

Public Service Loan Forgiveness.

General.

Public Service Loan Forgiveness is intended to encourage borrowers to enter and continue in full-time public service employment by forgiving the remaining balance of [eligible federal Direct loans](#) after satisfaction of the employment and payment requirements of this section.

To satisfy the requirements of this section, a borrower must:

Accrue [periods of qualifying employment](#) totaling at least 120 months after October 1, 2007; and

Make the [equivalent of 120 monthly payments](#) during periods of qualifying employment after October 1, 2007.

Public Service Employment.

A borrower may accrue periods of qualifying public service employment by:

Working [full-time](#) for a [qualifying public service employer](#) or in a [qualifying public service job](#).

The Secretary certifies periods of accrued qualifying public service employment when the Secretary has sufficient information to do so or upon application by a borrower on a form approved by the Secretary.

Payments.

A borrower makes the equivalent of monthly payments during each period of qualifying employment in which the borrower's eligible federal Direct loans are in a [satisfactory repayment status](#).

Satisfactory repayment status is assumed during each of the following periods:

1. Periods in which the loans are in a repayment status in—
 - a. An income-based repayment plan under §685.221;
 - b. An income-contingent repayment plan under §685.209;
 - c. The 10-year standard repayment plan under §685.208(b) or consolidation standard repayment plan with a 10-year repayment term under §685.208(b); or
 - d. Any other repayment plan if the monthly payment amount is not less than what would have been paid under the 10-year standard repayment plan under §685.208(b); and
2. Periods in which the loans are in any of the following deferment or forbearance statuses—
 - a. A cancer treatment deferment under section §455(f)(3) of the Act;
 - b. A Peace Corps service deferment under §682.210(k), as applicable to Direct Loan borrowers under §685.204(j);
 - c. An economic hardship deferment under §685.204(g); or

- d. A military service deferment under §685.204(h); or
- e. Due to service in an AmeriCorps or Peace Corps position; or
- f. A mandatory or administrative forbearance.

Forgiveness.

When the Secretary determines that a borrower has satisfied the requirements of this section, the Secretary cancels the outstanding balance and accrued interest on the borrower's eligible federal Direct loans not in default.

The Secretary determines that a borrower has met the forgiveness requirements of this section when the Secretary has sufficient information to do so, including upon application by a borrower on a form approved by the Secretary.

After determining that a borrower has satisfied the requirements of this section, the Secretary

Notifies the borrower that the borrower's obligation on the loans is satisfied; and

Returns to the sender any payment received on a loan after loan forgiveness has been granted in accordance with this section.

Definitions.

AmeriCorps position means a position approved by the Corporation for National and Community Service under section 123 of the National and Community Service Act of 1990 (42 U.S.C. 12573).

Eligible federal Direct loan means a Federal Direct Stafford Loan, Federal Direct PLUS Loan, Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan.

Eligible nonprofit organizations include, in addition to qualifying public service employers as defined in this section, organizations that are exempt from taxation under section 501(a) of Title 26 such as childcare organizations, business leagues, fraternal societies, social welfare organizations, and veterans organizations, but not including credit unions, employee benefit associations, labor unions, partisan political organizations, or title corporations.

Employee or employed means an individual issued an IRS Form W-2 from a qualifying public service employer or eligible nonprofit organization (or from an organization contracted by such an employer to provide human resources or other administrative requirements).

Full-time employment means working for or under the direction of one or more qualifying public service employers or in one or more qualifying public service jobs for—

The equivalent of 30 hours per week as attested to by the borrower under penalty of perjury including:

through a contractual employment period of at least eight months over a 12-month period, as in the case of primary and secondary school teachers; or,

through teaching at least nine credit hours per semester, six credit hours per trimester, or 18 credit hours per calendar year, as in the case of contingent faculty; or,

The equivalent of 30 hours per week as known to the Secretary.

Peace Corps position means a full-time assignment under the Peace Corps Act as provided for under 22 U.S.C. 2504.

Periods of qualifying employment mean periods when a borrower is employed full-time, as defined in this section, for a qualifying public service employer or in a qualifying public service job.

Public service means service directed at relieving a common cause of hardship and distress of broad public concern such as—

(1) emergency management, (2) military service, (3) public safety, (4) law enforcement, (5) public interest legal services, (6) early childhood education, (7) public service for individuals with disabilities and the elderly, (8) public health, (9) public education, (10) public library services, (11) school library services, or (12) other school-based services.

Service as an elected member of Congress is not qualifying.

Qualifying public service employer means:

A federal, state, local or Tribal government agency or entity; or,

An organization that is described in section 501(c)(3) of title 26 and exempt from taxation under section 501(a) of such title.

Qualifying public service job means providing full-time public services, as defined in this section, as an employee of or under the direction of an eligible nonprofit organization.

Qualifying public service jobs also include AmeriCorps and Peace Corp positions, as defined in this section, but do not include service by an elected member of Congress.