



What You Need to Know About Changes to the Public Service Loan Forgiveness Program

National nonprofit student loan counseling agency Take Charge America explains how borrowers may qualify for debt relief

PHOENIX – (Oct. 12, 2021) – The U.S. Department of Education is temporarily changing certain rules to allow potentially hundreds of thousands of borrowers the chance to qualify for student loan forgiveness if they have worked in public service. This opportunity is only available for a limited time, and borrowers must act before Oct. 31, 2022, to qualify.

“For years, the Public Service Loan Forgiveness program has been plagued with issues, resulting in frustrated and disappointed borrowers who thought they were making progress toward loan forgiveness only to find out they didn’t qualify because they had the wrong loan type or repayment plan,” said Jessica Ferastoaru, a student loan specialist with Take Charge America, a [nonprofit student loan counseling agency](#). “Although these changes are welcome and should provide relief to borrowers, as with everything student loans, it’s critical to carefully review the details and how they apply to your unique situation.”

Ferastoaru explains what has and hasn’t changed about the PSLF program:

- **Payments.** All prior loan payments will count as qualifying PSLF payments, regardless of loan type, repayment plan or whether the payment was made in full or on time. Military servicemembers also will receive credit for any period of active duty during which their loans were on deferment.
- **Loan consolidation.** You must consolidate any FFEL, Perkins or certain other federal student loans into a Direct Loan before Oct. 31, 2022, to take advantage of this rule change. After you consolidate, you must apply for loan forgiveness by submitting a PSLF form. To determine what types of loans you have, login to your account at [StudentAid.gov](#) and view your Aid Summary.
- **Automatic credit.** If you previously applied for the PSLF program, the Department of Education will review your payment history and credit you for any payments that didn’t previously count but now do under the program changes.
- **Public service employment.** To qualify, you must still have worked in public service at a qualifying employer when you made your payments. If you worked more than one qualifying part-time job at the same time, you will be considered full-time so long as you worked a combined weekly average of at least 30 hours.
- **120 payments.** Although partial and late payments now will count, you must make a total of 120 payments — 10 years’ worth — to qualify for loan forgiveness.

For additional assistance, borrowers should consider Take Charge America’s [student loan counseling services](#).

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit [takechargeamerica.org](#) or call (888) 822-9193.

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