



WELCOME!

We will get started at 10:00 AM



EXPANDED LOAN FORGIVENESS FOR PUBLIC EMPLOYEES

Unpacking new Public Service Loan Forgiveness rules

Inter Faculty Organization

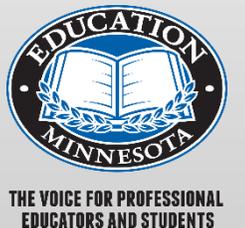
September 30, 2022

10:00 am

This virtual meeting is for Education Minnesota staff and leaders and IFO members only. We are a friendly forum, and we require that you get consent before photographing or recording any portion of this meeting.

Overview

- Meet your trainers
- Why this matters
- NEW! Student debt resolution and cancellation announcement
- Overview of “regular” Public Service Loan Forgiveness requirements
- What changed? Components of the ED waiver
- AFT lawsuit and remedies



Meet your trainers

Bridget Moore

- Organizing specialist
- Tenure at EdMN 15 years (!!!)
- Internal organizing, organizing new locals, student loan debt
- Travel, the great outdoors, and punching bags when it gets to be too much



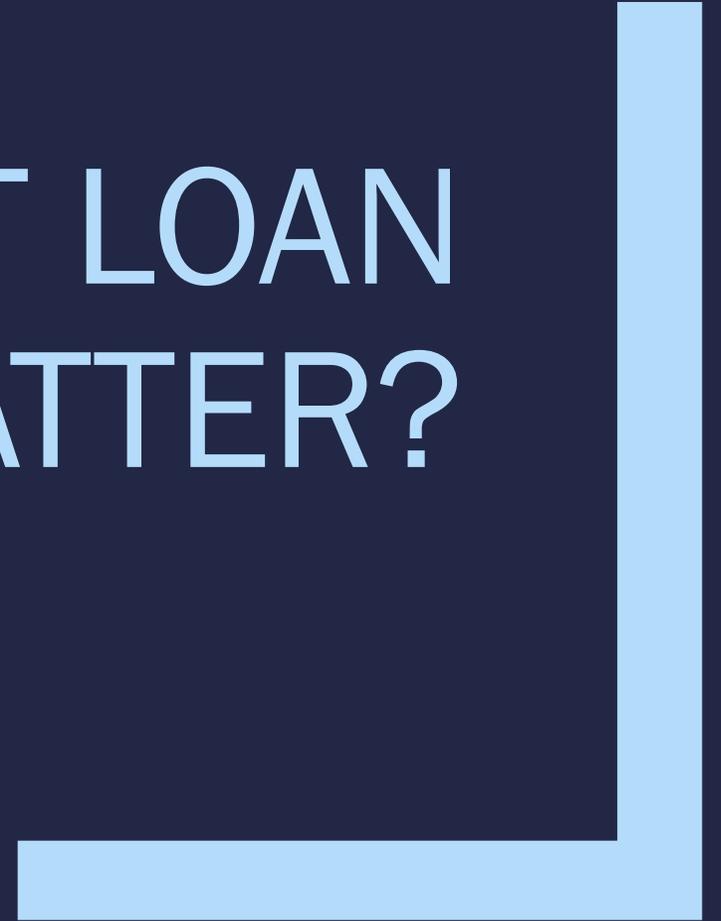
Meet your trainers

Andrea Cecconi

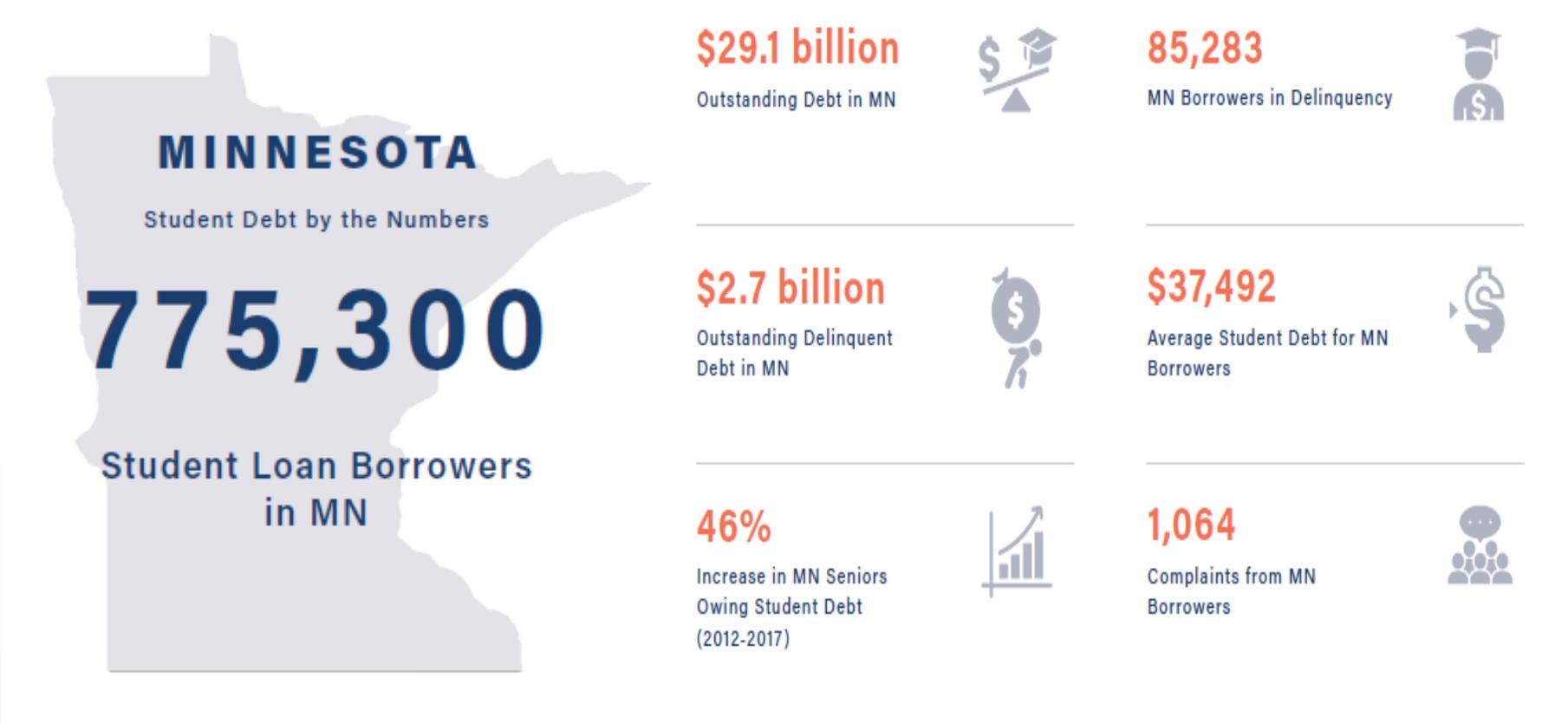
- Negotiations and research specialist
- Tenure at EdMN: 15 years
- School finance, bargaining strategy, student loans
- Hiking, biking, anxiety-baking



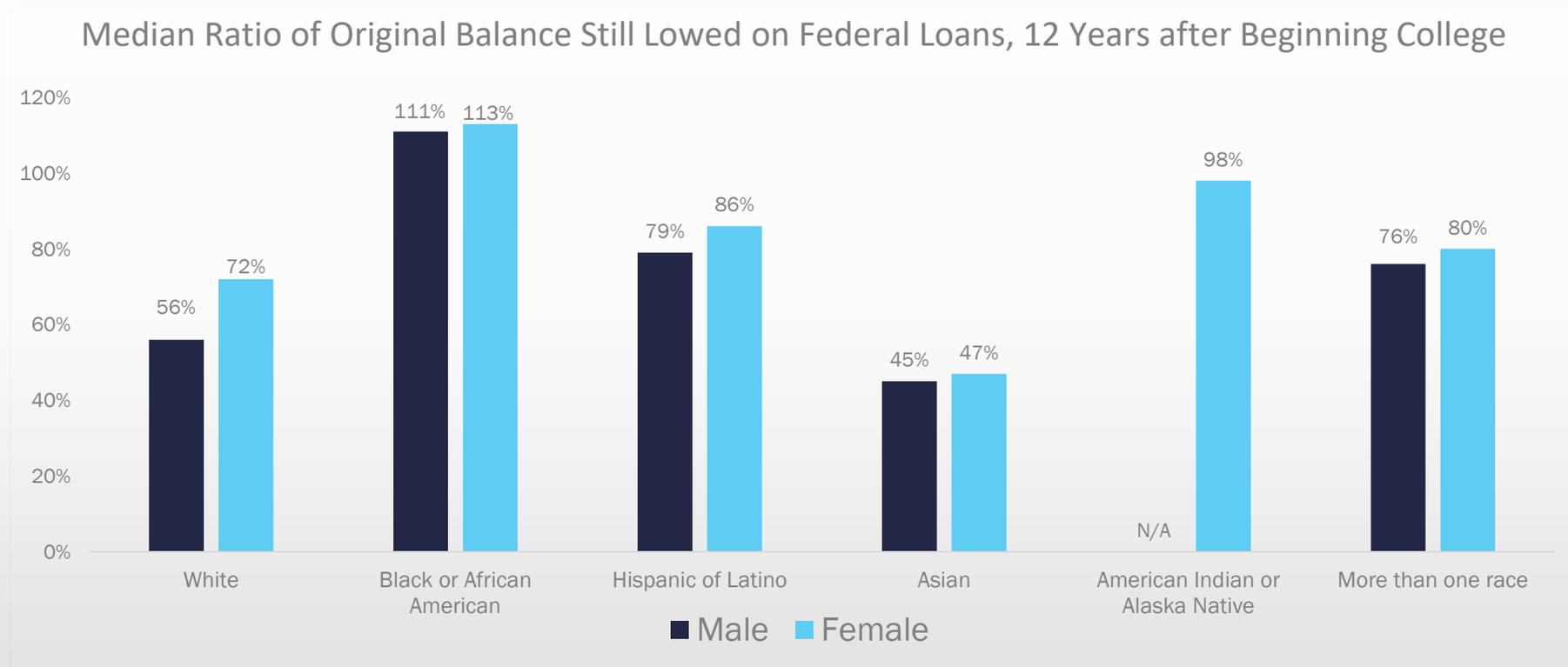
WHY DOES STUDENT LOAN
FORGIVENESS MATTER?



Student debt across Minnesota (2020)

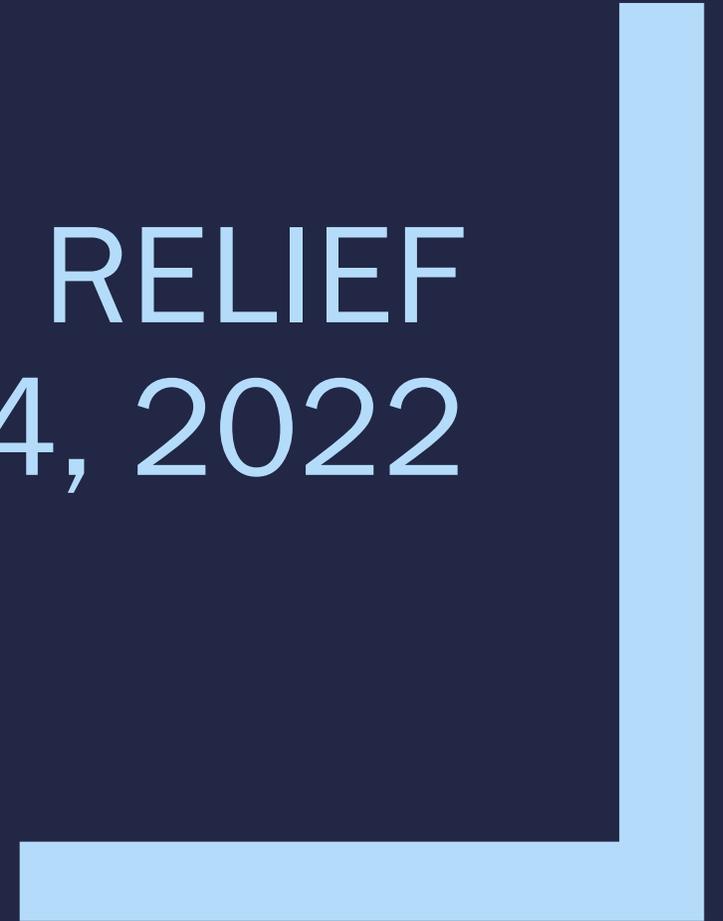


Borrowers of color and women struggle more to pay down loan balances

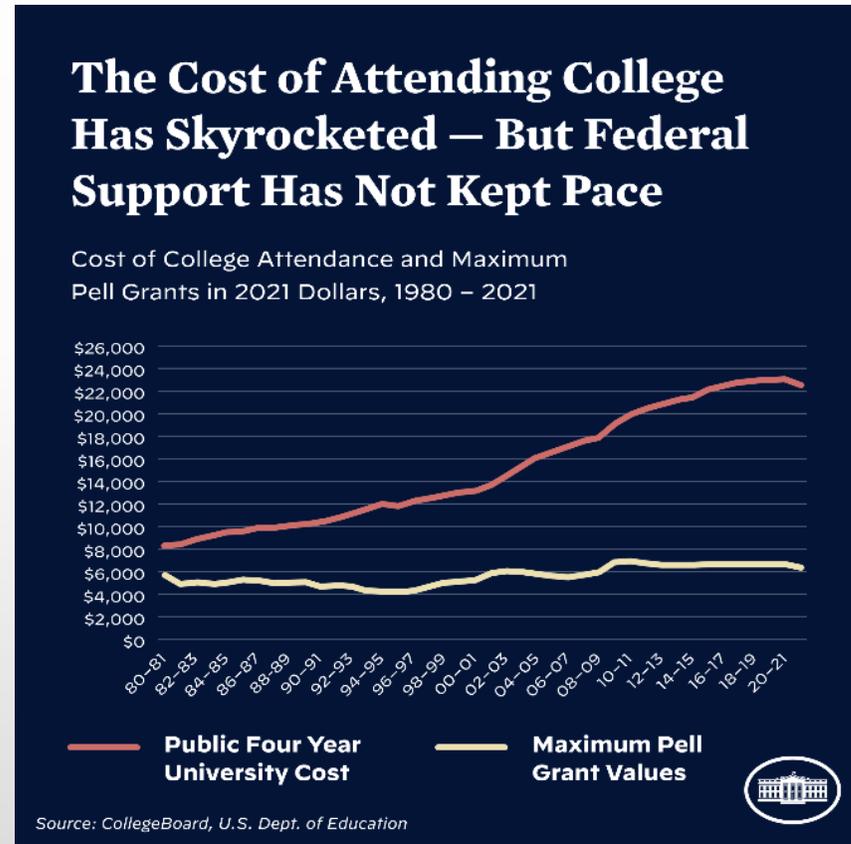


Calculations from Source: U.S. Department of Education, National Center for Education Statistics, 2003-04 Beginning Postsecondary Students Longitudinal Study, Second Follow-up (BPS:04/09). Data unavailable for Pacific Islander/Hawaiian borrowers or American Indian male borrowers due to sample size or unstable estimates. Ratios include those who have fully paid off federal loans.

STUDENT LOAN RELIEF
ANNOUNCED AUGUST 24, 2022



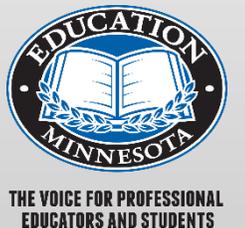
Loan cancellation expected during Fall 2022



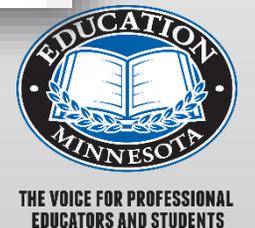
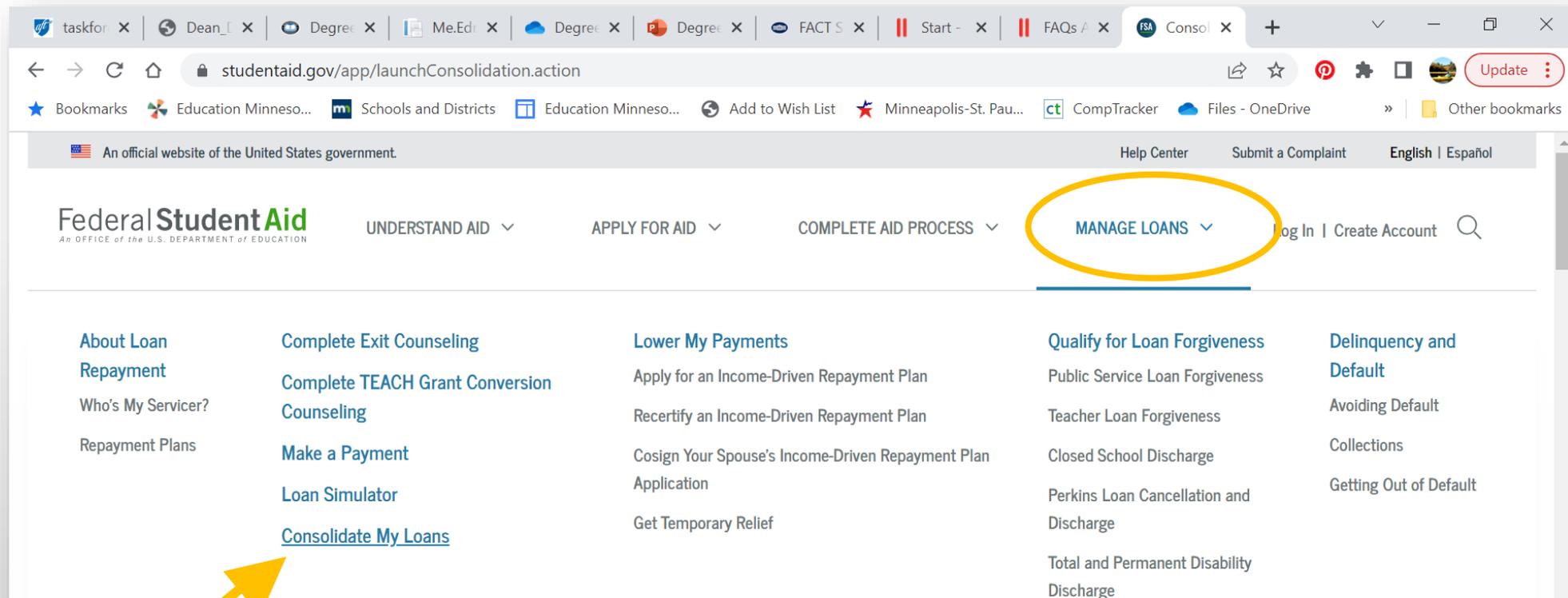
- Pell Grant recipients will be eligible for \$20,000 in loan relief
- Other borrowers will be eligible for \$10,000 in loan relief.
- Borrowers are eligible if their individual income is less than \$125,000 or household income is less than \$250,000
 - *Income will be based on tax filing years 2020 or 2021*
- An application will be launched in October 2022

What type of loans are eligible?

- This announcement applies to federal loans owned by the U.S. Department of Education.
- If your loan payments have been on pause since March 2020, they are likely covered by this announcement.
- **All Direct loan borrowers are included, including Grad PLUS Loans and Parent PLUS Loans.**
- Some FFEL loans are included, others will need to consolidate.
 - *FFEL loans that are held by the U.S. Department of Education are included.*
 - *If you have an ED-held FFEL loan, your servicer will be listed as Department of Education / Mohela (or some other servicer name*
 - *Commercially held FFEL loans (i.e., held by a private bank or entity) borrowers will need to consolidate their loans to benefit from cancellation.*

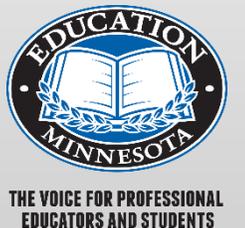


Consolidate your loans on the FSA website



I HAVE SO MANY QUESTIONS!!!!!!!!!!!!!!

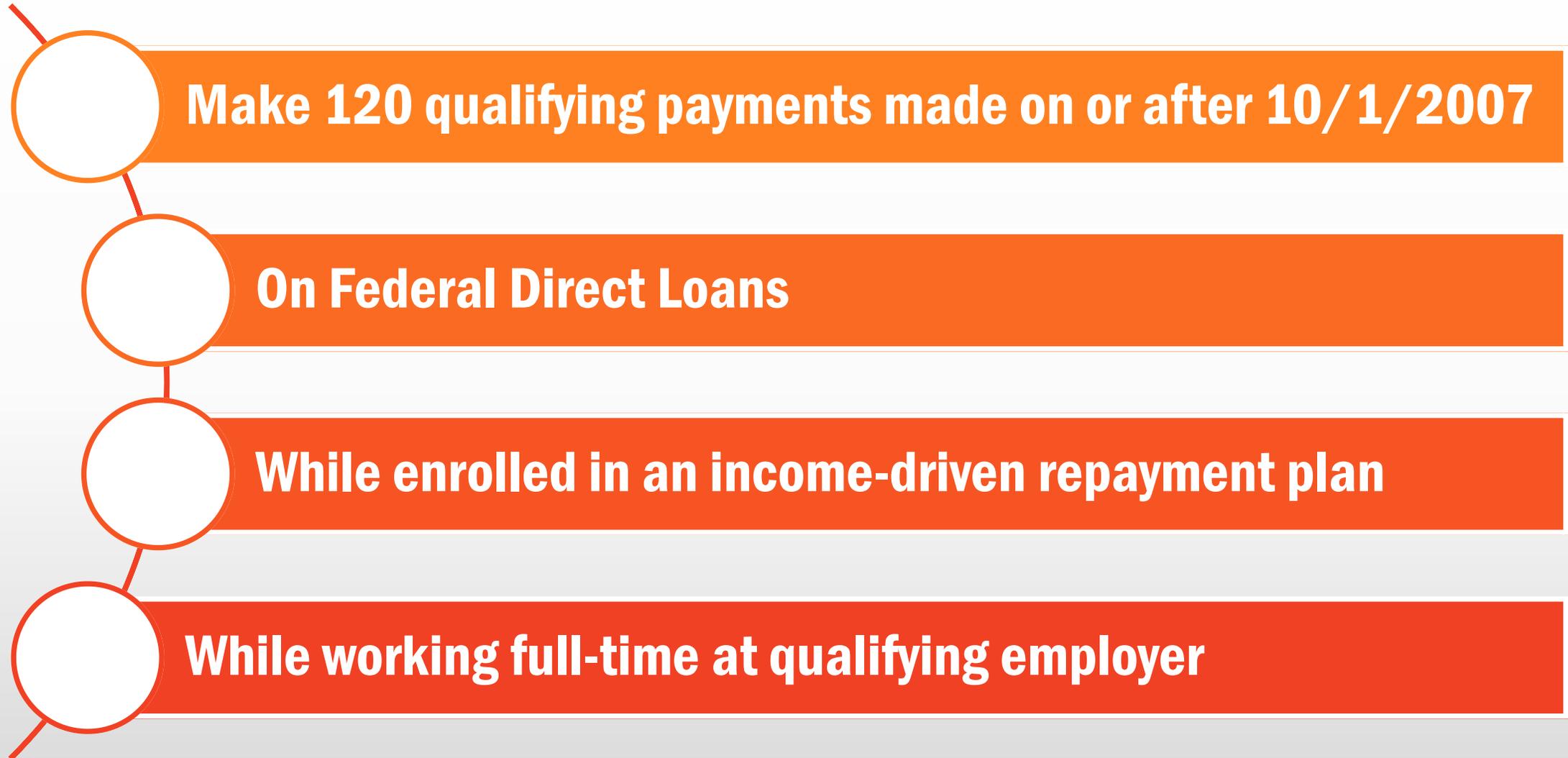
- The best sources of information on this cancellation announcement:
 - Review the FAQ at <https://forgivemystudentdebt.org/faq/> which is run by the Student Borrower Protection Center and is a reputable source of information.
 - Check for updates at <https://studentaid.gov/debt-relief-announcement/>.
 - Do. Not. Rely. On. Twitter. Or. Other. Social. Media. Please. Pretty please.



OVERVIEW OF “REGULAR” PSLF REQUIREMENTS



Public Service Loan Forgiveness



Public Service Loan Forgiveness

Make 120 qualifying payments made on or after 10/1/2007

- 120 payments = 1 payment each month for 10 years
- You may not pre-pay your loans. Only one payment each month will count towards the number of payments required for forgiveness
- Payments do not need to be consecutive.
- Payments must be made while working for a qualifying employer
- Payments may be retroactive
- Do not pay more than your required payment amount. Pre-paying can have negative consequences.****



Public Service Loan Forgiveness

On Federal Direct Loans

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Direct PLUS Loans
 - *Parent Plus loan MUST be consolidated into a Direct Consolidation Loan to qualify*
 - *Direct Consolidation Loans*

- FFEL do NOT count and must be consolidated



Public Service Loan Forgiveness

While enrolled in an income-driven repayment plan

- Based on your income, not your loan balance
- Income Driven is an umbrella term for one of several repayments options including:
 - *Pay As You Earn (PAYE)*
 - *Income Based Repayment (IBR)*
 - *Income Contingent Repayment (ICR)*
 - *Revised Pay As Your Earn (REPAYE)*
 - *Must re-apply every year to verify your income*



Public Service Loan Forgiveness

While working full-time at qualifying employer

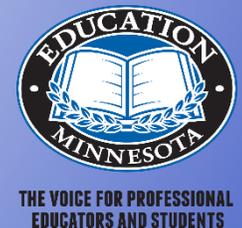
- Minnesota State is a qualifying employer
- Average at least 30 hours per week***
- Summer break counts as long as you are continually employed
- Leaves such as maternity leave or other legally- or contractually-allowed leaves where you maintain employment are allowed



Public Service Loan Forgiveness

What does full-time mean in higher education?

- Part-time vs. full-time is the central challenge.
- Full-time definition MinnState is using = 0.75 across a whole year
 - *Semester FTE = 0.375*
- Work across & between campuses / public employers counts
- Staff who have worked across different campuses can contact the MinnState office for employment certification rather than working via campus HR



THE BIDEN ADMINISTRATION'S PSLF WAIVER

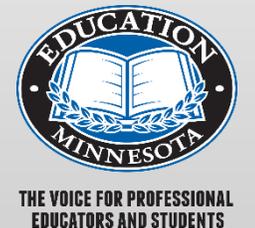


Normal PSLF Requirements

- Receive credit only on Direct Loans
- Repay under the 10-year Standard Plan or an income-driven repayment plan
- Make on-time payments
- Need to be employed fulltime for a qualifying employer in order to receive credit
- Must work for a qualifying employer at the time of application and forgiveness
- If you got Teacher Loan Forgiveness, the period of service that led to your eligibility cannot also count toward PSLF

Changes Until Oct. 31, 2022

- Receive credit for periods of repayment on Direct, FFEL, or Perkins Loans
- Periods of repayment under any plan count
- Periods of repayment on loans before consolidation count, even if on the wrong repayment plan
- Periods of repayment where payments were late or for less than the amount due also count
- Periods of repayment on loans before consolidation count, even if paid late or for less than the amount due
- Can get forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness



Some specific highlights

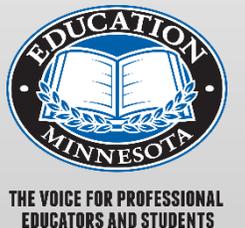
- ❖ Periods of repayment under any plan count
- ❖ Periods of repayment on loans before consolidation count, even if on the wrong repayment plan
- ❖ Periods of repayment where payments were late or for less than the amount due also count
- ❖ You can get payment credit on consolidated loans dating back to your OLDEST loans in repayment



What does the waiver not change?

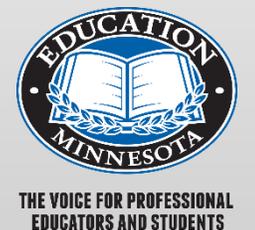
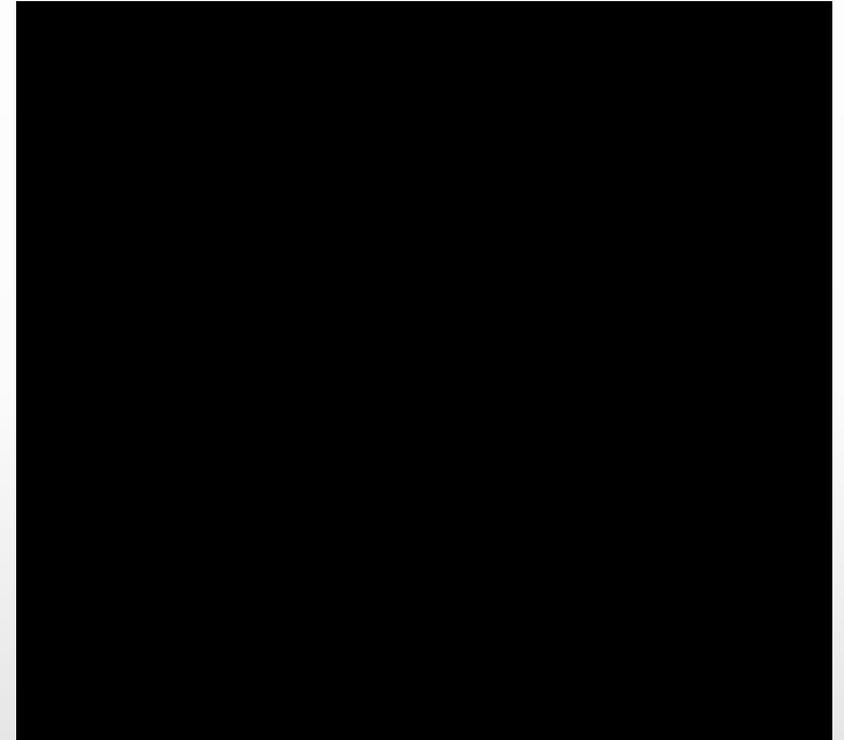
Unchanged Requirements

- Employed by government, 501(c)(3) not-for-profit, or other not-for-profit organization that provides a qualifying service
- Work full-time



In other words...

- You can get credit for payments made on NON-DIRECT LOANS like FFEL or Perkins loans. You **will need to consolidate your loans.**
- You can get credit for payments made on OTHER REPAYMENT PLANS, not just Income-Driven Repayment Plans!



EVERYONE'S FIRST STEP: VERIFY YOUR LOAN TYPES



- Access your loan data via studentaid.gov
- This system allows you to see a summary of ALL of your loans you have taken out via a federally-backed program
- You can find out:
 - *What kind of loans you have*
 - *When they originated*
 - *How much you have to pay*
 - *Who holds them (your servicer)*
- To access the system, you need an FSA ID and password

Loan Basics: Finding loan information

The screenshot shows the Federal Student Aid website interface. At the top, there is a navigation bar with the following elements: a US flag icon and the text "An official website of the United States government"; the "Federal Student Aid" logo with the tagline "An OFFICE of the U.S. DEPARTMENT of EDUCATION"; and four main navigation categories: "UNDERSTAND AID", "APPLY FOR AID", "COMPLETE AID PROCESS", and "MANAGE LOANS". On the right side of the navigation bar, there are links for "Help Center" and "English | Español", a notification bell icon, a user profile icon labeled "BRIDGET", and a search icon. A red circle highlights the user profile area, and a red arrow points to the "My Aid" option in the dropdown menu that appears below the profile icon. The dropdown menu contains the following items: "Dashboard", "My Aid", "Documents", "Settings", "Enrollment", and "Log Out".

Below the navigation bar, the page is divided into two main sections. On the left, under the heading "MY CHECKLISTS", there are four items, each with a blue checkmark icon: "I'M PREPARING FOR SCHOOL", "I'M IN SCHOOL", "I'M IN REPAYMENT", and "I'M A PARENT". On the right, there are two prominent action cards. The top card has a blue header and contains the text "Begin, complete, review correct the FAFSA® form" followed by a blue link "FAFSA® FORM >". The bottom card has a green header and contains the text "Sign your *Master Promissory Note (MPN)*" followed by a blue link "COMPLETE MPN >".

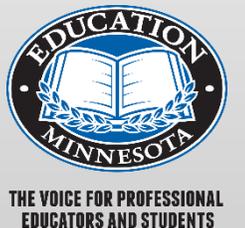
Group 1: I have federal loans other than just Direct Loans

- STEP ONE: Consolidate your FFEL Program loans and Perkins Loans into a Direct Consolidation Loan by Oct. 31, 2022.
- STEP TWO: Contact current and previous employer(s) to fill out PSLF form and verify employment history.
- STEP THREE: After the consolidation is complete, submit your completed PSLF form to MOHELA
- STEP FOUR: WAIT.



Group 2: I have Direct loans but have never done any paperwork

- STEP ONE: Submit a PSLF form to MOHELA to verify employment and apply for PSLF.
- STEP TWO: WAIT.



Group 3: I have Direct Loans and have certified my PSLF-eligible employment

- STEP ONE: DO NOTHING.
- STEP TWO: WAIT.

**PATIENCE IS
NOT THE ABILITY
TO WAIT BUT THE
ABILITY TO KEEP A
GOOD ATTITUDE
WHILE WAITING.**

MEDIAWEBAPPS.COM

Joyce Meyer



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

How do I consolidate? How do I fill out the PSLF form?



studentaid.gov/pslf

The screenshot shows a web browser window with the URL studentaid.gov/pslf/. The page header includes the Federal Student Aid logo and navigation links: UNDERSTAND AID, APPLY FOR AID, COMPLETE AID PROCESS, and MANAGE LOANS. The main content area features a dark blue banner with the text: "Complete the Public Service Loan Forgiveness (PSLF) Form With the PSLF Help Tool". Below this, a paragraph states: "The PSLF Help Tool helps determine whether you work for a qualifying employer for the PSLF or Temporary Expanded Public Service Loan Forgiveness (TEPSLF) programs, suggests actions you can take to become eligible for PSLF, and guides you through the PSLF form and submission process." The page also includes a section titled "Using the PSLF Help Tool" with a sub-heading "Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for". The browser's taskbar at the bottom shows the time as 6:23 PM on 10/18/2021.



STATE
F
COLLEGE FACULTY



THE VOICE FOR PROFESSIONAL
EDUCATORS AND STUDENTS

SOLIDARITY FOREVER: THE AFT LAWSUIT



AFT won a very, very big case against the federal Dept. of Education

10/17/2021

A landmark reprieve from crushing student loan debt

Last week, the American Federation of Teachers announced a settlement with the Department of Education in *Weingarten v. DeVos*, a case eight AFT members filed in 2019 to hold DeVos and the department accountable for their botched implementation of the PSLF program. With this settlement, the eight plaintiffs in this case will have their outstanding student debt discharged, and thousands of other borrowers will get relief.

Under the leadership of current Education Secretary DeVos, the Department of Education agreed to launch, within 90 days, a review of all applications filed between November 2020 that were submitted by borrowers who were not receiving loan repayments. And it will clean up mistakes that have resulted in applications being rejected. We expect these changes to result in credit for mistakenly disqualified payments—and in some cases, complete discharges—for tens of thousands of student loan borrowers.

Student loans: 'Landmark settlement' reached in lawsuit over Public Servant Forgiveness Program

Higher Education

American Federation of Teachers settles lawsuit against Education Dept. over loan forgiveness program

filed a class action lawsuit against the Department of Education over its handling of Public Service Loan Forgiveness (PSLF) applications.

Under the settlement, the Department will automatically review all applications for PSLF that were

Oct 13, 2021, 01:08pm EDT | 5,655 views

Student Loan Forgiveness Settlement Will Allow For Reconsideration Of Thousands Of Rejected Applications

A 2018 Government Accountability Office audit found the Education Department provided insufficient guidance to its servicer and borrowers about which types of employment, federal loans and repayment plans qualify for the program.

The settlement comes after Randi Weingarten, president of the American Federation of Teachers, and eight individual AFT members sued former secretary of education Betsy DeVos for "gross mismanagement" of the Public Service Loan Forgiveness program. The plaintiffs had struggled to receive relief from their student loans due to inaccurate records of payments, incorrect information provided by loan servicing companies and lack of oversight by the department, [alleged the complaint](#).

All eight individual plaintiffs will have their remaining student loan debt fully discharged, totaling nearly \$400,000 in relief.

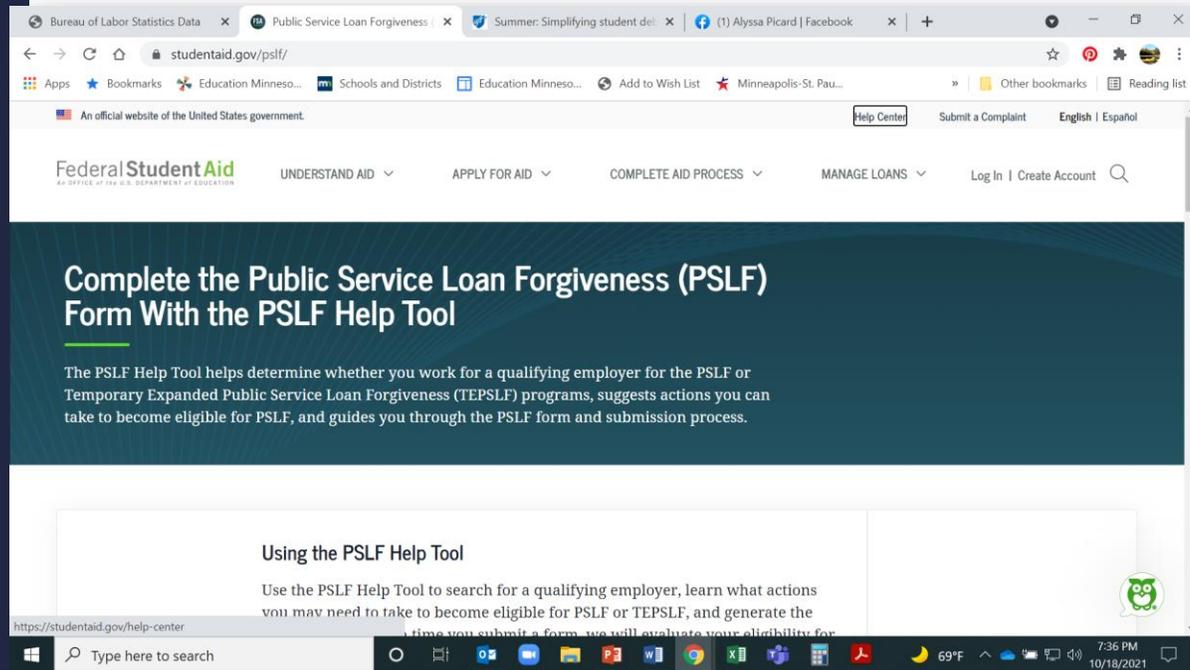
Remedies from the AFT suit

- The Department of Education will review all applications for PSLF denied prior to November 2020 that were submitted by borrowers who had made at least 10 years of direct loan repayments.
- The Department will also reconsider rejected PSLF applications upon request of a borrower through a formal, official process that the Department will establish.
- It will provide an enforcement mechanism for the temporary waiver put in place by the Biden Administration to ensure that deceptive practices by servicers have consequences.



RESOURCES





Use the Department of Education PSLF tool to complete consolidation and PSLF paperwork.

For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under [COVID-19 relief measures](#) and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled "Special Notice for the COVID-19 Emergency" and [check out the limited PSLF waiver announcement](#).

Prepare and Apply

Loan Exit Counseling

Income-Driven Repayment (IDR) Plans

[Consolidate Loans](#)

Tools and Calculators

Loan Simulator

Learn About Repaying Loans

Repayment Plans

Deferment or Forbearance

Delinquency and Default

What is Loan Consolidation?

If you have multiple student loans you may be able to combine them into one loan with a fixed interest rate based on the average of the interest rates on the loans being consolidated. [Learn more about loan consolidation.](#)

A Direct Consolidation Loan allows you to consolidate multiple federal education loans into one loan at no cost to you.

Through your completion of the free Federal Direct Consolidation Loan Application and Promissory Note, you will confirm the loans that you want to consolidate and agree to repay the new Direct Consolidation Loan.

Once the consolidation is complete, you will have a single monthly payment on the new Direct Consolidation Loan instead of multiple monthly payments on the loans you consolidated.

Alert! 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. [Learn more about this time-limited opportunity.](#)

Consolidate Your Loans

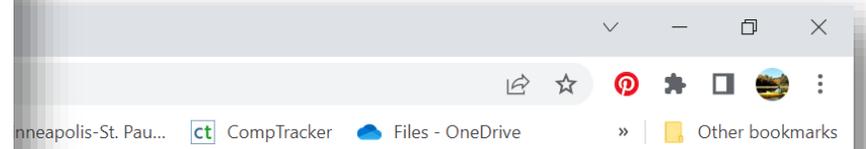
LOG IN TO START

[Start Demo](#)

Who should complete this?

Borrowers who want to consolidate their federal student loans and borrowers who have outstanding FFEL or Perkins loans and want to take advantage of the [Limited PSLF Waiver](#).

Note: There is no application fee to complete a Direct Consolidation Loan



Apply for Forgiveness

Student Loan Debt Relief

Public Service Loan Forgiveness (PSLF)

Teacher Loan Forgiveness

Borrower Defense to Repayment

Learn About Loan Forgiveness

Closed School Loan Discharge

Loan Discharge Due to Death

Other Forgiveness and Loan Discharge

Programs



Using the PSLF Help Tool

PSLF is different from the [one-time student loan debt relief](#) of up to \$20,000. PSLF is a program for people who work in public service in federal, state, tribal, or local government, or for a non-profit organization.

Use the PSLF Help Tool to search for a qualifying employer, learn what actions you may need to take to become eligible for PSLF or TEPSLF, and generate the form you need. Each time you submit a form, we will evaluate your eligibility for forgiveness, and provide that forgiveness to you if you are eligible. After you submit your form, if you have Direct Loans and work for a qualifying employer, you will receive a count of the number of qualifying payments you have made toward both PSLF and TEPSLF from MOHELA.

For the best experience using this tool, we strongly recommend that you read [Become a Public Service Loan Forgiveness \(PSLF\) Help Tool Ninja](#) before getting started.

The PSLF Help Tool has been modified to align with the conditions under [COVID-19 relief measures](#) and the limited PSLF waiver through Oct. 31, 2022. To get the most accurate information, make sure to carefully read any section titled "Special Notice for the COVID-19 Emergency" and [check out the limited PSLF waiver announcement](#).



Log In To Start

Search for Qualifying Employers



WHAT NEXT IN ADDRESSING THE STUDENT LOAN CRISIS?



Elections have consequences



State-level advocacy

- College affordability and access is a major concern and priority for MSCF's legislative and political program
- In 2021, MN became the 15th state to pass a Student Borrower's Bill of Rights to regulate and license loan servicers and ensure that they maintain records, communicate with borrowers, and share information about loan forgiveness.
- Next step: create a Student Loan Advocate who can:
 - *Assist with loan forgiveness and provide education to students and borrowers*
 - *Enforce the licensing rules and hold servicers accountable*
 - *Act as an advocate for borrowers when working with loan servicers or guaranty agencies*



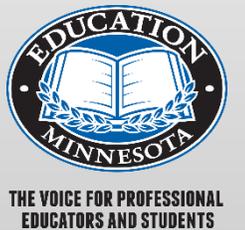
Federal-level advocacy

- Continue to work for better options for loan forgiveness and removing barriers to repayment.
- Focus on college affordability, including more direct funding to higher education institutions and increasing the number and amount of grants or direct aid to students.
- Regulate and hold private for-profit institutions accountable to their students.



Union Strong

We believe in the solidarity across many unions that has made much of this unprecedented loan forgiveness possible and would love to partner with IFO on more work together!



Acknowledgements

Tracy Detloff- Education Minnesota member from New London Spicer

National Education Association



American Federation of Teachers



Education Minnesota & MSCF



Resources and organizations we like

- <https://forgivemystudentdebt.org/>
- <https://protectborrowers.org/>
- <https://www.responsiblelending.org/issues/student-loans>
- Online platform for loan forgiveness management: <https://www.meetsummer.org/>
- <https://thecollegeinvestor.com/22857/public-service-loan-forgiveness/>
- Studentaid.gov's FAQ on TEPSLF: <https://studentaid.gov/announcements-events/pslf-limited-waiver#questions>

