



MARYLAND CENTER *for*  
**COLLEGIATE FINANCIAL WELLNESS**

# Making the Most of the Limited PSLF Waiver:

*How Employees Can Access Student Loan  
Forgiveness*



Presented by Dr. Tisa Silver Canady  
Founder and Director  
[mccfw.org](http://mccfw.org)

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# AGENDA

- Broad Relief
  - The Biden–Harris Student Debt Relief Plan
- Targeted Relief: Public Service Loan Forgiveness
  - What is PSLF?
  - Requirements and Results
  - About the Limited PSLF Waiver

# BIDEN-HARRIS STUDENT DEBT RELIEF PLAN



## Available to individuals who:

- **Have “federally-held” loans**

Undergraduate, graduate, or Parent PLUS  
Disbursed no later than June 30, 2022

- **Earned less than**

Single: \$125,000

Married or Head of Household: \$250,000

As measured by 2020 or 2021 AGI

*Details will be provided via: <https://studentaid.gov/debt-relief-announcement/>*

# BIDEN-HARRIS STUDENT DEBT RELIEF PLAN



## Available to individuals who:

- **Have “federally-held” loans**

Undergraduate and/or graduate

Disbursed no later than June 30, 2022

- **Received a Pell Grant**

- **Earned less than**

Single: \$125,000

Married or Head of Household: \$250,000

As measured by 2020 or 2021 AGI

*Details will be provided via: <https://studentaid.gov/debt-relief-announcement/>*

# BIDEN-HARRIS STUDENT DEBT RELIEF PLAN

## How to determine if your loans are federally held:

Loans that were eligible for the payment pause are eligible for relief. To verify loan types:

- Log into *studentaid.gov*
- View your loan servicers
- ED-held loans will list the servicer's name after "Dept of ED"
- Example: DEPT OF ED/NELNET

**Loans not ED-held?** You can gain access by consolidating into Direct Loan Program.

The application for relief should become available in early October. Some borrowers will automatically receive relief.

# TARGETED RELIEF: PSLF

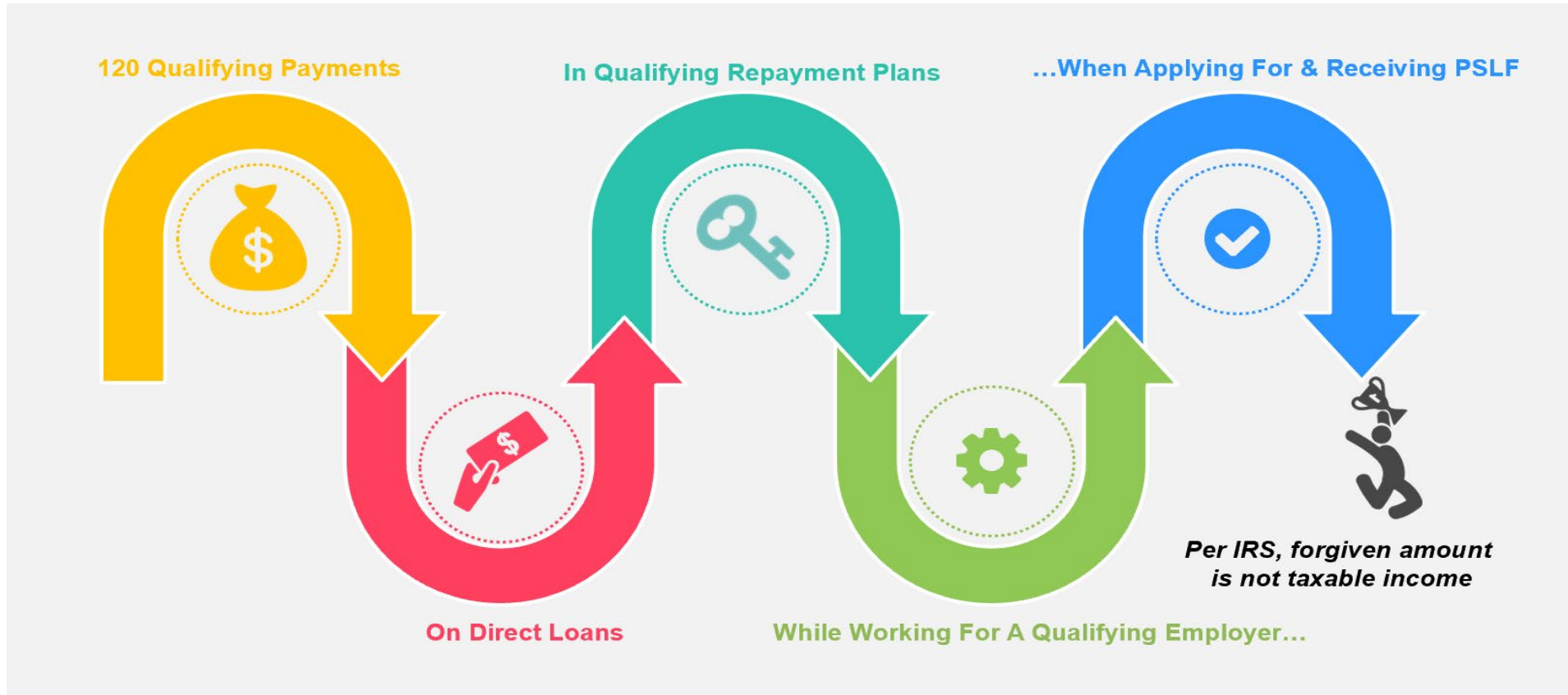
WHAT IS PSLF?

## Public Service Loan Forgiveness (PSLF)

A federal program that can eliminate the remaining balance of a borrower's Direct Loans after the borrower has worked in a public service career and made payments for 120 months.

# PUBLIC SERVICE LOAN FORGIVENESS

## HOW TO QUALIFY: 5 REQUIREMENTS



Source: Federal Student Aid

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENT #1: QUALIFYING PAYMENTS

### **Minimum of 120 monthly payments:**

- Must have been made after October 1, 2007
- Must be made on-time, in full
  - Multiple partial payments count as one payment
  - All must be received within 15 days of due date
- Do not need to be consecutive
- Extra payments do not qualify

### **CARES Act Forbearance:**

Months of zero payments should count toward the 120 necessary for PSLF.

\*\*\*PSLF Basic with some flexibility through Limited Waiver\*\*\*



# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENT #2: QUALIFYING LOANS

### Direct Loans

- Direct Subsidized Loan
- Direct Unsubsidized Loan
- Direct PLUS Loan for Graduate Students
- Direct Parent PLUS Loan\*
- Direct Consolidation Loan

**For a list of all loans that can be consolidated, visit:**  
*[studentaid.gov/manage-loans/consolidation](https://studentaid.gov/manage-loans/consolidation)*

*\*Borrowers with Parent PLUS Loans only must consolidate them to get on track for PSLF.*

**\*\*\*PSLF Basic with some flexibility through the Limited Waiver\*\*\***

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENT #3: QUALIFYING REPAYMENT PLANS

### **Qualifying repayment plans include:**

- 10-Year Standard
- Income Based Repayment (IBR)
- Income Contingent Repayment (ICR)\*
- Pay As You Earn (PAYE)
- Revised Pay As You Earn (REPAYE)
- Other plans for which the monthly payment is greater than the 10-Year Standard Plan payment

**Income-driven plans are most likely to yield a balance for forgiveness.**

\*ICR is the only income-driven repayment plan available to parents repaying Parent PLUS Loans.

<https://studentaid.gov/help-center/answers/article/are-direct-plus-loans-eligible-for-pslf>

\*\*\*PSLF Basic only\*\*\*

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENT #4: QUALIFYING EMPLOYMENT

**The type of organization you work for matters more than the kind of work you do.**

- Government
- 501(c)(3) organizations
- Other not-for-profit organizations that provide qualifying services
- Employment as a contractor does not qualify

**PSLF requires 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.**

\*\*\*PSLF Basic and Limited Waiver\*\*\*

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENT #5: QUALIFYING EMPLOYMENT AND TIMING

### **Borrowers must work in a public service career when:**

- PSLF application is submitted
- Loan forgiveness is received

\*\*\*PSLF Basic only\*\*\*

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENTS AND REJECTIONS

*You may have heard...*

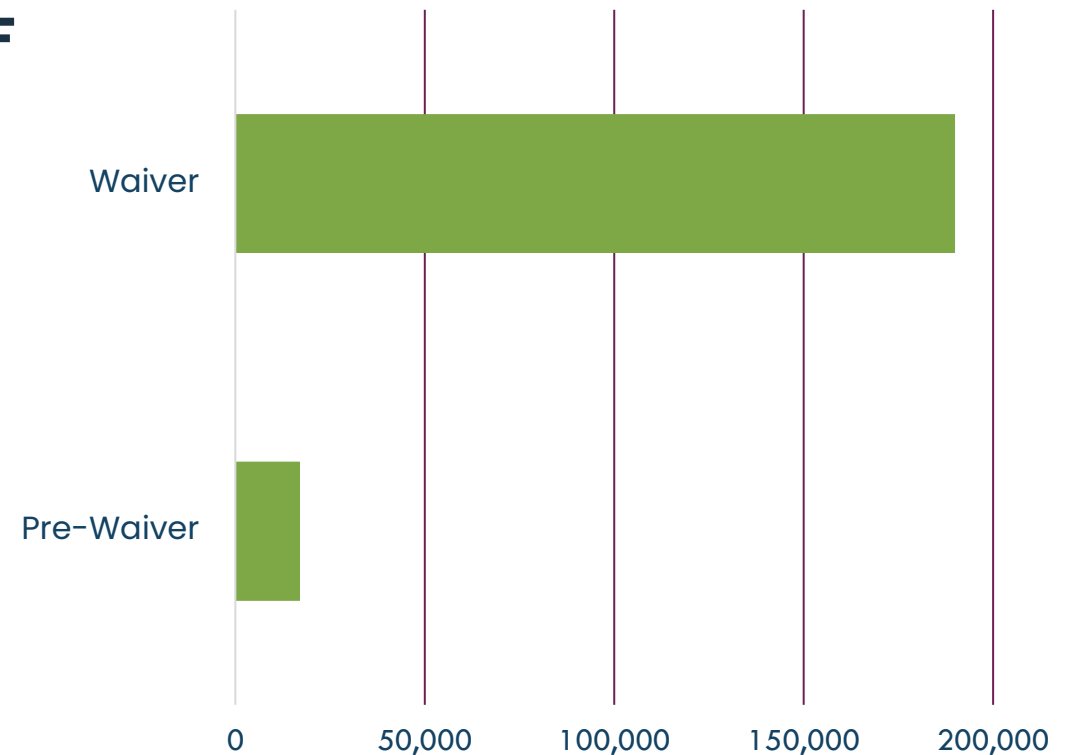
**98% of borrowers who applied for PSLF have been rejected.**

The rejection rate is similar for Temporary Expanded PSLF (TEPSLF).

### **Borrowers Approved**

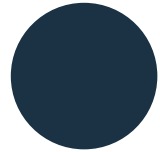
Oct 2017–Oct 2021:	16,000
Nov 2021–July 2022:	190,000

### **Borrowers Approved for PSLF**



# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENTS: ORIGINAL VS. LIMITED WAIVER\*



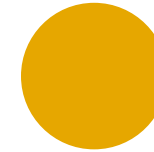
### PSLF BASIC

1. 120 monthly payments
2. On Direct Loans
3. In qualifying repayment plans
4. While working for a qualifying employer
5. When applying for and receiving PSLF



### TEPSLF

1. 120 monthly payments
2. On Direct Loans
- ~~3. In qualifying repayment plans~~
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5. When applying for and receiving PSLF



### LIMITED PSLF WAIVER

1. 120 "periods of repayment"
- ~~2. On Direct Loans~~
- ~~3. In qualifying repayment plans~~
4. While working for a qualifying employer
- ~~5. When applying for and receiving PSLF~~

*\*The Limited Waiver is temporary and set to expire on October 31, 2022.*

# PUBLIC SERVICE LOAN FORGIVENESS

## REQUIREMENTS: ORIGINAL VS. LIMITED WAIVER

**Under the new rules, any prior payment made will count as a qualifying payment, regardless of**

- loan type\*
- repayment plan, or
- whether the payment was made in full or on time.

**Certain forbearances and deferments may qualify as well.**

These change will apply to student loan borrowers with Direct Loans, those who have already consolidated into the Direct Loan Program, and those who consolidate into the Direct Loan Program by **October 31, 2022**.

*\*Parent PLUS Loans alone are not eligible under the Limited PSLF Waiver.*

# LIMITED PSLF WAIVER

## SUCCESS STORY FROM MARYLAND

FFEL Consolidation Loan: December 2001  
Direct Consolidation Loan: November 2021

*“At first, they had said that I only had 2 qualifying payments...I see that now it has been updated to 91 payments qualifying so I only have 29 more to make! It says I will receive forgiveness in January 2025...And I am still believing that it can happen even sooner!!! I am so happy! I thought I was going to have to pay ten more years!!!”*

### **August 2022 Update:**

This borrower reached 120.  
\$110,000+ cancelled through the Limited PSLF Waiver!





# LIMITED PSLF WAIVER

RESULTS: SPOTLIGHT ON MARYLAND

# \$372 million

Federal student loan debt cancelled for Maryland residents who have been approved for  
Public Service Loan Forgiveness as of July 31, 2022  
(Source: Federal Student Aid)

# LIMITED PSLF WAIVER

## NEXT STEPS TO APPLY

The Limited PSLF Waiver is a time sensitive opportunity for borrowers who work or have worked directly for qualifying employers after October 1, 2007.

Next steps:

- **Confirm employer eligibility – UMB is a qualifying employer.**
  - Obtain the EIN for your employer(s) and visit [studentaid.gov/pslf](https://studentaid.gov/pslf) to search the database of eligible employers.
- **Know your loans**
  - Login online to [studentaid.gov](https://studentaid.gov) and verify your Loan Types.
- **Decision point: Consolidate?**
  - Apply online at [studentaid.gov](https://studentaid.gov) by October 31, 2022.
- **Certify your employment**
  - Use the PSLF Help Tool.
  - Submit the application by October 31, 2022.

# LIMITED PSLF WAIVER

## EXAMPLE: FFELP LOANS

Example: Carson has worked for the University of Maryland, Baltimore since 2005. He has balances remaining on FFELP Loans that entered repayment as early as 2008 and he wants to apply for PSLF through the waiver.

Follow the steps:

- Confirm employer eligibility
- View Loan Types
- **Consolidate, if necessary**
- Verify employment by completing the PSLF Application

# STEP 1: CONFIRM EMPLOYER ELIGIBILITY

SEARCH BY EIN AT [STUDENTAID.GOV/PSLF](https://studentaid.gov/pslf)

1. Log in to your FSA account
2. Using the **PSLF Help Tool**, enter the Employer ID Number for employer(s) you have worked for after 10/1/07
3. The search will return one of the following results:
  - Eligible
  - Likely Ineligible
  - Ineligible
  - No Results

*Revisiting our example: The University of Maryland, Baltimore is a qualifying employer.*

# STEP 2: KNOW YOUR LOANS

## VERIFY YOUR LOAN TYPES AT STUDENTAID.GOV

Log in to your FSA account:

1. In the My Aid section, click **View Details**.
2. Scroll down to the Loan Breakdown.
3. Click **View Loans**
4. Click **View Loan Details** to see the full Loan Type for each loan

*Revisiting our example: Carson has FFELP Loans.*

- *Direct Loans do not need to be consolidated.*
- ***Non-Direct Loans must be consolidated for consideration under PSLF.***

Unsubsidized Loan

MORGAN STATE UNIVERSITY

[VIEW LOAN DETAILS >](#)

LOAN TYPE

**FFELP Unsubsidized**

Unsubsidized Loan

MORGAN STATE UNIVERSITY

[VIEW LOAN DETAILS >](#)

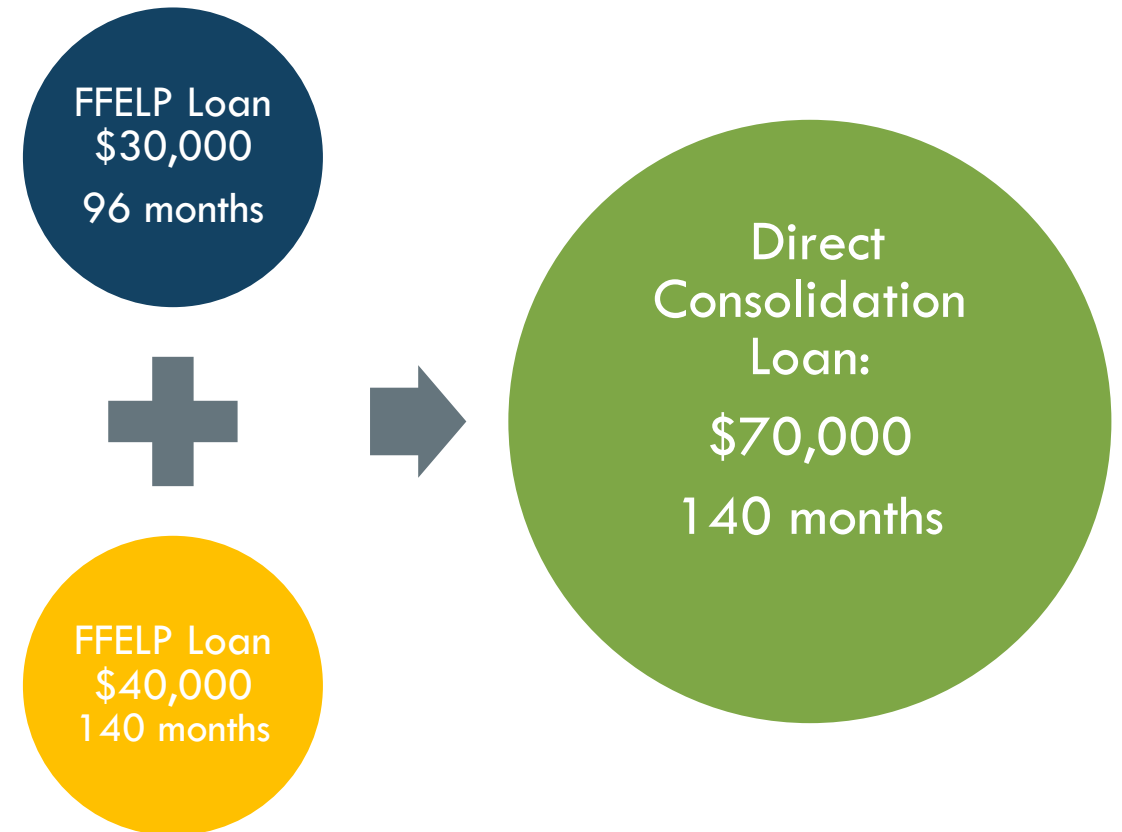
# STEP 3: DECISION POINT

DO YOU NEED TO CONSOLIDATE? COMPLETE THE APPLICATION AT [STUDENTAID.GOV](http://STUDENTAID.GOV)

Consolidation combines one or more existing loans into one new Direct Consolidation Loan.

## Application tips:

- Do not delay processing of your application.
- Select MOHELA as your servicer.
- Choose a qualifying repayment plan (Income-driven plans are most likely to yield forgiveness).
- Use the IRS Transfer to submit household and income details.



# STEP 4: CERTIFY YOUR EMPLOYMENT

## SUBMIT AN ERROR-FREE APPLICATION

- Use the PSLF Help Tool.
- If you complete the paper version:
  - Answer every applicable question.
  - Include an End Date or check Still Employed.
  - Select the correct organization type.
- Follow the guidelines for acceptable signatures. Signatures must be hand-drawn.
- Be prepared to wait a few months for a final Qualifying Payment Count.
- **Submit your PSLF Application before October 31, 2022!**

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

1. Employer Name:
  2. Federal Employer Identification Number (FEIN)
  3. Employer Address:
  4. Employer Website (if any):
  5. Employment Begin Date:
  6. Employment End Date:
- OR**
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.
  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. Federal service includes military service.  
 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 (IRC)?  
If your employer is tax-exempt under another subsection of 501(c) of the IRC, such as 501(c)(4) or 501(c)(6), check "No" to this question.  
 Yes - Skip to Section 4.  
 No - Continue to Item 11.
  11. Is your employer a **not-for-profit** organization that is **not** tax-exempt under Section 501(c)(3) of the Internal Revenue Code?  
 Yes - Continue to Item 12  
 No - Your employer does not qualify.
  12. Is your employer a partisan political organization or a labor union?  
 Yes - Your employer does not qualify.  
 No - Continue to Item 13.
  13. Which of the following services does your employer provide? Check all that apply and then continue to Section 4. If you check "None of the above", do not submit this form.  
 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  
 Public library services  
 School library services  
 Other school-based services  
 None of the above - the employer does not qualify.

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

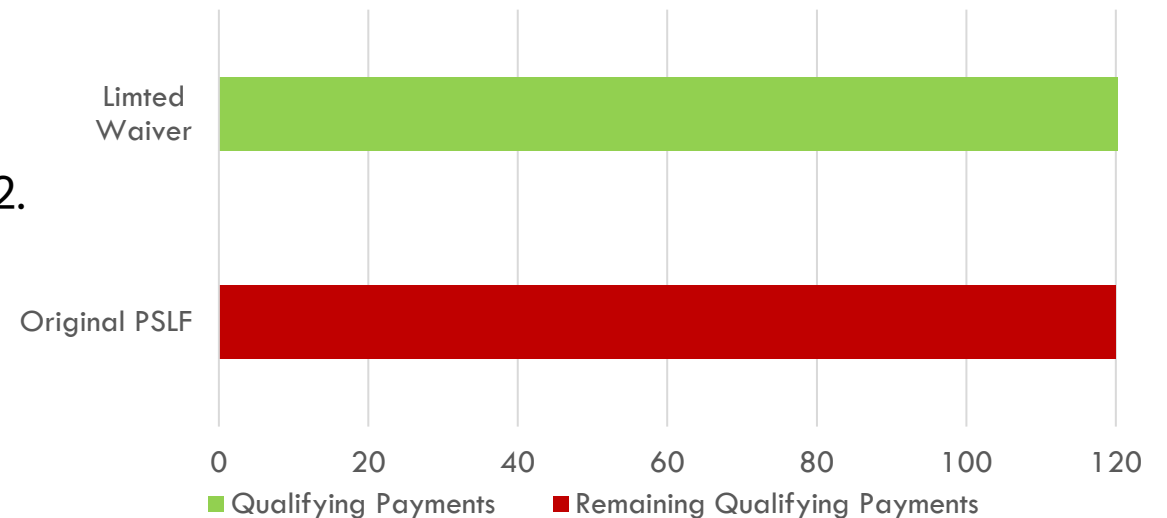
# LIMITED PSLF WAIVER

## FFELP LOANS: RESULTS

Example: Carson has worked for the University of Maryland, Baltimore since 2005. He has balances remaining on FFELP Loans that entered repayment as early as 2008 and he wants to apply for PSLF through the waiver.

### Action Steps & Results

1. Consolidate FFELP Loans.
2. Submit the PSLF Application by October 31, 2022.
3. Receive credit for past periods of repayment.
4. Approved for PSLF.





# LIMITED PSLF WAIVER

## EXAMPLE: LESS THAN 120 MONTHS OF HISTORY

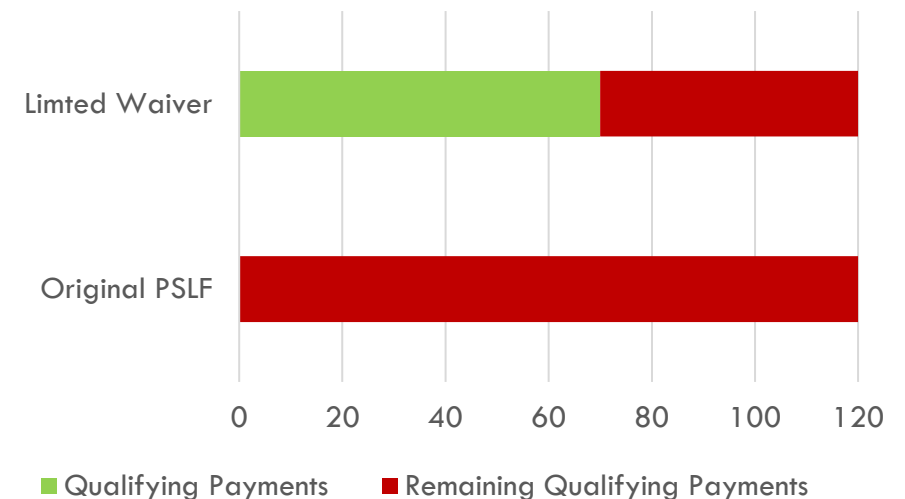
**Mackenzie has worked for the US Department of Commerce for six years and paid on Direct Loans under the Extended Fixed Plan for 70 months.**

Follow the steps:

- Confirm employer eligibility
- View Loan Types
- **Consolidate, if necessary**
- Verify employment by completing the PSLF Application

### Action Steps & Results

1. Submit the PSLF Application by October 31, 2022.
2. Enroll in a qualifying repayment plan for future payments to count toward PSLF.
3. 70 past payments become Qualifying Payments toward PSLF.
4. Continue to certify employment annually.
5. Submit the PSLF Application when the 120<sup>th</sup> month is reached.



# PUBLIC SERVICE LOAN FORGIVENESS

## GET ON TRACK AND STAY ON TRACK

### **Get on track: Submit your PSLF Application before October 31, 2022**

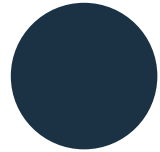
- Ten years of employment and repayment history or more: Your debt could be cancelled without further payments.
- Less than 10 years of employment and repayment history: You may receive additional credit for past payments.

### **Stay on track**

- Remain working for a qualifying employer.
- Submit the PSLF Application every 12 months and/or when you change jobs.
- Enroll in a qualifying repayment plan when repayment resumes.

# LIMITED PSLF WAIVER

## REQUIREMENTS: ORIGINAL VS. LIMITED WAIVER\*



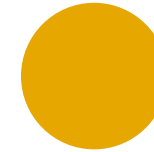
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# LIMITED PSLF WAIVER

## INFORMATIONAL RESOURCES FOR BORROWERS

### **Office of Federal Student Aid: [studentaid.gov](https://studentaid.gov)**

- Confirm employer eligibility
- Verify your loan types
- Complete the application to consolidate
- Access the PSLF Help Tool

### **Maryland Center for Collegiate Financial Wellness**

- YouTube Channel
- Maryland, tell a public servant! [mccfw.org/mdtaps](https://mccfw.org/mdtaps)

### **Reddit PSLF MegaThread: [reddit.com/r/PSLF/](https://reddit.com/r/PSLF/)**



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*Thank  
you!*



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