

PSLF Waiver Summary and FAQ

The Institute of Student Loan Advisors

Summary (Updated December 8, 2021)

- On October 6, 2021, the ED issued a press release announcing that in recognition of the operational struggles' borrowers had experienced successfully pursuing PSLF, they would be instituting a one-time waiver of several PSLF rules. You can read the Department of Education's info on this waiver [here](#).

Under this waiver,

- Payments made under the Federal Family Education Loan program or Perkins will count as long as the loan is consolidated into the Direct Loan program (via www.studentaid.gov) and a [PSLF form](#) has been submitted prior to 10/31/2022
 - If you already have all Direct Loans, you do not need to consolidate
 - If you already have all Direct Loans, and those loans were in repayment during different periods, you should consider consolidating them so as to receive the highest count. See the FAQ for more information
- Some other federal loans may also be consolidated to get access to PSLF, see the [FAQ](#)
- Payments made under **any** repayment plan on or before October 1, 2021, or until the borrower consolidates before October 31, 2022, will count as long as the borrower has a Direct Loan and has filed at least one approved [PSLF form](#) as of October 31, 2022
 - The amount of the payment made, what plan it was made under, and whether it was late or not is not relevant under the waiver. They are only looking at months the loan was in a repayment status while the borrower was working for eligible employment for this temporary period.
 - You do not need to submit proof of payment for these periods to count
 - You can review the months your loan was in a repayment status by logging into www.studentaid.gov and reviewing the loan details.
- Consolidating under the Direct Loan program during the waiver will NOT reset the PSLF count.
 - We are aware that the PSLF tool, consolidation promissory note and

long-standing guidance states the opposite of this. These communications have not been updated to reflect the waivers and may not be. The ED has issued additional guidance on their PSLF waiver page at www.studentaid.gov

- Payments made while in any other loan status besides “Repayment” will continue not to count unless otherwise specified. This includes periods of default.
- Loans that are already paid in full cannot benefit from this waiver
- Many borrowers who made more than 120 qualifying payments will receive a refund. If payments in excess of the 120th payment were made prior to a consolidation, they will not receive a refund for those payments. Payments in excess of the 120th payment on an existing Direct Loan consolidation loan will be refunded if it is this consolidation loan receiving forgiveness. See the case studies below for further clarification.
- For this waiver only, the ED will be counting months that the borrower’s loans are in a repayment status on its administrative database. They will not be looking at past servicer records to determine how much was paid or when it was paid. This includes payments made under the Direct Loan, FFEL or Perkins programs
- Borrowers with periods of active-duty military service, which can count as eligible employment for PSLF purposes, will have those months count even if they were in military deferment or forbearance later in 2022. This is a permanent change and not part of the temporary waivers. In the meantime, borrowers trying to get military service certified can submit the PSLF form with their dates of service along with their W2’s for that period.
- The second phase of this waiver project will be implemented in several months or early next year, when all previously denied employment and forgiveness applications will be reviewed and updated as meets the waiver criteria
- Borrowers who reach 120 eligible repayment months during the waiver period do not have to file a forgiveness application. This only applies if the borrower has Direct Loans and has filed proof of those 120 months of eligible employment.
- All other months where the loan was in a deferment, forbearance or any other non-repayment status will not be counted. This includes periods of administrative forbearance.
- For months that will count, borrowers must still submit proof of qualifying full-time employment
- This waiver applies to all Direct Loans (consolidated or non-consolidated) and have an approved ECF prior to October 2022 even if the borrower will not have reached 120 eligible payments by October 2022
- Later in 2022 or 2023, most federal workers will have their employment automatically certified. This is outside of the waiver and will be a permanent operational change. Federal employees should not wait for this implementation if they wish to qualify under the waiver but should submit their proof of eligible employment via the PSLF form or PSLF tool at

- None of these changes apply to Parent PLUS Loans with limited exceptions for Parent PLUS borrowers who also owe loans for their own education. See the FAQ for more information.
 - None of these changes apply to loans that have been paid-in-full, previously discharged or previously forgiven.
 - These changes do apply to Stafford and Graduate PLUS loans as well as consolidation loans that consolidated a Graduate PLUS or Stafford Loans.
 - The Department of Education will be reviewing ALL denied PSLF applications in the coming months. This is a separate process from the identification of months in repayment status
 - Once the initial review is completed, borrowers with further disputes will be given a clear channel for appeal
 - **While some borrowers have already received forgiveness under this waiver, there are still thousands of accounts that must be reviewed. This process is expected to take months. There is no order as to which accounts are reviewed before others and there is no way to push a particular account through the queue any faster. Borrowers are requested to be patient during this review period**
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Frequently Asked Questions

- 1. I have been working in qualifying public service for twenty years but never pursued PSLF because I have FFEL loans, can I get credit under this waiver for the last 20 years and get forgiveness right away? This sounds too good to be true!**
 - a. Under the waiver, months you were in repayment status, regardless of when you paid, how much you paid, or what payment plan you were on will count for PSLF forgiveness as long as you:
 - i. Were working full time in eligible employment for those months
 - ii. Submit proof of such employment with the PSLF form prior to October 31, 2022, and
 - iii. Consolidate the FFEL and/or Perkins loans into a Direct Loan prior to October 31, 2022
 - iv. Only months in repayment on or after October 2007 will count as PSLF did not exist prior to that date

- 2. I have been on an alternative/graduated/extended repayment plan in the past and was told this plan didn't count. Will I get credit for these months under the waiver?**
 - a. Yes! All repayment plans count under the waiver. So do late payments and short payments. The only months in repayment that will not be counted are those when a loan was not in a repayment status, and those where the borrower does not submit proof of eligible employment for that period. As previously mentioned, months where the loan was in a non-repayment status such as deferment, forbearance (other than the COVID-related payment pause), in-school, in-grace or default status will not count.

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- 3. I was in an in-school deferment for a period of time, but I was still working for an eligible employer, will I get credit for those months?**
 - a. I'm afraid not. Only months where you were in an actual repayment status, with the exception of the COVID-related payment pause, will be counted.
 - b. It has come to our attention that some servicers are allowing borrower to remove periods of past deferment in these cases if the loan has not since been consolidated.

- 4. If I made more than 120 eligible payments, will I get a refund?**
 - a. It depends. If the eligible payments made in excess of 120 were made after the consolidation, then yes, you will get a refund for payments made on the consolidation loan. But if the excess payments were made prior to the consolidation, you will not be refunded for any payments earlier than the consolidation loan. If you exceeded 120 payments on a non-consolidation loan, you will be refunded for payments beyond the 120th payment.

- 5. I know Parent PLUS are not included in the waiver but what if they are consolidated?**
 - a. Time in repayment status on a Parent PLUS loan are not included in the waiver. However if the Parent PLUS was consolidated with a non-Parent Plus loan, such as a Stafford or Graduate Plus loan taken for the parent borrowers own schooling, eligible months in repayment for those loans will be applied to the entire consolidation.

- 6. I've already consolidated my federal student loans twice. I took out my first loans in 2008 (both FFEL and Direct) and consolidated them in 2015. I then took out new loans in 2018, and in 2019 consolidated those with the**

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first consolidation from 2015. Will I get credit for the eligible payments I made prior to the 2015 consolidation (between 2008 and 2015)?

- a. Yes. You will receive credit for time in a repayment status on all loans that are connected to a consolidation loan. Loans consolidated more than once DO NOT lose credit for months prior to the first consolidation.

7. I have two federal student loans. One has 60 months eligible payments based on months in repayment, and one has 80 months of eligible payments based on months in repayment. If I consolidate them how many payments will the new consolidation receive credit for?

- a. The new consolidation will receive credit for 80 payments. This is because the waiver gives consolidation loans credit for the larger number of eligible payments made on the underlying loans.

8. I have one Direct subsidized consolidation loan and one Direct unsubsidized consolidation loan. Should I consolidate them together?

- a. There is no need as in actuality, you have a single consolidation loan. They book consolidation loans in two parts to ensure you receive any interest subsidies you may be eligible for, but legally it is a single loan.

9. I have all Direct Loans, should I consolidate them?

- a. If you already have all Direct Loans there's no need nor benefit to consolidating them unless some were in repayment longer than others. In that case consolidation is recommended so the final consolidation gets credit for the highest count.
- b. We are aware that some customer service reps may still be warning borrowers that consolidation will reset PSLF counts during the waivers. This is not true and the servicers continue to work on fully training their staff on this unexpected and complex benefit.

10. I have submitted proof of employment in the past, but it was denied due to an eligible payment plan or ineligible loans. Do I have to resubmit the form?

- a. No. And submitting a duplicate form will also not get your account reviewed any faster under the waiver.

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11. I'm worried they won't count my past payments because there was a problem with the records from my prior servicer. Should I submit bank statements or my own proof?

- a. No. They are not using prior servicer records. Nor are they looking

at how much you paid, when you paid or what plan you were on. They are only looking at months you were in a repayment status, which is data the ED has had all along as it is submitted to them monthly and has been for decades. If, after the FINAL review, there is still a discrepancy, you will be able to submit an appeal through a new PSLF appeal process.

12. Do I have to have reached 120 payments by October 2022 to get credit under this waiver?

- a. No. Even if you don't reach 120 eligible payments for years to come, if you fulfill the requirements of having Direct Loans and submitting proof of employment by October 2022 you will get credit for your past eligible payment months.

13. How and how soon are refunds sent?

- a. When possible, refunds are sent back to the borrower's bank account. Otherwise, they are sent by check. Both processes come from the US Treasury and take several weeks.

14. If I make 120 payments now and then consolidate does that mean I will get forgiveness right away?

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- a. No. You cannot receive forgiveness under PSLF in less than 120 months and you can never have a single month count for more than 1 eligible payment

15. I will benefit from this waiver, but I won't have reached 120 payments.

What payment plan should I choose once I consolidate/after the COVID waivers are lifted?

- a. That depends. After the waiver, only payments made under a ten-year standard plan, or an income driven plan will count for PSLF (which are the existing rules). However, under the TEPSLF, payments made under an extended, standard consolidation or graduated repayment plan also count. If your lowest payment is an IDR payment than that's what you should choose. If your lowest payment is one of the others, and you won't have many years left to reach 120, you could choose one of the other plans and hope there's still money left under the TEPSLF fund. You can run the numbers by using the calculator on our repayment page on our site and you can read more about the TEPSLF requirements on our PSLF page.

16. I will benefit from the waiver, but I won't have reached 120 payments.

When I run the numbers, it appears I will pay the loans off before reaching 120 payments. Will I get any type of forgiveness?

- a. No.

17. How long will it take the ED to count these months under the waiver?

- a. For borrowers who already have all Direct Loans and who have submitted proof of employment in the past, (prior to October, 2021) the counts have already started and may be completed by the end of the year. You will receive a letter from the ED directly, not from FedLoans. FedLoans will update their system, but not until March or so of 2022. For borrowers who have to consolidate and/or submit proof of employment to be considered for the waivers, expect the count to take 90 days once you complete the criteria

18. How long does a consolidation take?

- a. Generally, they take 45 days however we could see a longer timeframe due to expected extra volume due to these waivers

19. I have a pending dispute with FedLoans over my eligible payment count. How does this affect me?

- a. The Department of Education is reviewing ALL accounts where an employment form or application for forgiveness has been received, including prior and pending disputes. You do not need to take any action other than ensuring FedLoans and www.studentaid.gov has your correct contact information.

20. I have requested a FOIA to get all my servicer history. Should I send this to the ED to help with the count?

- a. No. They aren't using any servicer records for this waiver. Just the data they already have showing the months you were in repayment. They receive that data monthly and have been for years, so it is very accurate. They will not look at servicer history at all for this. As an aside, while FOIA's can be useful tools in some circumstances, they are not for disputing PSLF in most cases. The majority of the information received in a FOIA will not assist in a PSLF dispute. A payment history and proof of eligible employment are all that are needed if there is a dispute in the future.

21. FedLoans is leaving servicing at the end of the year. Who should I choose as my servicer for the consolidation?

- a. You can still choose FedLoans. They will actually still be servicing the PSLF accounts into 2022 and they have added a one year extension to their contract. Those are not moving to a new servicer until at least the spring. It has not been announced yet which servicer will be taking over PSLF.

22. Is there a chance these waivers will be made permanent?

- a. For the most part no. The Secretary of Education used an exception under the HEROES Act to make these temporary changes. As a rule, the Secretary cannot do anything that is in conflict of federal law and many of the rules these waivers change are set in the law. With that said, the ED is in the process of [negotiated rulemaking](#) and has included PSLF on the agenda of regulations to be amended. While they cannot change federal law under this process and have made it clear that most of what is being done under the waivers cannot be made permanent or

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extended, they are discussing other changes that should make pursuing PSLF easier in the future. Watch our PSLF page for updates in the fall of 2022.

23. I believe I am eligible for forgiveness now under this waiver as I will have 120 months in repayment while working for an eligible employer. Once I consolidate do I need to get on an income driven plan?

- a. If you are certain you will have 120 eligible payment months you do not need to get on an income driven plan. If you will not have enough payments, you will need to get on an income driven plan to complete the eligibility for PSLF. If you will only have a few payments left to reach the 120 you should check out the TEPSLF. You can find more info on the TEPSLF on the PSLF page of our site or at www.studentaid.gov

24. Are there any other loan types that are eligible for these waivers or PSLF?

- a. The following loan types are eligible to have their months in repayment counted under the waivers as long as they are consolidated into the Direct Loan program
 - National Defense Loans
 - Federally Insured Student Loans (FISL),
 - Income-Contingent Loans (ICL),
 - National Direct Student Loans (NDSL) and
 - Supplemental Loans (SLS)
 - Federal Family Education Loan program loans
 - Perkins Loans
- b. Other federal loans, such as Loans for Disadvantaged Students, can be consolidated into the Direct Loan program to gain access to PSLF, however any months in repayment prior to the consolidation on these loans will not be counted
- c. Private loans, institutional loans, and other non-federal loans can never be eligible for PSLF.

25. If borrowers received emails from the ED already, but feel that their PSLF eligible payment count is still incorrect, what should they do?

- a. Borrowers who feel that they were not given credit for periods in repayment and have already submitted proof of employment for that period that was previously denied can either submit a new proof of employment or wait for the second phase of the waiver project where all previous denials will be reviewed. If there is still a discrepancy, they can file an appeal through the new appeal process once that is

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announced in 2022.

- 26. If I have all Direct Loans and have submitted proof of employment, when should I worry if I have not yet received an email from the ED regarding an updated eligible payment count.**
- At this time the emails are being sent out in batches. It is unclear how long the total project will take and there is no particular criteria for when an account is reviewed.
- 27. What if I did receive my email but still feel my count is wrong/was expecting a higher count of additional eligible months?**
- The ED's process for identifying additional months is a separate process from the one that will be implemented over the next few months. At that time all prior applications will be reviewed and could result in additional eligible months.
- 28. I just consolidated and submitted my proof of employment and received a letter stating that none of my payments or months in repayment counted as they were prior to consolidation. I am freaking out.**
- Don't freak out. The letters are all based on the "normal" PSLF rules. Just sit tight and all of the months should be added once they go through the second part of the waiver review.
- 29. If a borrower has FFEL Parent PLUS loans and no other loan types and consolidates these Parent PLUS will they get credit for payments made under the FFEL loans under this waiver?**
- No. With the exception noted in the question below, Parent PLUS loans, while eligible for "normal" PSLF and TEPSLF rules, are not eligible for the waivers
- 30. If a borrower has either FFEL or Direct Parent PLUS loans as well as loans such as Stafford or Graduate PLUS that were taken out for their own education, and they consolidate these together under the Direct Loan program, will they be eligible for the waivers?**
- Yes. In this situation the borrower would get credit on their new consolidation loan for payments made prior to the consolidation on their non-Parent PLUS loans only.
- 31. If borrowers have multiple loans with multiple counts and the email received from the Department of Education states they will receive, for example, 48 payments under the waiver – how do they know which loans that applies to?**
- At this time, borrowers will need to wait until the final review of their account is completed in a few months' time to discover how the newly approved months of eligible repayment are being allocated.
- 32. I understand that you are stating that consolidation will not reset my PSLF count under these waivers, but this makes me nervous as it is contrary to what I've been told in the past.**

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- a. We understand the anxiety around this messaging. As borrowers have until October, 2022 to consolidate and submit proof of eligible employment to get credit under these waivers, it is not particularly risky to wait to consolidate until you are comfortable with the guidance you have received. Borrowers should understand however that certain documents such as the consolidation promissory note, or servicer or federal agency website language may never be updated to reflect this waiver exception. With that said, the ED has since issued additional guidance on their PSLF waiver page.
- b. If you have some loans that may be at 120 under the waivers and some that are not, waiting to consolidate could mean that the loans at 120 are forgiven before you get chance to consolidate them with the ones that aren't at 120 to get credit for the higher count. If that happens there is no recourse so if you are in this situation, it IS risky to wait to consolidate and you should do so right away. Trust us, the PSLF count will NOT reset, even if you have all Direct Loans.

Case Studies and Examples

- 1. Alice has two FFEL Loans and two Direct Loans. She has been working in eligible employment for the last eight years and currently has 96 PSLF eligible payments under her Direct Loans and none on her FFEL loans. Should she consolidate all of her loans together and if she does will she lose the 96 payments she has on her Direct Loans?**

Alice should consolidate prior to October 31, 2022. Doing so will mean the entire consolidation will be credited with the 96 payments she has already been credited on her Direct Loans. She will not lose those payments.

- 2. James has all Direct Loans but has never consolidated them. He currently has 24 PSLF eligible payments on these loans. Does James need to consolidate his loans? What if James has other payments that should have counted but haven't been due to servicer error.**

No. Because James already has all Direct Loans, he has no need to consolidate. Assuming the payments that haven't been counted yet were made while the loan was in a repayment status and James was working full time for eligible employment those months will be counted automatically as the Department of Education reviews each account.

- 3. Pat has a consolidated FFEL loan. She made 8 qualifying payments before it was consolidated in 2008 and has made 75 qualifying payments since then. Does she need to consolidate to get credit for the waiver and if so, how many payments will she get credit for?**

Yes, Pat should consolidate and submit proof of eligible employment prior to October 31, 2022. She will get credit for the 75 payments she made after the 2008 consolidation and may receive credit for the 8 qualifying payments before on the earlier loan if these were on or after October 1, 2007, which is the earliest month a payment could count for PSLF.

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4. Jack has all FFEL loans and has made over 120 payments while working for an eligible employer. If he consolidates now and submits proof of eligible employment, will he get a refund?

No. Jack should receive forgiveness of his remaining balance in this scenario, but he will not receive a refund of the payments over 120 because they were made prior to the consolidation.

5. George had FFEL and Perkins loans and had made 80 payments while working for an eligible employment prior to his consolidation into Direct Loans in 2015. Since that consolidation he has made an additional 60 eligible payments while working for eligible employment. Will George get credit for the payments made prior to the Direct Loan consolidation in 2015? Will he get a refund?

Yes. George will get credit for the 80 payments made under the FFEL and Perkins as soon as he submits proof of eligible employment for that period. At that point he will get a refund of the extra 20 payments he made because those extra 20 were made after the Direct Loan consolidation.

6. Amy's loans have been in repayment since 2006 but did have periods where she was in forbearance, deferment or was late on her payments. She has worked full time for a PSLF eligible employer this entire time. Will all of this time be counted under the waiver if she submits proof of eligible employment?

No. Any months where Amy was in a forbearance or deferment status (unless it was COVID-related forbearance) will not count. Any months prior to October 1, 2007, also won't count because PSLF did not exist before then. She will however get credit for all the other months she was in repayment, even if her payment was late.

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7. Justin has four Direct Loans that have all been in repayment for the same periods, but with different PSLF payment counts. He has been disputing this for some time as he feels they should all have the same count, and some loans are missing eligible payments. Should Justin consolidate?

No. The Department of Education is reviewing all PSLF accounts and giving credit under the waivers for any month the loan was in a repayment status. This review will likely result in all four loans being given credit for the maximum number of months.

8. Nicole has previously been denied eligible payments due to “no bill” or “no payment due” or “missing or corrupt servicing records” or “incorrect repayment plan.” What can Nicole expect from this waiver? Should she submit her banking or other records?

Nicole can expect that all of these months should be credited to her once the ED completes their review as long as the month was identified as in a Repayment status. Any month in a repayment status while the borrower was working in eligible employment, prior to October 1, 2021, will be counted. She does not need to submit any type of proof as the ED is not looking at that. They are only looking at months the loan was in a repayment status which is data they already have, even in situations of missing or corrupt servicing records. They collect loan status data monthly and have been for decades. If after the final review there are still missing months, Nicole can file an appeal with the ED ombudsman or via a new appeal process that will be developed in 2022.

9. Jodi has eight Direct Loans. Four are from undergrad and have 90 PSLF eligible payments. Four are from graduate school and have 30 eligible payments. Should she consolidate? On a similar note, Jodi’s sister has four FFEL loans with 100 eligible months and two Direct Loans with 20. What will her outcome be?

Yes, Jodi should consolidate. By doing so Jodi’s consolidation will be given

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credit for the higher eligible payment count of 90. Jodi's sister should consolidate and submit her proof of eligible employment for those periods and her consolidation loan will be given credit for 100 months.

10. Fred has been paying on his FFEL loans for the last 15 years. He just started working for a PSLF eligible employer four years ago. His remaining balance on this FFEL loans is \$10K and his adjusted gross income is \$80K. Should Fred consolidate and if so, which payment plan should he pick?

Fred will probably not benefit from PSLF or the TEPSLF as his remaining balance is low compared to his income. Because he only has at best 48 eligible payments under his belt and will need to make another six years of qualifying payments, it is very likely he will pay the loan off well before seeing any type of forgiveness.

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