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STUDENT DEBT CLINIC RESOURCE GUIDE

After attending a Student Debt Clinic, we want to make sure you've got all the tools and information you need to take the next steps to start reducing how much you pay every month and get on a path towards a debt-free future!

In this packet you will find:

1. Descriptions of the income-driven repayment plans.
2. What you'd pay (based off of your income and family size) in income-driven repayment plans.
3. Description of Public Service Loan Forgiveness.
4. Teacher Loan Forgiveness vs. Public Service Loan Forgiveness.
5. Application for income-driven repayment plans.
6. Application for Public Service Loan Forgiveness.

You can find application forms on the CCFT Website

If you have any other questions or want to learn more, you can visit these websites:

My Student Loans

www.studentloans.gov

This is the Education Department's database for your student loans. If you login, you'll be able to see all of your federal loans, who your servicer is, enroll in an income-driven repayment plan, consolidate your loans, and more! You can also apply for income-driven repayment plans through this website.

Consumer Financial Protection Bureau

www.cfpb.gov

Having issues with your student loan servicer? You can visit the Consumer Financial Protection Bureau to file complaints about the issues you're dealing with.

Forgive My Student Debt

www.ForgiveMyStudentDebt.org

This website contains all the information you'd need in order to learn more about Public Service Loan Forgiveness and includes tips from other student loan borrowers.



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Summary of Income-Driven Repayment Plans

For all of these plans, monthly payments can be as low as \$0. For Income-Based Repayment, Pay As You Earn, and Revised Pay As You Earn, discretionary income is defined as the amount of adjusted gross income (AGI) above 150% of the poverty level for the borrower's household size. For Income-Contingent Repayment, discretionary income is defined as the amount of AGI above 100% of the poverty level for the borrower's household size.

Repayment Plan	Monthly Payment	Eligibility	Discharge After
Income-Contingent Repayment	The lesser of: 20% of discretionary income or 12-yr repayment amount x income percentage factor	All Direct Loan borrowers (including Parent Plus Loans that have been consolidated into Direct consolidation Loans). No partial financial hardship (PFH) requirement.	25 years
Income-Based Repayment	15% of discretionary income, up to the fixed 10-year payment amount	All federal student loan borrowers (Direct or FFEL) with a PFH.	25 years
Pay As You Earn ("New IBR")	10% of discretionary income, up to the fixed 10-year payment amount	Direct student loan borrowers who took out their first loan after September 30, 2007 and at least one loan after September 30, 2011, and have a PFH.	20 years
Revised Pay As You Earn	10% of discretionary income	All Direct student loan borrowers. No PFH requirement.	20 years if repaying only undergraduate debt; 25 years if repaying any graduate debt

These plans are only available for federal loans that are not in default. For more information about these repayment plans, see U.S. Department of Education, "Income-Driven Plans," <http://StudentAid.gov/idr> or call your student loan servicer. To estimate your monthly payments and eligibility for these and other plans, visit the U.S. Department of Education's Repayment Estimator, <http://StudentAid.gov/repayment-estimator>. To apply for these plans online, go to <http://StudentLoans.gov>.

Borrowers may be able to consolidate their FFEL and Perkins loans into a Direct Consolidation Loan to repay them in Pay As You Earn and Revised Pay As You Earn. Find out more about the pros and cons of consolidation at <http://StudentAid.gov/consolidation>.

What would you pay in Income-Based Repayment or Pay As You Earn? Look below and find out!

These tables provide estimates on what you'd pay monthly in either Income-Based Repayment or Pay As You Earn. **Income-driven repayment plans don't have an income cap**; these are just examples to help give you a sense of what you might pay. Estimates reflect the 2020 Federal Poverty Guideline developed by Health and Human Services.

Income-Based Repayment							
Income	Family Size						
	1	2	3	4	5	6	7
\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$20,000	\$11	\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$73	\$0	\$0	\$0	\$0	\$0	\$0
\$30,000	\$136	\$52	\$0	\$0	\$0	\$0	\$0
\$35,000	\$198	\$114	\$30	\$0	\$0	\$0	\$0
\$40,000	\$261	\$177	\$93	\$9	\$0	\$0	\$0
\$45,000	\$323	\$239	\$155	\$71	\$0	\$0	\$0
\$50,000	\$386	\$302	\$218	\$134	\$50	\$0	\$0
\$55,000	\$448	\$364	\$280	\$196	\$112	\$28	\$0
\$60,000	\$511	\$427	\$343	\$259	\$175	\$91	\$7
\$65,000	\$573	\$489	\$405	\$321	\$237	\$153	\$69
\$70,000	\$636	\$552	\$468	\$384	\$300	\$216	\$132
\$75,000	\$698	\$614	\$530	\$446	\$362	\$278	\$194

Pay As You Earn/New Income-Based Repayment							
Income	Family Size						
	1	2	3	4	5	6	7
\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$20,000	\$7	\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$49	\$0	\$0	\$0	\$0	\$0	\$0
\$30,000	\$91	\$35	\$0	\$0	\$0	\$0	\$0
\$35,000	\$132	\$76	\$20	\$0	\$0	\$0	\$0
\$40,000	\$174	\$118	\$62	\$6	\$0	\$0	\$0
\$45,000	\$216	\$160	\$104	\$48	\$0	\$0	\$0
\$50,000	\$257	\$201	\$145	\$89	\$33	\$0	\$0
\$55,000	\$299	\$243	\$187	\$131	\$75	\$19	\$0
\$60,000	\$341	\$285	\$229	\$173	\$117	\$61	\$5
\$65,000	\$382	\$326	\$270	\$214	\$158	\$102	\$46
\$70,000	\$424	\$368	\$312	\$256	\$200	\$144	\$88
\$75,000	\$466	\$410	\$354	\$298	\$242	\$186	\$130

The tables assume maximum payment under the PFH formula. If standard 10-year payment is less than amount shown, that is the maximum for income-driven repayment.



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Public Service Loan Forgiveness

What does it do? Who is eligible?

If you work in the public service, a program called “**Public Service Loan Forgiveness**” could allow you to have all of your direct federal student loans forgiven, tax-free. Public Service Loan Forgiveness (PSLF) isn’t a repayment plan, like Income-Based Repayment or Pay As You Earn; it’s a separate forgiveness program that incentivizes a career in the public service.

To qualify for the program, you need to make 10 years of qualifying on-time payments (120 in total) toward your federal student debt. You must be working in the public service at least 30 hours a week (you can combine multiple part-time jobs to meet this requirement) beginning after October 1, 2007. After you make your 120th on-time payment, the U.S. Department of Education forgives your remaining federal student loan debt.

Do You Work Full-Time in the Public Service?

Eligibility depends on whether or not you work for a qualifying public service employer. To put it another way, it doesn’t matter what you do, just who employs you. Qualifying public service employers include:

- Government organizations
- Emergency services
- Public health
- Public education
- Legal services
- 501(c)(3) nonprofit organizations

Do You Work Enough Hours to Qualify?

In order to qualify for Public Service Loan Forgiveness, you have to work at least 30 hours a week at least eight months of the year, or what your employer defines as full-time. You are able to combine hours from multiple employers that qualify as public service employers.

Any time spent participating in religious instruction, worship services, or any form of proselytizing does not count toward your 30 hours a week.

Does Your Loan Qualify?

One of the biggest barriers to enrollment in Public Service Loan Forgiveness is not having the right type of loan. Only Direct Loans are eligible for Public Service Loan Forgiveness.

There are different types of federal student loans, but as long as the word “Direct” appears in the name of the loan you should be good:

- Direct Loan
- Direct Consolidation Loan

Does Your Repayment Plan Qualify?

It’s important that you pay back your student loans in an eligible repayment plan. Here are the repayment plans that are eligible for Public Service Loan Forgiveness:

- Standard 10-year repayment plan
- Income-Based Repayment plan
- Pay As You Earn repayment plan
- Revised Pay As You Earn repayment plan
- Income-Contingent repayment plan

Do Your Payments Qualify?

In order to have your loans forgiven, you have to make 120 “qualifying” on-time payments. All that means is that once you receive your bill (which will say how much you owe and when you have to pay it by), you pay that amount by the due date or up to 15 days after.

These payments do not need to be consecutive. If you were to make 100 qualifying payments and then missed a month, you wouldn’t need to start over; the next on-time payment would be counted as 101. It’s important to note that if you pay on your student loan early, it doesn’t count toward the 120 payments.

The good news is that this works retroactively, too! Any payments you’ve made on time, in a qualifying repayment plan, while working in the public service after October 1, 2007, will be counted toward your 120 total.



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What’s better for me? Understanding the difference between Teacher Loan Forgiveness and Public Service Loan Forgiveness.

Below is a side-by-side comparison of two student loan forgiveness programs that many AFT members will find themselves eligible for. **If you are a teacher in a public or private, non-profit school, you qualify for Public Service Loan Forgiveness, and it may well be a better deal for you than Teacher Loan Forgiveness..**

Teacher Loan Forgiveness	Public Service Loan Forgiveness
Forgives up to \$17,500 for certain fields and \$5,000 for other highly qualified eligible teachers.	Forgives the entire remaining balance of your federal student loans.
You must have been employed as a full-time teacher at an eligible school. Highly qualified special education and secondary mathematics or science teachers are eligible to receive a higher forgiveness amount. (Any time you spent teaching to receive benefits through AmeriCorps cannot be counted toward your required five years of teaching for Teacher Loan Forgiveness.)	You must be employed full-time in the public service. Qualifying public service employers include any level of government—federal, state, county, municipality, or tribal—or any 501(c)3 non-profit.
You must complete five consecutive academic years, and at least one of those years must have been after the 1997–98 academic year.	You must make 120 total payments (10 years) while working in the public service. Your time in public service does <i>not</i> need to be consecutive.
Direct Subsidized or Unsubsidized Loans or Federal Stafford Loans are eligible. PLUS loans and Perkins loans are not eligible to be forgiven through this program.	You must have Direct Loans. If you have other types of federal loans, like Stafford or Perkins Loans, you must consolidate in order for those loans to qualify.
You must not be in default on your federal student loans in order to qualify for Teacher Loan Forgiveness.	You must be enrolled in an Income-Driven Repayment plan to get the benefits of Public Service Loan Forgiveness. Any payments made under a Standard 10-year Repayment plan will also count towards forgiveness.
Loan amounts forgiven under TLF and PSLF are NOT considered taxable income by the IRS.	

Teachers may only enroll into one of these forgiveness programs at a time! That means if you were to apply for Teacher Loan Forgiveness, you’d then have to make another 10 years of payments to have any remaining debt forgiven under Public Service Loan Forgiveness.

For teachers who have a relatively small student debt burden or are nearing retirement, Teacher Loan Forgiveness may be a better option for you. **If you owe more debt than what Teacher Loan Forgiveness cancels, you should investigate your eligibility for Public Service Loan Forgiveness.**

To find out what repayment plans you’re eligible for and what your monthly bill would be, visit www.StudentLoans.gov and use the Repayment Estimator! This tool will also show how much student debt you could expect to have forgiven under Public Service Loan Forgiveness.

