Changes to the Public Service Loan Forgiveness (PSLF) Program – Announced 10/6/2021

The Department of Education announced a Limited Waiver Opportunity for Public Service Loan Forgiveness (PSLF) to ease the approval and application process for borrowers. The time-limited executive actions are effective until Oct. 31, 2022, and allow borrowers to receive credit for past payments made on loans that would otherwise not qualify for PSLF as long as documentation [studentaid.gov] is submitted.

The Department will count any prior payment made as a qualifying payment, regardless of the federal loan type, repayment plan, or whether the payment was made in full or on time, as long as the borrower worked full-time for a qualifying employer when the prior payments were made. Loans eligible under this waiver include Federal Family Education Loan Program (FFELP) loans, Federal Perkins Loans, Graduate PLUS and Stafford or other types of federal student loans that are not Federal Direct Loans. Federal Parent PLUS Loans or loans that have been paid in full are not eligible.

The changes apply to borrowers with Federal Direct Loans, those who have already consolidated into the Federal Direct Loan Program, and other types of federal student loans who submit a consolidation application into the Federal Direct Loan Program while the waiver is in effect. Borrowers with federal loans outside of Federal Direct Loans must submit a PSLF form [studentaid.gov] by Oct. 31, 2022 for their payments to count.

Under the new requirements:

- **Full-time employment** - A borrower must have worked full-time (or a combined 30 hours per week, part-time) for a qualifying employer when prior payments were made. Borrowers can receive credit only for payments made after Oct. 1, 2007, the inception of the federal program.

- To have prior payments count, a borrower must file a Public Service Loan Forgiveness (PSLF) & Temporary Expanded PSLF (TEPSLF) Certification & Application (PSLF form) [studentaid.gov] for any period for which they may receive additional qualifying payments.
  - Borrowers whose loan portfolios contain only Federal Direct Loans do not need to consolidate to take advantage of these changes.

- **Loan consolidation** - If a borrower has FFELP loans, Federal Perkins Loans, or other types of federal student loans that are not Federal Direct Loans, those loans must be consolidated into the Federal Direct Loan program by Oct. 31, 2022.

As part of additional improvements, the Department announced they will be:

- Simplifying the PSLF application process by working with state and local organizations to improve the Department’s database of qualifying employers and creating an option to sign PSLF applications digitally.
- Improving outreach and communication with PSLF-eligible borrowers by establishing an extensive PSLF awareness campaign that will highlight the program’s benefit to borrowers and how borrowers need to proceed to have their loans qualify for PSLF.
- Reviewing previous PSLF denials and identifying and correcting errors in the processing of those denied borrowers’ applications.
- Eliminating barriers for military and federal employee borrowers by matching Department data with information held by other federal agencies about service members and the federal workforce.

Further information can be found in the Fact Sheet provided by the Department of Education.