

PSLF and Temp Waiver Webinar Questions

Feedback

1	Will people working part-time at a library ever be considered for loan forgiveness? (part-time only because the library won't hire full-time people)	I don't know if they will ever be considered, but they unfortunately are not right now.
2	I am currently enrolled in the program they would not forgive my loans despite that I worked for over 13 years in the library system worked for 2 libraries which I each library I worked over 30 hours.	Contact the Hotline at 1-855-265-4038 to talk with someone about this.
3	If we make partial payments between now and the end of the student loan pause, do those payments count towards the PSLF waiver?	Yes; but so does making no payment.
4	I have started to fill out the PSLF even though I have not graduated yet and for the temporary waiver, there are some of my employers who said that they don't qualify under public services even though I was serving different communities	Don't take the word of the employer. There is a lot of confusion amongst employers as well. Check the criteria at https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions#qualifying-employer
5	Do we know if one has to have been awarded the Federal Pell Grant for the degree in which the loan was? Or does it count for any loan if you ever received the Pell Grant? any fed loan*	My understanding is that it counts for any loan if you've received a Pell Grant, but please refer to https://studentaid.gov/debt-relief-announcement/one-time-cancellation for clarification.
6	Do they have to be consecutive payments?	Nope
7	why is the "forgiven" amount going to be taxed? Does this mean that I would need to pay income tax on this amount and therefore owe the IRS at the end of the year?	I'm not a tax professional. There are many things that go into the amount of money you owe or don't owe at the end of the year. Neither do I know the mind of legislators who have chosen to tax loan forgiveness in Indiana. But, you can find more information about this issue at https://www.insideindianabusiness.com/articles/student-loan-forgiveness-counts-as-income-in-indiana .
8	If a person already paid off the Pell grant does one still receive the \$20K forgiveness?	An individual can't pay off a Pell Grant. By its nature, this is money that has been given, not lent. The person who received the Pell Grant would be eligible for up to \$20k forgiveness.
9	Going back to the question about partial payments during the pause, I thought that even no payment would count during this time.	That's correct. No payment counts.
10	This does not count private loans from say a bank or anything like that correct?	That's correct. This doesn't not include private loans. These are the types of loans that are eligible for consolidation into Direct Loans which would make them eligible for forgiveness.
11	I've never consolidated because I was worried that would put my PSLF status in jeopardy- I'm about halfway through and don't want to lose progress	During the temporary waiver, all past progress is counted. This is one of the most exciting features of the program.

12	Because the switch of loan servicer occurred and it's time for me to reapply, how does that work and will it automatically go to the new MOHELA?	If your loan(s) have already been switched to MOHELA, you will go through them for all things related to PSLF and the temporary waiver. If you have already been in the PSLF program, your loans should be automatically transferred to MOHELA. If, however, you need to consolidate loans, you'll need to start that process now, prior to anything else.
13	Is it better to consolidate loans then? I guess I am not sure of the benefits to consolidating my government student loans	Unfortunately, without knowing what types of loans you have, I can't answer that. If you have more than one of the loan types listed here, you should consolidate to maximize your payment counts. https://studentaid.gov/manage-loans/consolidation#eligible-loans
14	I'm so paralyzed by fear and overwhelm that I haven't been able to start. When I go to the website I can't get very far. What's a way to get this process started?	I recommend calling the Hotline at 1-855-265-4038. They will walk you through what you need to do. There are also some consultants out there, but I would hesitate to recommend any of them since they often charge for their services.
15	They still count whether unsubsidized or subsidized since they are both Federal correct?	That is correct.
16	I have a daughter who's only halfway through college and has parent plus loans in my name. So 2 questions: Do parent plus qualify? Do her loans need to be consolidated even before she's done since the waiver period will end before she is done?	Parent Plus loans that have been completely disbursed can be included in the consolidation. It's important to keep in mind, however, that those loans are yours even if they were taken on behalf of her education. For that reason, it is your public service that counts toward the forgiveness and not hers. Her loans are loans that have her name, as the borrower, on them. They will not be consolidated for this purpose.
17	I was laid off and only partially employed for about 6 months before I started working for the library. I resubmitted for income-contingent repayment and included information about my unemployment and part-time income to Nelnet for recalculating my payment. That recalculation came back as a \$0 monthly payment. Instead of setting up my account in this way, Nelnet put my payments in forbearance for 12 months. So those first months working full time for the library are not counted towards my 120 PSLF because they are shown as forbearance instead of as IDR \$0 monthly payment. Do I just have to accept this or can I put in for the waiver?	My recommendation is that you contact the helpline at 1-855-265-4038. This type of situation has happened to others, and the representatives at MOHELA will do their absolute best to help you out. Do not just accept it.

18	Should we try to consolidate loans and exit forbearance period BEFORE the one time forgiveness comes through or does the timing not matter?	The timing doesn't matter for the one-time forgiveness, but it REALLY matters for loan consolidation. Also, don't worry about exiting forbearance right now either. Worry most about any loan consolidation you need to do, so that you can get on to the next part of employment verification/PSLF application.
19	Do we know if Parent Plus loans are eligible for the one-time federal student loan forgiveness?	There is a great answer to this on the https://studentaid.gov/debt-relief-announcement/one-time-cancellation page. The question on that page is "If I have parent PLUS loans and my child received a Pell Grant, can the full \$20,000 in debt relief be applied to my parent PLUS loans?" The answer to that question is "no," but the additional information describes that yes - parent PLUS loans are eligible.
20	I can't get a hold of anyone at studentaid.gov...I should be eligible under the new waiver for forgiveness but I've spent literally hours at a time on the phone and never yet have I gotten a rep (trying since August). I'm concerned I may not get anyone before the waiver expires. Not sure what to do about that. :(Please contact the PSLF hotline manned by Mohela for PSLF questions (not studentaid.gov). The number is 1-855-265-4038. Plan to be on hold for 30-60 minutes.
21	Is the one time loan forgiveness the same as the PSLF?	Nope. They are different programs.
22	How long do you have to work in Public service?	At least 10 years.
23	So do we have to apply for both then?	You do need to apply for both the Public Service Loan Forgiveness as well as the one time loan forgiveness.
24	how do you sign up for the one time loan forgiveness	There will be a form available at the beginning of October. More information is available at https://studentaid.gov/debt-relief-announcement/one-time-cancellation .
25	How do I figure out which loans I have?	Log into your account at studentaid.gov. If you never have before, you may need to create an account, or if it's been a long time ago, you will need to update your account.
26	I have sub & unsub loans all are the same type. does consolidation do anything positive?	If you have more than one subsidized direct loan and more than one unsubsidized direct loan, consolidating allows all of those loaned monies to benefit from the biggest number of qualifying payments toward forgiveness.
27	I'm currently finishing my MLS, will this count with my newer loan as well?	Only if its been completely disbursed. If you have just taken out a loan for the 2022/23 school year, this will likely not qualify since it hasn't been fully disbursed yet.

28	None of this is valid until you have worked full time for 10 years?	It is valid now. Even if you don't qualify for forgiveness yet, you will have the opportunity to maximize your payment counts to hopefully qualify for forgiveness sooner.
29	Does the state also tax Public Service Loan Forgiveness as income?	From my research, the answer to that is "no." This statement from a spokesperson from the Indiana Department of Revenue in a recent WRTV article, "For refunded loans, the tax treatment is same as federal with one caveat. The caveat is that if the loan is refunded and then the loan is wholly or partially forgiven, then the forgiven portion would be taxable/nontaxable for Indiana purposes based on the provision of federal law under which it was forgiven (general discharge, taxable with the exception of insolvency, death/disability not taxable, PSLF, not taxable)." - wrtv.com/news/state-news/indiana-will-tax-loan-forgiveness-similar-to-other-states
30	Does the one time loan forgiveness apply for current students?	It does apply for current students but only on loans that have already been completely disbursed.
31	Do we have to apply separately to both forgiveness programs?	You must apply separately for the Public Service Loan Forgiveness Program and the OneTime Student Loan Debt Relief
32	Anything that is not a direct loan needs to be consolidated? I have a few direct loans and several graduate plus loans.	They should all be consolidated to maximize payment counts.
33	Is the temporary waiver a separate document or is it applied to any PSLF certification application submitted while it is active?	The temporary waiver is not a separate document from PSLF certification.
34	So of my 9 years of payments, 7 years of those payments will not count towards the PSLF because I was employed in the private sector during those first 7 years?	That is correct. Only payments made while employed by a qualifying employer count toward PSLF.
35	Can we consolidate our kids federal loans if they are not parents loan?	No. You can only consolidate loans that have you listed as the borrower.
36	So I can not consolidate my dad's loans that he took out for me?	No. He might be eligible for some type of loan forgiveness whether it be the one-time student loan debt relief and/or PSLF (if he works or worked in public service while making payments).
37	Is there a way to get loan forgiveness or even income driven repayment on the parent plus loans then?	Yes. They must be consolidated into a Direct Loan.
38	How do we double check if we received a Pell grant in the past? I'm 85% sure I did - I've filled out FAFSA in the past and gotten aid, was that it?	You can check out what types of aid you've received at studentaid.gov .

39	I was working for my library (not close enough to full time) for about 6 years before making full time to start the PSLF. Before that I had to make the maximum deferments and almost the max forbearance because I didn't make enough money to make the payments the IBR. Sadly those instances before I became officially full time, will not count. Correct?	Unfortunately, no. Only full-time employment for a qualifying employer counts. It is, however, important to note that full-time employment is 30 hours or more (no matter what the employer considered full-time).
40	Where can you find out how many payments you've made?	You will find this information from your loan servicer. It's important to note that there will be payments that you didn't actually pay that can count toward this because of the payment pause and the temporary waiver.
41	For future reference - do you think if we have a federal loan for ourselves is better to take a parent plus loan for our kids?	I can't provide this type of advice. It's worth noting that parent PLUS loans do tend to have higher interest rates than subsidized and unsubsidized direct loans.
42	if we haven't started the consolidation process or started applying for the limited PSLF Waiver is there likely to still be time to get it all completed before the oct. 31 deadline?	Start now. It is likely that you can still benefit from this if you get started right now.
43	can you still start the consolidation when I'm in limbo between servicers	Contact the Hotline at 1-855-265-4038 to talk with someone about this.
44	If Nelnet tracked my \$0 IDR payments as loan in forbearance during my early Library career, could those be included as payments because Nelnet was in error on handling those?	Contact the Hotline at 1-855-265-4038 to talk with someone about this. This is not an uncommon error on the part of servicers and a major reason for several reforms including the temporary waiver.
45	When you apply for PSLF, do your loans get transferred to a different servicer? For instance, my loans are currently with Aidvantage (who took them from Navient); will they be moved from Aidvantage to another company?	They will be transferred to MOHELA.
46	Do you need to update Dept of Education every year with your employment status, yes?	It is best to submit employment verification on an annual basis.
47	I paid off my parent plus loans during the pandemic - if I understand right I could still get the money that I paid as part of the forgiveness - any idea how I would do this? I had 2 parent plus loans through different servicing agencies.	If your loans have already been paid off in full, you will not be eligible for forgiveness.
48	Will this program be available in the next few years provided that I'm working full time in the future?	The PSLF program will be available so long as the federal government and the U.S. Department of Education keep it in place. The temporary waiver ends Oct. 31, 2022.
49	how far back can you count working full time in public service?	It would be any full-time employment for a qualifying employer after Oct. 1, 2007.

50	You may have already covered this, but if you only have Federal Subsidized and Federal Unsubsidized loans, is it advised to consolidate?	It depends on if you have more than one of each and if they have a different number of qualifying/eligible payments or not. If you have more than one of each and they have a different number of qualifying/eligible payments, you will likely want to consolidate to maximize your payment counts.
51	My first library employer has only a w2 record of my employment and getting a signature is not an option, any advice what to do?	A W2 is acceptable documentation of employment verification. Make sure to select the box on the form for that employer that says you can't get verification from them.
52	What can I do about the parent plus loans my parent took out for me?	Unfortunately nothing. But they may be eligible for the One-time student debt relief, and if they work in public service, they may be eligible for PSLF.
53	What is the best way to contact the new loan servicer if they have yet to contact me since it has been months since switching. Should I just call the basic # and try to navigate?	Always. But, if you are calling about PSLF, please call the hotline. They will give you the best, most up-to-date advice. 1-855-265-4038
54	So consolidating won't affect the other forgiveness?	It will not.
55	I have three children with parent plus loans. Should those all be consolidated together instead of by child?	In my case, I consolidated the parent PLUS loans I had for my sons with my own direct loans (that had been previously been consolidated). Now I have one "mega" loan that will all fall under my qualifying/eligible payments and be eligible for forgiveness at the same and soonest time.
56	I have a Parent Plus loan in addition to my own personal loans. So I can consolidate those loans together? My Parent Plus loan is currently listed as in deferment and want to get some payments counted if possible.	If the parent PLUS loan has been completely disbursed, it may be able to be consolidated. Please contact the hotline for clarification on this nuanced situation. 1-855-265-4038