What is Public Service Loan Forgiveness?

The Public Service Loan Forgiveness (PSLF) Program allows eligible borrowers to cancel the remaining balance of their Direct Loans.
120 Qualifying Payments

In Qualifying Repayment Plans

...When Applying For & Receiving PSLF

On Direct Loans

While Working For A Qualifying Employer...

Per IRS, forgiven amount is not taxable income

120 Qualifying Payments

Must have been made after October 1, 2007

Must be on-time (no later than 15 days after the scheduled due date)

Must be made each month (satisfying the full monthly installment amount that was due for that month)

Must be made when the loan is not in a default status

** Reduced and/or zero dollar monthly payments under an IDR plan qualify.

** Lump sum payments that exceed the scheduled payment amount do not count as separate payments.
PSLF PAYMENTS

- Payments made while in default status do not count
- Multiple partial payments
  - Count as one payment
  - All must be received within 15 days of due date
- Payments made when not required
  - Do not qualify
- Lump sum payments
  - Count as one payment
  - Exceptions for AmeriCorps, Peace Corp, and Department of Defense borrowers

On Direct Loans

PSLF is only for Direct Loans, but all Direct Loans qualify
Most IDR plans have two formulas – for those that do, borrowers always pay the lesser of the two.

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Payment based only on income</th>
<th>Payment based on loan debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICR</td>
<td>20% of discretionary income</td>
<td>12-year standard payment adjusted based on income</td>
</tr>
<tr>
<td>IBR</td>
<td>15% of discretionary income</td>
<td>10-year standard amount</td>
</tr>
<tr>
<td>PAYE</td>
<td>10% of discretionary income</td>
<td>10-year standard amount</td>
</tr>
<tr>
<td>REPAYE</td>
<td>10% of discretionary income</td>
<td>None</td>
</tr>
</tbody>
</table>
While Working For A Qualifying Employer...

It matters where you work, not what you do...

- 501(c)(3) not-for-profit organization
- Other not-for-profit organizations providing specific qualifying services as primary purpose
- Any government organization

PSLF FULL-TIME EMPLOYMENT

- Full-time is the greater of:
  - Employer’s definition of full-time
  - 30 hours per week
- May work multiple qualifying part-time jobs that equal full-time
- Employer-provided vacation or leave time is equivalent to hours worked in determining whether you meet the full-time employment requirement. This includes leave taken for a qualifying condition under FMLA.

Note: When determining full-time public service employment at a not-for-profit organization, you may not include time spent participating in religious instruction, worship service, or any form of proselytizing.
When Applying For & Receiving PSLF

What should I do NOW?
- Determine if your loans are eligible and consolidate any ineligible loans
- Change to an eligible repayment plan (IDR, ICR, etc.)
  - Any qualified payments made prior to consolidation will not count
  - Complete an Employment Certification Form (ECF) to certify any past employment
  - One ECF per qualified employer

https://studentloans.gov/repay
https://studentloans.gov/repay

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

Pick a student loan repayment option in 5 steps or less:

Do you have federal loans?

[YES] [NO]

Examples of Federal student loans include Direct Loan, Stafford, PLUS or Perkins

You should consider:

LOAN CONSOLIDATION, INCOME-DRIVEN REPAYMENT, and PUBLIC SERVICE LOAN FORGIVENESS

This plan is designed to forgive the remaining balance on your loans after 10 years. (show more...)

MATERIALS NEEDED:

- Your Social Security number
- Spouse information, if applicable
- Employment Certification Form

STEPS TO SIGN UP:

1. Create an "FSA ID." This typically takes less than 24 hours. If you have already created one, skip to step 2.
2. Log into Studentloans.gov using your FSA ID.

See all steps 

Be sure to select “FedLoan” as your loan servicer.

Once you receive notification that your Direct Loan Consolidation is complete...
1. Create an account on FedLoan
2. Apply for an IDR plan
Employer Certification Form – Section 3

- Must be completed by the **Borrower** or the **Authorized Official**
- Provide all requested information for Items 1-14.
- The form cannot be processed if the information requested in this section is incomplete or missing.

**TIP:** You can find the Employer Information by viewing your W-2.

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>b</strong> Employer identification number (EIN)</td>
<td>72-6001695</td>
</tr>
<tr>
<td><strong>c</strong> Employer's name, address, and ZIP code</td>
<td>University of Louisiana Monroe 700 University Avenue Monroe LA 71209</td>
</tr>
<tr>
<td><strong>d</strong> Control number</td>
<td>765</td>
</tr>
</tbody>
</table>
Employer Certification Form – Section 4

- Must be completed by the **Authorized Official**
- Provide all requested information
- The form **cannot** be processed if the information requested in this section is incomplete or missing.

**SECTION 4: EMPLOYER CERTIFICATION (TO BE COMPLETED BY THE EMPLOYER)**

By signing, I certify (1) that the information in Section 3 is true, complete, and correct to the best of my knowledge and belief, (2) that I am an authorized official (see Section 6) of the organization named in Section 3, and (3) that the borrower named in Section 1 is or was an employee of the organization named in Section 3.

**Note:** If any of the information is crossed out or altered in Section 3, you must initial those changes.

<table>
<thead>
<tr>
<th>Official's Name</th>
<th>Melissa Ducote</th>
<th>Official's Phone</th>
<th>318-342-5141</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official's Title</td>
<td>Human Resources Director</td>
<td>Official's Email</td>
<td><a href="mailto:ducote@ulm.edu">ducote@ulm.edu</a></td>
</tr>
</tbody>
</table>

**Authorized Official's Signature**

Date

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**PSLF EMPLOYMENT CERTIFICATION**

Borrowers who want confirmation that employment and payments qualify should submit the Employment Certification Form to FedLoan Servicing
COMMON ISSUES

Inaccurate or Missing End Date on ECF Form
- Blank end date when the borrower is still employed vs. checking “still employed”
- Missing required fields (such as EIN number)

Payment Tracking
- Must submit an ECF for an updated qualifying payment count
- Payments made to other servicers (not just FedLoan) can be counted toward PSLF

PSLF QUALIFYING EMPLOYMENT

Approved ECFs by Employer Type

- Government: 38%
- 501(c)(3): 62%
- Oth. NFP
- AmeriCorps
- Peace Corps

Source: FedLoan Servicing as of September 2017
PROCESSED ECFS

1,864,377 Processed
1,230,937 (66%) Approved
633,440 (34%) Denied

Source: FedLoan Servicing as of September 2017

PSLF PROCESSED ECFS

Missing/Incorrect Information: 47%
No Eligible Loans: 32%
Employer Not Qualified: 21%

Source: FedLoan Servicing
WHAT SHOULD I DO EACH MONTH/YEAR?

- Make on-time, monthly payments for 10 years
- Complete your annual Income-Driven Repayment Plan (IDR) recertification
- Complete your Employer Certification Form (ECF) annually to ensure your employment qualifies, and to track your payments easily

TIP: Put a reminder on your calendar 30 days prior to your IDR & PSLF expiration dates.
RESOURCES

- StudentLoans.gov/repay – Find a student loan solution in 5 steps or less
- StudentAid.gov/publicservice – PSLF info, forms, and Q&As
- StudentAid.gov/IDR – IDR info
- StudentAid.gov/IDR – IDR application
- StudentLoans.gov – IDR application
- StudentAid.gov/repayment-estimator – Calculator
- NSLDS.ed.gov – Loan balance

FEDLOAN SERVICING SUPPORT CENTER

FedLoan Servicing responsibilities include:
- Customer Support
- Processing Employment Certification forms (ECFs)
- Tracking qualifying payments for PSLF

FedLoan Servicing
855.265.4038
Mon-Fri 8am – 9pm ET
MyFedLoan.org/PSLF
QUESTIONS?

Frankie Everett, Financial Aid Director  
(318) 342-5320, Option #3  
everett@ulm.edu

This presentation will be recorded and posted to http://finaid.ulm.edu