Public Service Loan Forgiveness: Careers in Service
Presented by
David Lindstrom, Director, WWU Career Development Center
Doug Taylor, Associate Director, Student Financial Services

Open the Loan History Report email sent on May 4 to your WWU email.

There will be 3 opportunities to win a prize during the presentation. Each opportunity consists of a multiple choice question. The winner of each prize will be the first person to text the correct answer to 541-809-1743.

Agenda
- Student Loan Types
- Types of Loan Forgiveness or Cancellation
  - Teacher Loan Forgiveness
  - Loan cancellation
  - Public Service Loan Forgiveness (PSLF)
- How do I qualify?
  - Qualifying Repayment
  - Full Time Public Service Employment
  - Eligible Repayment Plans
- How to get started
- Questions

JumpStart - many many years ago:
Live like others won’t (for one year)....

So you can live like other’s can’t (for the rest of your life)
Walla Walla University’s Mission Statement

- Excellence in thought
- Generosity in service
- Beauty in expression
- Faith in God

Ask potential employers if they have a student loan repayment benefit

- Hospitals, looking for nurses, especially in shortage areas
- Military
- Other in-demand areas
- Forbes Magazine: Student Loan Repayment: The Hottest Employee Benefit Of 2017
  - Price Waterhouse Coopers - $100/month (6 years)
  - US Government - up to $10,000 a year (6 years)
Student Loan Types

- Federal Loans
  - Subsidized
  - Un-Subsidized
- PLUS Loans (Parent/Graduate)
- Perkins Loan
- Nursing Loan
- Institutional Loans
  - WWU Loan
  - Fisher Special Loan
- Private Loans
  - Servicers are your private lenders and terms are unique to that lender.

When you graduate

Loan exits are required for diploma release

- If you have Direct Loans from the US Government, you must complete Direct Loan Exit Counseling at studentloans.gov
- If you have loans from Walla Walla University, you must complete Exit Counseling through University Accounting Service at myloancounseling.com
- Your diploma will not be released until the required Exit Counseling is completed.

Preventable errors that cause loan default:

- Not realizing you may have several accounts:
  - Your student (tuition) account
  - Your student loans through Walla Walla University, billed by University Accounting Service
  - Your Direct Student Loans from the US Government, billed by your loan servicer
- Not knowing who your Direct Loan servicer is.
  - Find your loan servicer at nslds.ed.gov (Use your FSA ID to log in)
- Not notifying your lenders or loan servicers when your mailing address or email address changes
- Not opening your mail and email from Walla Walla University, University Accounting Service, and your Direct Loan servicer.
**Student Loan Types**

- **Federal Loans**
  - Direct Loans
    - Subsidized
    - Un-Subsidized
  - PLUS Loans (Parent/Graduate)
  - Perkins Loan
  - Nursing Loan
- **Institutional Loans**
  - WWU Loan
  - Fisher Special Loan
- **Private Loans**
  - Servicers are your private lenders and terms are unique to that lender.

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**Forgiveness:**

You make your loan payments. At a future time some or all of your remaining balance is forgiven.

**Cancellation:**

You don’t need to make loan payments. Over time, some or all of your loan is canceled.

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**Student Loan Types**

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Lender</th>
<th>Servicer</th>
<th>Eligible to be consolidated</th>
<th>Eligible for Loan Cancellation or Forgiveness</th>
<th>Eligible for Public Service Loan Forgiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub Dir</td>
<td>US Gov’t</td>
<td>US Gov’t</td>
<td>YES</td>
<td>Teachers only</td>
<td>YES</td>
</tr>
<tr>
<td>Unsub Dir</td>
<td>US Gov’t</td>
<td>US Gov’t</td>
<td>YES</td>
<td>Teachers only</td>
<td>YES</td>
</tr>
<tr>
<td>PLUS</td>
<td>US Gov’t</td>
<td>US Gov’t</td>
<td>YES</td>
<td>NO</td>
<td>YES if consolidated</td>
</tr>
<tr>
<td>Perkins</td>
<td>WWU</td>
<td>UAS</td>
<td>YES</td>
<td>YES if consolidated</td>
<td></td>
</tr>
<tr>
<td>Nursing</td>
<td>WWU</td>
<td>UAS</td>
<td>YES</td>
<td>NO</td>
<td>YES if consolidated</td>
</tr>
<tr>
<td>Fisher Special</td>
<td>WWU</td>
<td>UAS</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Any other from WWU</td>
<td>WWU</td>
<td>UAS</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Private Ln</td>
<td>NO</td>
<td>UAS</td>
<td>NO</td>
<td>Up to private lender, but usually no</td>
<td>NO</td>
</tr>
</tbody>
</table>

UAS = University Accounting Service. Do not ignore their mail or email!
Direct Loan Forgiveness for Teachers

You may receive up to $5,000 in loan forgiveness if you were a highly qualified full-time elementary or secondary school teacher.

You may receive up to $17,500 in loan forgiveness if, as certified by the chief administrative officer of the school where you were employed, you were:

- a highly qualified full-time mathematics or science teacher in an eligible secondary school,
or
- a highly qualified special education teacher whose primary responsibility was to provide special education to children with disabilities, and you taught children with disabilities that corresponded to your area of special education training and have demonstrated knowledge and teaching skills in the content areas of the curriculum that you taught.

Requires 5 consecutive years of teaching

Lender: US Government, Loan Type: Direct Loan (Sub + Unsub)

What is the Loan Cancellation program?

Full time employees in certain occupations can have up to 100% of their eligible loans canceled.

Qualifying borrowers make no payments on their loans while they are working on cancellation.

Lender: Walla Walla University
Loan Type: Perkins
Loan Type: Any others except Fisher Special and Nursing

What careers qualify for loan cancellation?

Full time employees in these occupations:

- Teacher in a low income school or designated educational service agency
- Special education teacher
- Math, science, foreign languages, bilingual education, other shortage area teachers
- Librarian or speech pathologist at a Title I-eligible school - need master’s degree
- Faculty at a tribal college or university
- Head Start worker or prekindergarten or child care licensed/regulated by a state
- Nurse or medical technician
- Law enforcement, firefighter, or corrections officer
- Social work - services to high-risk students from low-income communities
- Professional provider of early intervention services for the disabled
- Member of the US armed forces serving in an area of hostilities
- Attorney working in a federal public or community defender organization
- Volunteer in Peace Corps or ACTION program (including VISTA) (up to 70%)

Lender: WWU, Loan Type: Perkins, all others except Fisher Special and Nursing
How much is the Loan Cancellation program?

- Volunteer in Peace Corps or ACTION program (including VISTA) can have 70% of their loan canceled over 4 years.
- Head Start category can have 100% of their loan canceled over 7 years.
- All other categories can have 100% of their loan canceled over 5 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Peace Corps</th>
<th>Head Start</th>
<th>All others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Year 2</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Year 3</td>
<td>20%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Year 4</td>
<td>20%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Year 5</td>
<td>15%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Year 6</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 7</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Canceled</td>
<td>70%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Lender: WWU, Loan Type: Perkins, all others except Fisher Special and Nursing.

What is Public Service Loan Forgiveness?

The Public Service Loan Forgiveness (PSLF) Program allows eligible borrowers to cancel the remaining balance of their Direct Loans after:
- Serving full time at a public service organization
- For at least 10 years
- While making 120 on time qualifying monthly payments
- After October 1, 2007

Eligible Loans

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans
- Direct Consolidation Loans
- Other federal loans eligible if consolidated into a Direct Consolidation Loan, including:
  - FFEL Subsidized/Unsubsidized Stafford Loans
  - FFEL PLUS Loans for parent and graduate or professional students
  - FFEL Consolidation Loans (excluding joint spousal consolidation loans)
  - Federal Perkins Loans
  - Title VII Health Professions and Nursing Loans

Lender: US Government, Plus those below

Lender: Walla Walla University
Consolidate Loans for PSLF

Consolidate These Loans

- Federal Loans
  - Direct Loans
  - Subsidized
  - Un-Subsidized
- PLUS Loans (Parent or Graduate)
- Nursing Loan

Can’t Consolidate These Loans

- Private Loans
- Institutional Loans (Lender: WWU, except Perkins & Nursing)

- Perkins Loan
  
  You will lose your Cancellation option if you consolidate your Perkins Loan

Which loans qualify for Public Service Loan Forgiveness?

A. WWU Institutional loans (other than Perkins or Nursing)
B. Private loans
C. Consolidated Perkins loans
D. Non-consolidated Perkins loans
E. Direct Loans

The first person to text their name and the correct answer to 541-809-1743 will win a $15 gift certificate to Rogers Bakery. There could be more than one correct answer. Your text should include all eligible loan types.
Eligible Repayment Plans

- **Income-Based Repayment (IBR) Plan**
  - Not available for Direct PLUS Loans for parents or Direct Consolidation Loan that pays a PLUS Loan for a parent

- **Income-Contingent Repayment (ICR) Plan**
  - Not available on Direct PLUS Loans for parents or Direct PLUS Consolidation Loans

- **Pay As You Earn Repayment Plan**
  - Not available for Direct PLUS Loans for parents or Direct Consolidation Loan that pays a PLUS Loan for a parent

- **Standard Repayment**
  - Only with a 10-year repayment period

- **Any other Direct Loan Program Repayment Plan**
  - With payments that are at least equal to the monthly payment amount that would have been required under the Standard Repayment Plan with a 10-year repayment period

Definition of Public Service Organization

- A federal, state, local, or Tribal government organization, agency, or entity
- A public child or family service agency
- A non-profit organization under section 501(c)(3) of the Internal Revenue Code
- A Tribal college or university
- A private non-profit organization (that is not a labor union or a partisan political organization) that provides a specific public service

Qualified Employment

- Full-time employment in any position with a public service organization
- Not including staff of for-profit contractors working for public service organizations
- Job duties DO NOT matter (except for time spent participating in religious instruction, worship services, or any form of proselytizing)
- Borrowers can work at multiple organizations while making the required 120 payments
- Full-time AmeriCorps or Peace Corps position
Definition of “Full-time” Employment

- For purposes of eligibility for PSLF, full-time employment is defined as:
  - Working in qualifying employment in one or more jobs for the greater of:
    - An annual average of at least 30 hours per week (or for a contractual or employment period of at least 8 months, an average of 30 hours per week); or
    - Unless the employment is with two or more employers, the number of hours the employer considers full-time.
  - Employer-provided vacation or leave time is equivalent to hours worked in determining whether you meet the full-time employment requirement.
  - This includes leave taken for a qualifying condition under the Family and Medical Leave Act of 1993.
  - Note: When determining full-time public service employment at a not-for-profit organization, you may not include time spent participating in religious instruction, worship services, or any form of proselytizing.

What are some jobs that qualify for PSLF?

What resources do we have on campus related to those careers?

Career Development Center
Kretschmar Hall – Room 217
509-527-2664
Appointments advised

Which of these jobs would not qualify for PSLF?

A. Chaplain employed by WWU
B. Accountant employed by WWU
C. Nurse employed by Adventist Medical Center
D. Traveling Nurse, working at Adventist Medical Center but employed by (paid by) a for-profit company
E. Teacher at Davis Elementary (public school in College Place)
F. Half-time counselor at Davis Elementary

The first person to text their name and the correct answer to 541-809-1743 will win a $15 gift certificate to Rogers Bakery. There could be more than one correct answer. Your text should include all ineligible jobs.
Which of these jobs would **not** qualify for PSLF?

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**PSLF Process**

1. Borrower receives form packet, which is standard with all servicers, and includes a cover letter, Employment Certification Form and instructions.
2. Borrower submits Employment Certification Form (ECF).
3. Employer is approved public service organization.
   - Borrower receives approval notification.
   - Eligible loans are transferred to FedLoan Servicing, if applicable.
   - Borrower receives notification of qualifying payments made with all prior servicers.
4. The borrower will be reminded annually, via email, to submit a new ECF if employed with a qualifying public service organization since the last ECF was submitted.

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**Who do you need to contact to apply for Public Service Loan Forgiveness?**

A. WWU Student Loan Office
B. FedLoan Servicing
C. University Accounting Service (UAS)
D. Dr. John McVay
E. None of the above

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**Example**

<table>
<thead>
<tr>
<th>Eligible Loan Debt</th>
<th>Pay As You Earn Repayment Plan</th>
<th>Income Based Repayment Plan</th>
<th>Income Contingent Repayment Plan</th>
<th>Standard Repayment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31,000 (6.8% interest rate/subsidized)</td>
<td>$68.71</td>
<td>$103.06</td>
<td>$229.54</td>
<td>$356.75</td>
</tr>
<tr>
<td>First Monthly Payment</td>
<td>$114.34</td>
<td>$171.52</td>
<td>$242.51</td>
<td>$356.75</td>
</tr>
<tr>
<td>Maximum Monthly Payment</td>
<td>$10,807.54</td>
<td>$16,211.31</td>
<td>$18,423.50</td>
<td>$11,809.83</td>
</tr>
<tr>
<td>Total Interest Paid</td>
<td>$31,000.00</td>
<td>$31,000.00</td>
<td>$31,000.00</td>
<td>$31,000.00</td>
</tr>
<tr>
<td>Total Principal Paid</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$9,889.70</td>
<td>$31,000.00</td>
</tr>
<tr>
<td>Total Amount Paid</td>
<td>$10,807.54</td>
<td>$16,211.31</td>
<td>$29,313.20</td>
<td>$42,809.83</td>
</tr>
<tr>
<td>Remaining Principal Balance and Unpaid Interest</td>
<td>$41,272.46</td>
<td>$35,868.69</td>
<td>$21,110.30</td>
<td>$0.00</td>
</tr>
<tr>
<td>PSLF Total Loan Forgiveness</td>
<td>$41,272.46</td>
<td>$35,868.69</td>
<td>$21,110.30</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**Summary - PSLF**

Eligibility for forgiveness of an outstanding balance on an eligible Direct Loan occurs if the borrower:

- Is not in default
- Makes 120 separate, full monthly payments within 15 days of due date
- Makes payments under one or more PSLF-specified repayment plans
- Is a full-time employee of public service organization while making required payments and forgiveness is requested and granted

Make sure your servicer is FedLoan Servicing
PSLF is not for everyone

- If you apply and don’t qualify you could end up paying much more in interest over a longer period of time on your loans.
- Examples of people who should not apply:
  - Stay at home parents or working less than full time
  - People who don’t plan to work for qualifying employers for 10 years
  - Ministers, Bible teachers, others involved in religion
  - Personal Preference - You prefer to get your loans paid as quickly as possible

Frequently Asked Questions

Under some payment plans, the monthly payment could be $0. Does that count as a payment towards PSLF?

- Yes.

Do overpayments impact a borrower’s qualifying payments?

- If a borrower pays more than the installment amount on any payment, it only counts as one payment.

Are loan amounts forgiven through PSLF considered income for tax purposes?

- No.

Questions?

- Walla Walla University’s Student Loan Center is available to help you with your questions
  - Who is your Direct Loan Servicer?
  - Should you consolidate your loans?
  - Help with loan cancellation and loan forgiveness
  - How to complete your required loan exits

Located in CTC 307  509-527-2333
Thank you for attending tonight

Special thanks to
Business Club
WWU Career Development Center
WWU Student Financial Services

Thank you for attending tonight

Pizza is in the lobby