

Public Service Loan Forgiveness



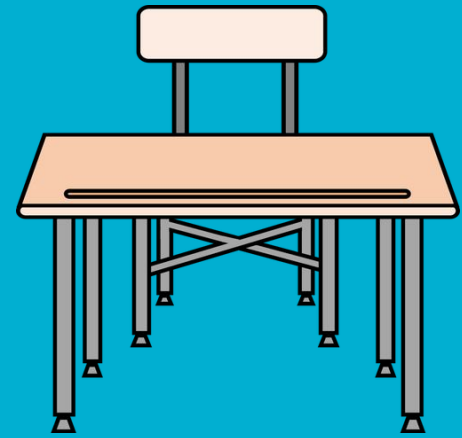
The basics and new changes through the temporary waiver

Presentation by the Consumer Justice Clinic at the East Bay Community Law Center.

Much information in this presentation was sourced from UC Berkeley's LRAP Program's Public Service Loan Forgiveness website and the Berkeley Center for Consumer Law & Economic Justice's October 6, 2021 publication, COVID-19 Consumer Protection Guide: Issue VIII: Updates to Public Service Loan Forgiveness, FAQs for PSLF Participants in partnership with Amanda Prasuhn, Associate Director of LRAP.

Learning Objectives

1. Why student loan forgiveness matters
2. Determining the types of loans you have
3. What is Public Service Loan Forgiveness (PSLF) and how to qualify
4. Recent, limited time changes
5. Tips
6. What you can do to help or get help



Why Do We Care About Student Loan Forgiveness at EBCLC?

Student Loans Are a Racial Justice Issue

- Black borrowers are overrepresented in having \$40-\$100,000 in student loan debt, but underrepresented in grad. programs.
- Black women have the highest student debt-to-income ratio during 1st year working post-grad but are most likely to be un or underemployed and underpaid.
- Latino borrowers have a default rate nearly double that of white borrowers–Black borrowers have nearly triple.
- 20 years after taking out their student loans, the median Black borrower still owes 95%, while the median white borrower has paid off 94%.



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Images

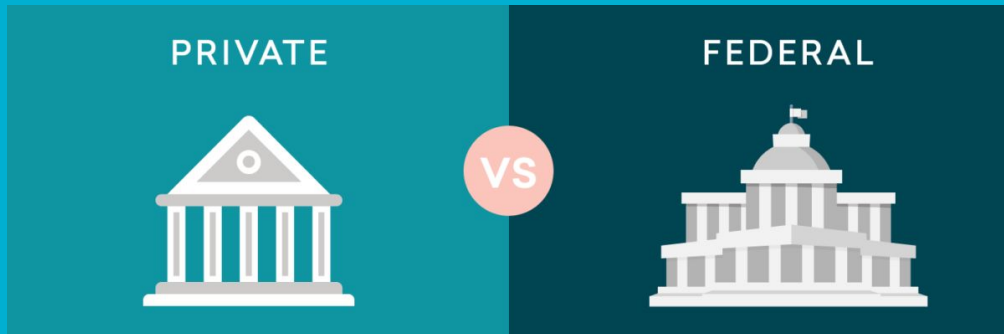
How Do We Assist at EBCCLC?

- State policy advocacy in coalition with
— TICAS and CA legal service providers
- Federal policy advocacy in coalition with NCLC and other orgs
- Direct services to low-income clients:
 - Assisting with rehabilitating or consolidating defaulted loans
 - Applying for forgiveness through a variety of programs, including PSLF
 - Applying for IDR plans
 - Consulting re: discharge in bankruptcy
 - Defending lawsuits for defaulted private and federal student loans
 - Addressing student loan scams



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What Loans Do I Have?



It's complicated - loans are not always what you think.


- Visit studentaid.gov to check what kinds of **federal loans** you have.
- Visit annualcreditreport.com (free reports from the major 3 - TransUnion, Equifax, and Experian) to check your more recent **private loans**.


Checking StudentAid.Gov


 An official website of the United States government.


[Help Center](#) [Submit a Complaint](#) [English | Español](#)


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Log In | Create Account 🔍

Create an Account (FSA ID)



Parents



Students



Borrowers

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

What You Can Use Your Account For

- Filling out the *Free Application for Federal Student Aid (FAFSA®)* form
- Signing your *Master Promissory Note (MPN)*
- Applying for repayment plans
- Completing loan counseling
- Using the *Public Service Loan Forgiveness Help Tool*

Items Needed to Create an Account

- Social Security number
- Your own mobile phone number and/or email address

Get Started

or

Log In



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Log In | Create Account 🔍

Create an Account (FSA ID)

Step 1 of 7

Personal Information

I understand that I'll be required to certify that the information I provide to create an account (FSA ID) is true and correct and that I'm the individual I claim to be.

If I'm not the person I claim to be, I understand that I'm not authorized to proceed and that I should exit this form now. If I provide false or misleading information, I understand that I might be subject to a fine, prison time, or both.

First Name



Middle Initial



Last Name



Date of Birth

Month	Day	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>



Social Security Number



Note: A user can only have one account associated with his or her Social Security number.

Cancel

Continue

Checking StudentAid.Gov

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7 Consolidation Loans

\$102,444



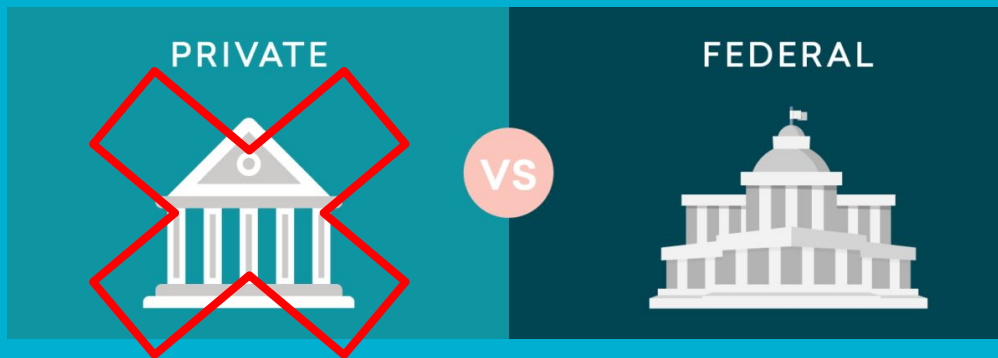
Loan Type	Principal	Interest	Total Balance
Direct Consolidation Unsubsidized	\$66,343	\$0	\$66,343
Direct Consolidation Subsidized	\$23,686	\$0	\$23,686
Direct Consolidation Subsidized	\$10,233	\$0	\$10,233
Direct Consolidation Unsubsidized	\$2,182	\$0	\$2,182
FFELP Consolidation	\$0	\$0	\$0
FFELP Consolidation	\$0	\$0	\$0
FFELP Consolidation	\$0	\$0	\$0
Total	\$102,444	\$0	\$102,444

Loans

\$102,444

Total Balance ⓘ

Private Loans DO NOT Qualify for PSLF



- However, in many ways private loans function more like credit card and other consumer debt, with statutes of limitations and debt collection protections.
 - One exception is bankruptcy, where discharge of both federal and private loans are limited.
 - If you have any questions related to your private student loans, please feel free to reach out to our team: consumer@ebclc.org

What is Public Service Loan Forgiveness (PSLF)?

A program designed to forgive the student loans of graduates who work for government or non-profit organizations.



What Are the Eligibility Requirements for PSLF?

To be eligible, you must:



PSLF's Strict Requirements:

120 qualifying payments made while...

1 | Employed by a nonprofit/
government

-Payments must be made while working a:

- Full-time job or multiple part-time jobs totalling full-time, at a
- 501c3, certain other nonprofits, or any government agency

2 | On a Direct Loan

-Payments must be made on a Direct Loan or a Consolidated Direct Loan (subsidized or un)

- Payments before consolidation do not count if the consolidated loans were Perkins or FFEL

3 | On an IDR plan + full, on-time payment

-Payments are only counted if:

- On a qualifying (not expired) income-driven repayment plan
- On time (w/i 15 days)
- For a required payment (not “paid ahead” status)
- For the exact amount owed

How to Apply for PSLF

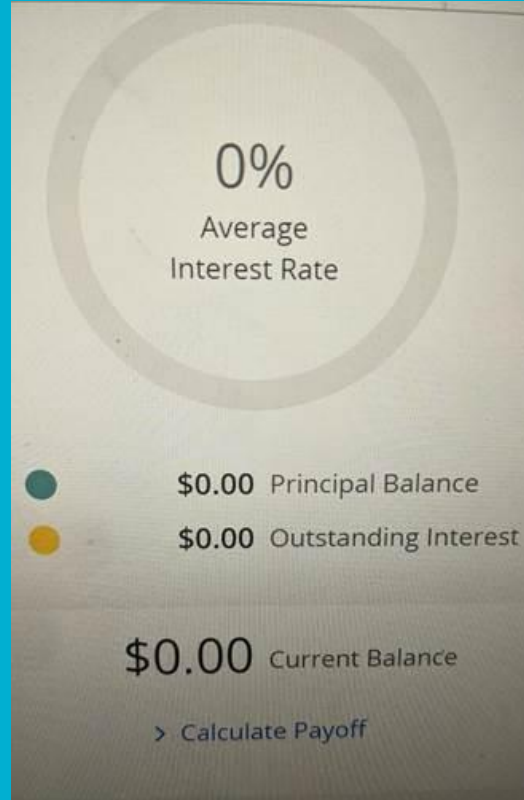
1. Submit the **Employment Certification Form**
2. Provide Any Further Information Requested
3. Make **120 Qualifying Payments**
4. Submit PSLF Application



How It Can Go Wrong



That Seems Like a Long Process – Is It Worth It?



Major (limited time!) Opportunity:

Until October 31, 2022 only:



The waiver counts payments made between 10/01/07 thru either 09/30/21 or 10/31/22 (made by full-time nonprofit /government employees) on:

1. Loans that were later consolidated
2. Ineligible loan types (like FFEL or Perkins Loans) (if first consolidated into a Direct Consolidation Loan)
3. Ineligible repayment plans, including a graduated or extended
4. Late payments or payments for less than the exact amount owed

New!

Public Service Loan Forgiveness (PSLF) Improvements

New Limited Waiver Opportunity

For a limited time, borrowers may receive credit for past payments that would otherwise not qualify for PSLF.

➤ Prior payments made on ineligible FFEL and Perkins loans will qualify.

➤ Prior payments made before consolidating loans will qualify.

➤ Prior payments made while in a non-qualifying repayment plan will qualify.

➤ Prior payments that were late or not made in the full amount due will qualify.

How to qualify

✓ Must have been employed full-time in PSLF-qualifying employment during the time prior payments were made.

✓ If you have FFEL or Perkins loans, consolidate them into a Direct consolidation loan by October 31, 2022.

✓ If you've never submitted a PSLF Form to document your employment, or if you're missing documentation from certain periods, submit a new PSLF Form by October 31, 2022.

✓ All other borrowers who have already submitted PSLF Forms documenting their employment will be automatically evaluated for the waiver.

What Is the Best Way to Get All Payments Counted?

*Apply for any not-yet-certified (or denied)
periods of qualifying employment
before **October 31!***

- This is the only way to **preserve payments** that would normally not qualify (even if you are not yet ready to apply for forgiveness) under the waiver's expanded qualifications.
- **\$0 suspended payments** (COVID) count, but only if you submit employer verifications and meet all the other requirements (which you may need a waiver for).

Waiver Application Tips:

1 | Download Records Now!

-FedLoan Servicing, Navient, and Granite State Management & Resources are all ending their servicing contracts - download all payment records while you still have access.

2 | Allow Time for Certification

-Get started soon - you will need to have employment certifications signed by all qualifying employers to submit a timely application.

3 | Allow Time for Consolidation

-If have Perkins or FFEL loans you paid while in qualified employment, you must both finish consolidating them into a Direct Loan and submit a PSLF form before October 31 to count them!

Will There Be Long-Term Changes?

Who knows! Consider making public comment during the current negotiated rulemaking!



Individual Consults

In advance of your consult, please pull your studentaid.gov profile to determine what kinds of loans you have, for how much, and what the status is. The more information we have, the more we can assist you!

- ❖ Berkeley alum who qualify for LRAP should receive advice and counsel directly from the LRAP office lrp@law.berkeley.edu, as LRAP rules and requirements differ subtly from PSLF forgiveness and may impact your decisions.
- ❖ EBCLC staff and anyone who does not qualify for Berkeley's LRAP can contact consumer@ebclc.org for an individual consultation.
- ❖ EBCLC staff can submit their employment form to the Deputy — Director overseeing their unit (Jay or Rosa).

Additional Resources

- ❖ [Berkeley Law's PSLF page.](#)
 - [PSLF \(Temporary\) Improvements](#)
 - [PSLF Best Practices](#)
 - [Berkeley Center for Consumer Law and Economic Justice PSLF FAQs](#)
- ❖ [The Institute for College Access and Success \(TICAS\)](#)
- ❖ [Student Borrower Protection Center](#)
- ❖ [US Department of Education](#)
 - [PSLF During COVID](#)
 - [Overhaul Fact Sheet](#)
- ❖ [Consumer Financial Protection Bureau](#)
- ❖ [National Consumer Law Center](#) has a detailed [webinar](#).

Question & Answer Portion