

PSLF FAQs

Q. What is Public Service Loan Forgiveness (PSLF)?

A. If you are employed by a government or not-for-profit organization, you may be able to receive loan forgiveness on your remaining balance on your Direct Loans! You may qualify after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. If you are an educator or employee of the Arkansas Department of Education, you work for a qualifying employer!

Q. What are the loan requirements?

A. You have to be in a Direct Loan or a Direct Consolidation Loan to qualify. For new loan holders, that is not an issue. All federal loans being issued now and in recent history are Direct Loans, making them eligible for the program. But some borrowers have older loans called Family Federal Education Loans, or FFEL loans. For some reason, the government chose to carve out those loans from being eligible for PSLF. BUT, the federal government has been saying, "Consolidate your FFEL loans into a Direct Consolidation loan, and you can START YOUR 10 YEAR clock for forgiveness." Read on . . . there's good news in the form of a temporary waiver!

Q. What are the payment plan requirements?

A. Eligible repayment programs for PSLF include:

- Standard 10-year repayment, which for many borrowers would make no sense since their entire balance would be paid off in 10 years and leave no balance available for forgiveness.

- And income-driven repayment programs, including:

- Income-Based Repayment (IBR),
- Pay As You Earn (PAYE),
- Revised Pay as You Earn (REPAYE), and
- Income-Contingent Repayment (ICR)



Q. What is the Public Service Loan Forgiveness Waiver Opportunity?

A. In October 2021 the federal government announced a waiver program that expanded the loans eligible for PSLF if they were consolidated into a Direct Consolidation Loan before a deadline of October 31, 2022. This means if you have previously ineligible FFEL loans, you could have the opportunity to change your loan type and have these previously ineligible payments count toward forgiveness (some of you may be eligible for instant forgiveness because of this!).

Furthermore, the waiver program allows previously ineligible payment plans to count toward forgiveness. For instance, many borrowers are in a repayment program called extended graduated repayment, which typically starts out at a very low monthly repayment and escalates over time. That program was not eligible for PSLF, but with the temporary waiver, suddenly those payments would count toward 120 PSLF payments! The sense of urgency to get your loans and payments in order to take advantage of this waiver cannot be overstated. We encourage you to take action today! You can find a PSLF resource kit with more information about how to consolidate your loans, select a PSLF-eligible payment plan, and more here: www.womensfoundationarkansas.org/save-10/



**WOMEN
EMPOWERED**

#SAVE10

**WOMEN'S FOUNDATION
ARKANSAS**



SAVE10 WEBSITE