



STUDENT BORROWER  
PROTECTION CENTER



## FAQ - Student Debt Relief Programs

### CARES Act

#### Income Driven Repayment Plan

#### Public Service Loan Forgiveness Program

## CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES ACT)

### What is the CARES Act?

On March 27, 2020, in the midst of COVID-19, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to help alleviate financial burdens during this unprecedented time. The CARES Act is a law aimed at providing emergency relief to mitigate the economic fallout from the coronavirus pandemic.

### What student debt relief is available under the CARES Act?

The CARES Act provides several protections for federal student loan borrowers. Most notably the Act suspends federal loan payments and reduces interest rates to zero percent (0%) through September 30, 2020.

### What loans qualify for the CARES Act relief?

Only federal Direct Loans and some FFELP (Federal Family Education Loan Program) currently qualify for the CARES Act relief. Commercially held FFELP loans, Perkins loans, and private student loans are not covered under the law.

Visit [www.studentaid.gov](http://www.studentaid.gov) to determine what type of federal student loans you have. You must use your FSA ID to access your loan information. If you do not already have an FSA ID, you can create one by clicking on the "Create Account" button.

### What do I need to do to take advantage of the CARES Act relief?

You should not have to do anything. Your student loan servicer should automatically apply the six-month payment suspension and zero percent interest rate reduction to your account. If these changes have not been made to your eligible accounts, contact your loan servicer immediately. You may also want to do the following:

- Cancel your autopay
- Enroll in or recertify your income-driven repayment plan.

- If your wages are being garnished, speak with your human resources department to have the garnishment paused. The Department of Education will send a letter to employers telling them to freeze any ongoing garnishments. Any garnishment that took place after March 13, 2020 will be refunded.

## Where can I find additional information about CARES Act relief?

You can find additional information on the Federal Student Aid website:

<https://studentaid.gov/announcements-events/coronavirus>

## INCOME DRIVEN REPAYMENT (IDR) PLANS

### What is an Income-Driven Repayment Plan?

An income-driven repayment plan is a debt relief program for federal loans. IDR plans set your monthly student loan payment at an amount that is intended to be affordable based on your income and family size. If you still have a loan balance after making the required 20 or 25 years of qualifying repayment, the remaining balance will be forgiven (this time period varies depending on the plan and other factors).

There are 4 types of income driven repayment (IDR) plans: Pay As you Earn (PAYE), Revised Pay as You Earn (REPAYE), Income Contingent Repayment (ICR) and Income Based Repayment (IBR).

### What types of loans are eligible for IDR Plans?

The chart below shows the types of federal student loans that can be repaid under the income-driven plans. Private student loans and defaulted federal student loans cannot be repaid under any of the income-driven plans.

\*A loan type identified as “eligible if consolidated” cannot be repaid under the listed income-driven plan. However, if you consolidate that loan type into a Direct Consolidation Loan, you may then repay the Direct Consolidation Loan under the listed income-driven plan.

<b>Loan Type</b>	<b>REPAYE Plan</b>	<b>PAYE Plan</b>	<b>IBR Plan</b>	<b>ICR Plan</b>
Direct Subsidized Loans	Eligible	Eligible	Eligible	Eligible
Direct Unsubsidized Loans	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to graduate or professional students	Eligible	Eligible	Eligible	Eligible
Direct PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
Direct Consolidation Loans that did not repay any PLUS loans made to parents	Eligible	Eligible	Eligible	Eligible
Direct Consolidation Loans made on or after July 1, 2006, that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible
Subsidized Federal Stafford Loans (made under the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
Unsubsidized Federal Stafford Loans (made under the FFEL Program)	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to graduate or professional students	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL PLUS Loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
FFEL Consolidation Loans that did not repay any PLUS loans made to parents	Eligible if consolidated*	Eligible if consolidated*	Eligible	Eligible if consolidated*
FFEL Consolidation Loans that repaid PLUS loans made to parents	Not eligible	Not eligible	Not eligible	Eligible if consolidated*
Federal Perkins Loans	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*	Eligible if consolidated*

## **How do I know which IDR plan is right for me?**

The four income-driven repayment plans have different borrower eligibility. Not all borrowers are eligible for each plan.

You can check your eligibility and compare different IDR plans by visiting the Department of Education website and utilizing their Repayment Estimator. The Repayment Estimator will help you get a glimpse of what your monthly payments would look like when you're enrolled in one. Visit <https://studentaid.gov/loan-simulator/> for more information.

## **I think I am already enrolled in an IDR plan. How can I check?**

You will know if you are enrolled in an IDR plan if you simply log into the Department of Education website at [www.studentaid.gov](http://www.studentaid.gov).

## **How do I apply for an IDR plan?**

You can apply online at <https://studentaid.gov/app/ibrInstructions.action> or use the Income-Driven Repayment Plan Request form available at <https://www.afscme.org/covid-19/resources/student-debt-resources>

## **Once I've been placed on an IDR plan do I have to reapply each year?**

You don't have to reapply for the plan, but each year you must "recertify" your income and family size by providing your loan servicer with updated information that will be used to recalculate your monthly payment amount. You must do this even if there has been no change in your income or family size. To recertify, you must submit a new Income-Driven Repayment Plan Request. Your loan servicer will send you a reminder notice when it's time for you to recertify.

## **Where can I find additional information about IDR plans?**

You can find additional information on the Federal Student Aid website: <https://studentaid.gov/manage-loans/repayment/plans/income-driven/questions>

## PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM

### What is the Public Service Loan Forgiveness (PSLF) Program?

The PSLF Program is a federal loan debt relief program. Unlike IDR plans, PSLF is not a payment plan. Rather, it is a separate program that incentivizes a career in the public service by forgiving the remaining balance on a federal loan after 10 years and you have made 120 payments under an IDR plan while working full-time for a public sector employer. (Note: Only certain loans and IDR plans qualify for PSLF.)

### What must I do to qualify for forgiveness under the PSLF Program?

To qualify for PSLF, you must:

- 1. Be employed by a U.S. federal, state, local, or tribal government or not-for-profit organization;**
  - The following types of organizations do not qualify for PSLF: labor unions, partisan political organizations and for-profit organizations.
- 2. Work full-time for that agency or organization;**
  - If you meet your employer's definition of full-time or work at least 30 hours per week, whichever is greater.
- 3. Have Direct Loans under the William D. Form Direct Loan Program;**
  - Loans from these federal student loan programs don't qualify for PSLF: the Federal Family Education Loan (FFEL) Program and the Federal Perkins Loan (Perkins Loan) Program. However, they may become eligible if you consolidate them into a Direct Consolidation Loan.
  - Student loans from private lenders do not qualify for PSLF.
- 4. Repay your loans under an income-driven repayment (IDR) plan; and**
  - IDR plans include: Pay As you Earn (PAYE), Revised Pay as You Earn (REPAYE), Income Contingent Repayment (ICR), and Income Based Repayment (IBR).
  - While payments made under the 10-year Standard Repayment Plan are qualifying payments, you would have to change to an IDR plan to benefit from PSLF.
- 5. Make 120 qualifying payments.**
  - A payment qualifies when it is made after October 1, 2007; under a qualifying IDR plan; for the full amount due as shown on your bill; no

later than 15 days after your due date; and while you are employed full-time by a qualifying employer.

- You can't make a qualifying monthly payment while your loans are in an in-school status; during the grace period; in deferment; or in forbearance.

## **Do I have to certify my employment in order to qualify for PSLF?**

Yes. In order to qualify for Public Service Loan Forgiveness (PSLF) you will need to certify that you have been employed by a qualified employer during the months in which you made your 120 payments. You should complete and submit the Employment Certification for Public Service Loan Forgiveness form (Employment Certification Form) every year or when you change employers. This form is from available at <https://www.afscme.org/covid-19/resources/student-debt-resources>

Your employment can be certified by an official who has access to your employment or service records and is authorized by your employer to certify your employment. This will often be someone in the human resources department, though in some cases your direct supervisor or another individual may be authorized to certify your employment. Check with your employer to see who is allowed to certify your *Employment Certification Form*.

If you do not submit the *Employment Certification Form* annually, then at the time you apply for forgiveness, you will be required to submit an *Employment Certification Form* for each employer you worked for while making the required 120 qualifying monthly payments.

## **How do I apply for PSLF?**

Once you have made 120 qualifying payments and completed your Employment Certification Form for each employer you worked for while making your payments, you should fill out and submit the PSLF application. The PSLF application form is also available at <https://www.afscme.org/covid-19/resources/student-debt-resources>

## **Where can I find additional information about the PSLF Program?**

You can find additional information on the Federal Student Aid website: <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service#qualify>