made when not required (e.g. in-school deferment)

PSLF BASICS: ELIGIBLE EMPLOYMENT



- Full-time (30 hours/week) or equivalent
- Government (including military)
- All 501(c)3 non-profits
- Some limited exceptions



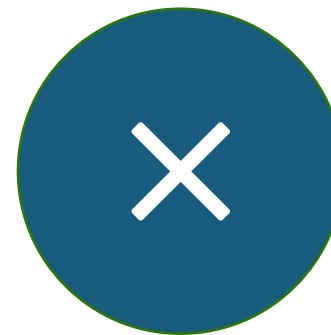
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- Part-time work that does not add up to full-time
 - Volunteer work
 - For-profit entities
 - Including those that employ essential workers
 - Labor unions

TEMPORARY EXPANDED PSLF

Provides loan forgiveness to those who do not qualify for PSLF ***only*** because some or all their qualifying payments were made on non-qualifying plans



- Extended and Graduated, if:
 - In the 12 months before applying for TEPLSF, the borrower paid at least the amount they would have paid under an IDR plan



- Alternative

LIMITED PSLF WAIVER: THROUGH 10/31/22



Payments made prior to consolidation are now eligible

- No matter the loan program (DL, FFEL, Perkins)
- No matter the repayment plan
- No matter the loan type (with the exception of Parent PLUS)



Employment requirements still apply

Must have been employed

- full-time and
 - for a qualifying employer
- when prior payments were made



Borrowers must act now

Borrowers who still have FFEL and Perkins Loans can only get credit for past payments if they consolidate into DL and file PSLF Forms for prior employment before Oct. 31, 2022. After Oct. 31, 2022, normal PSLF and TEPSLF requirements will apply.

PSLF VS LIMITED WAIVER

PUBLIC SERVICE LOAN FORGIVENESS (PSLF): WHAT'S CHANGED?	
Normal PSLF Requirements	Requirements Under the Limited PSLF Waiver
<ul style="list-style-type: none"> Receive credit only on Direct Loans 	<ul style="list-style-type: none"> Receive credit for periods of repayment made on Direct, FFEL, or Perkins Loans
<ul style="list-style-type: none"> Payments may be made under the Standard Plan or an income-driven repayment (IDR) plan 	<ul style="list-style-type: none"> Past payments under any plan count
<ul style="list-style-type: none"> Must make on-time payments to count 	<ul style="list-style-type: none"> Past payments that were made late or for less than the amount due count
<ul style="list-style-type: none"> Can only receive forgiveness if working for a qualifying employer at the time of application and forgiveness 	<ul style="list-style-type: none"> Can receive forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness



PSLF LIMITED WAIVER: BORROWER GROUPS

StudentAid.gov/PSLFWaiver



IF YOU ONLY BORROWED DIRECT LOANS...

File a PSLF Form for each eligible employer you had since you borrowed the loan (or since Oct. 1, 2007, whichever is later)



IF YOU PREVIOUSLY CONSOLIDATED INTO DIRECT LOAN(S)

File a PSLF Form for each eligible employer you had since you borrowed any loans underlying the Direct Consolidation Loan (or since Oct. 1, 2007, whichever is later)



IF YOU STILL HAVE FFEL OR PERKINS LOANS...

Consolidate your loans into the Direct Loan Program and file a PSLF Form for each eligible employer since you borrowed the loans you are consolidating (or since Oct. 1, 2007, whichever is later)

FIVE THINGS TO KNOW ABOUT CONSOLIDATION

1. Your monthly payment could change. If you no longer have a partial financial hardship, you may lose access to certain IDR plans.
2. If you have unpaid interest, your principal balance will go up.
3. Your new consolidation loan will generally have a new interest rate.
4. You don't have to consolidate all your federal student loans.
5. You must consolidate non-Direct loans by October 31 to take advantage of the waiver. Please note that consolidation loans that include commercially-owned FFEL or Perkins loans may lose eligibility for one-time debt relief. Learn more at studentaid.gov/debtrelief.

Keep in mind that once your loans are combined into a Direct Consolidation Loan, you can't undo it.

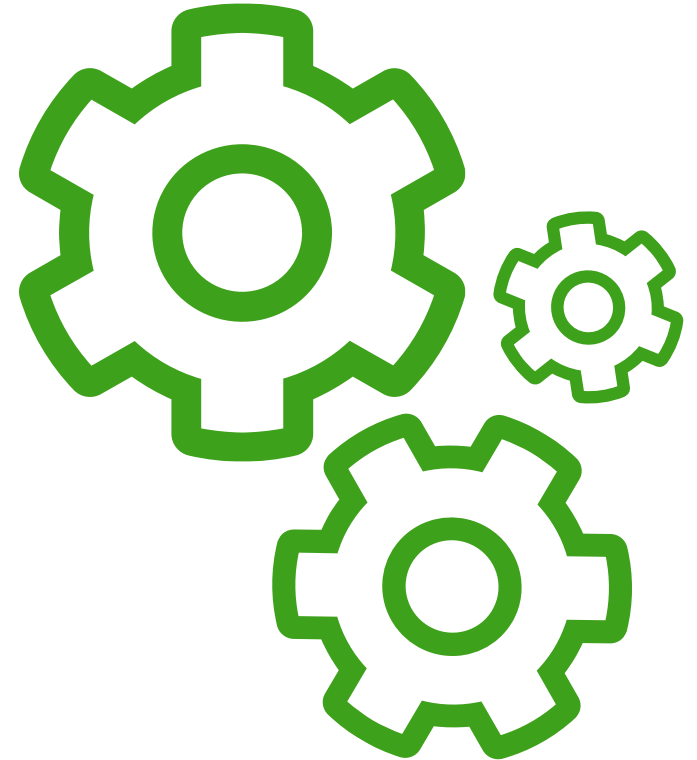
DEFERMENTS, FORBEARANCES & THE PSLF WAIVER

What automatically counts?

- Long-term forbearances (12+ mos consecutive/36+ mos cumulative)
- Deferrals prior to 2013 (except in-school)
- Economic Hardship Deferrals
- Some military-related forbearances and deferrals
- **Short-term forbearances – submit a complaint (not automatic)

TO TAKE ADVANTAGE OF THE WAIVER:

- Confirm your employer is qualified.
- Consolidate your loans if you need to.
- Submit your PSLF form(s).
- By Oct. 31, 2022



PSLF HELP TOOL LANDING PAGE

An official website of the United States government.

Help Center Submit a Complaint English | Español

Federal Student Aid
An Office of the U.S. Department of Education

UNDERSTAND AID ▾ APPLY FOR AID ▾ COMPLETE AID PROCESS ▾ MANAGE LOANS ▾

🔔 👤 BILL ▾ 🔍

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](#).

Learn more about [PSLF](#) and [TEPSLF](#).



Start



PSLF INFORMATION AND RESOURCES



LIMITED PSLF WAIVER

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



GENERAL PSLF INFORMATION

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

- Make sure to review the FAQs!
- Beginning July 1, 2022, all new PSLF form submissions go to MOHELA.



PSLF HELP TOOL

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



WHAT TO DO WITH YOUR PSLF FORM

Beginning July 1, submit your PSLF forms to MOHELA:

Mail to: U.S. Department of Education, MOHELA, 633 Spirit Drive, Chesterfield, MO 63005-1243.

Fax to: 866-222-7060.

Upload to: mohela.com/uploadDocument if MOHELA is already your servicer.

BIDEN- HARRIS ONE TIME DEBT RELIEF

TARGETED STUDENT LOAN RELIEF

URL: StudentAid.gov/debtrelief



The Biden Administration's Student Loan Debt Plan

FORGIVING DEBT

\$20,000 if you
went to college on
Pell Grants

\$10,000 if you
didn't receive
Pell Grants

Forgiveness only applies to those
earning less than \$125,000

Student loan pause extended one
final time through Dec 31, 2022

PAYMENT BASED ON INCOME

If you have undergraduate loans, you can cap
repayment at 5% of your monthly income

ELIGIBLE LOANS



Most federal student loans are eligible

Undergraduate and Graduate Direct Loans

Parent PLUS and Grad PLUS Loans

Consolidation Loans

Underlying loans disbursed on or before June 30, 2022

Federal Family Education Loan (FFEL)

Program Loans held by ED

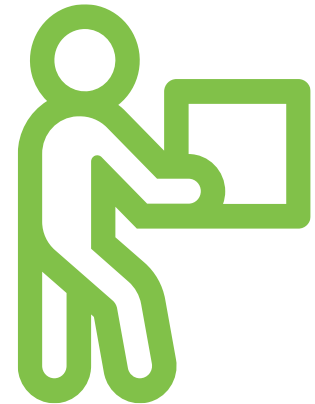
Perkins Loans held by ED

Defaulted loans

ED-held or commercially serviced Subsidized, Unsubsidized, parent PLUS, grad PLUS; and Perkins held by ED

APPLICATION DETAILS

- The official application available now! [Studentaid.gov/debt-relief/application](https://studentaid.gov/debt-relief/application)
- Borrowers will complete a few short questions confirming their basic information, and to attest that they fall below the income threshold.
- No additional documentation will be needed to apply. Borrowers will receive a confirmation email upon submission.
- Borrowers are encouraged to apply by mid-November in order to receive relief before the payment pause expires.
- The Department of Education will continue to process applications as they are received, and you'll have until December 31, 2023, to submit your application.



DEBT FORGIVENESS INFORMATION AND RESOURCES



DEBT RELIEF APPLICATION

[Studentaid.gov/debt-relief/application](https://studentaid.gov/debt-relief/application)



GENERAL DEBT RELIEF INFORMATION

studentaid.gov/debtrelief



CONTACT YOUR SERVICER

<https://studentaid.gov/app/additional-information.action>

- Make sure to review the FAQs!



How To Apply

Presented by:
Betsy Mayotte
President
The Institute of Student Loan Advisors (TISLA)



How to Apply

- Submit ten years of proof of eligible employment via the PSLF form
 - Strongly recommend this is submitted annually
 - You can verify receipt through your MOHELA account
 - When first is submitted and approved, loans will transfer to MOHELA
 - They will count your eligible payments
 - Using the PSLF tool will reduce approval timeframe
 - Loans will be placed in forbearance during application review if after waiver period
-



Trust the Tool!

- The PSLF Help Tool
 - Reduces errors and rejections
 - Reduces processing time
 - Can give you an idea if your employer is eligible
 - Database is not exhaustive
- Don't change info on the tool
 - Government agencies especially tend to have different addresses
 - Use the address produced by the tool to reduce rejections
- <https://studentaid.gov/pslf/>





What to Expect

- Two phases of review
 - Initial review likely won't have the correct count
 - Federal review will include all periods of repayment
- Initial consolidation will show a count of zero
 - Will update once review is complete
- Process can take several months
- Reconsideration process available for appeals

Waiver Deadline – What Counts

- You have applied for consolidation (if needed) and submitted at least one period of PSLF eligible employment
- Consolidation must be applied for by October 31st, not processed by that date
- You have generated a PSLF form via the PSLF tool by the deadline and that form is eventually approved
- You use a paper form that is signed by your employer by the deadline and that form is eventually approved
 - Signatures have a sixty-day stale date



Who Needs to Consolidate

- You have FFEL or Perkins loans
- You have loans with different periods of repayment
- If you have all Direct Loans that have been in repayment for the same periods, there's no need or value in consolidating

My Loan Forgiveness Story



1. "Lime-Cider"
2. Lifelong nonprofit worker; Most recently at Safe Passage Project
3. Great but expensive higher education
4. Rejected from PSLF in 2018
5. All loans forgiven May 2022!

About the PSLF.us Campaign

1. Nonprofit effort launched in June 2022
2. Coalition includes National Council of Nonprofits, Charity Navigator, Hispanic Federation, Harvard Business School, Teach for America, Volunteer Match, etc.
3. Goal to help 5 million Americans who work in nonprofit or government orgs access \$200 billion in loan forgiveness by October 31, 2022.

You are the best messenger for colleagues and friends!

Application Process - 1. Use Help Tool

You're not done yet. Action is required to submit your form.

Based on your answers in the PSLF Help Tool, refer to the required and recommended next steps below.

REQUIRED NEXT STEPS

Print, complete, and submit this form for processing.

STEP 1: Download and print the form.

STEP 2: Read and sign the form.

STEP 3: Have your employer read and sign the form.

Note: It is your employer's responsibility to ensure that the organization listed on your form matches your actual employment. Your employer should confirm that the EIN, employment status, and hours worked per week were completed correctly before signing.

STEP 4: After you and your employer have signed the form, submit it in one of the following ways:

Mail:

U.S. Department of Education, MOHELA, 633 Spirit Drive, Chesterfield, MO 63005-1243.

Fax:

866-222-7060

An email has been sent to [REDACTED]@gmail.com for your records.

Application Process - 1. Use Help Tool

What will happen after you submit this form for processing?

Once MOHELA receives your form, they will begin their review. Once they review your employment, they'll determine the number of qualifying payments you've made and will send you a notice informing you of that number.

Note: It may take up to 120 days to process your employment information and review your payment information.

You will not receive confirmation that your loan, employment, or payments qualify for PSLF or TEPSLF, or that you are eligible for forgiveness until you submit this form.

RECOMMENDED NEXT STEPS

Some of your loans do not qualify for the PSLF Program, but there are actions you could consider taking.

CHANGE YOUR REPAYMENT PLAN

Your Direct Loans listed below are not on an income-driven repayment (IDR) plan. To get the most out of PSLF, you should apply to have your loans on an IDR plan.

Loan Type	Repayment Plan	Loan Balance	Qualifying Payments Made
Direct Unsubsidized Consolidation Loan			
Direct Subsidized Consolidation Loan			

Explore All of Your Options

Our *Loan Simulator* at [StudentAid.gov/loan-simulator](https://studentaid.gov/loan-simulator) helps you make decisions about your student loans. Use it to find a repayment plan that meets your needs and goals or to decide whether to consolidate.

Application Process – Rich’s Loan Inbox

Account Related Letters	
Date	Subject
05/25/2022	Your Ny Claim Form
05/11/2022	Limited Psif Waiver Notification
04/21/2022	Psif Qualifying Payment Update
03/17/2022	Psif Qualifying Payment Update
03/16/2022	Still Interested In Psif?
01/11/2022	We Received Your Psif Application
11/30/2021	Psif Application Results
11/30/2021	Psif Application Results
11/30/2021	Psif Application Results
11/03/2021	We Received Your Psif Application

Application Process – The End!

An official website of the United States government. Help Center Submit a Complaint English | Español

Federal Student Aid
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Richard ▾

Dashboard

My Aid

[View Details >](#)



Your loan balance
is \$0.

Loan information as of 12/31/2018

Quick Links

- [Loan Simulator](#)
- [Loan Consolidation](#)
- [PSLF Help Tool](#)
- [Lower My Payments](#)
- [Loan Repayments Restart After Aug. 31, 2022](#)
- [PSLF Limited Waiver Opportunity](#)

Spread the Word : Simple Actions

1. Please forward *any* PSLF-related emails to your colleagues, HR department, friends, or groups.
 - a. Next [PSLF.us](https://pslf.us) Introductory Webinar with full Q&A is Wednesday October 19, at 2:00 PM!
 - b. “Office Hours” Mondays, Wednesdays, Fridays
 - c. Great tools for employers/unions/associations – email hana@pslf.nyc

2. Follow us and repost on social media

You are the best messenger for colleagues and friends!



Q&A

Thank you!