

June 2017

# Employer's guide to assisting employees with student loan repayment

A toolkit for school districts, non-profit organizations, and other public servicer employers



# Table of contents

<b>About this toolkit.....</b>	<b>2</b>
<b>Guide for public service organizations .....</b>	<b>3</b>
<b>Guide for public service employees with student debt .....</b>	<b>4</b>
<b>Sample letter to employees .....</b>	<b>5</b>
<b>Frequently asked questions.....</b>	<b>6</b>
<b>Contact information .....</b>	<b>10</b>
<b>Appendix: Employer certification form .....</b>	<b>11</b>

# About this toolkit

The Consumer Financial Protection Bureau is asking public service employers to pledge to help their employees tackle their student loan debt and to help them qualify for existing student loan repayment benefits, including Public Service Loan Forgiveness. Under this program, after 10 years of public service and 120 qualifying monthly payments, any remaining federal student loan debt will be forgiven.

Many public service fields face major workforce shortages in the coming years and, for many new employees in these professions, low starting salaries and low wage growth make repaying student debt a daunting obstacle. This challenge may be particularly acute for public school districts and public or non-profit hospitals and clinics, especially in rural communities.

The CFPB developed this “Employer’s Guide to Assisting Employees with Student Loan Repayment” in order to empower public service employers to serve as a resource for their employees with student debt.

Qualifying for these benefits can be challenging; but, with a little bit of guidance, employers can help their employees manage their loans, make smart choices early and stay on the path to loan forgiveness. In effect, this is an opportunity for public service employers to provide a valuable fringe benefit at little to no cost — these are federal programs available for all public service employees who qualify.

# Help tackle student debt

---

## Step 1. Discuss repayment benefits

Public Service Loan Forgiveness (PSLF) is a program that allows certain federal student loans to be forgiven after 10 years of payment. By helping them start early, you might help your employees save thousands of dollars.

**How does loan forgiveness work?** To benefit, borrowers working in public service need to have a qualifying loan and enroll in a qualifying repayment plan. After 120 on-time, qualifying monthly payments, the remainder of their loans are forgiven. Borrowers benefit the most when they have high debt relative to their income, so it pays to start early. See the *Loan forgiveness starts here* guide to learn more about this program.

### Get started

- **Review the toolkit.** We've included a sample letter to your employees, a set of frequently asked questions (FAQs) and the *Loan forgiveness starts here* guide, a one-page guide for borrowers with student debt, to bring you up to speed.
- **Share this information with your employees.** Distribute this information at on-boarding, during open season for benefits enrollment, or when sending out IRS W-2 forms.
- **Name a point-of-contact.** Designate a member of your Human Resources team to help your employees understand their options. Learn more about student loan repayment benefits at [consumerfinance.gov/pledge](http://consumerfinance.gov/pledge).

## Step 2. Enroll and certify

Once you have a qualifying loan, you need to enroll in a qualifying payment plan. You can also track your progress towards PSLF by certifying that you work in public service.

### Help your employees certify

- Partially complete the form in advance.** Section 3 of the form requires basic info that is the same for all employees.
- Help your staff with the form.** Your HR team can send in signed forms for your staff.

## Step 3. Check in annually

Remind your employees to recertify each year. You may want to distribute these forms around tax time or during open season for benefits enrollment.

### Things to consider

- **Tailor your existing student loan benefit around loan forgiveness.** If you offer loan repayment assistance, consider making qualifying payments on behalf of your staff instead of providing a lump-sum benefit.
- **Ask for help.** Send questions to [pledge@cfpb.gov](mailto:pledge@cfpb.gov).



Consumer Financial  
Protection Bureau

Learn more at [consumerfinance.gov/pledge](http://consumerfinance.gov/pledge)

## GUIDE FOR PUBLIC SERVICE EMPLOYEES WITH STUDENT DEBT

# Loan forgiveness starts here

---

## Step 1. Explore your options

Public Service Loan Forgiveness allows qualifying federal student loans to be forgiven after 10 years (120 months) of qualifying, on-time payments.

**What is a qualifying loan?** Only federal Direct Loans qualify for loan forgiveness. You may consolidate most other federal loans into a new Direct Loan in order to qualify.

**What is a qualifying payment plan?** Plans based on your income let you pay less now and set you up to have more forgiven later. The newest income-driven repayment plan, Revised Pay As You Earn (REPAYE), sets payments at 10 percent of your discretionary income.

### Get started

- **It matters where you work, not what you do.** Any employee may be eligible for loan forgiveness, no matter what job they hold.
- **Extended repayment plans don't qualify toward loan forgiveness.** Avoid non-IDR options that lengthen your repayment term, such as an extended repayment plan. Switch plans now to get credit for your service.
- **You may qualify for other benefits,** including loan forgiveness for teachers, cancellation for borrowers with Perkins loans, and benefits offered by your state.

## Step 2. Enroll and certify

Once you have a qualifying loan, you need to enroll in a qualifying payment plan. You can also track your progress towards PSLF by certifying that you work in public service.

### Next steps

- Enroll in a qualifying payment plan. Get started at [studentloans.gov](http://studentloans.gov).
- Certify that you work for a public service organization. Your HR office may keep this form on hand. You can also find it at [consumerfinance.gov/pledge](http://consumerfinance.gov/pledge).

## Step 3. Follow-up with your servicer

Once you certify, your servicer knows you are interested and can track your progress. The company that services your loan may change. Pay close attention to any information you receive about your student loan, even if it's from an unfamiliar company.

### Things to consider

- **Enroll and certify each year.** This is the best way to keep your payment low and check to make sure you stay on track for loan forgiveness.
- **Ask for help.** You can contact a loan forgiveness specialist at FedLoan Servicing at (855) 265-4038.



Consumer Financial  
Protection Bureau

Learn more at [consumerfinance.gov/pledge](http://consumerfinance.gov/pledge)

# Sample letter to employees

Dear Colleague:

[EMPLOYER NAME] is a qualified employer under the federal Public Service Loan Forgiveness (PSLF) program. We are committed to helping you manage your student loan debt and start on the path to a strong financial future.

The path to loan forgiveness can seem complicated, but with a few smart choices early on, you may save thousands of dollars on your student loans. The key is to understand your options.

Employees who qualify are eligible to have certain federal student loans forgiven after 10 years of on-time monthly payments. You will save the most money if your student loan debt is high, relative to your income, so it pays to get started early in your career when your outstanding debt is the greatest.

To be eligible for the program, you need to have a qualifying loan, be enrolled in a qualifying repayment plan and you need to certify that you work for a qualified employer.

Attached, please find *Loan forgiveness starts here*, a one-page action guide to help you get started.

[POINT OF CONTACT] on our Human Resources team can help you certify that you work for a qualifying employer and may be able to provide more information if you have questions. You can also visit [EMPLOYER INTRANET] for additional resources.

Remember, you'll save the most if you get started early. You might even be able to lower your monthly payment as you work toward loan forgiveness, so it pays to start now.

Please let us know if we can provide additional assistance.

# Frequently asked questions

## **1. How do I help my employees know whether the student loans they have qualify for loan forgiveness?**

Only federal Direct Loans are eligible for Public Service Loan Forgiveness. However, if your employees have other federal loans originated under the Federal Family Educational Loan (FFEL) program or the Perkins loan program, they may be able to consolidate those loans into a new Direct Loan to qualify.

Borrowers can learn more about what type of loan they have through the National Student Loan Data System (NSLDS), available at [www.nslds.ed.gov/](http://www.nslds.ed.gov/). This database only contains information about federal student loans. If your employees have private (non-federal) student loans, they will not appear through this system and are not eligible for loan forgiveness.

Consolidating federal loans may cause borrowers to forfeit other benefits. Employees with Perkins loans or those serving in the military should talk to their servicers about the risks associated with consolidation. For more information, see Question 7. They can also learn more at Ask CFPB at [www.consumerfinance.gov/askcfpb/](http://www.consumerfinance.gov/askcfpb/).

## **2. How do I help my employees know whether they are in the best repayment plan?**

For student loan borrowers seeking Public Service Loan Forgiveness, an income-driven payment plan is the best bet. The newest income-driven repayment plan, Revised Pay As You Earn (REPAYE), sets a borrower's monthly payment at 10 percent of his or her income.

Generally, as a borrower's income rises, his or her monthly payments will also rise, so it is very important for your employees to enroll early and maximize their savings under Public Service Loan Forgiveness.

To get started in income-driven repayment plan, borrowers can enroll online at [www.studentloans.gov](http://www.studentloans.gov) or contact their servicers and ask for this option directly. It is important to make sure that they have a loan that qualifies for Public Service Loan Forgiveness before they enroll in an income-driven plan (see Question 1).

Although an income-driven plan is the best choice for most borrowers seeking PSLF, there may be circumstances where another payment plan is better for an individual employee. Borrowers can learn more about other options from the U.S. Department of Education, available at [www.studentaid.ed.gov/publicservice/](http://www.studentaid.ed.gov/publicservice/).

**3. Public Service Loan Forgiveness requires ten years of monthly payments for an employee to obtain forgiveness. How do I explain to my employees that this isn't a sure thing?**

The path toward loan forgiveness presents some risks for borrowers. Because this program is an “all-or-nothing” benefit, it is important for your employees to understand that they must make 120 on-time, qualifying monthly payments in order to obtain loan forgiveness under this program. If your employee leaves public service even one monthly payment short of the required 120, he or she may not be eligible for Public Service Loan Forgiveness.

It is also important to know that these payments do not have to be consecutive. If your employee makes a late payment or leaves public service for a brief period, he or she will still be able to pick up where he or she left off and continue down the path to loan forgiveness. However, to obtain the biggest benefit under Public Service Loan Forgiveness, your employees should strive to make their 120 on-time, monthly payments in 120 months.

**4. During what time of year should I have my employees complete the Employment Certification for Public Service Loan Forgiveness form?**

In addition to having your employees complete an *Employment Certification for Public Service Loan Forgiveness* (see appendix) as part of their onboarding process, employers should assist employees in recertifying annually. It may make sense for you to include this as part of your organization’s “Open Season” for benefits enrollment or during tax season when you distribute W-2s to your employees.

You can provide your employees with a pre-populated certification form and manage the recertification process much like you did for new hires. It is helpful for employers to submit

signed, completed certification forms on behalf of their employees. But remember, your employees should always check with their servicers to make sure the proper forms were received and that they remain on the path toward loan forgiveness.

**5. Who can sign the *Employment Certification for Public Service Loan Forgiveness* form?**

The Employment Certification for Public Service Loan Forgiveness form can be signed by any staff member (an “authorized official”) who has access to the borrower’s employment or service records and is authorized by your organization to certify the employment status of your current or former employees.

This can be a member of your human resources team or an individual employee’s supervisor. It may make sense for public service employers to designate a single human capital team member to sign and submit these forms on behalf of all eligible employees.

**6. Can I submit the certification forms online for my employees?**

Currently, the Department of Education requires the Employment Certification for Public Service Loan Forgiveness form to be submitted either by U.S. mail or by fax.

Completed forms can be submitted to:

U.S. Department of Education  
FedLoan Servicing  
P.O. Box 69184  
Harrisburg, PA 17106-9184

Fax: 717-720-1628

**7. My employee has a Perkins loan. What else do they need to know?**

Borrowers with Perkins loans may be eligible for a different benefit if they work in certain public service professions. This benefit is known as Perkins loan cancellation. For each complete year of service, a percentage of the loan may be canceled. The total percentage of the loan that can be canceled depends on the type of service performed.

If borrowers choose to consolidate a Perkins loan into a federal Direct Consolidation Loan to become eligible for Public Service Loan Forgiveness, they will no longer be eligible for Perkins loan cancellation. This means that they should understand their options before they

choose to consolidate. More information about Perkins loan cancellation is available at [www.studentaid.ed.gov/repay-loans/forgiveness-cancellation#perkins-loan/](http://www.studentaid.ed.gov/repay-loans/forgiveness-cancellation#perkins-loan/).

**8. I understand that there may be other benefits for certain teachers. Is Public Service Loan Forgiveness always the best choice?**

Highly qualified teachers in certain low-income schools may be eligible for a different benefit that provides \$5,000 in loan forgiveness after the completion of five academic years as an elementary or secondary school teacher. Highly qualified math, science, or special education teachers may be eligible for up to \$17,500 in loan forgiveness after the completion of five academic years as a teacher in an eligible school.

Your employees cannot obtain a benefit under both the teacher loan forgiveness program and Public Service Loan Forgiveness. For borrowers with low-to-moderate student loan debt who meet other program criteria, Public Service Loan Forgiveness may not be the best choice. For borrowers with high student loan debt, it may still make sense to pursue this option.

Remember, taking the first steps toward Public Service Loan Forgiveness will not jeopardize eligibility for teacher loan forgiveness, so it may make sense for teachers to get started on this path while they weigh their options. To learn more about loan forgiveness for teachers, visit [www.studentaid.ed.gov/tc](http://www.studentaid.ed.gov/tc).

**9. My employee has private student loans. Are there repayment benefits that can help? What other options do they have to tackle this debt?**

Private student loans are not qualifying loans under the existing federal loan repayment benefits discussed in this toolkit. See question 1 for more information about loans that qualify.

Generally, private student loans have fewer flexible repayment options than federal student loans, but the best thing that your employee can do is to contact their student loan servicer to learn more about the options that might be available. They can learn more and take advantage of CFPB's other resources for student loan borrowers, available at [www.consumerfinance.gov/students](http://www.consumerfinance.gov/students).

# Contact information

To reach the CFPB's Student Loan Ombudsman:

**By email** [students@cfpb.gov](mailto:students@cfpb.gov)

**By mail** Consumer Financial Protection Bureau  
1700 Street NW  
Washington, DC 20552

To submit a complaint:

**Online** [consumerfinance.gov/complaint](http://consumerfinance.gov/complaint)

**By phone** 180+ languages, M-F 8am-8pm EST  
Toll-Free: (855) 411-CFPB (2372)  
TTY/TDD: (855) 729-CFPB (2372)

**By mail** Consumer Financial Protection Bureau  
PO Box 2900  
Clinton, Iowa 52733-2900

**By fax** (855) 237-2392

Additional resources to assist student loan borrowers

**Repay Student Debt web tool**

<http://www.consumerfinance.gov/paying-for-college/repay-student-debt>

**Paying for College suite of tools**

[www.consumerfinance.gov/paying-for-college/](http://www.consumerfinance.gov/paying-for-college/)

**Ask CFPB**

<http://www.consumerfinance.gov/askcfpb/>



# PUBLIC SERVICE LOAN FORGIVENESS (PSLF): EMPLOYMENT CERTIFICATION FORM

## William D. Ford Federal Direct Loan (Direct Loan) Program

OMB No. 1845-0110  
Form Approved  
Exp. Date 12/31/2017

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

### SECTION 1: BORROWER INFORMATION

Please enter or correct the following information.

**Check this box if any of your information has changed.**

SSN \_\_\_\_\_

Date of Birth \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Telephone - Primary \_\_\_\_\_

Telephone - Alternate \_\_\_\_\_

Email (Optional) \_\_\_\_\_

### SECTION 2: BORROWER AUTHORIZATIONS, UNDERSTANDINGS, AND CERTIFICATIONS

**Before signing, carefully read the entire form.** For more information on PSLF, visit [StudentAid.gov/publicservice](https://StudentAid.gov/publicservice).

#### I authorize:

1. My employer or other entity having records about the employment that is the basis of my request to make information from those records available to the U. S. Department of Education (the Department) or its agents or contractors.
2. The entity to which I submit this request and its agents to contact me regarding my request or my loans at any cellular telephone number that I provide now or in the future using automated telephone dialing equipment or artificial or prerecorded voice or text messages.

#### I understand that:

1. To qualify for PSLF, I must make 120 qualifying payments on my Direct Loan(s) while employed full-time by a qualifying employer or employers. Neither the 120 qualifying payments nor the employment have to be consecutive.
2. To qualify for PSLF, I must be employed full-time by a qualifying employer when I apply for and receive PSLF.
3. If I qualify for forgiveness, only the remaining balance on my Direct Loan(s) will be forgiven.
4. By submitting this form, my student loan(s) held by the Department will be transferred to FedLoan Servicing.
5. The Department may request supplemental documentation substantiating my employment.
6. The Department will notify me in writing or electronically of the number of qualifying payments I have made while employed full-time by a qualifying employer and how many more I must make before I am eligible to apply for PSLF.
7. The Department will notify me in writing or electronically if the form that I submit is incomplete, or if it determines that my employment or payments do not qualify for PSLF. The Department will explain the reason for the determination and the steps I need to take to correct the form or make qualifying payments.
8. The Department will retain this certification form until I submit my application for forgiveness.

**I certify** that all of the information I have provided on this form and in any accompanying document is true, complete, and correct to the best of my knowledge and belief.

Check this box if you cannot obtain certification from your employer because the organization is closed or because the organization has refused to certify your employment. The Department will follow up to assist you in getting documentation of your employment. **Complete Section 3, but do not complete Section 4.**

Borrower's Signature \_\_\_\_\_

Date \_\_\_\_\_

Borrower Name \_\_\_\_\_

Borrower SSN \_\_\_\_\_

---

### SECTION 3: EMPLOYER INFORMATION (TO BE COMPLETED BY THE BORROWER OR EMPLOYER)

---

1. Employer Name: \_\_\_\_\_

2. Federal Employer Identification Number (FEIN) \_\_\_\_\_

Your employer's EIN may be found on your Wage and Tax Statement (W-2).

3. Employer Address: \_\_\_\_\_

4. Employer Website (if any): \_\_\_\_\_

5. Employment Begin Date: \_\_\_\_\_

6. Employment End Date: \_\_\_\_\_

OR

Still Employed

7. Employment Status:  Full-Time  Part-Time

8. Hours Per Week (Average) \_\_\_\_\_

Include vacation, leave time, or any leave taken under the Family Medical Leave Act of 1993. If your employer is a 501(c)(3) or a not-for-profit organization, do not include any hours you spent on **religious instruction, worship services, or proselytizing**.

9. Is your employer a **governmental** organization?

A governmental organization is a Federal, State, local, or Tribal government organization, agency, or entity, a public child or family service agency, a Tribal college or university, or the Peace Corps or AmeriCorps.

Yes - Skip to Section 4.

No - Continue to Item 10.

10. Is your employer tax-exempt under Section **501(c)(3)** of the Internal Revenue Code?  
 Yes - Skip to Section 4.  
 No - Continue to Item 11.

11. Is your employer a **not-for-profit** organization?  
 Yes - Continue to Item 12.  
 No - Your employer does not qualify.

12. Is your employer a partisan political organization?  
 Yes - Your employer does not qualify.  
 No - Continue to Item 13.

13. Is your employer a labor union?  
 Yes - Your employer does not qualify.  
 No - Continue to Item 14.

14. Indicate which service or services your employer provides and then continue to Section 4, if appropriate:
- Emergency management  
 Military service (See Section 6)  
 Public safety  
 Law enforcement  
 Public interest legal services (See Section 6)  
 Early childhood education (See Section 6)  
 Public service for individuals with disabilities  
 Public service for the elderly  
 Public health (See Section 6)  
 Public education (See Section 6)  
 Public library services  
 School library services  
 Other school-based services  
 None of the above - your employer does not qualify.

---

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

---

By signing, I **certify** that the information in Section 3 is true, complete, and correct to the best of my knowledge and belief and that I am an authorized official (see Section 6) of the organization named in Section 3. **Complete the rest of this Section.**

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

Authorized Official's Name \_\_\_\_\_

Authorized Official's Phone \_\_\_\_\_

Authorized Official's Title \_\_\_\_\_

Authorized Official's Email \_\_\_\_\_

Authorized Official's Signature \_\_\_\_\_

Date \_\_\_\_\_

## **SECTION 5: INSTRUCTIONS FOR COMPLETING THE FORM**

You may submit information about multiple employers by submitting one copy of Sections 1 and 2 (Page 1), and one copy of Sections 3 and 4 (Page 2) per employer. When completing this form, type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: March 14, 2016 = 03-14-2016. If any information is crossed out or altered in Section 3, it must be initialed by your employer. For more information about PSLF and how to use this form, visit [StudentAid.gov/publicservice](http://StudentAid.gov/publicservice). Return the completed form to the address shown in Section 7.

## **SECTION 6: DEFINITIONS**

**AmeriCorps position** means a position approved by the Corporation for National and Community Service under Section 123 of the National and Community Service Act of 1990 (42 U.S.C. 12573).

An **authorized official** is an official of a public service organization (including AmeriCorps or the Peace Corps) who has access to the borrower's employment or service records and is authorized by the public service organization to certify the employment status of the organization's employees or former employees, or the service of AmeriCorps or Peace Corps volunteers.

**Eligible loans** are loans that are not in default and made under the William D. Ford Federal Direct Loan (Direct Loan) Program.

**Early childhood education** includes licensed or regulated child care, Head Start, and State funded pre-kindergarten.

An **employee** means an individual who is hired and paid by the organization.

**Full-time** means working in qualifying employment in one or more jobs for the greater of: **(1)** An annual average of at least 30 hours per week or, for a contractual or employment period of at least 8 months, an average of 30 hours per week; or **(2)** Unless the qualifying employment is with two or more employers, the number of hours the employer considers full time.

**Government** includes a Federal, State, local or Tribal government organization, agency or entity; a public child or family service agency; or a Tribal college or university.

An **on-time payment** is a payment made no more than 15 days after the due date for the payment.

**Law enforcement** means service performed by an employee of a public service organization that is publicly funded and whose principal activities pertain to crime prevention, control or reduction of crime, or the enforcement of criminal law.

**Military service** means service on behalf of the U. S. Armed Forces or the National Guard performed by an employee of a public service organization.

**Peace Corps position** means a full-time assignment under the Peace Corps Act as provided for under 22 U.S.C. 2504.

**Public education** includes services that provide educational enrichment or support directly to students or their families in a school or a school-like setting.

**Public interest legal services** refers to legal services that are funded in whole or in part by a local, State, Federal, or Tribal government.

**Public health** includes nurses, nurse practitioners, nurses in a clinical setting, and full-time professionals engaged in [health care practitioner occupations](#) and [health support occupations](#), as such terms are defined by the Bureau of Labor Statistics.

**Public service organization** is a private not-for-profit organization that is not a labor union or a partisan political organization and that provides at least one of the following public services: **(1)** emergency management, **(2)** military service, **(3)** public safety, **(4)** law enforcement, **(5)** public interest legal services, **(6)** early childhood education, **(7)** public service for individuals with disabilities and the elderly, **(8)** public health, **(9)** public education, **(10)** public library services, **(11)** school library services, or **(12)** other school-based services.

**Qualifying payments** are separate, on-time, full monthly payments made on a Direct Loan after October 1, 2007 under a qualifying repayment plan.

**Qualifying employment** includes employment by the government, employment by a not-for-profit organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, AmeriCorps position, a Peace Corps position, or employment at a public service organization.

**Qualifying repayment plans** include the Revised Pay As You Earn (REPAYE) plan, the Pay As You Earn (PAYE) plan, the Income-Based Repayment (IBR) plan, the Income-Contingent Repayment (ICR) plan, the 10-Year Standard Repayment plan (Standard Repayment plan with a maximum 10-year repayment period), and any other Direct Loan repayment plan, but only if payments are at least equal to the monthly payment amount that would be required under the Standard Repayment plan with a 10-year repayment period.

## **SECTION 7: WHERE TO SEND THE COMPLETED FORM**

Return the completed form and any documentation to:  
(If no address is shown, return to your loan holder.)

U.S. Department of Education  
FedLoan Servicing                      Or                      Fax to: 717-720-1628  
P.O. Box 69184  
Harrisburg, PA 17106-9184

If you need help completing this form, call:  
(If no telephone number is shown, call your loan holder.)

Domestic: 855-265-4038  
International: 717-720-1985  
TTY: dial 711, then enter 800-699-2908

Website: [MyFedLoan.org](http://MyFedLoan.org)

## **SECTION 8: IMPORTANT INFORMATION ABOUT PSLF**

You may obtain loan forgiveness under this program if you make 120 qualifying payments (see "Payment Eligibility") on eligible loans (see "Loan Eligibility") while working in qualifying employment (see "Employment Eligibility").

### **Payment Eligibility**

To receive PSLF, you must make 120 on-time, full, scheduled, separate monthly payments on your Direct Loans under a qualifying repayment plan after October 1, 2007.

On-time payments are those that are received by the Department no later than 15 days after the scheduled payment due date.

Full payments are payments on your Direct Loan in an amount that equals or exceeds the amount you are required to pay each month under your repayment schedule. If you make a payment that is less than what you are required to pay for that month, that month's payment will not count as one of the required 120 qualifying payments. If you make multiple, partial payments in a month and the total of those partial payments equals or exceeds the required full monthly payment amount, those payments will count as one qualifying payment.

Scheduled payments are those that are made while you are in repayment. They do not include payments made while your loans are in an in-school or grace status, or in a deferment or forbearance period.

You must make separate monthly payments. Lump sum payments or payments you make as advance payments for future months do not count as more than one qualifying payment. If you wish to make a payment in excess of your scheduled monthly payment, follow the instructions on your bill for providing payment instructions, and note that your payment is not intended to cover future installments. Otherwise, your excess payment may affect your ability to make future qualifying payments.

If you were an AmeriCorps or Peace Corps volunteer, you may receive credit for making qualifying payments if you make a lump sum payment by using all or part of a Segal Education Award or Peace Corps transition payment.

The Department will consider the lump sum payment you have made as the equivalent of qualifying payments equal to the lesser of (1) the number of payments resulting after dividing the amount of the lump sum payment by the monthly payment amount you would have made under one of the qualifying repayment plans listed below; or (2) 12 payments.

Peace Corps volunteers making an eligible lump sum payment must do so within 6 months of the Employment End Date, as reported in Section 3.

Your payments must be made under a qualifying repayment plan. Qualifying repayment plans include the REPAYE plan, the PAYE plan, the IBR plan, the ICR plan, the 10-Year Standard Repayment plan, or any other Direct Loan repayment plan, but only payments that are at least equal to the monthly payment amount that would be required under the 10-Year Standard Repayment plan.

Though repayment plans other than the REPAYE, PAYE, IBR, and ICR plans are qualifying repayment plans for PSLF, you must enter REPAYE, PAYE, IBR, or ICR to have a remaining balance to forgive after becoming eligible for PSLF. Otherwise, your loans will be fully repaid within 10 years. To apply for these plans, visit [StudentLoans.gov](http://StudentLoans.gov).

**IMPORTANT:** The Standard Repayment Plan for Direct Consolidation Loans made on or after July 1, 2006 have repayment periods of different lengths. Monthly payments you make under the Standard Repayment Plan on such Direct Consolidation Loans are only qualifying payments if the loans have a 10-year repayment period (which would only occur if your total education indebtedness is less than \$7,500).

### **Loan Eligibility**

Only Direct Loan Program loans that are not in default are eligible for PSLF. Loans you received under the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins Loan) Program, or any other student loan program are not eligible for PSLF.

## **SECTION 8: IMPORTANT INFORMATION ABOUT PSLF (CONTINUED)**

### **Loan Eligibility (Continued)**

If you have FFEL Program or Perkins Loan Program loans, you may consolidate them into a Direct Consolidation Loan to take advantage of PSLF. However, payments made on your FFEL Program or Perkins Loan Program loans before you consolidated them, even if they were made under a qualifying repayment plan, do not count as qualifying PSLF payments. In addition, if you made qualifying payments on a Direct Loan and then consolidate it into a Direct Consolidation Loan, you must start over making qualifying payments on the new Direct Consolidation Loan.

If you consolidate your FFEL Program or Perkins Loan Program loans into a Direct Consolidation Loan to take advantage of PSLF and do not have any Direct Loans, do not submit this form until you have consolidated your loans. The online application for Direct Consolidation Loans contains a section that allows you to indicate that you are consolidating your loans for PSLF. The online application is available at [StudentLoans.gov](http://StudentLoans.gov). If you don't know whether you have Direct Loans, go to [StudentAid.gov/login](http://StudentAid.gov/login).

### **Employment Eligibility**

To qualify for PSLF, you must be an employee of a qualifying organization. An employee is someone who is hired and paid by the organization. You may physically perform your work at a qualifying or non-qualifying organization, so long as your employer is a qualifying organization. If you are a contracted employee, the organization that hired and pays you must qualify, not the organization where you perform your work. The type or nature of employment with the organization does not matter for PSLF purposes.

A qualifying organization is a government organization or a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Service in an AmeriCorps or Peace Corps position is also qualifying employment. The type of services that these organizations provide does not matter for PSLF purposes.

A private not-for-profit organization that is not a tax-exempt organization under Section 501(c)(3) of the IRC may be a qualifying organization if it provides certain specified public services. These services include emergency management, military service, public safety, or law enforcement services; public health services; public education or public library services; school library and other school-based services; public interest law services; early childhood education; public service for individuals with disabilities and the elderly. The organization must not be a business organized for profit, a labor union, or a partisan political organization.

Employment as a member of the U.S. Congress is not qualifying employment.

### **Employment Eligibility (Continued)**

You must be employed full-time by your employer.

Generally, you must meet your employer's definition of full-time. However, for PSLF purposes, that definition must be at least an annual average of 30 hours per week. For purposes of the full-time requirement, your qualifying employment at a 501(c)(3) organization or a not-for-profit organization does not include time spent participating in religious instruction, worship services, or any form of proselytizing.

If you are a teacher, or other employee of a public service organization, under contract for at least eight out of 12 months, you meet the full-time standard if you work an average of at least 30 hours per week during the contractual period and receive credit by your employer for a full year's worth of employment.

If you are employed in more than one qualifying part-time job simultaneously, you may meet the full-time employment requirement if you work a combined average of at least 30 hours per week with your employers.

Vacation or leave time provided by the employer or leave taken for a condition that is a qualifying reason for leave under the Family and Medical Leave Act of 1993, 29, U.S.C. 2612(a)(1) and (3) is equivalent to hours worked in qualifying employment.

### **Other Important Information**

The submission of this form before you apply for PSLF is optional. However, if you wait to submit this form until you apply for PSLF, you will be required to submit one form for each employer that you want considered toward your eligibility for PSLF.

If you submit this form and your employer qualifies, all of your loans held by the Department will be transferred to FedLoan Servicing. FedLoan Servicing will then determine how many qualifying payments you made during the period of qualifying employment within the dates provided in Section 3.

You are not permitted to apply the same period of service to receive PSLF and the Teacher Loan Forgiveness, Service in Areas of National Need, and Civil Legal Assistance Attorney Student Loan Repayment programs.

No borrower will be eligible for PSLF until October 2017 at the earliest. An application for PSLF will be made available at a later time.

## SECTION 9: IMPORTANT NOTICES

**Privacy Act Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., or §461 of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., or 20 U.S.C. 1087aa et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the William D. Ford Federal Direct Loan (Direct Loan) Program, Federal Family Education Loan (FFEL) Program, or Federal Perkins Loan (Perkins Loan) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, or Federal Perkins Loan Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

**Paperwork Reduction Notice.** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0110. Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 685.219. If you have comments or concerns regarding the status of your individual submission of this form, please contact your loan holder directly (see Section 7).