



PSLF Waiver 2.0: Get a Second Chance with the IDR Recount

RAIN General Meeting

1/19/23

Jessica M. Manfredi, PSLF Program Associate

Stephanie Sampedro, Student Loan Advocate



WASHINGTON
Student Loan
— **Advocate** —

Student debt in Washington



780,000+
student loan
borrowers

\$28.2 billion
outstanding student
debt

\$35,740
average student debt

98,214
borrowers
in delinquency

\$2.4 billion
in delinquency

36% increase
in senior citizens
w/debt

Washington Student Loan Bill of Rights



- Student loan servicers must be licensed with DFI
- Schools must notify student borrowers about Student Loan Advocate
- Develop student borrower education course
- Borrowers may request information or resources or make a complaint to Advocate
- Advocate makes recommendations to legislature regarding student debt in Washington

<https://lawfilesexternal.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/Senate/6029-S2.SL.pdf>

New WA state legislation



- SB 5847 requires:
 - The Office of the SLA to create materials to increase awareness of the PSLF program
 - A standardized letter for public employees
 - A detailed fact sheet
 - An FAQ sheet
 - The development of a program for state agencies to certify employment for PSLF
 - Develop statewide initiative to improve access and remove barriers to PSLF
 - This information will be provided:
 - All employees annually
 - Newly hired employees within 30 days of starting
 - When employees leave their jobs

Federal Student Aid (FSA) ID



An official website of the United States government. Help Center Submit a Complaint English | Español

Federal Student Aid An OFFICE of the U.S. DEPARTMENT of EDUCATION FAFSA® Form ▾ Loans and Grants ▾ Loan Repayment ▾ Loan Forgiveness ▾ **Log In | Create Account** 🔍

Apply for Federal Student Loan Debt Relief

Apply Now

Learn About Debt Relief

POPULAR TOPICS

- Learn About Public Service Loan Forgiveness >
- Apply for Aid Using the FAFSA® Form >
- Complete a *Master Promissory Note (MPN)* >

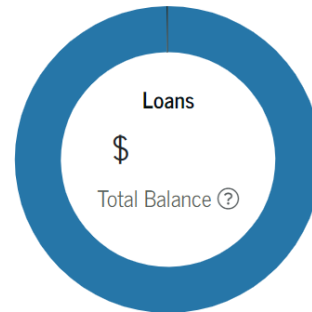
www.studentaid.gov

View your loan details



Dashboard

My Aid [View Details >](#)



- \$ Principal ?
- \$ Interest ?

Loan information as of 10/31/2022

Checklists

Upcoming Payments

Servicer
Mohela

Due Date
1/30/23

[Pay on Servicer Website](#)

My Loan Servicers

[View Servicer Details >](#)

DEPT OF ED/MOHELA

www.mohela.com

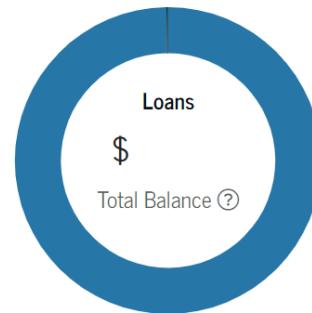


Find your loan servicer information



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www.mohela.com



Federal loan servicers



FedLoan Servicing (PHEAA)

Great Lakes Educational Loan Services

Hesc/EdFinancial

MOHELA

Aidvantage

Nelnet

OSLA Servicing

Heartland ECSI

Federal loan servicers



Great Lakes
Educational Loan
Services

Hesc/EdFinancial

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(Normal) Public Service Loan Forgiveness (PSLF) Eligibility

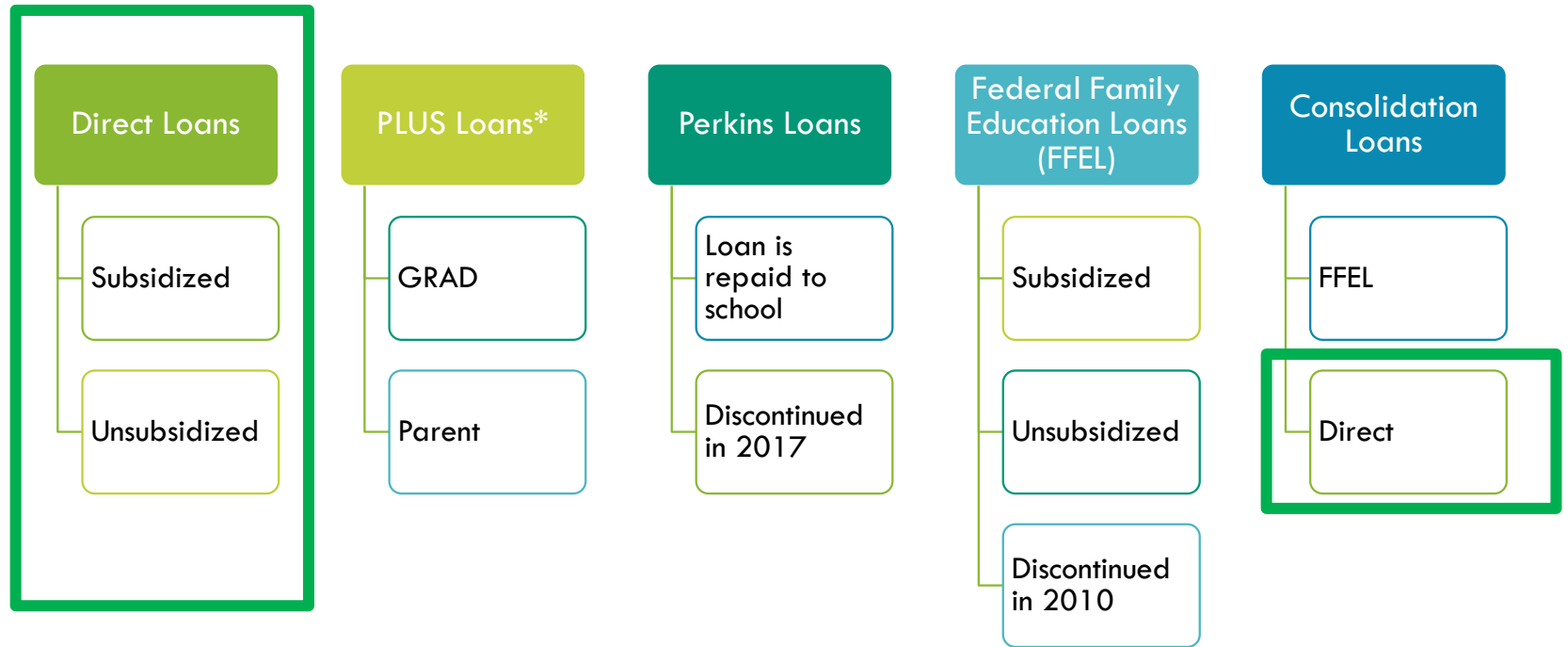
Overview



- 1 Right type of loans
- 2 Right type of repayment plan
- 3 Right type of employment
- 4 Right number of payments

1

Eligible federal student loans



2

Choose an eligible repayment plan



Repayment Plan	Repayment Period	Monthly Payment Initial to Final Amounts	Projected Loan Forgiveness ⓘ	Total Interest Paid ⓘ	Total Amount Paid
Standard- ⓘ	120 months	\$2,220 to \$2,220	\$0	\$66,449	\$266,449
Graduated- ⓘ	120 months	\$1,270 to \$3,809	\$0	\$84,240	\$284,240
Extended Fixed ⓘ	300 months	\$1,289 to \$1,289	\$0	\$186,581	\$386,581
Extended Graduated ⓘ	300 months	\$1,000 to \$1,940	\$0	\$220,577	\$420,577
Pay As You Earn+- ⓘ	240 months	\$470 to \$1,320	\$240,844	\$199,156	\$199,156
Income-Based Repayment (IBR)- ⓘ	300 months	\$705 to \$2,220	\$21,221	\$251,387	\$430,167
Income-Contingent Repayment (ICR)- ⓘ	205 months	\$1,071 to \$2,470	\$0	\$144,769	\$344,769

<https://studentaid.gov/loan-simulator/>

Repayment plans (not income-dependent)



Plan	Terms	Repayment Period	Forgiveness?
Standard	60-120 equal payments	Up to 10 years	None
30-year Standard	360 equal payments	Up to 30 years	None
Graduated	Payment grows every 2 years	Up to 10 years	None
Extended Fixed	300 equal payments	Up to 25 years	None
Extended Graduated	Payment grows every 2 years	Up to 25 years	None

Income-Driven Repayment (IDR) plans



Plan	Payment no more than...	Forgiveness after...
Income Based Repayment (IBR)	15% of discretionary income	About 25 years
IBR for New Borrowers	10% of discretionary income	About 20 years
Pay As You Earn (PAYE)	10% of discretionary income	About 20 years
Revised Pay As You Earn (REPAYE)	10% of discretionary income	20-25 years
Income Contingent Repayment (ICR)	20% of discretionary income	25 years
HH of 1 in WA = \$21,870 (2023)		

3

Employment



Full time

30 hours/week

or "FT" by
employer definition

part-time public
service jobs = 30
hours+

Public employer(s)

Any level of
government

501c3 organization

Employer more
important than role

Must be employed
when apply &
forgiveness granted

*Org with another tax status (501c4)

Military service
Public health services
Public education

Public library services
Early childhood ed.

Public interest law
Disability services

*No labor unions or
partisan political orgs*

4

Make 120
qualifying
payments



- All 120 payments **must** be:
 - On-time
 - Full
 - Scheduled
 - Made after October 1, 2007
 - Made via a qualifying repayment plan
- All payments **are not** required to be:
 - Made consecutively
 - Made with one student loan servicer
 - Made with one employer

Employer certification



PUBLIC SERVICE LOAN FORGIVENESS (PSLF) & TEMPORARY EXPANDED PSLF (TEPSLF) CERTIFICATION & APPLICATION

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

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.

OMB No. 1845-0110
Form Approved
Exp. Date 08/31/2023
PSFAP - XBCR

- New form (known as “PSLF Form”) created in 2020 combines:
 - Employment certification for PSLF, TEPSLF and application for forgiveness for both programs
- One form for all processes eliminates confusion
- Recommend submitting **every year** to certify employment, evaluate eligibility and number of qualifying payments
 - Use [PSLF Help Tool](#) to generate form(s)
 - Sign & collect employer(s)'s signatures
 - Submit to MOHELA – instructions on form
- Once form submitted and eligibility determined, loans are transferred to MOHELA if they’re not your current servicer
 - Transfer can take up to 90 days

Record keeping is key



- While the servicer should keep detailed records, it is also crucial for the borrower to as well
 - Especially from servicers other than MOHELA
- Keep records of payments, employment certification, and all correspondence with MOHELA
- Yearly certification of employment will help address issues early on
- If you call and speak with a representative, get all employment ID numbers and note the date & time of your call
 - The more communication in writing, the better!

PSLF Waiver ended on 10/31/2022

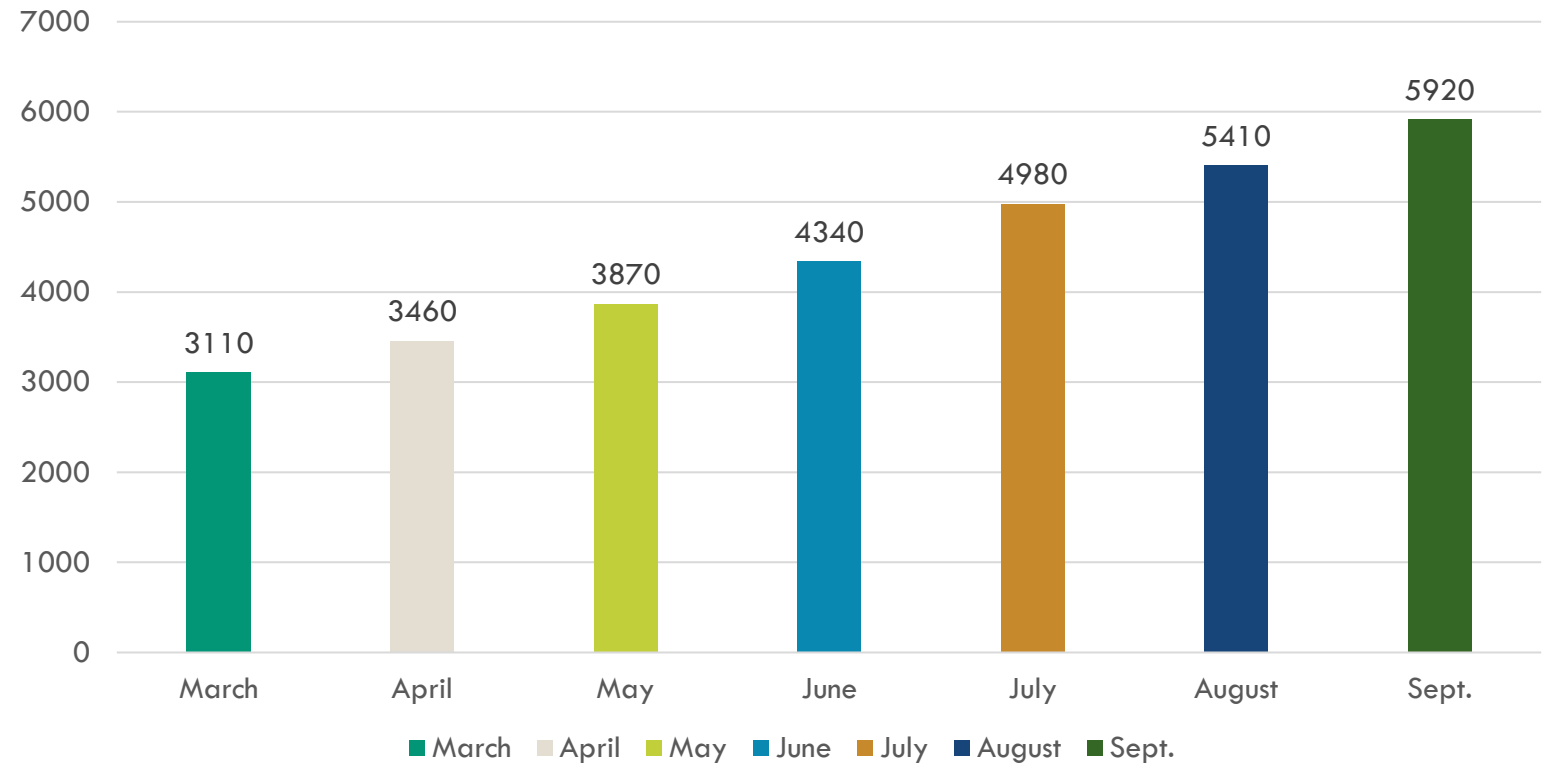


- Special period where ED waived many rules around what counts as a qualifying payment
 - Repayment on all loan types (except Parent PLUS) counted
 - Repayment on loans before consolidation counted
 - Could have received forgiveness if no longer employed
 - Teacher Loan Forgiveness (TFL) & PSLF periods could overlap

PSLF waiver outcomes in WA (2022)



Borrowers w/ Loans Forgiven

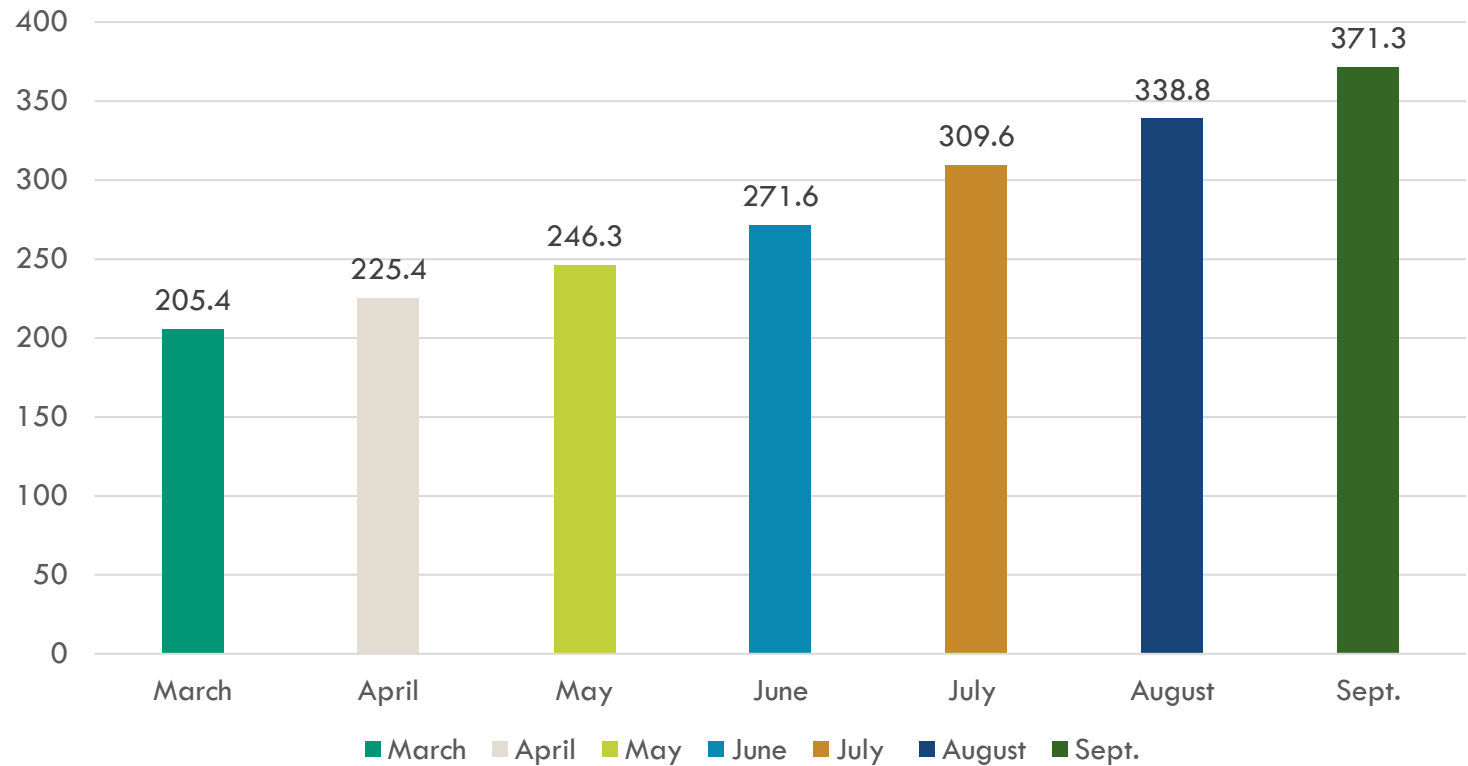


<https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>

PSLF waiver outcomes in WA (2022)



\$\$ forgiven (in millions)



<https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>

IDR One-Time Adjustment & PSLF Waiver 2.0

Commercial loans must consolidate by May 1st

Deferment vs. Forbearance



Deferment

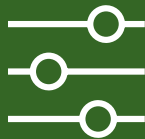
- Temporary suspension of payments
- Interest on unsub loans accrues

No
progress
towards
forgiveness

Forbearance

- Temporary reduction or postponement of payments
- Interest on all loans accrues

IDR one-time adjustment period



- Aims to correct for borrowers who were steered into forbearance/deferment unnecessarily
- Certain periods of forbearance and/or deferment will convert to IDR payments for borrowers with:
 - 12 or more consecutive months of forbearance
 - 36 or more of total months of forbearance
 - Months spent in economic hardship or military deferments after 2013
 - Periods of deferment before 2013 (excluding in-school)
- Borrowers with commercial FFEL & Perkins loans will **need to consolidate before May 1st**
 - Automatic for borrowers with all other federally-held loans
- Loans will start to be forgiven this spring

IDR Adjustment & PSLF Waiver 2.0



- New IDR payments will be eligible for PSLF
 - Borrower will need to certify employment for these new payments
 - This would lead to forgiveness after 120 payments, instead of 240/300.
- **Parent PLUS** loans are eligible for IDR Adjustment & to receive PSLF credit!
- Many of last year's waiver rules apply, except:
 - Must still be employed
 - TFL period can't overlap with PSLF
 - Parent PLUS are now eligible!

IDR Adjustment & PSLF Waiver 2.0



- 1 ~~Right type of loans~~
- 2 ~~Right type of repayment plan~~
- 3 Right type of employment
- 4 Right number of “payments”

Do I need to act to take advantage of the IDR Adjustment?



I have only Direct Loans, have been paying all loans for the same amount of time, and have certified and received approval on my PSLF form(s) in the last 12 months



- The IDR adjustment will **automatically** apply to your account by summer 2023.

I have only Direct loans, have been paying all loans for the same amount of time, but have not submitted a PSLF form in the last 12 months



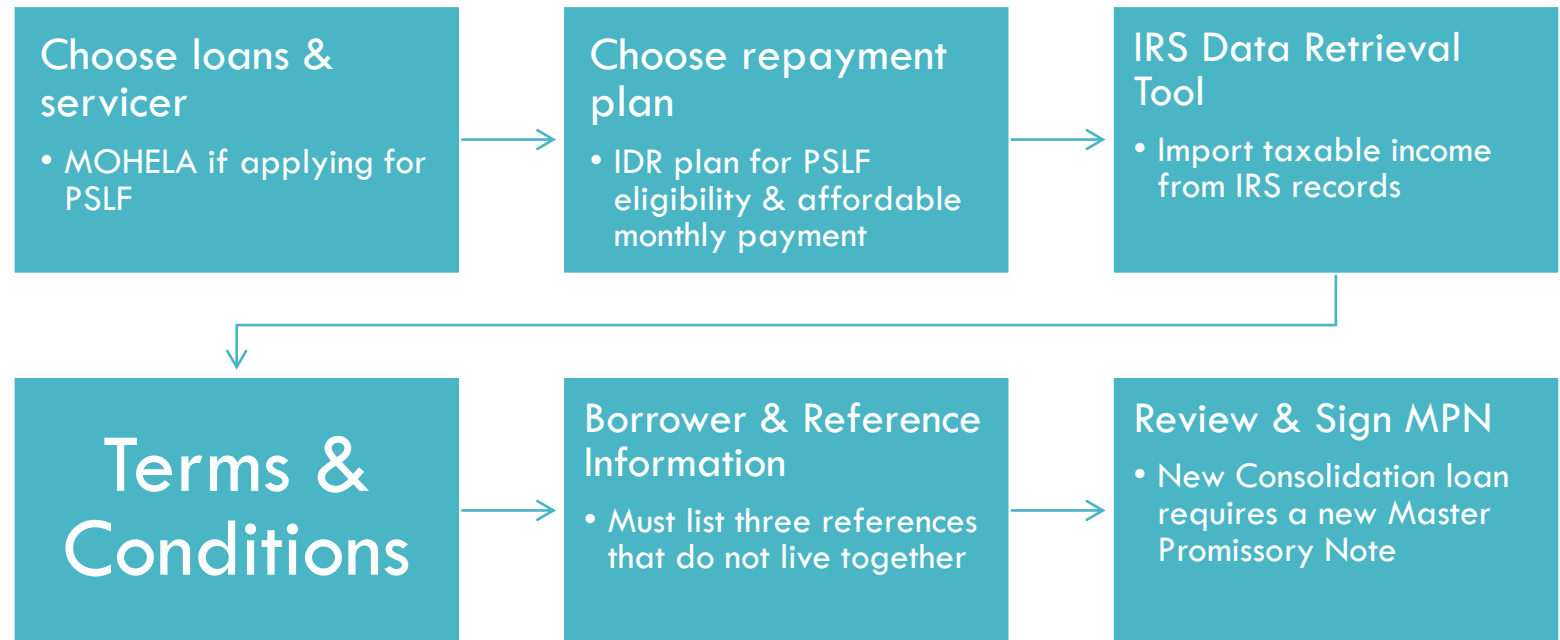
- Submit [PSLF Form\(s\)](#) to make sure your qualifying payment counts are updated to reflect any new IDR-eligible payments.

I have Parent Plus Loans, non-Direct loans (like FFEL & Perkins), or you have been paying some of your loans for a longer period of time than others



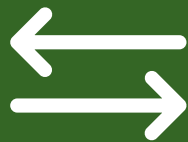
- [Apply for a Direct Consolidation Loan](#) by **May 1, 2023** to get the full benefits of the IDR recount
- Submit [PSLF Form\(s\)](#) for all qualifying employees (no specific deadline, but as soon as possible).

Direct consolidation in 6 steps



Use the [Steps to Apply for PSLF](#) prior to applying for Consolidation!

Things are
changing!



- Major servicer transfers
 - FedLoan Servicing (PHEAA) → MOHELA
 - Navient → Aidvantage
- Payment pause will end **sometime in 2023**
 - 60 days after the debt relief litigation is resolved
 - OR 60 days after June 30th
- One-time relief Supreme Court case in February
- IDR One-Time Account Adjustment (by July 2023)
- “Fresh Start” is in effect
- New regulations in effect July 1st, 2023 including new PSLF rules
- Proposed new 5% new IDR Plan (tentatively by the end of 2023)

Upcoming webinars



Upcoming Webinars

PSLF Waiver 2.0: Get a Second Chance with the IDR Recount

Have you sought to apply for the Public Service Loan Forgiveness (PSLF) program, but have more questions than answers? Have you heard about the PSLF Limited Waiver Opportunity but think you missed the deadline? Do you have Parent Loan for Undergraduate Students (Parent PLUS) loans and think you don't qualify? In this webinar, you will learn how to get many of the benefits and more from the waiver under the upcoming Income-Driven Repayment (IDR) Account Adjustment:

- Get PSLF credit for previous payments made under PSLF ineligible repayment plans or loan types, including Parent PLUS loans!
- Get PSLF credit for certain periods of forbearance and/or deferment.
- Get automatic discharge if you have been in repayment for 20-25 years, even if you don't qualify for PSLF.

Take advantage of the IDR Recount before it ends on May 1! We'll provide time for questions and links to resources so you can take the next steps and navigate your way through the process. Register today and we look forward to seeing you online soon!

Presenters: Jessica M. Manfredi, PSLF Program Associate and Stephanie Sampedro, Washington Student Loan Advocate

Dates & Registration:

- Tuesday, Feb. 7, @ 12:00 p.m.
- Wednesday, Feb. 22 @ 12:00 p.m.

If you are not able to attend one of the webinars, we will soon post a recording of the presentation, the presentation slides and transcript.



<https://wsac.wa.gov/loan-advocacy>

<https://wsac.wa.gov/PSLF>

Resources



- Steps to Apply for PSLF:
 - <https://tinyurl.com/PSLFsteps>
 - Step by step instructions on how to apply for PSLF
- PSLF Help Tool:
 - <https://studentaid.gov/pslf/>
 - Will need
 - your employer's tax Employer ID (EIN)
 - dates of employment at your employer(s)
 - Does not yet allow you nor your employer to sign the form within the tool
- PSLF FAQs:
 - <https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions>
 - We will be publishing our own, detailed version soon!



Let us know how we're doing!

Please fill out a [survey](#) and help us continue providing resources for WA student borrowers.

Questions?

Complete our complaint/questions form to get assistance from us!

<https://www.studentcomplaints.wa.gov/>

Make sure to select “Student Loan Issues Form”!

