

PUBLIC SERVICE LOAN FORGIVENESS (PSLF) FACT SHEET



How To Get Your Student Loans Forgiven (Yes, Really!): A Fact Sheet for Government and Non-Profit Employees

As of December 2023, more than 22,500 Marylanders had over \$1.7 billion in federal student debt forgiven through the Public Service Loan Forgiveness (PSLF) program. PSLF is a program that could eliminate some or all your student loan debt provided that you meet all of the requirements. Here's what you should know...

What is PSLF?

PSLF is a federal program that forgives the remaining balance on your [federal Direct student loans](#) if you meet the program requirements.

PSLF is a federal program that forgives the remaining balance on your [federal Direct student loans](#) if you meet the program requirements:

1. [Be employed by a U.S. federal, state, local, or tribal government, the military or qualifying nonprofit organization.](#)
2. [Work an average of 30 hours per week for that employer](#) (or a combined average of 30+ hours/week for two or more qualifying employers).
3. [Have Direct Loans \(or consolidate other federal student loans into a Direct Loan\).](#)
4. [Repay your loans under an Income-Driven Repayment Plan](#) or a 10-year Standard Repayment Plan.
5. [Make 120 payments \(approximately 10 years\).](#)

More details on each qualifying factor is outlined in the sections below.

1. Who You Work For

It's about your employer, not your specific job title. You must be a direct employee (meaning you receive a W2) for a [qualifying employer](#). Non-direct employees, like independent contractors, only qualify if they provide services that by State law cannot be filled or provided by an employee of that organization.

You could qualify for PSLF if you work for any of these types of Employers:

- U.S. federal, state, local, or tribal governments, including the military.
- 501(c)(3) nonprofit organizations that are tax exempt.
- Other types of nonprofit organizations if their primary purpose is to provide [certain types of qualifying public services](#).
- AmeriCorps or Peace Corps (if you work as a volunteer).

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2. Hours Worked Per Week

You must be or have been employed an average of 30 hours/week to be eligible for PSLF.

This includes multiple part-time public jobs where your combined work equals an average of 30 hours/week and all the Employers must meet the eligibility requirements listed in #1.

3. Type of Loan

Federal **Direct loan** or **Direct Parent PLUS loan** are the only types of loans eligible for PSLF.

Are your loans Direct loans? [Learn how to find out.](#)

However, if you have a Federal Family Education Loan (FFEL) or Perkins loan, you can consolidate into a Direct Consolidation loan to become eligible.

Keep in mind!

If you consolidate between now and April 2024, you will not lose the PSLF qualifying payment credit due to the [IDR Account Adjustment](#).

Certain periods in forbearance, deferment, or non-qualifying repayment plans may count towards PSLF due to the IDR Account Adjustment. Action may be needed before April 30, 2024, for you to benefit. Visit the [payment adjustment](#) page to learn more.

4. Qualifying Monthly Payments

A qualifying monthly payment is one you make while employed full-time by a qualifying employer. Your payment qualifies if you make it:

- ✓ After Oct. 1, 2007.
- ✓ Under a qualifying repayment plan.
- ✓ To satisfy the amount due as shown on your bill.
- ✓ While you are employed an average of at least 30 hours per week by a qualifying employer.

Keep in mind!

You can't make a qualifying payment while your loans are in any of these statuses:

- In-school status.
- The repayment grace period.
- Some types of deferment.
- Some types of forbearance.

However, [certain types of forbearance and deferments](#) may qualify as long as you were employed by a qualifying employer during that period of time. You may also have the option to "[buyback](#)" other periods of deferment and forbearance to have them count towards PSLF, if you make payments equivalent to what you would have owed at the time.

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Your 120 qualifying payments don't have to be consecutive. For example, if there's a period when you worked for a non-qualifying employer, you won't lose credit for the qualifying payments you made before that period.

5. Eligible Repayment Plans

All **income-driven repayment plans** are eligible:

- Saving on A Valuable Education (SAVE – formerly REPAYE).
- Pay As You Earn (PAYE).
- Income-Based Repayment (IBR).
- Income-Contingent Repayment (ICR).

Parent PLUS borrowers, while eligible for PSLF, are not eligible for any of the Income-Driven Repayment plans. Parent PLUS borrowers need to consolidate into a Direct Consolidation loan to get access to the ICR plan.

What about the 10-year Standard Repayment Plan?

This plan qualifies for PSLF too. However, if you're on the 10-year Standard Plan the entire time you're working toward PSLF, you'll have no balance left to forgive after you've made 120 qualifying PSLF payments.

Therefore, you may save more money by entering into one of the income-driven repayment plans noted above, as long as the monthly payment is lower than the 10-year Standard Plan.

Ready to Get Started?

Check out the [Steps to Apply for PSLF](#) guide for step-by-step guidance on how to apply and remain eligible for PSLF, and the [Public Service Loan Forgiveness \(PSLF\) FAQs](#) to find answers to the most frequently asked questions about the PSLF program.

Still have questions?

If you are a current Maryland State resident please submit a question or concern using our [Student Loan Questions and Complaint Form](#) and we would be happy to assist you!

Financial information offered by the Maryland Office of Financial Regulation or the Student Loan Ombudsman is for informational purposes only and should not be construed as legal or financial advice. Be advised that the requirements for federal student loan relief programs and the policies governing the administration of those programs are subject to change by the [U.S. Department of Education](#).

By using this document, you agree that the Maryland Office of Financial Regulation and the Student Loan Ombudsman are not liable for any information, resources, or other assistance provided.

