NYC Consumer and Worker Protection

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Frequently Asked Questions (FAQs): Public Service Loan Forgiveness (PSLF)

PSLF Program

1. What are the qualifications for PSLF?

To qualify for **PSLF**, you must:

- be employed by a U.S. federal, state, local, or tribal government or 501(c)3 not-for-profit or certain other not-for-profit organization (federal service includes U.S. military service);
- work full-time for that agency or organization; or be employed in more than one qualifying part-time job at the same time and work at least 30 hours a week with your employers;
- have Direct Loans (or consolidate other federal student loans into a Direct Loan);
- repay your loans under an income-driven repayment plan; and
- make 120 qualifying payments.

2. What is the Payment Count Adjustment?

In October 2022, the U.S. Department of Education (ED) announced a series of changes to PSLF rules to correct for errors made in the past. Under these rules, any previous period of repayment since October 1, 2007, will count as a qualifying payment, regardless of loan program, repayment plan, or whether the payment was made in full or on time.

You do still need qualifying employment during the time of the previous payments.

This change will apply to student loan borrowers with Direct Loans, those who have already consolidated into the Direct Loan Program, and those who consolidate existing loans into the Direct Loan Program by **April 30, 2024**. Periods of repayment on parent PLUS loans are not eligible to be counted in the Payment Count Adjustment unless the parent PLUS loan is consolidated with a loan the parent borrower took out for their own education.

3. **I've heard that PSLF processing has been paused. What does that mean?**

Starting on May 1, 2024, the U.S. Department of Education (ED) will pause processing any PSLF forms, including applications, and resume in July 2024. With this pause, ED will move away from having one contractor, MOHELA, manage the program and will split the work between several contractors. These changes are part of a broader effort to streamline the servicing of student loans and transition borrowers to a single federal repayment portal at **StudentAid.gov**. For more information, please visit **StudentAid.gov**. During this time, borrowers should continue to make payments as usual, but note that these payments will not be reflected in PSLF's Payment Count Tracker until the pause ends.

4. **How and when do I certify my employment? Can I go back to prior employers to certify?**

To help you track your progress toward qualifying for PSLF, it is recommended that you submit the **PSLF Form**, available at **StudentAid.gov**, annually or when you change employers. It will make it much easier to catch any issues that arise over your 10 years of repayment.

Your employment can be certified by an official who has access to your employment or service records and is authorized by your employer to certify your employment. Check with your organization to see who is allowed to certify your PSLF form.

NYC employees without a break in city employment should complete one PSLF Form for verification of continuous city employment. Employees with a break in service should complete a separate form for each period in which they left city employment and were later employed.

Guidelines for PSLF Employment Certification for Former/Current NYC Employees

All current employees should go to their agency's HR team for certification.
All former (and not currently employed by the City) employees should email their employment certification form to DCAS at **askcst@dcas.nyc.gov**.

For current employees with multiple agencies or who have had break in their city service (and therefore have more than one NYC employment forms), either their current HR department or DCAS (via **askcst@dcas.nyc.gov**) can sign the employment certification forms.

Guidelines for PSLF Certification for Former/Current NYC Department of Education Employees

Current and former employees from the NYC Department of Education should consult HR Connect for specific instructions on securing signatures and employment verification.

School-based staff can speak with their principal or designee (usually the payroll secretary) for verification of their qualifying employment and to have the employment verification component of the application completed.

Central, borough, and superintendents' offices' staff should speak to their HR Director or Operations point person for verification. Former DOE employees who worked in schools can use the find-a-school tool on the DOE website to find contact information for the last school at which they worked. If an employee cannot remember the last school at which they worked, or if they were non-school-based staff, they can email **HRConnect@schools.nyc.gov** for assistance.

5.   **How do I fill out the PSLF Form?**

It is recommended that you use the PSLF Help Tool to assist you in starting the PSLF Form. Once you enter your information, you will be able to print the generated form for you and your employer to sign. Submit the completed PSLF form. See the **PSLF Help Tool Guide** for guidance in completing the PSLF Help Tool.

Note: Borrowers will need to apply for a consolidation loan (if necessary) and complete all steps of the PSLF Help Tool by **April 30, 2024 to take advantage of the Payment Count Adjustment.** Employers can sign the PSLF Form after that deadline if the borrower uses the Help Tool to complete the PSLF Form.

6.   **How do I figure out if my past or current employer qualifies for PSLF?**

If your past employer was a government employer or a 501(c)3 non-profit employer, they qualify for PSLF. If your employer was another type of non-profit organization or if you want to verify your employer's eligibility, the Department of Education maintains a list of qualifying public service employers that you can search. You can access this list by using the **PSLF Help Tool**. To check your employers' status, you will need their Tax Identification Number (EIN).

7.   **How do I figure out if my loan qualifies for the PSLF?**

Any loan received under the Direct Loan Program qualifies for PSLF. Loans from

these federal student loan programs do **not** qualify for PSLF: the Federal Family Education Loan (FFEL) Program and the Federal Perkins Loan (Perkins Loan) Program. However, they may become eligible if you consolidate them into a Direct Consolidation Loan. Private loans do not qualify for PSLF and cannot be consolidated into a Direct Loan. For more information, visit **StudentAid.gov**.

8.   **How do I contact my loan servicer? I'm not sure who it is anymore!**

You can find the amount and type of loans you hold and through which servicers by logging in to your Federal Student Aid (FSA) account at **StudentAid.gov**. All of your loans and their servicers will be listed. You can find the list of servicers and their contact information at **StudentAid.gov** and search for 'loan servicer.'

9.   **How do I determine which of my student loans to consolidate? How do I consolidate loans?**

Only Direct Loans are eligible for PSLF. To be eligible for PSLF, any non-Direct loan will have to be converted to a Direct Loan through a process called consolidation. We recommend discussing the process further with a financial counselor to be sure you understand the process and its implications. At **StudentAid.gov**, borrowers can log in to their account and download their aid data. Any loans that are not listed as a Direct Loan will need to be consolidated into Direct Loans. Borrowers can access the **Direct Consolidation Loan Application** through **StudentAid.gov**, which will guide them through the process of selecting and consolidating their loans.

10.   **What are the common types of student loans?**

Direct Loans: The U.S. Department of Education's federal student loan program is the William D. Ford Federal Direct Loan (Direct Loan) Program. Under this program, the U.S. Department of Education is your lender.

Perkins Loans: Loans made through the Federal Perkins Loan Program, often called Perkins Loans, are low-interest federal student loans for undergraduate and graduate students with exceptional financial need. As of 2017, these loans are no longer given.

Federal Family Education Loan Program (FFEL): The Federal Family Education Loan (FFEL) Program was a program that worked with private lenders

to provide education loans guaranteed by the federal government. The FFEL Program ended in 2010.

11. **Do you have to be currently employed or working full-time to receive loan forgiveness?**

For **PSLF**, you're generally considered to work full-time if you meet your employer's definition of full-time or work at least 30 hours per week, whichever is greater.

If you are employed in more than one qualifying part-time job at the same time, you will be considered full-time if you work a combined average of at least 30 hours per week with your employers.

Under the PSLF program rules, in addition to working full time and in a qualifying job during each of the qualifying 120 payments, you also must be working full time in a qualifying public service job both when you apply for and receive loan forgiveness.

12. **Does experience prior to grad school count towards PSLF?**

In general, only periods of employment worked while making qualifying payments on a certain loan will count toward forgiveness of that loan through PSLF. However, borrowers who consolidate to a Direct Loan before April 30, 2024 will receive credit towards forgiveness for consolidated loans based on the oldest of the underlying loans that were consolidated, as far back as October 2007, when PSLF began.

This means that if undergraduate and graduate school loans were consolidated, credit for work performed while in repayment on the undergraduate loans will count toward forgiveness of the graduate school loans.

13. **If I don't qualify for the PSLF, what are my options? What resources do I have?**

You can use the **PSLF Help Tool** to find out your eligibility based on the types of loans you have and your employer. In addition, there are other Federal Student Loan Forgiveness and NYS Student Loan Repayment Assistance Programs. For more information, visit **NYS Higher Education Services Corporation - Loan Forgiveness, Cancellation and Discharge** at **hesc.ny.gov** and select 'Student Loans: Loan Forgiveness, Cancellation and Discharge.'

14. Does the PSLF benefit parents with children with loans, such as for parent PLUS loans? How about spouses who have loans?

Direct PLUS Loans are made to graduate or professional students and to parents of dependent undergraduate students and both are eligible for PSLF. However, there are additional factors to consider if you're a parent who has taken out a PLUS loan.

First, your PSLF eligibility is based on your qualifying employment, not on the employment of the dependent student for whom you borrowed.

Second, PLUS loans made to parents may not be repaid under any of the income-driven repayment plans—the repayment plans that are best for borrowers seeking PSLF. However, if you consolidate a PLUS loan that you took out on behalf of your child, you may then repay the new Direct Consolidation Loan only under an income-driven repayment plan called the Income-Contingent Repayment Plan (ICR). You cannot repay these consolidated Parent PLUS loans under the Revised Pay As You Earn (REPAYE), Pay As You Earn (PAYE), or Income-Based Repayment (IBR) plans.

Note: PLUS loans made to graduate and professional students (as well as Direct Consolidation Loans that repaid PLUS loans made to graduate and professional students) may be repaid under any of the income-driven repayment plans.

15. How do defaults or periods of non-payment affect my PSLF status?

Generally, PSLF requires actual, on-time, and complete payments in order to receive credit towards loan forgiveness. However, during the limited PSLF waiver, which ends after October 2022, any month where a loan was in an "in repayment" status can receive qualifying payment credit, even if no actual payment was made, which excludes periods of deferment, default, and forbearance.

If you have loans that were in forbearance during the COVID-19 payment pause from March 2020 through August 2022, or loans that were in specific military-related deferment, you can receive qualifying payment credit (as long as you were employed with a qualifying employer).

16. Does PSLF have any income requirements?

There is no income requirement to qualify for PSLF. However, since your required monthly payment amount under most of the qualifying PSLF repayment plans is based on your income, your income level over the course of your public service employment may be a factor in determining whether you have a remaining loan balance to be forgiven after making 120 qualifying payments.

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17. Does PSLF benefit those with private loans?

No. Private education loans are not eligible for PSLF and cannot be consolidated into a Direct Consolidation Loan.

18. Can I prepay monthly payments and will the payments still qualify?

In general, no. You must make 120 **separate** monthly payments. Paying extra won't make you eligible to receive PSLF sooner. You may prepay, or make lump-sum payments, which first apply to any months during which you missed a payment and then would apply to future months up to your next income-driven payment (IDR) plan certification date or 12 months.

19. What if I work full-time at a City agency, but through a temp agency?

The main question here is who gives you the paycheck. If your temp agency is a nonprofit 501(c)3, you should be eligible regardless of which agency you are placed with. Conversely, if your temp agency is for-profit, you are not eligible. Whichever agency signs your paycheck is the one you will need to certify with PSLF. You can check whether your employer is eligible with the PSLF Help Tool.

Student Loan Resources

20. Who can I go to for general questions about student loans?

You may contact the **Federal Student Aid Help Center**. Visit **StudentAid.gov** and search 'Contact.'

21. How and where can I file a student loan complaint?

You should first attempt to file and resolve a complaint with your student loan servicer (the company that handles the billing and other services on your federal student loan). Typically, you can file a complaint by phone, in writing, and online.

You can file a complaint with the Ombudsperson for Federal Student Aid with the U.S. Department of Education.

You can also file a secure complaint online with the **New York State Department of Financial Services** at **dfs.ny.gov**.

22. I keep getting calls about my student loans. Is that normal?

Generally, no. Recent attention to PSLF has also increased scam activity. Neither MOHELA nor the federal government is likely to be calling you, so be sure you know who is on the other end of the line. Be wary of third-party agencies who promise to reduce your loan payments or guarantee outcomes. If your loan has been sold to a different provider, they should have notified you in writing. Finally, no one should be asking for payment for anything involved with PSLF. For more information about avoiding student aid scams, visit **StudentAid.gov** and search 'Scams.'

NYC Financial Empowerment Centers

23. What services can I receive from NYC Financial Empowerment Centers?

NYC Financial Empowerment Centers provide FREE one-on-one professional, financial counseling and coaching to support you in reaching your goals.

24. What can I discuss with an NYC Financial Empowerment Center counselor?

NYC Financial Empowerment Center counselors can work with you to: manage your money and set up a spending plan; contact creditors about existing loans, including student loans; draft letters to creditors to lower payments or temporarily suspend payments due to hardship; develop a strategy to minimize debt; improve your credit; and much more. You can book an appointment at **nyc.gov/TalkMoney** or by calling 311.