

Understanding the Public Service Loan Forgiveness Program

The [Public Service Loan Forgiveness \(PSLF\) Program](#) forgives qualifying federal direct loans of eligible borrowers who make 120 qualifying payments while enrolled in a qualifying payment plan and are working full time for a qualifying public service employer. Full-time military service counts. Even if you don't stay in for 10 years, you may be eligible if you work full time for another public service employer to complete the 120-month requirement.

You must meet the following requirements and apply for consideration:

Qualifying employer: You must be employed full time by a [qualified public service employer](#) while making 120 qualifying payments.

This includes:

- Work at the federal, state or local government level. All full-time active-duty military service counts.
- Reserve and National Guard members may be eligible for periods of full-time service.
- Employment at a qualifying tax-exempt, not-for-profit 501(c)(3) organization counts; some private not-for-profit organizations are not eligible.

Qualifying student loan: The type of student loan you have is important. The program is for federal direct loans only. That means your loan must be either a subsidized or unsubsidized loan under the direct loan program. Although certain loans are excluded, like Perkins and Federal Family Education Loans, you may be able to consolidate these early in the process to benefit from the program.

Qualifying payment plan: Payments made after Oct. 1, 2007, count and don't need to be consecutive. For example, if you spend time working for a non-qualified employer, you do not lose credit for prior qualified payments. Qualifying payments must be for the full amount on your bill and made within 15 days of the due date. You also need to be enrolled in the 10-year standard repayment plan or an income-driven repayment plan. Qualifying payment plans, which can reduce payments based on your income, include Saving on a Valuable Education (SAVE), Pay As You Earn, Income-Based Repayment and Income-Contingent Repayment. For more, visit the [Federal Student Aid website](#) or talk to your loan servicer.

How to apply for PSLF

If you wish to begin the process or think you may already meet the requirements, follow these guidelines:

- Federal Student Aid strongly recommends reading, "[Become a PSLF Help Tool Ninja](#)," then using the [PSLF Help Tool](#).
- Check to see if you are enrolled, or enroll in one of the qualifying payment plans.
- Certify that your work with a public service employer qualifies for the program.
- Resubmit the Employment Certification Form to your student loan servicer each year or when changing employers.
- Once you meet all conditions for PSLF, your loan servicer should automatically handle next steps.

Saving on a Valuable Education (SAVE) Plan

The [SAVE Plan](#) is a new income-driven repayment plan that forgives loans after borrowers make 120 payments regardless of their employment status. Under SAVE, borrowers whose original principal loan balances were \$12,000 or less will have their unpaid balance forgiven after 120 payments. For original principal balances more than \$12,000, the term for forgiveness will increase by 12 payments for each additional \$1,000. There is a maximum of 20 years of payments for undergraduate school loans, and 25 years for graduate school.

Resources

- Visit <https://www.consumerfinance.gov/paying-for-college/student-loan-forgiveness/#pslf> for a program overview.
- Visit <https://studentaid.gov/sites/default/files/military-student-loan-benefits.pdf> to find more information specific to service members.

- Visit <https://studentaid.gov/fsa-id/sign-in> for information about your loans and loan servicer.
- Contact your loan servicer directly to discuss options.
- Speak with a [personal financial manager](#) or [counselor](#) at your nearest Military and Family Support Center.



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