Public Service Loan Forgiveness (PSLF)

How to Qualify for PSLF

- Have eligible loans: Direct Loans only.
- Make eligible payments: any income-driven repayment plan.
- Work for a qualifying employer: 501(c)(3) nonprofit or government work.
- After making 120 qualifying payments: apply for forgiveness.

For more information, visit aamc.org/first/facts/pslf.

Why Is “No One” Qualifying for PSLF?

The majority of application denials could have been avoided. Between October 2017 and August 2020, the most prevalent reasons borrowers did not qualify for PSLF were:

- Not enough qualifying payments: 56%
- Incomplete application: 25%
- No eligible loans: 14%

The forgiven amount has no limit and is not taxed.

SCENARIO 1: DR. PEDS

Borrowed $200,000 | Starting salary $165,000
Total years (including residency) 10

<table>
<thead>
<tr>
<th>Amount repaid</th>
<th>Amount forgiven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay As You Earn (PAYE)</td>
<td>$131,000</td>
</tr>
<tr>
<td>Revised PAYE (REPAYE)</td>
<td>$131,000</td>
</tr>
</tbody>
</table>

SCENARIO 2: DR. CARDIO

Borrowed $200,000 | Starting salary $300,000
Total years (including residency) 10

<table>
<thead>
<tr>
<th>Amount repaid</th>
<th>Amount forgiven</th>
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</thead>
<tbody>
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<td>Pay As You Earn (PAYE)</td>
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</tr>
<tr>
<td>Revised PAYE (REPAYE)</td>
<td>$161,000</td>
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</tbody>
</table>

To date, the PSLF program has remained unchanged from its original form. Like any federal program, an act of Congress could change PSLF, so have a backup plan for managing your student loan debt.

To estimate your PSLF forgiveness amount, use the MedLoans® Organizer and Calculator: aamc.org/medloans.