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Public Service Loan Forgiveness

If you are employed by a nonprofit or government and are one of the [34 million borrowers who have federal student loan debt](#), you may be eligible for loan forgiveness, cancellation, and/or consolidation under the [Public Service Loan Forgiveness program](#) (PSLF). Created under the [College Cost Reduction and Access Act of 2007](#), PSLF allows borrowers who work full time for nonprofits and government agencies to have their outstanding debt forgiven tax-free on Federal Direct Loans, after making 120 qualifying monthly payments under a [qualifying repayment plan](#).

How to Certify Your Employment

Borrowers can use the [PSLF Help Tool](#) to fill out their form and have their employers, including 501(c)(3) charitable nonprofits, [digitally sign and certify eligible employment](#), and electronically submit the form to their PSLF servicer for processing.

The process for certification is simple, but it is best to start now. Our short video explains the steps:

Why It Matters

The program helps attract talent to work at 501(c)(3) charitable nonprofits, encourages and incentivizes employees to remain in the sector, and provides relief for public service professionals who are often paid less than other employment opportunities.

Nonprofit employees are encouraged to use the [PSLF Help Tool](#) and [submit employer certification forms](#) immediately.

Requirements include:

- **Qualifying Loans:** Loan must be through the Federal [Direct Student loan program](#), specifically the “William D. Ford Federal Direct Loan (Direct Loan) Program”. Additional [types of loans like Perkins, FFEL, and consolidated loans qualify](#) under new regulations that took effect July 1, 2023. Borrowers should inquire with their loan servicer or the Department of Education.
- **Qualifying Payments:** After 120 qualifying payments (this usually takes 10 years) in certain repayment plans, employees in certain public service jobs, including at 501(c)(3) charitable nonprofits, may be eligible for loan forgiveness as long as their loans are not in default, and their loans are under a qualifying repayment plan.
- **Qualifying Employment** includes:
 - **Employment with a charitable nonprofit tax-exempt organization under 501(c)(3)**
 - Employment with a government agency (federal, state, local or tribal)
 - Full time AmeriCorps or Peace Corps members

Where We Stand

As proven job creators, nonprofits can and should participate in the development of job growth policies at the federal, state, and local levels. The National Council of Nonprofits strongly endorses policies that promote job creation in all sectors of the economy, especially policies that promote and incentivize employment at charitable nonprofits.

- [Public Policy Agenda](#)

Status

In April 2024, The U.S. Department of Education announced a [debt cancellation plan](#) to cancel some accrued interest, automatically forgive certain qualifying borrowers in certain payment plans including [Public Service Loan Forgiveness](#) (PSLF) and other [income-driven repayment plans like SAVE](#) (Saving on a Valuable Education plan) without requiring paperwork, potentially lower monthly payments for certain borrowers as well as cancelling some debt due to unpaid interest and loans older than 20 years or more.

In July 2024, a federal court stopped the Department from [operating the SAVE plan](#). The U.S. Supreme Court maintained a temporary injunction blocking the plan. Borrowers in the SAVE plan will be placed in an interest-free forbearance period during the litigation. The time in forbearance will not count toward PSLF. Borrowers may [switch to a different qualifying payment plan](#) or potentially “buy back” the period of forbearance to meet PSLF requirements. A larger debt relief plan to [cancel interest and certain loans](#) that are at least 20 years old has also been temporarily placed on hold in a separate lawsuit brought by seven state attorneys general. That other plan was not scheduled to go into effect until later this year.

See NCN's [Comments to the Department of Education](#) and [Biden-Harris Administration Releases First Set of Draft Rules to Provide Debt Relief to Millions of Borrowers](#).

Background

[Regulations by the Department of Education](#), effective July 1, 2023, expand eligible borrowers for forgiveness under PSLF. Key provisions allow more kinds of payments (certain types of deferment and forbearance as well as lump sum and late payments) to count as qualifying payments, clarify the definitions of full-time employment and qualifying employer, and codify the reconsideration process. Other beneficial provisions would provide a hold-harmless option for deferment or forbearance, automate progress toward forgiveness, and eliminate prospective interest capitalization not required by statute.

See our [Comments to the Department of Education](#) and [Chart on the Department of Education Final Regulations for PSLF](#) for more information.

The Administration also announced that the [count adjustment is expected to be fully implemented](#) in September 2024, which will allow borrowers to “see a full and

accurate count of their progress toward loan forgiveness.” Borrowers can receive credit toward PSLF for any month covered by the payment count if they meet employment requirements. Learn more about [how and why consolidation helps PSLF borrowers](#) and [how to maximize benefits](#) under the program.

Take Action

Nonprofit Employees With Student Loan Debt:

Make sure you have the correct loan type and then are on track for eligibility by submitting the [Employment Certification for Public Service Loan Forgiveness form](#) (Employment Certification form). Submit this form periodically during employment. Learn more with the PSLF Help Tool, available at www.StudentAid.gov/PSLF.

Additional resources are available at:

- **The Institute of Student Loan Advisors Corporation** - www.freestudentloanadvice.org/
- **Student Borrower Protection Center** - www.protectborrowers.org/

Nonprofit Employers:

Spread the word! Many nonprofit employees aren’t aware that they may qualify for student loan forgiveness. Share this webpage with your employees!

More About PSLF

- [Everything Nonprofit Employees Need to Know About Public Service Loan Forgiveness](#) (1:00:35) ([slides](#)) with the National Council of Nonprofits, [Department of Education](#), [The Institute of Student Loan Advisors](#) (TISLA)

Additional Resources

- [The Public Service Loan Forgiveness program still solidly in place - and more valuable than ever to nonprofits and their employees](#), Tiffany Gourley Carter and Amy Silver O'Leary, National Council of Nonprofits, July 19, 2023.

- [Preserving, Improving, and Promoting the Public Service Loan Forgiveness Program -- For the Public Good](#), National Council of Nonprofits, July 10, 2023.
- [Public Service Loan Forgiveness Untouched by Supreme Court Student Debt Rulings](#), National Council of Nonprofits, June 30, 2022.
- [Department of Education Final Regulations for PSLF](#), National Council of Nonprofits, updated Nov. 9, 2022.
- [Comments to the Department of Education - Notice of Proposed Rulemaking](#), National Council of Nonprofits, Aug. 8, 2022.

Additional Resources

- [Public Service Loan Forgiveness \(PSLF\)](#), Federal Student Aid
- [Coronavirus and Forbearance Info for Students, Borrowers, and Parents](#), FedLoan Servicing
- [Preserve PSLF](#), The Coalition to Preserve PSLF