



FAQ
PUBLIC SERVICE LOAN FORGIVENESS (PSLF) TEMPORARY WAIVER
EXPIRES OCTOBER 31, 2022

Why is there a temporary waiver of some of the Public Service Loan Forgiveness (PSLF) Program requirements?

On October 6, 2021, the Department of Education announced an overhaul of PSLF that would deliver student loan forgiveness to hundreds of thousands of public service workers. This overhaul is meant to address many of the barriers that public service workers faced in the past, such as having the wrong loan type or making payments on the wrong payment plan. Under this temporary waiver, the Department will relax some of the PSLF requirements and will grant credit toward loan forgiveness to borrowers for past payments that previously did not count. However, this is a short-term waiver, which **will end on October 31, 2022**. This means that borrowers must take action on or before the expiration date to benefit.

What PSLF requirements have been temporarily waived?

- Under PSLF, only federal Direct Loans are eligible for forgiveness under the program. Borrowers with other types of federal loans – Federal Family Education Loans (FFEL) and Federal Perkins Loans – are required to consolidate* these loans into the Direct loan in order to qualify for PSLF. Payments made on FFEL and Perkins loans prior to consolidation* are not retroactively counted towards the 120 payments required under PSLF.
 - **TEMPORARY WAIVER** – If a borrower with a FFEL or Perkins loan consolidates* these loans into a Direct Loan on or before October 31, 2022, all payments made on the FFEL and Perkins loans since October 1, 2007 will be retroactively counted towards the 120 payments required under PSLF. This retroactive credit is only counted for the period of time the borrower was in qualifying public service employment and the loan was not in default, deferment or forbearance.
 - ***See consolidation warning message below.**
- Under PSLF, only full payments made on a Direct Loan under a qualifying Income Driven Repayment plan were counted towards the 120 payments required under PSLF.
 - **TEMPORARY WAIVER** – Borrowers employed by a qualifying employer will receive PSLF credit for each month their qualifying loan was in a repayment

status, (i.e., not in default, deferment or forbearance) even if no actual payment was made. This credit will be applied retroactively. For example, borrowers will receive credit for each month in which their loan payments were on pause under the COVID-19 Emergency Relief.

- Under PSLF, military deferments and forbearances don't count towards the required 120 payments.
 - **TEMPORARY WAIVER** – The Department will allow months spent on active duty to count toward PSLF, even if the service member's loans were on a deferment or forbearance rather than in active repayment.
- Under PSLF, you must be employed full-time at a qualifying employer at the time the Department of Education forgives the loans.
 - **TEMPORARY WAIVER** – Borrowers do not need to be employed by a qualifying employer when they apply for the PSLF waiver.

Are parent plus loans eligible under the PSLF temporary waivers?

Parent PLUS Loans are not eligible for the PSLF waiver.

What must I do to take advantage of the temporary waiver of the PSLF requirements?

The waiver of some PSLF requirements is not automatic. AFSCME members with student loans should take the following steps **on or before October 31, 2022** to take advantage of the waiver:

- **STEP 1** - Confirm what type of federal student loans you have. Visit Studentaid.gov to access your loan account. You will need to have or create a FSA ID to access this site.
- **STEP 2** - If you have Federal Family Education Loans (FFEL) or Federal Perkins Loans, you should consolidate* these loans into a Direct Loan and enroll in an Income Driven Repayment plan. See FAQ on Income Driven Repayment (IDR) Plans for additional information. (***See consolidation warning message below.**)
- **STEP 3** – Confirm that you past and present employers since October 1, 2007 qualify as public service employer under PSLF. (All government and 501(c)(3) non-profit organizations qualify. Visit Studentaid.gov to see if your employers is on the Department of Education's list of qualifying public service employers. **NOTE: This Department's list is not complete. So if you believe you have worked for a PSLF**

qualifying employer who does not appear, you should proceed with the PSLF

Application. The Department will notify you of its determination. To research your employers, visit Studentaid.gov. You will need to have or create a FSA ID to access the site. You will also need the employers Employer Identification Number [EIN]. This information can be found on your tax Form w-2 or you may contact the employer for this information.

- **STEP 4** – If your past or present employers qualify as public service employers, you should file a certification for each. You can certify your employer online by visiting StudentAid.gov or completing the PSLF Certification and Application. The employer certification section of the forms will need to be submitted to your employer to be signed. Once signed, you must submit the form to the federal student loan servicer for processing.

After taking the steps described above, do I have to do anything to apply for PSLF or the waiver?

After you submit the PSLF form during the waiver period to certify your employment, FedLoan Servicing will contact you to inform you of the number of qualifying payments you have made towards PSLF. After you have made 120 payments, you should submit the PSLF Certification and Application to have your loans forgiven.

I previously applied for PSLF and was rejected. Are the temporary waivers applied retroactively or do I need to resubmit my PSLF application?

If you were previously rejected from having your loans forgiven under PSLF, you should resubmit your application during the waiver period to see if you're now eligible under the new criteria.

Can I still apply for PSLF if my 120 payments will not be completed until after October 31, 2022?

Yes! Even if you do not have 120 qualifying payments at the end of the waiver period, you should submit the PSLF Certification and Application form to learn from FedLoan Servicing the number of qualifying payments you have already made. After the required 120 payments are made, you can apply for loan forgiveness.

Where can I find additional information about the PSLF temporary waivers?

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

<https://studentaid.gov/announcements-events/pslf-limited-waiver>

***WARNING ABOUT CONSOLIDATING FFEL OR PERKINS LOANS**

- On August 22, 2022, President Biden announced \$10,000 to \$20,000 in student debt cancellation for federal loan borrowers who have income below \$125,000, or household income below \$250,000. It was unclear whether privately owned Federal Family Education (FFEL) loans and Perkins loans would qualify for cancellation.
- It was recently determined that borrowers who consolidate FFEL and Perkins loans with other federal loans (e.g., Direct loans) after September 29, 2022, may not be eligible for the \$10,000 or \$20,000 in debt cancellation. (Loans consolidated prior to September 29 remain eligible for debt cancellation.)
- However, FFEL and Perkins loans consolidated into a Direct loan prior to October 31, 2022, continue to be eligible to receive the benefits of the PSLF waiver.
- **Borrowers with individual income below \$125,000, or household income below \$250,000, should review their loans and carefully weigh the benefits of the one-time debt cancellation vs. PSLF loan forgiveness before consolidating their FFEL and Perkins loans into Direct loans.**