



# Degrees Not Debt's Federal Student Loan Forgiveness Program Guide

Do you have federal student debt and are unsure of whether you qualify for federal loan forgiveness programs such as Teacher Loan Forgiveness (TLF), Teacher Loan Cancellation (TLC) and/or Public Service Loan Forgiveness (PSLF)?

This guide is intended to help you identify whether your federal student loans are eligible for the above referenced plans and/or programs. Please note that this is only a guide and borrowers should not base their decision to enroll in federal student loan forgiveness programs on information provided herein.<sup>1</sup>

Borrowers should register for their Federal Student Aid (FSA) ID and identify their federal student loan program type prior to using this guide.

1. Obtain your FSA ID here: <https://fsaid.ed.gov/npas/index.htm>. A borrower's FSA ID is linked to their social security number. Obtaining your FSA ID can take up to 72 hours, as the Social Security Administration must verify the application.
2. Determine federal student loan program type and loan disbursement date(s): Most federal loan programs restrict eligibility based on a series of factors including loan program type. Once you have obtained your FSA ID, you may log onto the National Student Loan Data System to identify not only your federal student loan program type, but also the original disbursement date(s). [https://www.nslds.ed.gov/nslds/nslds\\_SA/](https://www.nslds.ed.gov/nslds/nslds_SA/). Once on this website, click on the "Financial Aid Review."

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<sup>1</sup> This guide relies exclusively on existing federal government student loan information at time of its publication; federal government regulations governing these programs may change in the future. Additionally, this guide should not be considered a comprehensive authority for borrowers; we recommend that borrowers conduct additional research, including but not limited to contacting their loan servicer for additional information and clarification.

## TLF

borrowers may discharge between \$5,000 and \$17,500

### Teacher Loan Forgiveness (TLF)

Eligible borrowers may discharge between \$5,000 and \$17,500 if they meet the following requirements:

- ❑ Only Direct Subsidized and Unsubsidized Loans and/or Subsidized or Unsubsidized Stafford Loans are eligible. Borrowers with only PLUS loans are ineligible.
- ❑ Eligible loans cannot be in default status.
- ❑ Cannot have an outstanding balance on Direct Loans or Federal Family Education Loan (FFEL) Program loans as of Oct. 1, 1998, or on the date that you obtained a Direct Loan or FFEL Program loan after Oct. 1, 1998.
- ❑ Worked for five (5) consecutive years at an eligible elementary, secondary and/or educational service agency. School or agency must generally be listed each year in the federal government's Teacher Cancellation Low Income Directory:  
<https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp>
- ❑ Must be a teacher. School librarians, guidance counselors, and other administrative staff are not considered teachers for the purposes of this loan forgiveness program.

## TLC

borrowers may have up to 100% of their eligible loan discharged

### Teacher Loan Cancellation (TLC)

Eligible borrowers can have up to 100% of their eligible loan discharged (15 percent canceled per year for the first and second years of service; 20 percent canceled for the third and fourth years; 30 percent canceled for the fifth year) if they meet the following requirements:

- ❑ Only federal Perkins Loans are eligible.
- ❑ Must teach in an eligible low income school. School or agency must generally be listed each year in the federal government's Teacher Cancellation Low Income Directory:  
<https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp>
- ❑ Must teach math, science, special education, foreign languages, bilingual education, or in another shortage subject.

## PSLF

borrowers may have their balance discharged after 120 qualifying and eligible payments

### Public Service Loan Forgiveness (PSLF)

Eligible borrowers can get the remaining balance discharged after making 120 qualifying and eligible payments, including accrued interest.

- ❑ Only federal Direct Loans are eligible. These include any loan from the William D. Ford Direct Loan Program.
- ❑ Must work for an eligible employer including government organizations at the local, state and federal levels and 501(c)(3) non-profit organizations.
- ❑ PSFL eligible payments are restricted to Income-Driven Repayment plans (Income Based Repayment, Pay As You Earn, Revised Pay As You Earn, and Income-Contingent Repayment) and the Standard repayment plan.
- ❑ Only payments made after October 1, 2007 can be considered PSLF-eligible payments.

**Loan Consolidation**  
for borrowers with ineligible program loans

### Loan Consolidation?

For those borrowers whose existing federal student program loans aren't eligible in their current form for Public Service Loan Forgiveness (only Direct program loans are eligible), loan consolidation is a possibility. Borrowers may consolidate their federal loans to create a Direct Consolidation Loan; this new loan would be eligible for PSFL. Please note that loan consolidation cannot be undone and may result in borrowers eliminating existing PSFL-eligible payments or disqualifying their current loans from loan forgiveness programs.

Please contact the federal Loan Consolidation Information Call Center at 1-800-557-7392 before taking action.

### Income Tax Questions?

Existing Internal Revenue Service regulations currently do not treat the balances discharged under Teacher Loan Forgiveness<sup>2</sup>, Teacher Loan Cancellation or Public Service Loan Forgiveness as taxable income. Please note that state and local income taxes may apply.<sup>3</sup>

<sup>2</sup> [https://www.irs.gov/publications/p970/ch05.html#en\\_US\\_2015\\_publink1000266401](https://www.irs.gov/publications/p970/ch05.html#en_US_2015_publink1000266401)

<sup>3</sup> <https://studentaid.ed.gov/sa/sites/default/files/public-service-loan-forgiveness-common-questions.pdf>