Public Service Loan Forgiveness (PSLF): Eligibility and Action Plan

If you decide to work in public service, you may be eligible for federal student loan forgiveness after 10 years of full-time work. The information below outlines the qualifying components of the PSLF program, and a timeline of action to enter PSLF is included on page 48.

Five steps to ensure eligibility for Public Service Loan Forgiveness

Step 1: Request a qualifying repayment plan for your eligible loans (re-request annually).
Step 2: If necessary, consolidate eligible FFEL, LDS, and Perkins Loans into a Direct Consolidation Loan.
Step 3: Submit an Employment Certification Form (ECF) to FedLoan Servicing (resubmit annually).
Step 4: Make 120 qualifying payments while completing eligible work.
Step 5: Upon completion of requirements, apply with FedLoan Servicing for the actual forgiveness.

Checklist for Public Service Loan Forgiveness

☐ ELIGIBLE LOANS Only the following loan types are eligible:
  • Direct Loans (Subsidized and Unsubsidized)
  • Direct PLUS and parent PLUS Loans
  • Direct Consolidation Loans
  • Other federal student loans* can be made eligible by including them in a Direct Consolidation Loan.**

* FFEL Stafford, Grad PLUS, Federal Consolidation, Perkins, LDS, and certain other FFEL Loans
** For more information, visit studentloans.gov.

NOTE: Defaulted loans, private loans, and any consolidation loan containing a spousal consolidation loan are not eligible.

☐ QUALIFYING PAYMENTS While simultaneously working in a qualifying public service position, you must make 120 on-time and scheduled payments* under a qualifying repayment plan.
The following plans qualify:
  • Income-Based Repayment (IBR)
  • Pay As You Earn (PAYE)
  • Revised Pay As You Earn (REPAYE)
  • Income-Contingent Repayment (ICR)
  • Standard Repayment plan (or a repayment plan where the monthly amount paid is not less than the monthly amount required under the 10-year Standard Repayment plan)

* Payments do not have to be consecutive, allowing for changes in employers and periods of nonwork.

☐ QUALIFYING WORK You must be employed full-time* for a total of 10 years in a public service position.
  For the work to be considered public service, your employer must be one of the following:
  • Nonprofit tax-exempt 501(c)(3) organization (includes many medical schools and residency programs)
  • Federal, state, local, or tribal government organization, agency, or entity
  • A branch of the military
  • Public service organization—a private organization providing a public service

Submit questions about eligible employers to FedLoan Servicing (myfedloan.org). They are the servicer that oversees PSLF.

* Full-time work is considered to be 30 hours per week or the number of hours the employer considers to be full-time.

This checklist is a general guideline only. For more information regarding eligibility, visit studentaid.ed.gov/publicservice.
FOR EVERY PSLF APPLICANT

ACTION 1: Request the income-driven repayment plan that offers you the lowest monthly payment. This action can be initiated online before you graduate (studentloans.gov). Final documents needed to complete entry into the plan cannot be submitted until approximately 90 days before the end of your grace period. Thus, before Action 1 is complete, one or more of the items below will also be completed.

IF YOU HAVE FFEL OR PERKINS LOANS*

ACTION 2: After separating from school, apply to consolidate your FFEL/Perkins Loans (studentloans.gov), indicate your interest in PSLF, and select FedLoan Servicing as your servicer. (Direct Loans do not need to be consolidated; they are eligible for PSLF as is.) You may also want to establish an online account with FedLoan Servicing to track your consolidation application.

NOTE: All qualifying payments made toward federal student loans will be lost if those loans are included in a consolidation. So, consolidate ineligible loans before making PSLF qualifying payments. If you want to experience your full grace period and then consolidate, request processing to begin a month or two before grace is over (so that payments aren’t due until after the consolidation has been disbursed). Processing of a consolidation takes 30–60 days. Payments made toward the consolidation loan must be under a qualifying repayment plan—see page 47 for a list of these.

ACTION 3: When you begin full-time work in your residency program, you should submit an Employment Certification Form (ECF) to FedLoan Servicing. At this point, all your existing Direct Loans will be transferred to FedLoan Servicing (if the loans aren’t already there). (myfedloan.org/documents/repayment/fd/pslf-ecf.pdf)

NOTE: Processing the ECF, including the transfer of loans, may take 30–45 days.

ACTION 4:*** Work toward PSLF by making your required payments to FedLoan Servicing. It is highly recommended that you use your online account with FedLoan Servicing to track payments and enroll in Direct Debit to ensure on-time payments.

IF YOU HAVE ONLY DIRECT LOANS

ACTION 2: When you begin full-time work in your residency program, you should submit an Employment Certification Form (ECF) to FedLoan Servicing. At this point, all your existing Direct Loans will be transferred to FedLoan Servicing (if they are not already there). (myfedloan.org/documents/repayment/fd/pslf-ecf.pdf)

NOTE: Processing of the ECF, including the transfer of loans, may take 30–45 days.

ACTION 3:*** Work toward PSLF by making your required payments to FedLoan Servicing. It is highly recommended that you establish an online account with FedLoan Servicing to track payments and enroll in Direct Debit to ensure on-time payments.

* For more information on these loans, see the lenders section on page 5.

** Reminder: Each year, you will need to update your income and family size information with FedLoan Servicing so they can accurately calculate future monthly payments. It is also recommended that you annually submit an updated Employment Certification Form (ECF) to FedLoan Servicing.