

## **Public Service Loan Forgiveness (PSLF) Program**

The [2018 White House budget](#) called for elimination of the Public Service Loan Forgiveness (PSLF) program (see page 129). On May 23, 2017 the Education Department announced that hundreds of thousands of individuals on track for loan forgiveness under PSLF would not be affected by the current administration's proposal to get rid of the benefit. Education officials have since clarified that the president's proposal would only affect people taking out loans on or after July 1, 2018.

As an employee of the USPTO, here's what you need to know:

The Public Service Loan Forgiveness Program is a federal program that forgives federal student loans for borrowers who are employed full-time (more than 30 hours per week) in an eligible federal, state or local public service job or 501(c)(3) non-profit job who make 120 eligible on-time payments. Section 401 of the [College Cost Reduction and Access Act](#) (H.R. 2669) of 2007 sets forth the terms of PSLF including eligible federal loans, qualifying loan repayment plans and more. Loan amounts forgiven under PSLF are *not* considered taxable income by the IRS.

### Title IV

#### Loan forgiveness

##### Sec. 401. Loan forgiveness for public service employees

Section 455 (20 U.S.C. 1087e) is further amended by adding at the end the following:

(m) Repayment plan for public service employees.—

(1) In general.—

The Secretary shall cancel the balance of interest and principal due, in accordance with paragraph (2), on any eligible Federal Direct Loan not in default for a borrower who—

(A) has made 120 monthly payments on the eligible Federal Direct Loan after October 1, 2007, pursuant to any one or a combination of the following—

(i) payments under an income-based repayment plan under section 493C;

(ii) payments under a standard repayment plan under subsection (d)(1)(A), based on a 10-year repayment period;

(iii) monthly payments under a repayment plan under subsection (d)(1) or (g) of not less than the monthly amount calculated under subsection (d)(1)(A), based on a 10-year repayment period; or

(iv) payments under an income contingent repayment plan under subsection (d)(1)(D); and

(B)

(i) is employed in a public service job at the time of such forgiveness; and

(ii) has been employed in a public service job during the period in which the borrower makes each of the 120 payments described in subparagraph (A).

(2) Loan cancellation amount.—

After the conclusion of the employment period described in paragraph (1), the Secretary shall cancel the obligation to repay the balance of principal and interest due as of the time of such cancellation, on the eligible Federal Direct Loans made to the borrower under this part.

(3) Definitions.—

In this subsection:

(A) Eligible federal direct loan.—

The term "eligible Federal Direct Loan" means a Federal Direct Stafford Loan, Federal Direct PLUS Loan, or Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan.

(B) Public service job.—

The term "public service job" means—

- (i) a full-time job in emergency management, government, military service, public safety, law enforcement, public health, public education (including early childhood education), social work in a public child or family service agency, public interest law services (including prosecution or public defense or legal advocacy in low-income communities at a nonprofit organization), public child care, public service for individuals with disabilities, public service for the elderly, public library sciences, school-based library sciences and other school-based services, or at an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

It is important to note that although full-time employment by the USPTO is a qualifying employment according to the FSLP, employees will still need to review their particular types of loans and repayment plans to determine whether or not they can take advantage of the loan repayment program.

For more detailed information on the program and its requirements, employees are directed to the [Department of Education's Federal Student Aid Office's website](#). This website includes a variety of tools, including a [PSLF Fact Sheet](#) which can assist employees in navigating the program. The web site also includes an electronic copy of the [Employment Certification Form](#) which should be completed by both the employee and their employer *annually*.

[MyFedLoan](#) is another online resource for PSLF information, one hosted by the U.S. Department of Education, which allows employees to create an online account through which they can track their eligibility and repayment status.

In an effort to assist employees in their navigation of this program, POPA has also generated a flowchart designed to assist employees ([see below](#)). Please note – this chart should NOT be relied upon solely without referencing the [Department of Education's Federal Student Aid Office's website](#).

While PSLF is certainly an amazing program for those who qualify, it is essential that employees seeking to take advantage review its terms thoroughly to ensure that they meet its many requirements. Those already enrolled should continue to certify their enrollment annually while those not yet certified should take the steps necessary to review the terms of the program as soon as possible to ensure that they do not miss out.

An example screenshot from MyFedLoan:

**Print All Loan Details**

[Back to Overview](#) [Print for Your Records](#)

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**Direct Sub Consolidation Loan -**

Loan Status:	REPAYMENT	Original Balance:	\$
Disbursement Date:		Unpaid Interest:	\$
Loan Program:	DIRECT SUB CONSOLIDATION LOAN	Current Balance:	\$
Owner:	U.S. DEPT OF ED	Monthly Payment:	\$
Guarantor:	FEDERAL	Repayment Term:	Months
School:		Expected Payoff Date:	
<a href="#">Out of School Date:</a>	--	Next Due Date:	07/25/2016
Interest Rate:	%	Days Delinquent:	0
Interest Rate Type:	FIXED RATE		
Subsidy:	SUBSIDIZED		

  

Loan Benefits:		
Description	Status	Payments Until Active
Rebate	<a href="#">Credited</a>	--

  

Public Service Loan Forgiveness Details:		
Qualifying Payments Made	Qualifying Payments Remaining	Estimated Eligibility Date
24	96	08/20/2024

[Learn more about this program](#) [What do these terms mean?](#)

Last Payment on this Loan:

Date	Payment	Principal	Interest
07/25/16	\$	\$	\$

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**Direct Unsub Consolidation Ln -**

Loan Status:	REPAYMENT	Original Balance:	\$
Disbursement Date:	05/20/13	Unpaid Interest:	\$
Loan Program:	DIRECT UNSUB CONSOLIDATION LN	Current Balance:	\$
Owner:	U.S. DEPT OF ED	Monthly Payment:	\$
Guarantor:	FEDERAL	Repayment Term:	Months
School:		Expected Payoff Date:	
<a href="#">Out of School Date:</a>	--	Next Due Date:	07/25/2016
Interest Rate:	%	Days Delinquent:	0
Interest Rate Type:	FIXED RATE		
Subsidy:	NON SUB		

  

Loan Benefits:		
Description	Status	Payments Until Active
Rebate	<a href="#">Credited</a>	--

  

Public Service Loan Forgiveness Details:		
Qualifying Payments Made	Qualifying Payments Remaining	Estimated Eligibility Date
24	96	08/20/2024

[Learn more about this program](#) [What do these terms mean?](#)

Last Payment on this Loan:

