



## Doing Well by Doing Good: Public Service Loan Forgiveness

*If your career aspirations include work in the public service sector, you'll find that the reward is not only psychological – but possibly monetary, as well. That's because the College Cost Reduction and Access Act of 2007 established a program that forgives some federal student loans under certain circumstances.*

### Program Summary

This government program provides for the forgiveness – or cancellation – of the remaining balance (principal and interest) due on eligible federal Direct student loans after the borrower has made 120 monthly payments to Direct Loans while employed in qualifying public service jobs.

*Borrowers must have made 120 monthly payments after October 1, 2007 in the Direct Loan Program; therefore, the first cancellations of loan balances will not be granted until October 2017 (at the earliest).*

### Eligible Loans

**Eligible Loans:** Any non-defaulted loan made under the Direct Loan Program may be eligible. These include:

- Federal Direct Stafford Subsidized and Unsubsidized Loans
- Federal Direct PLUS Loans, including Grad PLUS
- Federal Direct Consolidation Loans

### Eligibility of Other Federal Loans:

Borrowers with loans made under the following federal student loan programs may be eligible if they consolidate those loans into the Direct Loan Program\*:

- Federal Family Education Loan (FFEL) Program, which include subsidized and unsubsidized Stafford Loans, PLUS Loans, and Consolidation Loans
- Federal Perkins Loans
- Certain Health Professions and Nursing Loans

\*Only payments made on the Direct Consolidation Loan will count toward the required 120 monthly payments.

### Eligibility Requirements

**1. Repayment Plans:** Borrowers must not be in default on the eligible loan(s) and have made 120 monthly payments beginning after October 1, 2007. Eligible repayment plans are:

- Standard Repayment
- Income Contingent Repayment
- Income-Based Repayment

- Other Direct Loan repayment plans, if certain conditions are met

**2. Public Service Jobs:** Borrowers must be employed full-time (at least 30 hours per week) in a qualifying public service job (a) during the period in which he or she made each of the 120 monthly payments, (b) at the time of application for loan forgiveness, and (c) at the time the remaining principal and interest are forgiven.

### Qualifying Public Service Jobs

"Qualifying public service jobs" includes work in all 501(c)(3) non-profit organizations, including medical schools and teaching hospitals. Sample fields include:

- Emergency management
- Government
- Military service (active duty)
- Public safety
- Public health
- and more\*

\*For a complete list of eligible jobs and additional information on the program, read [Loan Forgiveness for Public Service Employees](#) published by the U.S. Department of Education.

*Disclaimer: This fact sheet provides a preliminary summary of the Public Service Loan Forgiveness Program as of the October 23, 2008 Federal Register. The information in this document is subject to change and is not binding on the U.S. Department of Education.*