AMA Advocacy Insights webinar series: A time-limited PSLF Program waiver

Featured topic and speakers

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a temporary change to the Public Service Loan Forgiveness (PSLF) Program rules as a result of the COVID-19 emergency.

For a limited time, borrowers may receive credit for past periods of repayment that otherwise would not qualify for PSLF. This one-time waiver will allow individuals to rectify federally held student loans and qualify for PSLF if they are working for a qualifying employer and apply before Oct. 31, 2022.

The AMA and the ED hosted a webinar to discuss the PSLF Program and answer your questions about the limited-time waiver.

Access additional information discussed during the webinar:

- Many FAQs can be found at the bottom of the PSLF limited waiver announcement page.
- Not sure what kind of loan or repayment plan you have? Log into the FSA website and look under "My Aid" to see a breakdown of every loan you have with the Department.
- You can start your PSLF application using this Help Tool.
- You can see if your current or a prospective workplace is eligible for PSLF using the employer search tool.
- If you think that there are still errors with your account history and credit towards PSLF after filing an application, you can file an appeal through the reconsideration process.
- View your repayment options using the Loan Simulator.
- There are a number of places that borrowers can turn to for support. This contact page lists out who you should contact in which situation. When in doubt, start with your servicer.
- If you want a refund of payments made on your federal student loans during the repayment pause, call your servicer.

URL: https://www.ama-assn.org/about/events/ama-advocacy-insights-webinar-series-time-limited-pslf-program-waiver

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If you have questions about the recent announcement on debt cancellation, read this fact sheet.

Moderator

- Jesse M. Ehrenfeld, MD, MPH, president-elect, AMA

Speaker

- Ashley Harrington, JD, senior advisor to chief operating officer, Department of Education’s Office of Federal Student Aid

Transcript

Dr. Ehrenfeld: Thank you for joining us. I am Dr. Jesse Ehrenfeld. I'm an anesthesiologist in Milwaukee, a senior associate dean and tenured professor of anesthesiology. And also the director of the Advancing of Health Through Wisconsin Endowment at the Medical College of Wisconsin. I'm also president-elect of the American Medical Association. And it is my pleasure tonight to welcome you and to serve as your moderator for this webinar looking at the new landscape of student loan repayment and what it means for physicians and aspiring physicians.

Now the Biden administration and the U.S. Department of Education, last fall, announced some major changes to the Public Service Loan Forgiveness Program as a way to ease the financial hardship stemming from the COVID pandemic. For a limited time, borrowers may receive credit for past periods of repayment that otherwise would not qualify for the Loan Forgiveness Program. This one-time waiver allows individuals to consolidate their federally held student loans and qualify for the Public Service Loan Forgiveness Program if they are working for a qualifying employer and apply by the end of October.

We all understand the enormous cost of a medical school education. The average student graduates medical school with about $200,000 in loans—a debt load that has major ramifications for the loan recipient and all across health care, often playing a role in determining what specialty an aspiring physician pursues, where he or she seeks employment after residency or even whether they can afford to consider private practice. In fact, some studies have shown that the median level of medical school debt has roughly doubled over the past 20 years.

So this issue is critically important for medical students, residents and young physicians, as well as for underrepresented populations of physicians who tend to hold more student loans. We know that there are a lot of questions about this new offer and we are so delighted to be able to walk you through what the process is. So we've invited an expert here tonight to give us that inside scoop.
So joining me today is Ashley Harrington, a senior advisor to the chief operating officer at the U.S. Department of Education’s Office of Federal Aid. Prior to her current role, Ashley served as a federal advocacy director and a senior policy counsel at the Center for Responsible Lending and has helped lead efforts to shape fair lending and consumer protection reforms to address racial wealth disparities. We are just so fortunate to have her with us here today to answer your questions. And I'm going to turn it over to you, Ashley.

Harrington: Thank you so much, Jesse, and thank you to the entire AMA team for putting this event together and for everyone for joining. Really excited to share this information with this community. Just want to flag that I'm joined by my colleague, Caitlin Vitas, in the chat. And she's going to be answering some questions as we go in real time. But we'll also have time at the end for questions as well.

I'm going to be sharing a lot of information tonight, so apologies in advance. But I hope it is comprehensive and helpful. That is always the goal. And as I said, we'll be answering questions in the chat and we'll have some time for questions at the end. So let's go ahead and jump in. So what we're going to talk about tonight is Public Service Loan forgiveness, which is a big part of the Biden-Harris administration's effort at providing targeted student loan relief and making our student loan repayment system work better and work better for more borrowers.

Even before the announcement that we made a couple of weeks ago, we had already approved over $36 billion in debt cancellation for almost 1.7 million borrowers. And that was already more than any administration had ever done, any administration ever, right? So that's huge. And that includes nearly $13 billion for over 211,000 public servants through the improvements to PSLF that we're going to talk about today.

And so again, this is before we even got to two weeks ago. You may have heard about our announcement about one-time debt relief. The Biden administration is providing one-time debt relief and it's really targeted at low and middle income Americans. It's up to $20,000 for borrowers who went to college and received a Pell Grant, $10,000 for borrowers who did not. And is for borrowers who have income of less than $125,000 individual or more than $125,000—less than $250,000 as a married couple.

We also announced that we extended the student loan payment pause through the end of December to give borrowers more time to prepare for payments to restart and for us to get back on track and stay on track when they do restart. And we announced a new proposal for income-based repayment that is going to make repayment more affordable in the long run for borrowers who are still in the system. This one-time debt relief is expected to completely eliminate the debt for 20 million borrowers. So this is huge. We're really excited about it. And you can find out more information at studentaid.gov/debtrelease. That application will be ready in October.

But we're here tonight to talk about PSLF, which we want everyone to apply for all of the relief they can to take advantage of all of these efforts targeted for this one-time debt relief and PSLF. So I'm
going to turn my focus back to that. So in addition to the nearly $13 billion in forgiveness for more than 211,000 borrowers, this waiver has brought another 1.1 million borrowers closer to forgiveness. The average borrower has picked up a year's worth of additional credit. So that's 12 extra months towards the 120 payments required for PSLF forgiveness.

So even for folks who have not been in repayment for 10 years, even for folks who have not been in public service for 10 years. There are still major benefits to take advantage of under this waiver. Because this time limited waiver that we're going to talk about, while it ends at the end of October, PSLF does not. And people are going to be able to continue working towards PSLF forgiveness even after that.

So today, we're going to talk about PSLF basics. We're going to talk a little bit about how it normally works, just to make sure we're all starting on the same page. We'll spend some time on the limited PSLF waiver, which is how we got to so many borrowers getting forgiveness or closer to forgiveness. Then we're going to talk about the Help Tool, which is what you want to use to apply for forgiveness. Then we're going to talk a little bit about resources, and then we'll have some time for questions.

So let's start with the basics. So the PSLF program was created by Congress in October 2007 and it forgives the remaining balance on federal direct loans after a borrower has made 120 qualifying monthly payments on a qualifying repayment plan while working full-time for a qualifying employer. Now I'm talking to a bunch of folks who probably heard all those qualifyings right now and have heard that previously and that is where many of the issues have come up over the years, right? Is, what is qualifying?

So this is just a visual to lay that out. 120 qualifying payments on direct loans. While working for a qualifying employer, under normal PSLF rules, when you're applying for and receiving actual forgiveness and at the end, whatever's left over is forgiven, then that amount is not taxable income. So we like to say for all those qualifyings, right, you had to have the right loan with the right repayment with the right job. We're going to dig into each of those pieces.

So the right loan. Under normal PSLF rules, it's only direct loans. And that does include consolidation loans and Parent PLUS loans. It doesn't include something called FFEL Program loans. These are Federal Family Education Program loans and these are loans that were originated by private lenders, like Sallie Mae or Wells Fargo, but guaranteed by a federal government. And it doesn't include something called Perkins loans. These are loans that were originated by institutions of higher education and guaranteed by the federal government and doesn't include any other federal or private student loan.

Now what's interesting is back when this PSLF was created in 2007, the FFEL Program was actually the bigger program. There were way more FFEL borrowers than direct loan borrowers at the time. But these borrowers weren't automatically able to take advantage of PSLF or enroll in PSLF. Now FFEL borrowers and Perkins borrowers have always been able to consolidate. But when they did that, they
started at zero. They couldn't get credit for the time of repayment prior to consolidation when it's purely a FFEL or a Perkins loans.

Even for borrowers who had direct loans, if they consolidated for whatever reason, they started at zero on that new consolidation loan and didn't get credit for any of the time and repayment or service prior to that. So that was one of the big issues over the years with the program. So that's the right loan. We're going to talk about the right repayment now.

To count towards the 120, it has to be on time. Has to be made on a standard plan or any income driven repayment plan. So you may hear me say IDR or IBR for Income Based Repayment and use those interchangeably. It's just referring to the payments that are based on income. So you may have heard of pay or repay, or IBR or ICR—those plans. Has to be for at least the amount due and it can be nonconsecutive. We get a lot of questions about if I have to—has to be 120 payments in a straight line.

It doesn't. I like to say it can take you however long it takes you to get to 120. It may take some people exactly 10 years in repayment. It may take people 15 years in repayment. It may take someone else 20 years in repayment to get those 120. That's OK. Just get the 120 however you can. It does not include payments that are more than 15 days late. Payments made on a graduated, extended or alternative repayment plan. Payments that were for less than the amount due. Payments made when not required.

So if you're in school, right, and your loans are deferred—so even if you have undergrad loans. When you all went to medical school, they put your loans back in deferment. And even if you made payments then, that time doesn't count. If you were in that grace period of filing when you leave school, that time doesn't count because you're not required to make a payment.

So we do accept multiple payments in less the amount due as long as it adds up to the amount due and is paid within 15 days of the due date. You could also do lump sum payments. But it's limited to 12 months of payments or until the IDR recertification date. Because you do have to recertify your income every year for IDR. And it's whichever of those comes first. And this doesn't enable anyone to get forgiven any sooner because you still have to work those corresponding months in qualifying employment.

So just want to do a quick note on Parent PLUS loans. I'm sure we have at least a few Parent PLUS borrowers on the phone. And we get—on the Zoom. Sorry, not the phone. Weird. So we get a lot of questions about whether Parent PLUS loans can take advantage—Parent PLUS borrowers can take advantage of PSLF. And they can. Parent PLUS borrowers are absolutely not excluded from PSLF. And their PSLF will be based on their employment, not their child's.

The problem with Parent PLUS loans is that they're not eligible for all income driven repayment plans. In order for a Parent PLUS borrower to get on the IDR plan, which they really want to be on, because
the standard plan is a 10-year fully amortizing plan. And so if you're on that, you wouldn't really have anything to forgive at the end of the 10 years, right? So you want to be on an IDR plan.

So the Parent PLUS borrower has to consolidate. Once they have that new consolidation loan with underlying Parent PLUS, they have access to one of the income based plans. It's called ICR, Income Contingent Repayment. And it's the least generous of the IDR plans. So we do advise Parent borrowers to use our loan simulator at studentaid.gov and just compare that ICR payment with the graduated or extended payment they could be making. And make the decision that's best for them in the short or long term, based on their own situation.

So we talked about the right loan, the right job and the right repayment. Now we're going to talk about the right job. We get a lot of questions about this, particularly from the medical community. So I'm hoping this will be helpful and lay out some things. So it has to be full-time, which we define as 30 hours a week or the equivalent. Government, it does include military, and that's federal, state, local or tribal.

It includes all 501(c)(3) non-profits. And it includes some other non-profits if they provide a qualifying public service. It doesn't include part-time work that doesn't add up to full-time. It doesn't include volunteer work. So if you're not getting paid, that doesn't count. It doesn't include any for-profit entities. And it doesn't include any labor unions or partisan political organizations.

So we like to say it's about the employer, not the job. We're not going to ask you what you do for that employer. We're not going to actually ask what you do at that job, how much you get paid—anything like that. What your title is, we don't care. We just want to know who pays you, who's on your W-2. And is it a federal, state or local government entity, including public schools or military? Is it a 501(c)(3) non-profit or is it another non-profit that provides a qualifying public service? You can even have multiple part-time jobs that adds up to full-time. So if I work part-time at Department of Education for 15 hours a week and another part time at a 501(c)(3) non-profit for 15 hours a week, I work 30 hours a week in public service and I can get credit for that time.

So there's also something called temporary expanded PSLF, which is not to be confused with the limited waiver that we're going to talk about soon. This is another program that was created by Congress through appropriations. And it was just to help borrowers who couldn't get PSLF because they had made some of their payments on the wrong repayment plan. So this is for borrowers to get actual forgiveness if they had made payments on extended or graduated repayment plans. But this is not a limited waiver that we're going to talk about soon.

I will also flag that as I mentioned, we've been in the payment pause since March of 2020, and we recently extended that through the end of December. Borrowers who have been in repayment and have been able to remain in public service, employed in public service during this period, can get credit for any or all of these months that they were in repayment or in the payment pause and in public service. So even though we haven't had to make a payment since March of 2020, you can get credit

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for all 30 plus of these months towards your PSLF if you still have public service employment.

So nobody had to make a payment. You didn't have to make a payment to stay on track. You can actually get refunds of any payments you made during COVID that you thought you had to make. You can get credit for all of those months even though we haven't had to make payments. No one ever believes me when I say that. I'm hoping that people believe me today.

So that's how PSLF normally works. That's not the period we're in right now. So now we're going to talk about the Limited PSLF Waiver. And basically what I'm asking you to do is take everything I just told you, put it in a little box and put it to the side. Because right now, so much of that does not apply but it will apply again later.

So under the waiver, which we announced in October of last year, we have limited time changes to the program rules. Borrowers can get credit for past periods of repayment that normally don't qualify for PSLF. So under these time-limited rules, you can get credit for any prior period of repayment no matter the loan program, no matter the repayment plan, no matter whether you made a payment, made a payment in full or made it on time.

So we're not looking at what repayment plan you were on. We don't care. We're not looking at whether it was a dollar late, a dollar short or 10 days late. We don't care. We just want to know if you were in something we call active repayment status. And it's something we define very generously. We even are including some periods of deferment and forbearance, which we'll talk about a little bit later. So you still need the qualifying employment but we've changed everything else that counts about what repayment plan, what counts as a payment—all of that.

And one of the biggest pieces is you can get credit for payment time—for time and repayment on Perkins or FFEL loans. Right, so time prior to consolidation. So whereas normally you start at zero—right, you heard me say that earlier or you've heard that before—under the waiver, that's not the case. You can get credit for the time prior to consolidation towards your PSLF 120. And so this is for borrowers who have direct loans. Those who have already consolidated into the direct loan program and those who consolidate into the direct loan program by October 31 of this year.

So again, you can get credit for payments made prior to consolidation. Because we're not looking at the loan program. Direct loan, FFEL, Perkins, we don't care. You can get credit. No matter the repayment plan. So whereas before you needed to be on pay or IBR or ICR or repay, we don't care about any of the repayment plans. Not right now. Doesn't matter the loan type. There is an exception for Parent PLUS. We'll talk about that next.

Same employment requirements. You still have to be employed full-time for a qualifying employer or employers for every period of repayment you're trying to get credit for. And so borrowers who still have FFEL or Perkins loans can only get this credit if they apply by 10/31 and submit a PSLF form. And for borrowers who have direct loans that have never submitted a PSLF form, you need to submit one by
October 31. Because after that, the rules turn into a pumpkin and we go to normal PSLF and TEPSLF rules.

So this is just a chart that breaks down the differences right now. So the normal versus the limited waiver. So under the normal rules, right, you only get credit on direct loans. Under the waiver, you can get credit for periods of repayment on direct FFEL or Perkins loans. Under normal rules, they have to remain on standard plan or on an IDR plan. To the waiver, any repayment plan counts. Doesn't matter.

Under normal rules, only on-time payments count. Under the waiver, it doesn't matter if it was on time, the right amount. You could have even missed a payment. As long as you didn't go into default, you can get credit for that time. Under normal rules, you can only get your loans forgiven if you're actually working for a qualifying employer at the time you apply for forgiveness and actually get forgiveness. Under the waiver, that's not the case. So people who are no longer in public service or people who are just retired can get forgiveness right now. And so that's a big change as well.

So you might fall into one of three borrower groups. You might be a borrower who only has direct loans. If you only have direct loans, you just want to make sure you get your PSLF form in by the deadline. If you only have direct loans, you don't need to worry about consolidating unless you have loans that have been in repayment for different periods of time. So say you have undergrad and medical school loans, and in between that, you worked at a non-profit. And so your undergrad loans have some credit towards PSLF.

Under the waiver, if you consolidate all of those loans together, the entire consolidation loan can get credit based on the undergrad loans and the grad loans. And so your grad loans could potentially get forgiven sooner based on the undergrad loans. And that's just under the waiver. But if all of your loans have been in repayment basically the same amount of time and you have direct loans, you don't have to worry about it, really.

So if you've already consolidated to the direct loan program, you want to submit PSLF forms for the time prior to consolidation. So now you can get that credit. If you still have FFEL or Perkins loans, you want to consolidate your loans into the direct loan program and get a PSLF form in so that you can take advantage of the waiver.

So a quick note about Parent PLUS loans and the waiver. As I noted, Parent PLUS loans are eligible for PSLF. But they are not eligible to receive additional credits under the waiver. So we talked about how a lot of Parent PLUS borrowers have to consolidate if they're working towards PSLF because they want to get an income-based repayment. So there's going to be Parent PLUS borrowers who have direct consolidation loans that only have underlying Parent PLUS.

If that's you and you have a direct consolidation loan with only underlying Parent PLUS, you're not going to get any additional credit for the time when it was purely a regular old Parent PLUS loan. You can get additional credit for the time after consolidation if you missed the payment or you were on the
wrong repayment plan but not for the time pre-consolidation. If you have a Parent PLUS loan that you've consolidated with your own student loans, right, you could get additional credit based on the underlying student loan and that will apply to the entire consolidation loan but not based on the parent loan.

So we get a lot of questions about folks that are like, how do I know what type of loan I have, right? You can do it right at studentaid.gov. If you don't have a studentaid.gov account, you want to go ahead and create one. It's the best place to go for information about your loans. It's where you're going to go to apply for PSLF, sign up for income-based repayment, do loan consolidation, sign up for one-time debt relief if you're going to do that. So you want to be able to have a studentaid.gov account.

So when you log in, you'll be able to see your Aid Summary right away. It's on your dashboard. And you'll be able to scroll down to the Loan Breakdown section. You'll see a list of the loans you took out. You'll be able to expand it, and then you'll be able to see the loan details and the names. And each name will literally say Direct or FFEL or Perkins. And you will know right away what type of loan it is. And if you have loans listed that don't say direct, that's your cue to note that you're going to have to consolidate those if you're trying to get PSLF for those loans, right? So it's going to say right there in the title what type of loan you have.

So a couple things to note about consolidation, because we are encouraging borrowers to consolidate and I personally think there's never been a better time to consolidate if you still have FFEL or Perkins loans. But there are some things that happen. So when I say it's never been a better time to consolidate, that's because right now when you consolidate, you don't start at zero for PSLF. We also have something called an IDR adjustment, where you're not even going to start at zero for income-based repayment forgiveness, which gives forgiveness after 20 or 25 years.

There's really never been a better time, the biggest issues over the years historically has been that when you consolidate, you start at zero for these programs. That's not the case right now. But there are some things that still could happen. So when you consolidate, your monthly payment could change. Now it could go down. But for a lot of folks, it could go up, right? For many folks, it could go up.

Because if you no longer have a partial financial hardship, you could lose access to some of the more affordable IDR plans. If you have unpaid interest in fees, your principal balance is going to go up, because that interest in fees is going to get capitalized. Your new consolidation loan is generally going to have a new interest rate, because it's going to be based on a weighted average of the loans that you consolidate. And you don't have to consolidate all of your federal student loans. You can consolidate one loan, five loans, six loans. It's really up to you.

Now for many of these, if you're working towards PSLF forgiveness and your 120, you likely don't care about a lot of this because that's just more that's going to be forgiven at the end. But it is something to
think about and consider for your own individual situation. Because keep in mind that once your loans are combined into that direct consolidation loan, once it's disbursed, you cannot undo it.

So I mentioned the IDR payment count adjustment as this other piece that makes it so that there's never been a better time to consolidate. This is something that we announced in April, right, and we're going to be implementing it later this year, next year, right. We have a lot going on. Don't know if you can tell from all the programs that I've mentioned thus far. But we got a little bit of things that we're doing over here. So things take a little bit of time.

But under this IDR adjustment, borrowers can get credit for additional periods of repayment towards PSLF. So we're going to give borrowers credit if they have 12 or more months consecutive forbearance or 36 or more months of cumulative forbearance. And if you certify PSLF employment for that time as well, you can get that credit—you'll get it for IDR but you can get that credit for—get credit towards PSLF if you certify employment for those periods as well.

We're also giving credit for months in deferment prior to 2013, as long as it's not an in-school deferment and we're giving credit for time and economic hardship deferments after January 1, 2013. And so we're going to apply these changes automatically later this year and next year but borrowers are still not to submit PSLF forms to certify employment for those periods that they want credit for.

So as a recap of what counts for deferment and forbearance in the PSLF waiver. So long-term forbearances. So that's the 12 or more months consecutive, 36 or moments cumulative. You can get credit for that. Deferments prior to 2013, as long as it wasn't an in-school deferment. Economic hardship deferments. Some military related forbearances and deferments. And while it's not automatic, you can get credit for short-term forbearances by submitting a complaint to your servicer. And remember for all of these, they count. So they're eligible but you still have to certify qualifying employment for these periods.

So just a quick note about what to expect when you're expecting. We are in the midst—actually we're almost done with servicing transition. You may have heard that the PSLF servicer has historically been a company called FedLoan servicing or PHEAA. They announced last year they're leaving the system.

So the new PSLF servicer is a company called MOHELA. So PSLF borrowers have been transferred over to MOHELA. New PSLF borrowers are submitting their forms directly to MOHELA. It's a normal part of the process. No issues are expected. Borrowers are going to keep their payment accounts, their loan terms, all of that. But these transitions do happen. And so when you create your form now, it's going to go directly to MOHELA not to FedLoan Servicing.

So take advantage of the waiver. Quick recap. You want to confirm your employer's qualified and we're going to talk next about how to do that. Consolidate your loans if you need to and submit a PSLF form, and do it by October 31. So now we're going to talk about the Help Tool, which is what you want
to use to apply for PSLF. So we have a really great employer database. And I'm going to flag at the outset that it is connected to our Employer Tool right here that you're seeing in our Help Tool. And our Employer Tool is now a standalone tool. We released this in July. Prior to this, you had to log into your studentaid.gov account to see our PSLF database for eligible employers.

Now you can do this. Anybody can use it. It's publicly available. The same database that's hooked up to the Help Tool but we just want to make sure folks know that this is available without logging in. But for borrowers, we want them to use the help tool to generate this form. This is what the physical version looks like. And while you can download it and figure it out—I mean, and fill it out and submit it, we do encourage folks to use our Help Tool. Which you can find at studentaid.gov/pslf. That's where you're going to go. You're going to log into your studentaid.gov account, and you're going to proceed with the Help Tool.

Now as we jump in, I just want to make sure folks know that our Help Tool is great, our database is great but it's not perfect. It doesn't include every single employer that exists. It doesn't include every single qualifying PSLF employer. It is never going to be perfect. We work to improve it every day, to add new employers. But it's never going to be perfect. So you may get a result when you use it that doesn't make sense to you. We still encourage you to continue with the Help Tool, to continue with the process. Just because it doesn't look right to you at the time, doesn't mean you are not PSLF eligible employer. Our system is just not perfect.

So you're going to log in. And first, you're going to say you're going to need your FSA ID. You're also going to need something called an Employer ID Number—your EIN. And you can find it on your W-2 or on your pay stub. Or you can ask your HR department for it directly. If you work at a non-profit, there's also an IRS lookup tool that you can use to find your EIN. But you're going to need that EIN for every single employer that you're trying to certify.

So you'll see when you log in, the first thing we're asking for is your employment history, because that's what we need to know for PSLF. Do you have that qualifying employment? And the way you add your employer history is with that EIN. So we're going to need the EIN for every single employer, right? And so you can go again to your W-2 box B. That's what it looks like. Or on your pay stub or to your HR department. Or if it's a non-profit, using that IRS lookup tool.

But you need the EIN. You're not searching by name, you're searching by EIN. And so when you put the EIN in, a couple things could happen. Because again, our system is not perfect. So you can put the EIN in and it could pop up as, this is it, it's eligible, one option. And you just check it, and you're good to go and you'll be able to proceed. That's great.

Or it could say eligible but pop up with multiple different options, like in this list on the side, right? Because for folks who work for state or federal government, for instance, a lot of departments share EIN. So when I put in my Department of Education EIN, 30 departments pop up, and I have to go through and find education. That's OK. That's normal. So that's something that could happen. Just
pick the one that most closely matches who you work for.

You could also put it in and it could say likely ineligible, right, like it does right here in orange, which just means undetermined. Which just means we don't know. Right, it doesn't mean that you don't work for a qualifying employer. It just means we don't have enough information in our system already to know. We haven't had to look at this employer before. So if you get that, don't freak out. Just continue with the process. And it will create a case for our employer adjudication team. And as long as they later approve that employer in your form, then you're going to be considered to have met the qualifications of the waiver. So that could happen.

You could also put it in and it could pop up as red, ineligible. Meaning we know who your employer is and we don't think it qualifies. We don't think it's a qualifying non-profit. Or it's a for-profit corporation or it's a labor union. So we don't think it's eligible. Now if that pops up and you think we're wrong, because again, our system is not perfect, you should still proceed. You'll have to submit supporting documentation, like screenshots of the website or bylaws or something like that to support it. But again, if you truly believe that we are wrong, you should still continue with the process and submit that supporting documentation. And as long as that form is later approved, you will be deemed to have met the waiver.

And the last thing that could happen is you can put in the EIN and nothing could pop up, because we don't recognize it at all. And you may have to manually enter all the employer information like the address and things like that. Again, if that's the case, still continue with the process. It will create a case for our employer adjudication team. As long as it's later approved, you're good under the waiver.

Because we're not holding borrowers responsible for anything that has to happen on our end. You just got to do your part. And we don't want you to be held responsible for anything that delays us. We got a lot going on. We're getting a ton of applications, which we love. But it does mean it takes us longer to process things and that is not your fault.

So then you'll go to section two—Loan Tips, and it'll just give you some static information about loan consolidation and the COVID-19 relief. Then you'll go to Application Details, where it's just asking you, have you made 120 payments or not? Now you may think you made 120 payments, because you listened to this entire presentation, you read the entire PSLF waiver page and you know you're going to be at 120.

If our system doesn't think that yet because you haven't consolidated or it hasn't counted all your deferments or your forms, then you still have to put no. It doesn't affect how your application is processed. It just means that you have to put what our system thinks in order to move forward. So then you're going to come to your personal information. You're logged into your studentaid.gov account. So all this populates automatically, but you can change it if you need to.
Then you're going to be able to review and save. You're going to make sure everything looks right. If you put in multiple employers or look at all of that and you'll look at the dates, everything. Then you're going to click Save. And for every PSLF eligible employer, so for the ones you put in, they popped up as eligible in our system, you're going to get a PDF. You're going to get a PDF that looks like that form I showed you a few slides ago, but already filled out and completed.

And so now you're going to have to print those out and get those signed by you and by your employer, and then you're going to have submit to MOHELA. If you had employers that weren't in the tool because they were not listed or they were ineligible or likely ineligible, you're not going to get a form right then, because it's already created a case for our employer team. You will get a form once it's approved by our team and then you'll be able to get it signed. But again, as long as it's input by 10/31, as long as it's later approved, you're still good.

Well for the eligible forms, right, you want to get it signed by you and by your employer. And we have very specific signature guidelines that I want to make sure to flag for you. So you can do a signature that's hand-drawn using your signature pad with your mouth or your finger. That's fine. You can do a scanned photo of a signature that was hand-drawn on paper and drop that on the PDF. Or you can do a literal wet signature where you print it out, sign it, and scan it back in. Those are all great.

You can't use a type cursive font. You can't go find Lucida handwriting and type it in. You can't use digital certificate based signatures. So DocuSign, we don't accept that. We are working on doing that next year but you can't just use DocuSign because you have it. And then once you have it, you'll be able to mail it or fax it to MOHELA if they're not your servicer. If they are your servicer, you can upload it directly online.

And then once it's in, you'll be able to track your payment accounts on the servicer's website. It will tell you right there how many ineligible payments you have and why. How many eligible payments, how many qualifying payments. It looks something like this. This is what it looks like on FedLoan Servicing. Looks similar to MOHELA. I just haven't put a picture here yet of that.

And you'll be able to see it around studentaid.gov, which is great. Right, remember, studentaid.gov is a great place to be. And you'll notice right there where that green arrow's pointing, you can see the cumulative PSLF months. But also I want to make sure I flag that at the top, you see it says Direct Graduate PLUS. Remember, I told you you'll be able to tell right in the title what type of loan it is. It literally says direct. So you know what's a direct loan. That's just an example.

I want to do a couple of scenarios just to help make things a little bit clearer for folks. So we got Carmen, who's been employed in a non-profit, let's say hospital for 10 years. She was in default a few times due to personal circumstances. And she's only been able to make partial payments during those times. She believes she's close to 120 but worried that she isn't eligible. Any recommendations?
So my recommendation’s going to be that Candace should absolutely submit her forms. She may not get credit for the time in default but she could still get a whole bunch of other credit. And if she's not at 120 yet, she can continue working towards that after the waiver. Then we have Jermaine, who’s been in the field for over 25 years. He started paying his loans back in 2004. So he’s sure he’s made over 120 payments by now. Do all his payments count?

So PSLF was created in October 2007. So you can't get credit for any time prior to that, because we just didn't have a program. But everything after that, you can get credit for. It's not about when the loan was disbursed, it's about—it doesn't matter how old the loan is but you can only get credit for time and repayment and employment after October 2007, because that's when we had PSLF.

Then we got Alexis, who started working two part-time positions. One was at 15 hours as a government contractor and the other was 15 hours for a private for-profit company. She then began working full-time for a school for two years. And now she’s full-time with a local non-profit for the last three years. She knows she still has payments to go but should she still complete the form and how many payments would count?

So she's not going to get credit for the time as a government contractor or with a for-profit company because she wasn't employed directly by the government agency. She will be able to get credit for the time at the school and the time with the local non-profit. So that's like five years, 60 payments towards her 120. She should absolutely submit a form because she wants to get as much credit as she can before the waiver is over. And then she can continue working towards 120 after that.

Popular myths. So you got Beth, who's an active duty service member. And she's made 120 payments on each of her federal and private student loans but not consecutively. When news came out about the limited waiver, she was like, I'm not going to apply, because she heard the payments need to be consecutive. Was she correct? No, they don't have to be consecutive. Remember, get your 120 how you can. So she should absolutely apply.

Pat tried to apply for a PSLF program five years ago and was told that she was ineligible because her federal loans were not direct loan. She heard about the limited PSLF waiver and she still didn't think it was for her and decided not to apply. Was that the right decision? No. Pat is exactly who we're trying to get with this waiver, right? This is for borrowers who've been told they were ineligible for it because they didn't have the right loan type or the right repayment plan. These are the borrowers who should absolutely try again now because this waiver is for them.

So then we have Jeff, who's heard from people in online forums—because you know you got to go to the internet—that if his federal student loans are forgiven, he would have to pay taxes on the forgiven amount. Jeff has been struggling, living paycheck to paycheck as a teacher in his local school system for the last 13 years. He loves his career but is worried that it will create a financial burden for him. Is he correct?
So we get a lot more questions about that because of the one-time debt relief and because of PSLF, so many borrowers getting forgiveness. So PSLF is not taxable under federal statutes, so you will not get a 1099. We’re not taxing it. The IRS will not tax it. There are a couple of states that may tax PSLF, right. You've heard about the states who may tax. One-time debt relief is a small minority five or six states. But in general, PSLF is not taxable. That is in the original statute.

Now you may have heard throughout these scenarios that my answer is generally going to be if the question is, should I apply, my answer is generally going to be yes. Because there's really no downside. The thing that you don't want to do is you could have gotten some additional credits under the waiver and you missed out on the 10/31 deadline. Just apply. My advice is generally always going to be just apply. Because there's no downside. It can generally, generally only help you and get you closer to forgiveness. Even if you were not at 120. Even if you were nowhere near 120, go ahead and get it in. Get as much credit as you can. Get that locked in and then you can work towards the PSLF forgiveness later.

So just information and resources. So the best place to go for information about the waiver, way more information than I provided here today, is studentaid.gov/pslwaver. For general PSLF information, studentaid.gov/publicservice. For the Help Tool, you want to go to studentaid.gov/pslf. And once you have your PSLF form, you want to submit it to MOHELA and these are those methods.

If you want to contact us, this is our FSA contact centers in social media. You can reach out to us with account questions. But for PSLF questions, you want to reach out directly to MOHELA.

**Dr. Ehrenfeld:** Awesome. Ashley, thank you so much for walking us through this. So much great information. We've got a ton of questions. And we've tried to group these into the most common ones. And I was hoping we could run through them, since we've got a little bit more time in the hour. Let me start by a question about this limited waiver deadline. Remind us again, where can people easily see what is a qualifying loan and payment plan at the Federal Student Aid website? What are the keywords that they need to look for to determine what action they need to take, such as consolidation?

**Harrington:** Yep. So don't look at the repayment plan. Remember, we're not looking at that right now. But you need to look at whether your loan's a direct, FFEL or Perkins. It will say it right in the title. If it doesn't say direct, you don't have direct loans and you need to get a consolidate—you need to consolidate to a direct loan program by the deadline.

**Dr. Ehrenfeld:** Awesome. Next question. During previous employment, I was working for a qualified employer, including during my residency. If I never took advantage of the PSLF program during that time, can I apply now during this limited waiver and get credit for that previous employment and payments?

**Harrington:** Absolutely. It's a great question. So there's no requirement that you had to have all—you had to submit your employment as it occurs. We think the best practice is apply every year, submit
your form every year. Right. And every year or every time you change jobs, just so you stay on top of it, you don't have to worry about it. But you can wait all the way till you get to your 120 and submit all your forms at once. So yes, you can submit those old ones.

But it's just hard, because now you got to go back and find signatures and all that other stuff and find people to sign it. And so that's why we say do it every year. But absolutely. If you have time and repayment and employment after October 2007, if it's from 2010, yes. Get it in. Take it. Get that towards your 120.

**Dr. Ehrenfeld:** Perfect. Next question. What if I was paying into the PSLF program but took a break in my residency or fellowship with my qualified employer? Can I still get credit for that employment?

**Harrington:** So if your loans were in deferment or forbearance, right, you will not generally get credit. Unless it was an economic hardship deferment, which you'll get credit for in the IDR adjustment later, unless it turns out that you had one of those long term forbearances, so more than 12 months consecutive or 36 or more months cumulative over the life of your repayment and you could get that credit. But if in general, you just ask for regular forbearance, you won't—you can't and it doesn't meet those criteria, then no, you wouldn't get any credit for that time because you weren't making payments.

**Dr. Ehrenfeld:** Got it. So can you talk about how residency and fellowship forbearance will or won't be counted? If people are in that forbearance but they want to get credit towards PSLF for that time, what can they do?

**Harrington:** So I would suggest that you get on an IDR plan. For many folks on the residency, I know that residencies don't pay very well. So for many folks, they're going to qualify for a zero dollar IDR. Right, and if you get a zero dollar IDR and you're working at a non-profit or a public hospital, those are qualifying employers. And zero dollar IDR payments count. So if you're eligible for that zero dollar IDR, you can—and you can have that your whole residency, that's like, what, four or five years towards your PSLF and you can continue working towards that after that.

But if you're in a forbearance or deferment, then it generally won't count. So you would have to choose to not be on deferments. And you can call your servicer and say, hey, take me out of forbearance. I want to do IDR, apply for IDR and do all of that. But that's generally how it works.

**Dr. Ehrenfeld:** Got it. If I had qualifying loans from undergrad and then took out additional loans to pay for medical school, do I need to consolidate all of my loans into a direct loan prior to that October 31 deadline to qualify for the limited waiver?

**Harrington:** So you want to consolidate if in between medical school and undergrad, you worked in public service, right? If you worked in public service and so those undergrad loans, even if it was only two years, those undergrad loans might have 24 months of credit, right? Under the waiver, if you
consolidate, your entire consolidation loan, including the grad pieces, the medical school pieces would get that 24 months at least. And so now you potentially could get your medical school loans forgiven sooner.

That's the only thing you might want to think about. But if you were in public service, you don't have any qualifying payments, then not necessarily. But if you have some, you could take advantage of that.

**Dr. Ehrenfeld:** Got it. Can you talk about non-profit versus private status of an employer and how somebody can look up which employers qualify and maybe speak a little bit about how changing employers, especially right after residency, can impact eligibility for the PSLF program?

**Harrington:** That was a lot. Maybe I don't know about changing employment after residency, so tell me if I'm missing something. But so one, you want to get the EIN, which you can find on your W-2 or on your pay stub. If you work at a non-profit hospital, you can use this IRS lookup tool and you can search by name and you can find your EIN that way. Once you have them, you want to put that EIN into our employer database. So either through the standalone tool or through the PSLF Help Tool and see what we say.

Remember, it may not give you the response you're wanting. It could be wrong, so still continue. But that's how you get your just initial sense of where FSA is on your employer. Pops up as eligible, you're good. If it pops up as likely ineligible, that just means undetermined. Don't take offense. It just means, again, our system isn't perfect. There are a lot of non-profits in there that come up as likely ineligible. There are a lot of state and local entities that come up as likely ineligible, just because it's not a perfect system.

So you want to put those in there and find it when you change entities that you work for. You just want to go ahead and submit forms every year every time you change employer. So if you wrap up your residency and you're going to a different hospital, tie it up. Get that PSLF form in for that residency and then start at the new place. It's your new hospital or your new organization. Start submitting that form every year for that employer.

And I think you mentioned about being employed directly. So you have to be employed directly by that qualifying employer. Can be a contractor. We do know that there are some states where doctors can't be employed directly by that non-profit or public hospital. And so, I will say that that is something that we have an ongoing negotiated rule we're making that is pending and being worked on. And that is something that was discussed during that rulemaking process that could be in there. Who knows? Right, we're still in the proposal stage. But you as of right now, you have to be directly employed by that qualifying employer.

**Dr. Ehrenfeld:** Awesome. So do deferments for financial hardship count towards repayment?
Harrington: So yes. Under the IDR adjustment, you can get credit for economic hardship deferments. But we haven't processed those yet. We're going to implement that later this year and next year. So while that time can count and will count later, you may not see those payments for a while. But still go ahead and submit a form for that time period. So whenever we do do that adjustment, you can have that added to your progress towards 120.

Dr. Ehrenfeld: Got it. So can you talk about how loan payments will be lower if you're on an income-based repayment plan and how that might be a way to save a little bit of money during those qualifying payments?

Harrington: Yes. We have five different income-based repayment plans, I'm going to be honest with you. And so different ones have different rules and different structures. But in general, most of them are based on a financial—having a partial financial hardship. And so for many of them, your amount you would have to pay, it's going to be a lot less than you would have had to pay on your standard repayment plan.

For folks who don't have a partial financial hardship, we do have another plan, repay, that is still an income-based plan. And so your payment is not capped at that standard plan. The rest of them, your payments, cap at that standard plan. So you can use our loan stimulators. Caitlin will drop that in the chat. And you'll be able to use your own loans, put in your own information and it will give you an estimate about what your repayment be under each of those plans. And you can decide which one makes the most sense for you. But for many folks, depending on where you are in your career, right, that IDR payment is going to be a lifesaver.

Dr. Ehrenfeld: Got it. So I made qualifying PSLF payments on my direct loans and then consolidated those loans. Do the payments that I made before consolidation still count towards PSLF?

Harrington: So normally they don't. But under the waiver, now they do.

Dr. Ehrenfeld: Got it. And so, do payments made prior to consolidating with direct loans count? So if I've made more than 10 years worth of payments via Sallie Mae or Navient prior to consolidating and applying for PSLF, does that make sense?

Harrington: Yes. So if you have FFEL loans that end up having—and you consolidate and you exceeded the 120, you're not going to get a refund, but you can get forgiveness. If you have more than 120 on a direct loan—so you consolidated a while ago where we add in the different payments and you end up making more than 120 on a direct loan, because those are the loans that we own, so we can't refund you stuff that you didn't pay to us. If you pay to Sallie Mae, we can't give it back to you.

So if it turns out you made more than 120 payments on a direct loan, those borrowers can and have been getting refunds. But if it was on that FFEL or Perkins Loan, you won't get a refund. Is that what you were asking?
Dr. Ehrenfeld: That makes a lot of sense. Well, Ashley, let me tell you, I graduated medical school in 2004, before there was this program. I've worked for non-profits in the government my entire career as a physician and was on a 30-year repayment program, paying as little as I possibly could with a very low interest rate. Since I wasn't on an IDR plan, right, under the traditional program, my payments wouldn't count.

But with this one-time waiver, suddenly I hit 120 qualifying payments. And I got an incredible letter in May saying that my loans were forgiven. And I cannot tell you what an incredible opportunity it is. And I hope that this webinar helps a lot of physicians out there who may be in a similar situation. Go ahead and put those forms in. That October 31 deadline is coming up. You never know what might happen. And certainly there's great information on the Department of Education website. And those tools are just so fabulous.

So can't thank you enough for your partnership in getting this word out to the physician community, our medical student community to help bring more information out there. So to wrap things up. I do want to, again, thank you for your time and, again, for all of your insights on what really is an exciting development and opportunity. I hope many on the webinar today are able to take advantage of this loan forgiveness program.

And I want to thank everybody who joined us today and for all of these great questions that we got submitted. I also hope that folks will join us for future webinars in the AMA Advocacy Insights, For What Physicians Need to Know series. We always invite experts like Ashley in to give us insights, expertise on a variety of important health topics, from emerging health trends, vaccine science, changes in federal legislation, that help us make sense of this really complex new era in medicine. So thank you again for joining us tonight and I really appreciate everyone logging on. Good night.

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