

STUDENT LOAN FORGIVENESS SURVIVAL KIT 2026

Your Complete Action Guide for Trump's New Rules & the One Big Beautiful Bill Act

1. Quick Summary (Start Here)

Major changes to U.S. student loan forgiveness start in **2026**.

The key points:

- Most federal loan forgiveness becomes **taxable again in 2026**.
 - PSLF stays **federally tax-free**, but employers can now be *removed* from PSLF eligibility.
 - SAVE, PAYE and several IDR plans will be phased out.
 - New limits for graduate students and PLUS loans.
 - Servicer errors and miscounted payments get more expensive after system transitions.
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2. Who Is Most At Risk (Risk Radar)

You must take action now if you fall in one of these groups:

1. **Borrowers within 12–24 months of IDR forgiveness** — potential 2026 tax liability.
 2. **PSLF borrowers** whose employer could be removed from eligibility.
 3. **Graduate students beginning programs in 2026–27** — fewer federal loan options.
 4. **Parent PLUS borrowers** — reduced access to income-driven plans.
 5. **Borrowers with past servicer errors** — payment count resets are common.
 6. **Anyone considering consolidation** — can help or completely reset your clock.
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3. 9-Step Checklist (Do These Now)

These steps protect your forgiveness path.

1) Download all your data from StudentAid.gov

- Loan Summary
 - Payment Count History
 - PSLF certifications
- Save everything as PDFs/screenshots.
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2) Verify your repayment plan and forgiveness clock

- Which plan are you on (SAVE, PAYE, IBR)?
- How many qualifying months do you have?
- When would forgiveness occur?

If forgiveness is within **24 months**, tax risk is high.

3) Submit a fresh PSLF employer certification

This protects you if your employer is later removed from PSLF eligibility.

4) Evaluate consolidation before the new rules

Check carefully:

- Will consolidation reset your qualifying months?
- Will it preserve access to IDR?
- Does it accelerate or delay your forgiveness?

Do not consolidate blindly.

5) Fix all servicer errors immediately

Common issues:

- Wrong payment counts
- Wrong repayment plan
- Late or missing updates

Submit disputes **in writing** and keep proof.

6) Calculate your potential 2026+ “tax bomb”

Ask a tax advisor to estimate:

- Expected forgiven amount
- Your 2026 taxable income
- Projected IRS bill
- Eligibility for IRS payment plans

7) If planning graduate school, confirm borrowing limits

Starting 2026:

- Lower federal loan caps
 - Graduate PLUS loans are ending
 - More reliance on private loans (worse terms)
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8) Do NOT switch to RAP automatically

The Repayment Assistance Plan (RAP):

- May have higher payments
- May not offer strong forgiveness
- Can cost more long-term

Compare numbers before switching.

9) Pause major financial decisions

Don't take new debt, change jobs, or move until your new payment and forgiveness track are clear.

4. Ready-to-Use Templates

1) Servicer Error Fix – Template

Subject: Request for Account Review and Correction of Qualifying Payment Counts

Message:

“Hello,

I am requesting a full review of my federal student loan account and qualifying payment counts for PSLF/IDR forgiveness.

According to my records, I made on-time qualifying payments from [month/year] to [month/year], but my current count is incorrect.

Please provide a written breakdown of how my payment count was calculated, including any excluded months and reasons for exclusion.

If this cannot be resolved immediately, please escalate my account and provide a written response suitable for the FSA Ombudsman.

Thank you,
[Name]
[Last 4 digits of borrower ID]”

2) PSLF Employer Eligibility Confirmation – Template

“Dear PSLF Servicer,
I am employed full-time by [Employer Name] and submitted a PSLF form on [date].

Please confirm in writing:

1. whether my employer is currently PSLF-eligible, and
2. whether my previously earned qualifying months will continue to count if rules change.

Thank you,
[Name]”

3) If Your Employer Is Removed From PSLF

Request in writing:

- The date of removal
 - The reason for removal
 - Confirmation that all *previous* service months still count
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5. Tax Bomb Checklist (For Forgiveness After 2026)

If your forgiveness will occur **after January 1, 2026**, do this:

1. Estimate your forgiven amount.
 2. Estimate your taxable income for that year.
 3. Calculate potential IRS tax owed.
 4. Confirm eligibility for IRS installment plans.
 5. If the tax hit is large, consider:
 - Accelerating payments before 2026
 - Switching to PSLF-eligible employment
 - Refinancing *only if* you no longer need federal protections
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6. 10-Minute Quick Guide

1. Download documents from StudentAid.gov
 2. Check repayment plan + forgiveness date
 3. Submit new PSLF employer form
 4. Fix errors now
 5. Run a 2026 tax estimate
 6. Save this checklist for reference
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7. Mini FAQ

Will PSLF remain tax-free?

Yes, federal tax exemption still applies.

Will SAVE disappear?

SAVE will be phased out for new loans, but existing borrowers will keep access to at least one IDR option.

Should I refinance before 2026?

For 99% of borrowers → No. You lose federal protections.

8. Disclaimer

This guide is for educational purposes only.

Rules are changing quickly.

Always confirm updates with StudentAid.gov, your servicer, and a qualified tax professional.