EXHIBITS

Loan Forgiveness and Discharge

See if you qualify to have your loan debt reduced or eliminated, depending on your professional or personal situation.

Program	You may qualify if...	How it works...
Teacher Loan Forgiveness	Your loans were disbursed after 10/1/98 AND you teach full-time for 5 consecutive and complete academic years at a Title I school or educational service agency that appears on the Department of Education's Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits.	Forgives part or all of your educational loan debt, provided you fulfill certain work-related requirements
Loan Discharge	Your school: • Closed • Falsely certified your ability to benefit from education • Signed your name without your authorization • Failed to pay a tuition refund	Dismisses your monthly loan payments and refunds payments you have already made
Total and Permanent Disability	• You can't work for pay when the work involves significant physical or mental activities. • You are a veteran who has been determined to be unemployable due to a service-connected condition.	Cancels your obligation to repay the balance of your student loans
Public Service Loan Forgiveness (PSLF)*	• You work full-time for a qualifying public service-organization (including military service) and meet other eligibility requirements. • You have eligible Direct Loans: Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans (made to parents or students), Direct Consolidation Loans, and Special Direct Consolidation Loans. • You make 120 qualifying payments on an eligible repayment plan.	Forgives the remainder of your Direct Student Loan balance after you make 120 qualifying payments under an eligible repayment plan, while employed full-time for a qualifying public service-organization
Death	• You the borrower die, then your loans may be discharged. • You are a parent PLUS loan borrower, then your loan may be discharged if you die, or if the student on whose behalf you obtain the loan dies.	Dismisses your monthly loan payments and the remainder of your loan

*Visit MyFedLoan.org/PSLF for more information. You can also obtain contact information to speak with a PSLF trained representative at FedLoan Servicing.

Additional Resources for your Federal Loans

- Understanding Student Loan Forgiveness

FEDERAL STUDENT LOANS

Federal student loans are loans made through the William D. Ford Federal Direct Loan Program ("Direct Loans") or the Federal Family Education Loan Program ("FFEL Program" or "FFELP").

Visit our COVID-19 Student Loan Support Center

Get updates on payment relief and learn about options available for your type of federal loans.

View all your federal loans and their details on the National Student Loan Data System (NSLDS).

Log In to NSLDS

COMPARE YOUR OPTIONS

Evaluate repayment plans, loan consolidation, payment postponement, and loan forgiveness.

Compare Options

ELIGIBILITY FOR TRADITIONAL REPAYMENT PLANS

Three plans – Standard, Graduated, and Extended – are generally available to borrowers of Direct and FFELP Loans.

STANDARD REPAYMENT PLAN

Standard plans last up to 10 years (or up to 30 years for Consolidation Loans).

Fixed monthly payment amounts with a minimum amount of $50 per month.

Monthly payment amounts are based on your total loan amount – the more you owe, the higher your monthly payment will be.

You'll pay less interest over time under this plan than under other plans.

GRADUATED REPAYMENT PLAN

Graduated repayment plans offer lower payments that step up to a fully amortizing payment.

Graduated payments are lower at first and then increase, usually every two years, and are set at an amount to ensure your loans are repaid within the remaining terms.

The repayment term is generally up to 10 years and may be up to 30 years for Consolidation Loans.

EXTENDED REPAYMENT PLAN

Extended repayment plans offer up to 25 years to repay your loans.

Extended plans are available for most borrowers with more than $30,000 in Direct Loan balances or $30,000 in FFELP loan balances.

An extended plan can be combined with either a Standard or Graduated Repayment Plan.

INCOME-DRIVEN REPAYMENT (IDR) PLANS

Revised Pay As You Earn Repayment Plan (REPAYE)

For Direct Loans only (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Pay As You Earn Repayment Plan (PAYE)

For Direct Loans only (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Income-Based Repayment Plan (IBR)

For Direct Loans and FFELP Loans (excluding Parent PLUS and Consolidation Loans that repaid Parent PLUS)

Income-Contingent Repayment Plan (ICR)

For Direct Loans only. NOTE: Direct PLUS Loans made to parents may be eligible if they are consolidated into a Direct Consolidation Loan made based on an application received on or after July 1, 2006.

A repayment plan based on your income can help you manage your federal student loan payments.

With Income-Driven Repayment (IDR) Plans, you could potentially reduce your monthly payment to as low as $0. Certain eligibility conditions apply and an annual renewal is required – so be sure to find out how these plans work.

Learn About IDR on the FSA Website

Apply Online at StudentAid.gov

Or download the form

Need help? Check out this useful guide on how to complete the IDR online application

Income-Sensitive For FFELP Loans Only

Although not part of the IDR program, customers with eligible FFELP Loans also have an Income-Sensitive Repayment (ISR) option.

To find out if you're eligible, log in, go to Repayment Options, and follow the prompts. If eligible, you'll have the option to apply online, or you can download the form.

IDR ANNUAL RENEWAL

If you're repaying federal student loans in an Income-Driven Repayment (IDR) plan, each year you need to re-certify your plan by providing updated income documentation and certification of your family size. Generally, this is around the same time of the year that you first began repayment under the IDR plan that you selected.

It's important for you to provide the required information by the specified annual deadline. If you miss the deadline, unpaid accrued interest may be capitalized (added to the Unpaid Principal), and your monthly payment will no longer be based on your income. This may cause your Monthly Payment Amount to increase.

Renew Online at StudentAid.gov

Or download the form

LEARN MORE ON THE FSA WEBSITE

Develop a Plan to Keep You on Track

Learn About Managing Your Account

DIRECT LOAN CONSOLIDATION

Federal loan consolidation can be helpful for borrowers who want to combine their eligible federal student loans into a single Direct Consolidation Loan. It's important to understand and carefully consider all factors before consolidating.

Consolidation into the Direct Loan program may allow borrowers with FFELP loans to take advantage of repayment plans or forgiveness options created solely for Direct Loans. You should weigh the advantages and disadvantages before you take this action.

Keep in mind that if you are paying your current loans under an Income-Driven Repayment plan, or making qualifying payments toward Public Service Loan Forgiveness, then you will lose any credit toward loan forgiveness for payments made prior to consolidation.

If you consolidate, you may lose borrower benefits that are associated with your current loans, such as interest rate reduction, timely payment incentives, or some loan cancelation benefits. You may lose benefits under the Servicemembers Civil Relief Act if you consolidate while on active duty.

Adding Other Loans to a Consolidation Loan

You may also add eligible federal loans to your existing Direct Consolidation Loan using the form below if you are within 180 days of the date we paid off the first loans you are consolidating. After 180 days, you will need to apply for a new Direct Consolidation Loan.

Learn More on the FSA Website

Apply Online at StudentAid.gov

Download the form to request to add loans

PAYMENT POSTPONEMENT

DEFERMENT

Deferment is a period when you postpone making payments on your loan. You are not responsible for paying accrued interest on subsidized federal loans during most deferments. You typically remain responsible for interest that accrues on your unsubsidized loans.

Cancer Treatment
You may be eligible if you are receiving treatment for cancer.

Economic Hardship
If you're having temporary issues making your student loan payments due to economic hardship or serving in the Peace Corps, you may be eligible for up to three years of deferment.

Education-Related
You're eligible if you're enrolled at an eligible school at least half time or in a graduate fellowship program. A Parent PLUS Loan may also be eligible if the student is enrolled in school at least half time. There is a deferment for Health Education Assistance Loan (HEAL) borrowers as well.

Military Service and Post-Active Duty
You can postpone federal loan payments if you are an eligible servicemember serving active duty during a war, military operation, or national emergency. For Post-Active Duty, you may be eligible if you were serving active duty in connection with a war, military operation, or national emergency, for the 13-month period following the conclusion of that service, or until you return to college or career school on at least a half-time basis, whichever is earlier.

Rehabilitation Training Program
You may be eligible if you are enrolled in an approved rehabilitation training program for the disabled.

Unemployment
If you're unemployed, or working less than 30 hours per week, and seeking full-time employment, you may be eligible for up to three years of deferment.

Do you have pre-1993 loans?
If you are a Direct Loan borrower who had a balance on a FFELP loan that was made before July 1, 1993 at the time you received your first Direct Loan, or if you are a FFELP loan borrower who received loans before July 1, 1993, you may be eligible for additional deferments or your deferment options may be different from the deferments described above.
Find out more about deferments for older loans

FORBEARANCE

Forbearance is a period during which your monthly loan payments are temporarily suspended or reduced. Payments are postponed, but interest will accrue during the forbearance period. Unpaid interest may be capitalized in connection with forbearance, which will increase your total loan cost. See your Promissory Note for details relating to capitalization of interest.

NOTE: The use of forbearance may cause the loss of borrower benefits – such as repayment incentives that can lower your interest rate.

General Forbearance
You may be eligible if you are experiencing temporary hardship related to financial difficulties, change in employment, medical expenses, and other situations. Be sure to explore any deferment options for which you may be eligible.

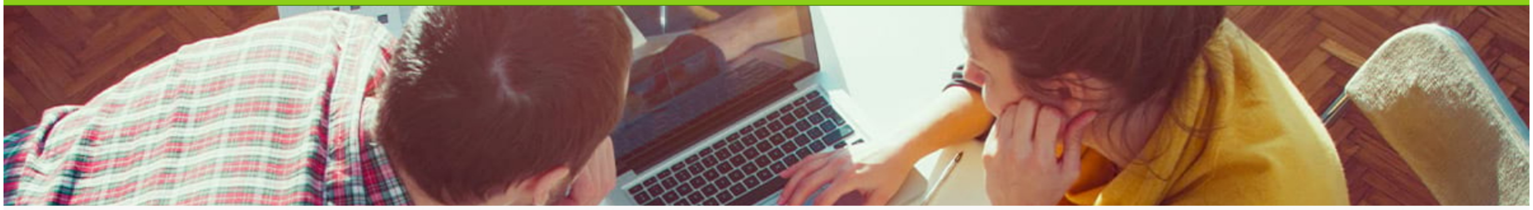
Mandatory Forbearance
You may be eligible while in medical or dental internship/residency, on National Guard active duty, or performing service that qualifies you for a partial repayment under the Department of Defense Student Loan Repayment Program.

Student Loan Debt Burden Forbearance
You may be eligible depending on your total student loan debt and your income. Be sure to explore other options, as you may qualify for deferment or for Income-Driven Repayment plans.

Teacher Loan Forgiveness Forbearance
You may be eligible to postpone federal student loan payments while you are performing qualifying teaching service to earn Teacher Loan Forgiveness. If you teach full-time for five complete and consecutive academic years in a low-income elementary school, secondary school, or educational service agency, you may be eligible for forgiveness of up to $5,000 (or up to $17,500 if you meet the criteria of a highly qualified teacher) on your Direct or FFELP loans.

Log In to Request a Forbearance

Or download the form

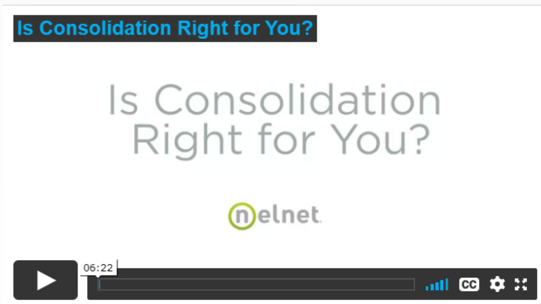


What Is Loan Consolidation?

Federal student loan borrowers have the option of consolidating their loans via the Direct Consolidation Loan program offered by the U.S. Department of Education.

Consolidating allows you to merge multiple eligible loans into a single loan. That loan is then serviced by the servicer of your choosing – of which Nelnet is one!

Watch this video for more information about loan consolidation and why you may want to consolidate your federal student loans.



Is Consolidation Right for You?

Before you consolidate, consider the following pros and cons:

PROS

- One servicer, one statement, one payment
- Lower monthly payments
- In some cases, you may switch from a variable interest rate to a fixed interest rate
- Flexible repayment options
- No consolidation fee
- Possible access to repayment plans you would not have had before

Learn More About Income-Driven Repayment Plans

CONS

- Make payments for longer causing you to pay more interest over the life of the loan
- Possible loss of certain federal student loan benefits
- If active duty begins after your consolidation date, you may no longer be eligible for some military benefits
- Consolidated interest rate (weighted average of loans rounded to nearest 1/8th percent) may be slightly higher than some underlying loans
- Will lose credit for any qualifying payments already made toward Public Service Loan Forgiveness or Income-Driven Repayment Plan forgiveness

Are You Eligible?

Have you done one of the following?

- Graduated
- Left school or temporarily withdrawn from classes
- Dropped below half-time status

Do you have one of these eligible loan types?

- Direct Subsidized and Unsubsidized Loans
- FFELP (Federal Family Education Loan Program) Subsidized and Unsubsidized Loans
- FFELP PLUS Loans
- Direct PLUS Loans

- Perkins and Federal Nursing Loans
- Health Education Assistance Loans (HEAL)
- Supplemental Loans for Students (SLS)

Other factors to be aware of:

- Private loans are not eligible to be consolidated in the Direct Loan Consolidation Program
- Spousal consolidations (federal student loans you and your spouse consolidated into one consolidation loan) are not eligible to be consolidated in the Direct Loan Consolidation Program
- A PLUS loan made to the parent of a dependent student cannot be transferred to the student through consolidation
- If you consolidate any loans that would be eligible for the Public Service Loan Forgiveness (PSLF) Program, such as Direct Loans, you will lose credit for any qualifying payments that you have already made prior to consolidation. You will need to make another 120 qualifying payments on your new Direct Consolidation Loan.
    - You have the option to exclude any loans from your consolidation that may already be eligible for the PSLF Program on your Loan Summary Statement, which will be mailed to you after you submit your consolidation application.
    - Read more about Public Service Loan Forgiveness requirements. You can also visit StudentAid.gov to use the PSLF Help Tool to see whether you might qualify, and/or download the *Public Service Loan Forgiveness (PSLF) and Temporary Expanded PSLF (TEPSLF) Certification & Application* (PSLF form) .

If it looks like consolidation will work for you, it's easy to apply:

- Online: Complete your application at StudentAid.gov
- Mail: A paper application can also be printed, completed, and mailed

Note: Just remember, you must continue making payments after submitting your application until you receive notice from your servicer that underlying loans have been paid off. You have the option to select the servicer of your choice (of which, Nelnet is an option)

Adding Loans to Your Direct Consolidation Loans:

After your new Direct Consolidation Loan is complete, you may still add more eligible loans to your existing consolidation. If you would like to add other eligible loans, your servicer must receive your Request to Add Loans Form (hoja en español) within 180 days from the date your Direct Consolidation Loan is completed (originated).

If you choose Nelnet to originate and service your Direct Consolidation Loan, you may request to add other eligible loans to it by completing the Request to Add Loans Form (hoja en español) and send it to Nelnet via email DirectLoanConsol@Nelnet.net, or mail to:

Nelnet
P.O. Box 82658
Lincoln, NE 68501-2658

Good to know:

- If you have more than seven loans to add to your consolidation loan, you will need to submit more than one Request to Add Loans Form.
- If it has been more than 180 days since your consolidation loan was completed, you will need to complete a new Direct Loan Consolidation application to add other student loans.

The Complete Guide to Federal Student Loan Repayment

September 21, 2020

The following article is from Centsai

You're just months away from graduating and staring down the barrel of tens of thousands of dollars in student loan debt. The world's economy is struggling, and you are worried about being able to repay your loans in time. What now?

If you have federal student loans, you're in luck. Well, as much luck as you can have with student loan debt. The good news is that federal loans offer various student loan repayment options for borrowers after they graduate, so you're not just stuck with one payment plan.

Tackling Your Student Loan Debt

To start with, it is important to see how much you owe — find out via the National Student Loan Data System. This tool should provide you with your full federal loan balance. If you have private student loans, you should contact the lender directly.

After that, your next step should be to visit the Federal Student Aid website, which will continually provide updated information about student loan debt.

While you research which repayment option to use, be aware that most federal loan applicants will have a six-month grace period after graduation, during which there are no loan repayments at all.

If you don't choose a plan after you graduate and start paying back your loans, you'll automatically be enrolled in the Standard Repayment Plan.

But you have more options than that and if you just graduated or are about to, you want to know what they are. Here's a breakdown of federal student loan repayment options:

Standard Repayment Plan

As mentioned above, this is the plan you'll be enrolled in automatically, if you don't choose a plan. Through the Standard Repayment Plan, you'll have 10 years to pay off your student loans. Payments are a fixed amount of at least $50 per month, according to Federal Student Aid.

This is the best option if you can afford it, because the sooner you can repay your loans, the more money you'll save on interest.

"[Standard Repayment Plans] work best for those with a competitive salary in their first job after college and for those who want to pay off their loans quickly," says Lori Auxier, director of student success at the Educational Credit Management Corporation.

This plan isn't recommended for people who don't have a job yet, have a lower salary than expected, or plan to seek Public Service Loan Forgiveness (PSLF)," Auxier adds.

With the Standard Repayment Plan, it's also important to note that you can pay more than your fixed payments and get out of debt in less than 10 years.

One mistake I made when I first graduated was looking at my student loans as a bill, and paying just what I was told to pay.

Federal student loans do not have prepayment penalties. I could have shaved a few years off of my student loan repayment by paying more than the minimum.

Graduated Repayment Plan

Through the Graduated Repayment Plan, your initial payments will start out small and gradually increase every two years. The thinking behind this is that as time goes by, your income will go up, and you can afford larger payments.

"This is a good option for those with a lower starting salary and the potential for a higher salary in a few years," says Auxier. "This plan will result in paying more over the life of the loan and is generally not a qualifying repayment plan for PSLF."

This plan offers student loan repayment periods between 10 and 30 years. This may be a good option if your income is low now, but you are expecting wage increases in the future.

Extended Repayment Plan

If you have significant debt and your monthly payments are outrageous, you may want to consider the Extended Repayment Plan, which allows you to pay back your loans within 25 years, according to Federal Student Aid. Your payments can be fixed, meaning they'll stay the same, or graduated, meaning they'll increase over time.

"This is a good option for those who need a lower monthly payment and more time to pay off their loans, or if they expect to earn a lower salary over time," adds Auxier. "This plan will result in paying more over the life of the loan and is not a qualifying repayment plan for PSLF."

To qualify for this plan, you must have more than $30,000 in outstanding loans. Under this plan, your payments will be much lower and much more spread out. The downside? That increased lifetime cost can be nearly double your initial balance because of the additional interest, according to FinAid. This plan should be entered into lightly, often as a last resort.

Income-Based Repayment (IBR)

If you're currently struggling to get by, Income-Based Repayment can be a blessing. This plan caps your monthly payments at 15 percent of your discretionary income and allows you to pay your loans over up to 25 years, according to Federal Student Aid. After 25 years, any remaining balance will be forgiven.

However, there are some things you should know. First, you need to qualify. Typically, if your student debt would be a significant portion of your annual income, you'll qualify. Your student loan payments must also be lower than what they might be under the Standard Repayment Plan.

While you may have affordable payments under IBR, you will end up paying more in interest.

And if the remaining balance on your loans is forgiven at the end of the 25-year period, that amount may be considered taxable income, according to the same source.

In other words, if $40,000 is forgiven, you could see a tax bill of several thousand dollars, as current tax law will consider that $40,000 in forgiven loans as income.

Pay As You Earn

This is another plan that can help you if you are struggling to repay your student loans. Pay As You Earn generally involves monthly payments at 10 percent of your discretionary income.

Under this plan, your student loan repayment period is 20 years.

"These plans cap payments at 10 percent of a borrower's income. [They] require annual recertification and will result in paying more over the life of the loan," says Auxier. "However, the outstanding loan balance after a certain timeframe (depending on loan type) is forgiven. These plans are qualifying repayment plans for PSLF."

As with IBR, for this plan you must qualify based on your income. However, the IBR tax trap still remains and you may see a hefty tax bill if your loans are forgiven.

Income-Contingent Repayment Plan

This plan is one of the only income-driven plans for which you don't have to qualify. Under Income-Contingent Repayment plans, your payments are calculated each year based on a number of factors: your adjusted gross income, discretionary income, family size, and the total amount of loans you have.

"These plans let borrowers pay 10 to 20 percent of their discretionary income," says Auxier. "[They] result in paying more over the life of the loan; however, the outstanding loan balance after a certain timeframe (depending on loan type) is forgiven. These plans are qualifying repayment plans for PSLF."

Your repayment period is 25 years and only after that can any unpaid portion be forgiven, according to Federal Student Aid. Once again, you may have to pay income tax on your forgiven loans.

Which One Should You Choose?

As you can see, there are a variety of options to choose from. But which one is right for you? Well, that depends on your income and how quickly you want to pay off your loans.

Be aware that student loan repayment has changed slightly, due to COVID-19. "For borrowers currently in their grace period on federally held student loans, interest rates are set to zero percent on those loans until December 31, 2020," says Auxier. "If possible, it's still a great idea to make payments during this time to pay down the balance more quickly."

If you can afford it, the Standard Repayment Plan is likely your best option to repay those loans. If you're struggling, consider using IBR until you can afford more.

You can make arrangements with your loan servicer to set up a federal student loan repayment plan. The key is to do your research and pick a plan that is best for your financial situation.

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Suite 1400
Minneapolis, MN 55401

Consolidating or refinancing your student loans

Two options you might have heard about are consolidation and refinancing. While these terms are often used interchangeably, they're different.

Consolidation vs refinancing

Consolidation

With a Direct Consolidation Loan, you can consolidate multiple federal student loans into one loan with a fixed interest rate that's a weighted average of your loans' various interest rates rounded up to the nearest one-eighth of one percent.[1] You won't necessarily get a lower interest rate with consolidation, but you'll have the convenience of making just one payment.

You can consolidate most federal education loans through StudentLoans.gov, and private student loans through some private lenders. However, you can't consolidate both federal and private loans through the federal program.[1]

Refinancing

Refinancing occurs when a company buys all your current student loans and issues you a new loan to pay them all off. You'll get a new rate but you may lose payment flexibility and special benefits that were available through the individual lenders or the government.

We don't offer consolidation or refinancing at this time. We recommend that you consider the impact that these actions may have on your student loan benefits and Total Loan Cost.

Questions to answer before consolidating or refinancing student loans

You may want to make a single, lower monthly payment; however, before you decide to consolidate or refinance, you should consider the pros and cons of each option. Answer these questions before you act:

- Are you saving money or are you just paying over a longer term, so you'll end up paying more over the life of your loans?
- Will you lose any current student loan benefits, such as repayment options or Public Service Loan Forgiveness?
- Is your credit score sufficient for a lender to approve you for a consolidation or refinancing?
- Will your new loan be considered a student loan or a personal loan? If it's not a student loan, will you lose out on an interest tax benefit?
- Will you have to pay any service fees to refinance your student loans?
- Will you lose any discounts that you've had with your loan originator?

Related topics

Understand the importance of credit

Learn why a graduate student needs good credit, and get tips on how to build your credit history.

Manage your debt

Get tips on how to manage your undergraduate and graduate student loan debt, along with credit cards and other types of debt, for financial success.

Learn about interest and capitalization

Understand what student loan interest and interest capitalization are and how they can affect your Total Loan Cost.

1. This information was gathered on 09/16/20, from https://studentaid.ed.gov/sa/repay-loans/consolidation.

KHESLC

Search KHESLC.com
800-693-8220

Log In

Make a Payment | Account Summary | Repayment Help | Electronic Communications | General Information

Here to serve your student loan needs.

General Information

Mentions the waiver, but does so next to information that is outdated and likely to mislead or confuse borrowers

Military ▶

FAQs ▶

Trouble Making Payments ▶

Forms ▶

Financial Literacy ▶

Loan Forgiveness and Discharge ▼

Public Service Loan Forgiveness ▼

The Public Service Loan Forgiveness (PSLF) program is available only to Direct Loan borrowers. Your loans with KHESLC are Family Federal Education Loan Program (FFELP) loans and do not qualify. If you want to apply for PSLF, you must consolidate your FFELP loans into a Direct Consolidation loan. If you choose to consolidate your loans, any payments made to KHESLC before the loan consolidation will not count towards the 120 qualifying payments that are required for PSLF.

In order to be eligible for PSLF, your Direct Consolidation loan will be set up with a 10 year loan term. This is the only loan term that will allow your loans to be eligible for PSLF. If you consolidate your KHESLC consolidation loan or KHESLC loan currently with an extended loan term, your new payments will be based on a 10 year loan term and may increase. During the 10 year loan term, you must be continuously employed with a qualifying employer and make 120 qualifying payments to be eligible for PSLF. At the end of the 10 years, any unpaid principal may be eligible for forgiveness.

Parent Plus loans, private alternative loans and Consolidation loans that include Parent Plus loans are not eligible for PSLF. Payments made prior to your Direct Consolidation loan do not count toward the 10 years of qualifying payments (120 payments).

For more information about PSLF, please contact the Department of Education at 1-855-265-4038.

You may also be eligible for the Temporary Expanded Public Service Loan Forgiveness (TEPSLF) opportunity. For additional information regarding TEPSLF, visit studentaid.ed.gov.

If you have high loan balance and low income, you may be eligible for the Income Based Repayment plan.

Temporary Opportunity from October 6, 2021 to October 31, 2022.

On Oct. 6, 2021, the U.S. Department of Education announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF.

Public Service Loan Forgiveness (PSLF)

If you are employed by a government or not-for-profit organization, you may be able to receive loan forgiveness under the Public Service Loan Forgiveness Program. The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on your Direct Loans after you have made 120 (10 years) qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. Learn more to see whether you might qualify.

Temporary Expanded Public Service Loan Forgiveness (TEPSLF)

If your PSLF application was denied because some or all of your payments were not made on a qualifying repayment plan for PSLF, you may be able to receive loan forgiveness under a temporary opportunity. Learn more

Tax Implications if Your Loans are Forgiven

Beginning January 1, 2021, amounts forgiven under the PSLF Program are not considered income by the Internal Revenue Service. Therefore, you will not have to pay federal income tax on the amount of your Direct Loans that is forgiven. The discharged loan amount may be considered income for state tax purposes. You may want to consult with your state tax office or a tax professional before you file your state tax return.

Income-Based Repayment ▶

Teacher Loan Forgiveness ▶

Total and Permanent Disability Discharge ▶

National Student Loan Data System — NSLDS ▶

Protect Yourself from Student Loan Scams ▶

Contact Us ▶

Contact Us
Advantage Education Loans
KHEAA

About Us
Terms and Conditions
Privacy Policy

KHESLC
PO Box 24328
Louisville, KY 40224-0328

Public Service Loan Forgiveness

Public Service Loan Forgiveness

The Public Service Loan Forgiveness (PSLF) program was established by the College Cost Reduction and Access Act of 2007. Under this program, borrowers may qualify for forgiveness of the remaining balance of their Direct Loans after they have made 120 qualifying payments on those loans while employed full-time by certain public service employers. This program was established to encourage individuals to enter and continue to work full-time in public service jobs.

To qualify for PSLF, borrowers must meet the following criteria:

1. Be employed full-time by a federal, state, local or governmental agency, or a non-profit, tax-exempt organization under section 501(c) (3) of the Internal Revenue code, or for a private not-for-profit employer that provides certain specified public services.
   - More detailed information regarding qualifying employment can be found here.
2. Must not be in default on the loans to be forgiven.
3. All loans must be under the Direct Loan Program. If the individual has loans under the Federal Family Education Loan Program, the individual must consolidate those loans into a Direct Consolidation Loan for those loans to be eligible for forgiveness.
4. Make 120 on-time, full, scheduled, monthly loan payments under one of the eligible repayment plans listed below. Only payments made after October 1, 2007 qualify.
   - 10-year Standard Repayment Plan
   - Income-Based Repayment Plan (IBR)
   - Pay As You Earn (PAYE)
   - Income Contingent Repayment Plan (ICR)
5. Payments under the 10-Year Standard Repayment plan and any other Direct Loan Program repayment plan where payments are at least equal to the monthly payment amount that would have been required under the 10-Year Standard Repayment Plan are also considered eligible payments for PSLF, however not typical payments for borrowers just beginning to repay.

Additional information on Public Service Loan Forgiveness can be found by visiting FedLoan Servicing or Federal Student Aid.

Repayment FAQs

Deferment and Forbearance

What happens to my credit rating while my loan(s) is in a deferment or forbearance?

What is General Forbearance?

What are the pros and cons of General Forbearance?

What is an Administrative Forbearance?

What is deferment?

What are the pros and cons of deferment?

What types of deferments are available for my particular loans?

Which is the better choice – a deferment or forbearance?

What if my loan(s) is in deferment and my situation changes?

What happens to the interest on my loan(s) during a deferment or forbearance?

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Paying Off Your Loans

Paying Off Your Loans

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General Repayment

Are there any circumstances that would cancel or forgive my loan?

NC Assist

Under certain circumstances, your loan may be canceled or forgiven. For example, your loan may be forgiven if you become totally and permanently disabled. Please contact us at (919) 821-4743 or toll free at (800) 722-2838 to discuss your situation.

Federal Family Education Loan Program (FFELP)

Under certain circumstances, your loan may be canceled or forgiven - for example, if you become totally and permanently disabled or die. Your loan may also be canceled if your school closes or if the school falsely certified your eligibility for the loan. Some loans may be eligible for partial or complete cancellation based on certain service or employment, such as teacher loan forgiveness.

There is also Public Service Loan Forgiveness (PSLF) program. The PSLF Program forgives the remaining balance on your Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer. College Foundation does not service direct loans. The information on this program is provided for your convenience should you have direct loans serviced by other loan servicers.

Please contact us at (919) 821-4743 or toll free at (800) 722-2838 to discuss your situation.

EXTRA Education Loans

Under certain circumstances, your loan may be canceled or forgiven. For example, your loan may be forgiven if you become totally and permanently disabled. Please contact us at (919) 821-4743 or toll free at (800) 722-2838 to discuss your situation.

What if my school closes?

Categories

Private Student Loans Student Loan Refinancing

Student Loan Refinancing vs Public Service Loan Forgiveness (PSLF)

October 8, 2019

Updated September 14, 2021

Graduates seeking enriching careers like doctors, nurses, pharmacists, lawyers, teachers, government employees and members of the military can often graduate from school with a large amount of student loan debt. Student loan debt can be especially burdensome during residency.

Many healthcare professionals look to Public Service Loan Forgiveness (PSLF) for relief. Public Service Loan Forgiveness is a federal government program under the U.S. Department of Education's Direct Loan Program offered to forgive qualified candidates of their Federal Direct Loans. The PSLF program can be a good option for healthcare professionals, but it is vital to understand the qualifications.

According to Studentaid.gov, the PSLF program has received more than 227,000 unique applications, and only 6,493 applicants have qualified. When choosing how to proceed with your student loan debt, it is essential to be well informed to achieve the best possible results. Identifying whether student loan refinancing or Public Service Loan Forgiveness are right for you is a great first step, and making a decision early in the repayment process could save you time and money.

Let's review the requirements of the Public Service Loan Forgiveness program, take a look at student loan refinancing, and review the qualifications of both programs to see which option could be right for you.

What is Public Service Loan Forgiveness (PSLF)?

Public Service Loan Forgiveness (PSLF) is a program designed to encourage qualified individuals to pursue careers in eligible nonprofit or public service fields. If you apply and are approved, your remaining student loans will be forgiven after you complete all the qualifications.

How to Qualify for Public Service Loan Forgiveness

Qualifying for Public Service Loan Forgiveness requires eligibility based on specific

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Here's What to Do if President Biden Doesn't Forgive Student Loans criteria. You may be approved for Public Service Loan Forgiveness if you're working for a qualified employer. To apply, you must submit the Public Service Loan Forgiveness (PSLF) & Temporary Expanded PSLF (TEPSLF) Certification & Application.

If approved, you must re-certify annually and any time you change jobs by re-submitting the PSLF application form.

After you've worked in an eligible position and have made 10 years of qualifying monthly student loan payments, your student loan debt may be forgiven. Best of all, there's no limit to the amount of student loan debt that can be forgiven under PSLF.

Learn more about the specifics of qualifying for PSLF below.

Loans Eligible for Public Service Loan Forgiveness

If you're planning to pursue this student loan forgiveness option, it's important to note that private student loans are not eligible for PSLF, but certain federal loans are. The eligible loans for PSLF are non-defaulted loans under the *William D. Ford Federal Direct Loan Program.* These include:

- Direct Stafford Loans
- Direct Unsubsidized Stafford Loans
- Direct PLUS Loans
- Direct Consolidation Loans

Even if your original federal student loans are not eligible for Public Service Loan Forgiveness, you may be able to consolidate them through a Direct Consolidation Loan to change that.

For example, if you have a Federal Family Education Loan (FFEL) or a Perkins Loan, you may be able to consolidate these and apply for Public Service Loan Forgiveness. It's important to remember, however, that consolidating your student loans will restart your PSLF timeline, and you will be required to make 10 years of eligible student loan payments from the date you consolidated.

Qualified Institution/Employer

Your employer plays a vital part in whether or not you can qualify for PSLF. Qualifying employers may include:

- Nonprofit organizations with 501(c)(3) status
- Nonprofit organizations without 501(c)(3) status but that provide a qualifying public service
- AmeriCorps
- Peace Corps
- Government organizations

To qualify for PSLF, you need to be working at least 30 hours per week for a qualifying employer, and if you change jobs, you will need to re-submit your PSLF application paperwork. You may also qualify if you work for two qualifying employers and average at least 30 hours per week. Re-submitting the Employment Certification Form annually can keep you on track for the program.

If PSLF is important to you and part of your financial plan, it is imperative that you verify this internally. If at any point your employer is no longer a qualified institution, they are not responsible for notifying you. For example, in the healthcare industry, it is not uncommon for hospitals to convert from non-profit to for-profit institutions.

If you've been working for a qualifying employer but have not already applied for Public Service Loan Forgiveness, it may not be too late. Any payments made after October 1, 2017 while working for a qualified employer can be eligible toward PSLF, but you must submit a Public Service Loan Forgiveness application for them to qualify. If approved, you may receive credit for those qualifying payments made in the past – just keep in mind that you may have to work a little harder to track down some of the application information.

Qualifying Repayment Plan

Borrowers seeking the PSLF program must have federal Direct Loans and be on a qualified payment plan. These include Income-Driven Repayment Plans (IDR) and the 10-Year Standard Repayment Plan.

If you do not transition to an Income-Driven Repayment Plan, however, you won't have a loan balance left to forgive since you will have paid it off by the time you qualify for PSLF.

If you applied and weren't approved for Public Service Loan Forgiveness, you may choose to explore Temporary Expanded Public Service Loan Forgiveness. In March 2018, the Consolidated Appropriations Act offered an additional opportunity to individuals who may not have qualified for PSLF to re-apply for forgiveness. Visit Studentaid.gov for a full list of eligibility requirements.

120 Qualified Payments

If you are on a qualified repayment plan, the next step is making 120 qualifying payments. If you plan on paying extra monthly, do so with caution. When paying more than the minimum amount, you will need to contact the loan servicer.

For example, a common federal student loan servicer is FedLoan Servicing. When you contact the federal student loan servicer, you have to request that the extra amount paid is not applied to cover future payments.

To qualify for PSLF, you cannot receive credit for a qualifying Public Service Loan Forgiveness payment if no payment is due. You will also need to pay the full amount on the bill for it to be considered a qualified payment.

A common misconception about the PSLF program is that payments need to be consecutive. For example, if you work for a qualifying employer and made qualified payments, but then begin to work for a non-qualified employer, you will not lose credit for the qualified payments made before working for the non-qualifying employer. That said, it's important to understand that payments made while working for a non-qualifying employer will not count toward your 120-payment total.

It is essential to know that your payment cannot be any later than fifteen days after your due date to be considered a qualified payment. On loans placed into an in-school status, grace period, deferment, or forbearance, you cannot make a qualifying monthly payment.

If your loans are in deferment or forbearance to make a qualified payment, you must contact the servicer and request the status waived. According to the federal government, the best way to ensure that you are making on-time payments is to sign up for direct debit with your loan servicer. You need to be working full-time for a qualified employer while making payments on the loan.

Applying for Public Service Loan Forgiveness

To see if you qualify for Public Service Loan Forgiveness, you should complete and submit the Employment Certification Form for Public Service Loan Forgiveness annually.

Once you've made all your qualified payments, complete the PSLF application one last time. Remember that you must still be employed by a qualifying organization when you submit the final application.

If you've submitted your paperwork annually, then you may only need to submit the form for your most recent employer. On the other hand, if you haven't previously submitted Employment Certification Forms, then you'll need to complete the forms for each qualified employer.

After completing the form, you can either mail or fax it to the U.S. Department of Education, or you can log into your FedLoan account and submit the form electronically.

Is PSLF Worth It?

The PSLF program only allows forgiveness for certain types of federal loans as described above.

According to the latest data from the Department of Education, between November 2020 and April 2021, 98% of PSLF applicants were rejected. In May 2021, some senators urged Secretary Cordona of the Department of Education to reform PSLF to make it easier for applicants to qualify.

If you are denied for Public Service Loan Forgiveness, then you may consider applying for Temporary Expanded Public Service Loan Forgiveness if you meet the qualifications. Keep in mind that this is a temporary government program introduced by the Trump administration in 2018 and may not be available long-term.

It's also important to note that PSLF is not guaranteed to last forever. On the possibility that this program was to be eliminated, anyone already in the program would likely be grandfathered into the program.

would likely be grandfathered into the program.

If you want to qualify for PSLF successfully, you must pay close attention to the detailed eligibility requirements of the program. Many of the requirements of the PSLF program can be difficult to understand or even find.

Student Loan Refinancing

If you're considering student loan refinancing as an alternative to Public Service Loan Forgiveness, here are a few details you may be interested in.
Student loan refinancing means taking out a loan with a new lender. The new lender will then in turn pay off your old lender. Your new loan will include revised terms, often including a lower interest rate and the adjusted repayment term of your choosing.

The new interest rate provided is based upon a borrower's credit history and credit score, in addition to other eligibility criteria, depending on the financial institution. Overall, refinancing student loans can have an impact on a borrower's interest rate, repayment terms, and benefits.

When deciding what path to take, consider what your financial goals are and which option might set you up for the greatest financial success.

Interest Rates

When you take out federal student loans, all borrowers receive the same interest rate on a given Federal Direct Loan.

The federal government does not review a borrower's or cosigner's credit history or credit score. When you refinance your student loans, the private company will take several factors into consideration, including your credit score and debt-to-income ratio.

If you've managed your money well and paid your bills on time, you could even earn a lower interest rate by refinancing your student loans, which would help you pay your balance down faster.

Many companies that refinance student loans will offer both variable and fixed rate loans. If you previously had a variable rate loan and qualify to refinance, you can select a fixed-rate loan instead and vice versa.

Refinancing provides qualified borrowers the opportunity to make changes to existing student loan terms.

Repayment Terms & Cosigners

Federal student loans do not provide borrowers with an option regarding the repayment terms on the loan. Some federal loans provide a 10-year standard repayment plan, but other federal loans can span 25 to 30 years. When refinancing your student loans, you can select from the repayment terms offered by the company. Many companies offer repayment terms of 5, 7, 10, 15, and 20 years.

Can you imagine paying off your student loan debt in five years? Many borrowers find that repaying their student loans faster has helped them to save money on interest. Having the ability to select repayment terms can allow borrowers the flexibility to reach other financial goals in their life. Generally, the repayment term selected will affect the interest rate on your new loan after you refinance.

If you took out a private loan for college, it is likely you may have needed a cosigner. When you refinance student loans, you could potentially remove the cosigner from the loan if you have established the necessary credit to take out a loan on your own. Removing a cosigner relieves the cosigner from the financial burden and responsibility of student loan debt and frees up the cosigner's credit.

Federal Loan Benefits

Federal loans offer benefits for borrowers that may not be available through a private lender like a student loan refinancing company. It's imperative to read the guidelines before refinancing or consolidating your student loans because neither can be reversed.

One of the biggest setbacks of student loan refinancing is that once you've refinanced your student loans through a private company, you no longer qualify for the PSLF Program. You may want to learn about federal student loan consolidation vs. refinancing.

When you refinance your federal student loan, the debt is paid off by the student loan refinance company, and a new loan is issued to you by the refinance company. Therefore, there is no federal student loan anymore. Since that loan is now paid off, there is no balance to forgive, and in turn, you cannot utilize PSLF. This is not the only drawback of refinancing.

Many student loan refinance companies offer different benefits regarding deferments or forbearances and make decisions on a case-by-case basis. Benefits that may have been utilized while repaying your federal student loan may no longer be available through a private lender.

Public Service Loan Forgiveness or Student Loan Refinancing? Which is Right for You?

Now that you have an understanding of the options available to you, consider what makes the most financial sense for your situation.

Student loan refinancing may be a better option if you want to pay off your debt quickly since student loan refinancing allows you to change repayment terms and may have lower interest rates. Changing repayment terms can allow you to pay down your debt faster or even extend repayment for lower monthly payments.

Another situation where refinancing may be a more attractive offer is if rates achieved by refinancing are lower than rates on your federal loan or your private loans. By achieving a lower interest rate, you will be paying less interest over time. If you are not planning on applying for PSLF for your federal loans, or you have private student loans that carry high-interest rates, you should look into the options available for refinancing student loans.

However, by refinancing your federal student loans you will lose many benefits and protections available to federal student loan borrowers. Keeping your federal protections may be more beneficial than refinancing your student loans.

Whether you choose to pursue PSLF or student loan refinance, you should be knowledgeable about the requirements and the pros and cons of each option.

ELFI Student Loan Refinancing

If you're considering refinancing your student loans, be sure to explore ELFI.* ELFI's Personal Loan Advisors are experts in the refinancing process and have helped numerous students determine their next steps and repayment options.

Student loan refinancing with ELFI comes with a myriad of perks for borrowers. Competitive variable and fixed interest rates, flexible repayment terms and personalized customer service options make refinancing as simple and convenient as possible.

Best of all, if you're interested in refinancing your student loans with ELFI, you can prequalify without impacting your credit score. If you're curious about how much you could save by refinancing, try ELFI's Student Loan Refinancing Calculator.

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LIFE MOMENT

Paying for school

6 questions to help you pay off student loans faster

How to save more for your child's education

Going back to school? 7 things to consider

6 questions to help you pay off student loans faster

It's about time you put your college days fully behind you—by freeing yourself from student loan debt.

Are you using the right payoff strategy?

Juggling multiple debts? You need a good strategy. Two payoff strategy ideas:
Snowball: Paying off the smallest balances first—aka, the snowball approach—frees up cash flow the quickest. Even if your smallest loan takes a few years to pay off, using more of your budget to make larger payments on your smaller loans is the quickest way to a win. Once that first balance is paid off, it's sure to give you a mental boost—and it means you can start making even bigger payments on your other balances. The bigger the payment, the faster you lower your principal balance.
Avalanche: Focus on whichever debt is costing you the most—typically the one with the highest interest rate. It may take longer to feel like you're making progress, but tackling the most costly debts first will save you the most money.

Can you refinance for a better interest rate?

Usually, when you take out student loans, you have little to no credit history—which impacts the interest rate on your loans. The higher your rate, the more your loans cost. But by now, you likely have a better credit history to qualify for a lower rate. Lowering your rate by even one percentage point could move up your payoff date and save you thousands.

Should you consolidate?

If you have multiple student loan balances, consider consolidating. It's one way to refinance for a better interest rate—and you can reduce the number of monthly payments you have to keep up with. For some, consolidating can lower the cost of your debt, move up the payoff date, and free up some cash flow all at once.
Pro tip: Think twice before consolidating any federal loans with private loans. If you do, you'll give up any federal benefits, like when they paused interest rates in 2020. Plus, federal loans often have lower interest rates than private loans to begin with.

Is forgiveness an option?

If you have private student loans, forgiveness probably won't be an option. For federal student loans, there are programs that offer forgiveness—but realistically, the number of people these forgiveness programs can help is small.

One of the most common programs is the Public Service Loan Forgiveness program, which offers loan forgiveness to some who work for a government agency or nonprofit for 10+ years. Or, if you're in a lower-paying field, you could have certain federal student loans forgiven after making payments for 20+ years under an income-based repayment (IBR) plan. (For more on forgiveness options, click here.)

Links to an article with outdated information (see next page)

Can you pay a little extra?

The more you pay now, the more you save later. Whether you're using the snowball or avalanche method, when you make extra payments between your regular monthly payments, most of the extra payments will go straight to your principal balance. The lower your principal, the less interest you're charged each month—and the closer you are to being debt-free.

How do student loans affect your credit score?

Student loans may feel like a necessary evil, but one silver lining of taking on debt for school is that it gives you an opportunity to start building your credit history as a young adult. Each on-time payment you make adds up to a better credit score. And when it comes time to borrow for a car or home, you'll be able to score a better deal.

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Debt versus savings calculator

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The Complete List of Student Loan Forgiveness Programs and Options

Written by
Dori Zinn

Updated on April 30, 2021

How Student Loan Hero Gets Paid

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Student loan forgiveness programs aren't overnight solutions to your debt woes, but they can help you erase some or all of your outstanding balance over time.

Many student loan forgiveness programs are meant for borrowers who work in public service, education, health care and other fields for a certain period. Some states even help debt-saddled graduates pay off their loans.

If you're struggling with debt, we've done the research to provide you with a list of all the major public student loan forgiveness programs available to help. Check out which option works best for you, or scroll down for the full list of ways to get your federal and, in rarer cases, private student loans forgiven. You can look by program…

- Public Service Loan Forgiveness (PSLF)
- Forgiveness with Income-Based Repayment (IBR)
- Forgiveness with Pay As You Earn (PAYE)
- Forgiveness with Revised Pay As You Earn (REPAYE)
- Forgiveness with Income-Contingent Repayment (ICR)
- Federal Perkins loan cancellation

… or by occupation and other categories.

- Student loan forgiveness for **teachers**
- Student loan forgiveness for **nurses**
- Loan repayment assistance for **doctors and other health care professionals**
- Loan repayment assistance for **lawyers**
- Student loan repayment assistance programs for **other careers**
- **Military** student loan forgiveness and assistance
- Student loan discharge for **special circumstances**

Public Service Loan Forgiveness (PSLF)

The Public Service Loan Forgiveness program helps people working in public service jobs, and a variety of fields qualify for PSLF. For this program, it's less about your job title and more about the organization you

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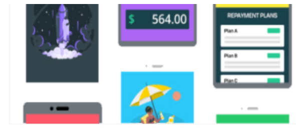
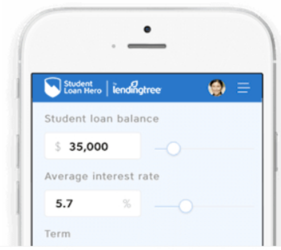
work for. There are plenty of jobs that qualify for PSLF that you might not think of.

After 120 payments, you can qualify for 100% loan forgiveness. The payments don't need to be consecutive, but they do need to be made on a qualifying repayment plan.





Who's eligible?

To qualify, you must be a full-time employee at a federal, state or local government agency or at a 501(c)(3)-designated organization. Religious-based nonprofits are excluded, as well as labor unions and partisan political organizations.

Which loans qualify?

Under PSLF, all federal direct loans qualify, including:

- Direct subsidized and unsubsidized loans
- Direct PLUS loans
- Direct consolidation loans

Federal Perkins loans and Family Education loans (FFEL) are only eligible for PSLF if you consolidate them via a direct consolidation loan first.

What are the requirements?

Not everyone that works in public service qualifies for PSLF. You'll need to work full time at a qualifying organization and make 120 on-time loan payments. Those payments must be under a qualifying repayment plan, including:

- Income-Based Repayment (IBR)
- Pay As You Earn Repayment (PAYE)
- Revised Pay As You Earn (REPAYE)
- Income-Contingent Repayment (ICR)
- Standard repayment

For most borrowers, an income-driven repayment plan lowers your monthly payments and maximizes the amount you'll have forgiven.

How can you become eligible?

To make sure you're eligible for PSLF, submit the Employment Certification for Public Service Loan Forgiveness form. The program requires this form for every year of service, so submitting it on an annual basis will help ensure you're on track for PSLF.

Another important step is switching to an income-driven repayment plan. You'll lower your monthly payments while extending your term to 20 or 25 years. If you stay on the standard plan, you won't have any balance left to forgive after 10 years of payments.

Finally, consider consolidating your student loans into a direct consolidation loan. This step is helpful if you have Perkins or FFEL loans. Plus, it simplifies your monthly payments, so you'll only have one loan to pay each month. You can estimate your possible forgiveness through our PSLF calculator.

PUBLIC SERVICE LOAN FORGIVENESS CALCULATOR

Personal Info

Adjusted gross income

$ 30,000

Family size

1

State of residence

Continental U.S...

Annual income growth

3.5 %

Are you married?

Yes

Loan Info

Total federal student loan balance

$ 25,000

Avg. weighted interest rate

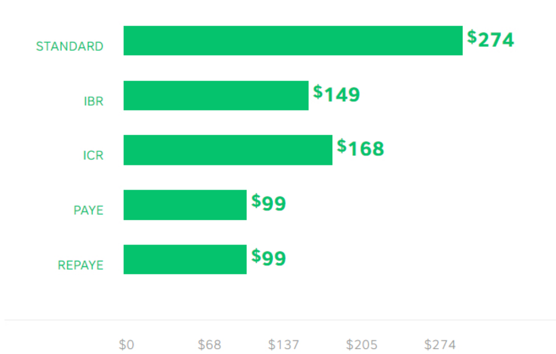
5.7 %

	STANDARD	IBR	ICR	PAYE	R
First month	$274	$149	$168	$99	$
Final payment	$274	$233	$177	$155	$
Balance paid	$32,856	$22,613	$20,665	$15,075	$1
Forgiveness	-	+$14,459	+$16,468	+$24,150	+$2
Term	10yr	10yr	10yr	10yr	1

Depending on the payment plan selected, your forgiveness with PSLF would be up to **$24,150**.

- Do You Qualify For PSLF?
- The Complete List Of Student Loan Forgiveness Options
- 8 Jobs That Offer Student Loan Forgiveness

First month Final Payment Balance Paid Forgiveness



How do you apply for Public Service Loan Forgiveness?

Fill out and submit the Employment Certification Form each year, or as you change jobs.

FedLoan Servicing will review your information and let you know if you qualify. They might ask for more information, like pay stubs, W-2s or other documentation.

FedLoan Servicing will let you know how many qualified payments you have made, and how many payments you will need to make until you qualify for forgiveness.

Currently, there is no limit on the amount forgiven under PSLF. The full amount of your federal student loans is eligible for forgiveness.

Forgiveness with Income-Based Repayment (IBR)

While this isn't a forgiveness program in the typical sense, you can get your loans forgiven through the Income-Based Repayment program.

Through IBR, your student loan payments are capped at 10% or 15% of your discretionary income. After making consistent payments under IBR for 20 or 25 years (terms depend on when you borrowed), any remaining loan balance will be forgiven.

Thanks to a student loan stimulus included in Congress' relief package in March 2021, loans that are forgiven under this program won't be taxed as income through 2025.

Who's eligible?

Your IBR payments must be less than what your payment would be under the standard repayment plan. Estimate your payments through our IBR calculator to see if you qualify.

Which loans qualify?

Some loans might not qualify for IBR, so check to see if yours does. Qualifying loans include:

- Direct subsidized and unsubsidized loans
- Direct grad PLUS loans
- Subsidized and unsubsidized FFEL Stafford loans
- FFEL PLUS loans made to grad students
- Federal Perkins loans, if consolidated
- Direct consolidation loans, unless they were used to repay parent PLUS loans or FFEL loans made to parents

What are the requirements?

Borrowers must make consistent payments for 20 or 25 years and update

refinancing federal loans turns them private. As a result, you'll lose access to federal forgiveness programs and repayment plans, which proved especially helpful while the coronavirus pandemic squeezed the economy in 2020 and 2021. If you're comfortable with this sacrifice, however, consider refinancing as a way to restructure your debt and potentially save money on interest.

Explore all your options for paying off student loans

Depending on where you live and work, you could qualify for partial or total forgiveness of your student loans. If you aren't eligible, look into other options for dealing with your student loans, and check for any new developments or programs.

Even if you started out on a certain plan, you don't have to stick with it forever. Instead, feel free to adjust your plan as your circumstances and goals change over the years.

As with IBR, your forgiven balance might be treated as taxable income.