

# PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FAQs



## General Overview

### Do I qualify for PSLF?

In general, to qualify for PSLF, you must:

- Be employed by a U.S. federal, state, local, or tribal government, the military, or nonprofit organization.
- Work an average of 30 hours per week for that employer (or a combined average of 30+ hours/week for two or more qualifying employers).
- Have Direct Loans (or consolidate other federal student loans into a Direct Loan).
- Repay your loans under an Income-Driven Repayment plan\*.
- Make 120 payments (approximately 10 years).

#### Important tip:

Can't find the answer to your question here? Check out the [Federal Student Aid's PSLF FAQ page](#).

### I work for a public service employer, but I am not sure where to start.

#### What steps do I need to take to qualify for PSLF?

You can use the [Steps to Apply for Public Service Loan Forgiveness \(PSLF\)](#) handout to get started.

### Are loan amounts forgiven under PSLF considered taxable by the IRS?

No. Amounts forgiven under the PSLF Program are not considered income by the Internal Revenue Service (IRS) or the Comptroller of Maryland. Therefore, you will not have to pay federal or Maryland state income tax on the amount of your Direct Loans that is forgiven.

### Which employers qualify for PSLF?

In general, U.S. federal, state, local, the military, or tribal governments or [certain nonprofit organizations](#) are considered eligible for PSLF. If you are not sure if your employer qualifies, you can use the [PSLF Employer Search](#) to verify your employer's eligibility for the PSLF Program.

If your employer is not listed on the employer search tool by using their EIN number, but you believe they should be, you can still submit a [PSLF Form](#) and Federal Student Aid will review their eligibility for PSLF.

### If I consolidate, will pre-consolidation payments count towards PSLF?

When you [consolidate](#) your Direct Loans, you will receive a weighted average of existing qualifying payments toward PSLF. For example, a borrower with 60 qualifying payments on one Direct Loan with a balance of \$30,000 who consolidates with a second Direct Loan with a balance of \$30,000 with 0 qualifying payments will have a new payment count of 30 payments.

However, if you qualified for the [PSLF Waiver](#) (deadline to consolidate and submit PSLF Help Tool was October 31, 2022) or the [IDR Account Adjustment](#) (deadline to consolidate: April 30, 2024), you may receive credit for any time in repayment prior to consolidation on Direct Consolidation loans.

### Which repayment plans are eligible for PSLF?

Any Income-Driven Repayment (IDR) plan is eligible for PSLF. An IDR plan sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size.

## PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FAQs (CONT.)

Currently, there are four Income-Driven Repayment plans:

- Saving on a Valuable Education (SAVE, formerly known as REPAYE).
- Pay As You Earn Repayment Plan (PAYE Plan).
- Income-Based Repayment Plan (IBR Plan).
- Income-Contingent Repayment Plan (ICR Plan).

If you'd like to repay your federal student loans under an Income-Driven Repayment plan, you will need to [fill out an application](#) and [recertify](#) (update your information) every year to remain eligible.

Please note, while the **10-year Standard Plan** is eligible for PSLF, you may not have any balance left to forgive after the 120 qualifying payments. The 10-year Standard Plan has 120 equal monthly payments that will pay your loan balance in full by the end of the loan term. For this reason, you will need to have at least some repayment periods under [eligible forbearance and deferment periods](#) or an IDR (with a lower monthly payment than the 10-year Standard) in order to have some balance left to forgive after 120 qualifying payments.

### What counts as a qualifying PSLF payment?

An eligible monthly payment is a payment that you make:

- After Oct. 1, 2007.
- Under a qualifying repayment plan.
- To satisfy the amount due as shown on your bill.
- And while you're employed on average 30 hours/week or more by a qualifying employer.

However, [certain types of forbearance and deferments](#) qualify as long as you were employed in a qualifying employer during that period of time. You may also have the option to "[buyback](#)" other periods of deferment and forbearance to have them count towards PSLF if you make payments that are equivalent to what you would have owed at the time.

If you want to make qualifying payments, but you're in an ineligible type of deferment or forbearance, we strongly encourage you to consider applying for an Income-Driven Repayment (IDR) plan to continue making progress towards PSLF – depending on your income, your monthly payment could be as little as \$0.

### What does not count as qualifying PSLF payment?

You can't make a qualifying monthly payment if you:

- Are in school status (more than half-time status).
- Are in your grace period.
- Have some types of forbearance.
- Have some types of deferment.

### Am I eligible for PSLF if I have only/some Direct Parent PLUS loans?

While a Direct Parent PLUS loan made to a parent borrower is eligible for PSLF, it cannot be paid via an Income-Driven Repayment (IDR) plan. The only qualifying repayment option for Parent PLUS loans is the 10-year Plan, which may lead to no amounts forgiven at the end of your 120 qualifying payments for PSLF.

However, if you consolidate a Parent PLUS loan, you may then repay the new Direct Consolidation Loan under an income-driven repayment plan called the Income-Contingent Repayment (ICR) Plan. You can't repay under the Saving on a Valuable Education (SAVE, previously known as REPAYE), Pay As You Earn (PAYE), or Income-Based Repayment (IBR) plans.

## PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FAQs (CONT.)

ICR is the least generous of the IDR plans, requiring 20% of your discretionary income toward your monthly payment. If you are a Parent PLUS borrower and your payment under ICR will be less than the 10-year Standard Plan, then you may want to consider [consolidating](#) your loans to access the ICR plan.

You can use the [Loan Simulator](#) to help you decide whether to consolidate your student loans and estimate your monthly payment under ICR. The Loan Simulator uses your actual loan information (if you log in with your FSA ID) to give you a more accurate estimate of your loan payments, forgiveness, interest paid over time, and total amount paid.

### Forms & Signatures

#### What do I need to know about the PSLF form?

The PSLF form is a combined application for both Public Service Loan Forgiveness (PSLF) and Temporary Expanded Public Service Loan Forgiveness ([TEPSLF](#)) and is used to certify your periods of eligible employment and update your number of qualifying payments. By completing and submitting the PSLF form, your number of qualifying payments will be updated to correspond with your dates of employment.

#### How do I complete a PSLF form?

##### Electronic Form Submission

You may use the [PSLF Help Tool](#) to:

- Complete your PSLF form.
- Send your form to your employers for their digital signature (certifying your employment).
- [Electronically submit your form](#) to the PSLF servicer for processing.

You will need to log in with your Federal Student Aid (FSA) ID account to use the PSLF Help Tool. If you do not have an FSA ID account, you can [create one](#).

##### Manual PSLF Form

If electronic submission isn't possible, you may also submit a PSLF form manually. After going through the [PSLF Help Tool](#) or [downloading the manual form](#), you can:

- Download and print your PSLF form.
- Read and sign your PSLF form.
- Have your employer read and sign your PSLF form.
- Submit your completed form using one of the methods listed on the form.

#### How do I get my employment certified from a previous and/or current employer?

Please contact the Human Resources department or supervisor at your previous and/or current employer for assistance. If using the [PSLF Help Tool](#) to digitally sign the form, you will also need to ask for the email address for someone authorized to sign the form on your behalf.

If you are a current or former Maryland State employee completing your PSLF form and need to find your current or former agency's Employer Identification Number (EIN) or HR contact information, refer to the Maryland State agency directory of PSLF contacts.

#### My employer is refusing to sign my form or is no longer in operation. How do I complete my PSLF Form?

If you are unable to get your employer signature, you can check the box at the end of Section 4 (on page 2) one on the PSLF Form (screenshot below):

Check this box if your employer cannot be contacted because the organization has closed or is unable to certify your employment, and skip to Section 5B.

## PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FAQs (CONT.)

Please note: If you check this box, you may be required to provide additional documentation that supports your employment like IRS W-2 forms, pay stubs, or DD-214. If you have either of those documents readily available for all the years you are trying to certify, we recommend submitting them along with your form.

### Who is the current PSLF program servicer?

[MOHELA](#) is the current PSLF program servicer. Before 2022, FedLoan Servicing managed the PSLF program.

### What if MOHELA is not my servicer? Am I still eligible for PSLF?

Yes! If MOHELA is not your current servicer, it just means that you have not yet certified your employment for PSLF. Once you certify your employment for PSLF, then your loans will be transferred to MOHELA. The transfer process can take up to two months, but you can check the status of your application on the [MOHELA website](#).

In some cases, you may consolidate your loans before they are transferred to MOHELA. Consolidation loans are processed by [Aidvantage](#). You will see your initial loans pay off with your original servicer, then you will see a new consolidation loan appear with Aidvantage. If you indicated your interest for PSLF on your application, Aidvantage will then transfer your Direct Consolidation Loans to MOHELA. This process can take two months or more.

### I am not satisfied with my experience communicating with my servicer. How do I get help?

If you are a Maryland State resident, please email [studentloan.ombudsman@maryland.gov](mailto:studentloan.ombudsman@maryland.gov) for additional assistance.

If you are not a Maryland State resident, you may reach out to either your state or [Federal Student Aid Ombudsman](#).

## Income-Driven Repayment (IDR) Account Adjustment

### What is the One-Time Payment Count Adjustment for Eligible IDR Borrowers?

The Department of Education (ED) is conducting a one-time adjustment of IDR-qualifying payments for all Direct Loan program and federally owned Federal Family Education Loan (FFEL) program loans.

The account adjustment will count time toward IDR forgiveness, including:

- Any months in a repayment status, regardless of the payments made, loan type, or repayment plan.
- 12 or more months of consecutive forbearance or 36 or more months of cumulative forbearance.
- Any months spent in economic hardship or military deferments in 2013 or later.
- Any months spent in any deferment (with the exception of in-school deferment) prior to 2013.
- Any time in repayment (or deferment or forbearance, if applicable) on earlier loans before consolidation of those loans into a consolidation loan.

Generally, repayment status includes any periods where the borrower was enrolled in a repayment plan. Repayment status does not include periods in forbearance, deferment, bankruptcy, or default. However, certain periods of forbearance, deferment, or default will count toward forgiveness in the circumstances described above.

Any borrowers with loans that have accumulated time in repayment of at least 20 or 25 years will see automatic forgiveness, even if those borrowers are not currently on an IDR plan.

### How does the IDR Account Recount benefit people working towards PSLF?

If you have applied or will apply for PSLF, these changes may have an impact on you by increasing your qualifying payment count.

If you have 12 or more months of consecutive forbearance or 36 or more months of cumulative forbearance, you will receive PSLF credit for those periods of time if you certify qualifying employment.

These changes will be applied automatically to all PSLF-eligible Direct Loans, including consolidated and unconsolidated

## PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FAQs (CONT.)

Parent PLUS loans. If you believe you might benefit, you should update your employment certification history to reflect all periods of public service employment.

Borrowers with commercially or federally held Federal Family Education Loan (FFEL) loans who [consolidate those loans into Direct Consolidation Loans](#) before the account adjustment is applied will also get PSLF credit.

### Can I check online to see if my loans are impacted by this forgiveness?

The first group of eligible borrowers were informed by the Department of Education (ED) on July 14, 2023, that they have loans that qualified for forgiveness. No further action is required from these borrowers to get this forgiveness.

ED will continue to identify and notify borrowers who reach the necessary forgiveness threshold of 240 or 300 months' worth of qualifying payments, depending on the repayment plan and type of loan. ED will send these notifications out every two months until next year, at which point all borrowers who are not yet eligible for forgiveness will have their payment counts updated. Your student loan servicer(s) will notify you directly after your forgiveness is processed. Make sure to keep your contact information up-to-date with your servicer and on [StudentAid.gov](#).

If you have not yet qualified for forgiveness, you will be able to see your exact payment counts for IDR in the future.

### I have more questions about the IDR Account Adjustment. Where can I find more information?

Check out the Frequently Asked Questions section on the IDR Account Adjustment page to learn more.

## Additional Assistance

### I cannot find the answer to my question on the FAQs. How can I get additional assistance?

If after you review our FAQs you cannot find the answer to your question(s), and you are a current Maryland State resident, please email a question to [studentloan.ombudsman@maryland.gov](mailto:studentloan.ombudsman@maryland.gov) and we would be happy to assist you!

### Still have questions?

If you are a current Maryland State resident please submit a question or concern using our [Student Loan Questions and Complaint Form](#) and we would be happy to assist you!

Financial information offered by the Maryland Office of Financial Regulation or the Student Loan Ombudsman is for informational purposes only and should not be construed as legal or financial advice. Be advised that the requirements for federal student loan relief programs and the policies governing the administration of those programs are subject to change by the [U.S. Department of Education](#).

By using this document, you agree that the Maryland Office of Financial Regulation and the Student Loan Ombudsman are not liable for any information, resources, or other assistance provided.

