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U.S. Department of Education (/)

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Education Department Announces Permanent Improvements to the Public Service Loan Forgiveness Program and One-time payment Count Adjustment to Bring Borrowers Closer to Forgiveness

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Today, the U.S. Department of Education (Department) announced one-time executive actions that will bring most loans managed by the Department closer to forgiveness, including credit toward the Public Service Loan Forgiveness (PSLF) Program for borrowers who have qualifying employment. This action will coincide with the July 2023 implementation of permanent fixes to PSLF through regulation.

These actions will provide borrowers with many of the same benefits already going to those who have applied for PSLF under the temporary changes (known as the “Limited PSLF Waiver”), before its October 31, 2022 end date. Borrowers with Direct Loans or Department-managed Federal Family Education Loans (FFEL) will receive credit toward forgiveness on income-driven repayment (IDR) for all months spent in repayment, including payments prior to consolidation and regardless of whether they made partial or late payments or are on a repayment plan. Borrowers will also receive credit for specific periods in deferment and forbearance.

The Department strongly encourages borrowers to take the necessary steps to apply for the waiver by October 31, 2022.

“I’m incredibly proud that the Biden-Harris team’s temporary changes to Public Service Loan Forgiveness helped over 236,000 teachers, nurses, veterans, government employees and other public service workers secure more than \$14 billion in debt relief,” said U.S. Secretary of Education Miguel Cardona. “Today, we’re encouraging public service workers to take advantage of the program’s temporary changes before the deadline on October 31. At the same time, we’re taking bold steps that will automatically move more hardworking public service workers closer to forgiveness and making permanent changes to reduce the red tape that riddled the PSLF program. The Biden-Harris team is as committed as ever to upholding the promise of PSLF and ensuring borrowers who devote their careers to teaching our children, strengthening our communities, and serving our nation get the relief they’ve earned.”

Ensuring Borrowers Receive Credit for Years in Repayment

In April 2022, the Department announced (https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=) one-time improvements to address historic inaccuracies in the count of payments that qualify toward forgiveness under IDR as well as practices by loan servicers to put borrowers into forbearance in violation of Department rules. As a result of these past failures, borrowers who were in repayment for 20 or 25 years or longer are unable to receive forgiveness under IDR, and borrowers who were in repayment for 10 years or longer while working in public service may not receive PSLF. To address these inaccuracies, the Department will adjust a borrower’s account by granting credit toward IDR and PSLF for:

- Any month in which a borrower was in a repayment status, regardless of whether payments were partial or late, the loan type, or the repayment plan;
- Any month in which loans were in an eligible repayment, deferment, or forbearance status prior to consolidation;
- Months while a borrower spent at least 12 months of consecutive forbearance;
- Months while a borrower spent at least 36 cumulative months in forbearance; and
- Any month spent in deferment (exception for in-school deferment) prior to 2013.

Beginning in November 2022, borrowers who have 20 years (240 monthly payments) or 25 years (300 monthly payments) of payments through these changes will start receiving loan discharges. Borrowers who applied for PSLF prior to October 31, 2022 and reach 120 payments due to the deferment and forbearance changes will also receive loan discharges. The Department will continue implementing discharges for borrowers who reach the thresholds for forgiveness in the months after November 2022.

In July 2023, the Department will automatically apply the same payment count treatment to all Direct and Department-managed FFEL loans for borrowers who do not otherwise reach the number of months necessary for forgiveness.

Permanent Improvements to PSLF Regulations

The Department also announced lasting improvements to the PSLF program that will be codified in final regulations. These improvements, which incorporate many elements of the PSLF waiver, include:

- Awarding credit for certain months in deferment or forbearance, such as those tied to military service or deferments for economic hardship or cancer treatment if the borrower also certifies qualifying employment.

A more complete list of the improvements can be found in the [fact sheet](#) (https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/futureofpsliffactsheetfin.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=). The regulations will be published in the coming days and will go into effect July 1, 2023.

Steps to Qualify for the Limited PSLF Waiver by October 31

The program changes outlined in the [fact sheet](#) (https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/futureofpsliffactsheetfin.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=) provide significant benefits to borrowers who have Direct or Department-managed FFEL loans as well as Direct Loan borrowers seeking PSLF now and in the future. However, any borrower interested in the full benefits of the Limited PSLF Waiver should [take action](#) (https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/futureofpsliffactsheetfin.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=) by October 31.

Building on an Unparalleled Record of Debt Relief

Today's announcement is part of the Biden-Harris Administration's broader efforts to get students and borrowers the benefits to which they are entitled. These efforts include enacting lasting policies to make college more affordable and preventing a future debt crisis by holding schools accountable for leaving students with mountains of debt and without the skills and preparation to find good jobs.

On August 24, President Biden announced his plan to provide up to \$20,000 in debt relief to 40 million eligible borrowers. Approximately 22 million people have already given the Department the information it needs to consider this relief. In addition, more than \$38 billion in student loan relief has been approved for 1.75 million borrowers. This includes:

- More than \$14 billion for 1 million borrowers whose institutions took advantage of them through discharges related to borrower defense and school closures;
- More than \$14 billion for over 236,000 borrowers through the PSLF Program; and
- More than \$9 billion in total and permanent disability discharges for more than borrowers.

View fact sheet with further information [here](#) (https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/futureofpsliffactsheetfin.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=).

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