

Loan Forgiveness Programs

Teacher Loan Forgiveness

What are the borrower eligibility requirements for loan forgiveness under the Teacher Loan Forgiveness Program?

The [Teacher Loan Forgiveness Program](#) is intended to encourage individuals to enter and continue in the teaching profession. Under this program, individuals may be eligible for forgiveness of [up to \\$17,500](#) on their Federal Direct Subsidized and Unsubsidized Loans and their Subsidized and Unsubsidized Federal Stafford Loans. If an individual has a Federal Direct Consolidation Loan or a Federal Consolidation Loan, they may be eligible for forgiveness of the outstanding portion of the consolidation loan that repaid an eligible Federal Direct Subsidized Loan, Federal Direct Unsubsidized Loan, Subsidized Federal Status Loan or Unsubsidized Federal Stafford Loan. To qualify for Teacher Loan Forgiveness, the individual must

- not have had an outstanding balance on Federal Direct Loans or Federal Family Education Loan (FFEL) Program loans as of October 1, 1998, or on the day they obtained a Federal Direct Loan or FFEL Program loan after October 1, 1998;
- have been employed as a full-time, [highly qualified teacher](#) for five complete and consecutive academic years, and at least one of those years must have been after the 1997-98 academic year;
- have been employed at an elementary school, secondary school, or educational service agency that serves low-income students (a "[low-income school or educational service agency](#)"); and
- have made the loan(s) for which they are seeking forgiveness before the end of their five academic years of qualifying teaching service.

Loan Forgiveness for Public Service Employees

What are the borrower eligibility requirements for loan forgiveness under the Public Service Loan Forgiveness Program?

The [Public Service Loan Forgiveness \(PSLF\) Program](#) is intended to encourage individuals to enter and continue in full-time public service employment by forgiving the remaining balance of their eligible Direct Loans after they satisfy the public service and loan repayment requirements. To qualify for PSLF, the individual must

- be employed by a U.S. federal, state, local or tribal government or not-for-profit organization;
- work full-time for that agency or organization;
- have Direct Loans (or consolidate other federal student loans into a Direct Loan);
- repay their loans under an income-driven repayment plan; and
- make 120 qualifying payments.

Amounts forgiven under the PSLF Program are not considered income by the IRS, so an individual will not pay federal income tax for this amount.