Teacher Loan Forgiveness Frequently Asked Questions

Prepared by the Title I Section
Utah State Office of Education

Question 1: What is the teacher loan forgiveness program?

Response 1: The U.S. Department of Education, to encourage teachers to enter high-need fields of instruction or to work in low-income schools, provides forgiveness of certain student loans.

The amount of the student loan to be forgiven is based on years of service.

Question 2: Which loan programs qualify?

Response 2: Teachers with Stafford and Perkins student loans who teach in low-income schools and/or areas of teacher shortages may be eligible for loan forgiveness or deferment.

For more information: http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/teacher#teacher-loan-forgiveness

Question 3: Which schools qualify for loan forgiveness?

Response 3: Public schools with a low-income rate of at least 30% qualify. Additionally, all schools operated by the Bureau of Indian Affairs (BIA) are considered low-income schools for teacher loan forgiveness purposes. In Utah, the low-income percentage is calculated based on the number of students eligible for free/reduced-priced lunch.

Question 4: Where can I find the list of schools eligible for loan forgiveness in Utah?

Response 4: The link to the U.S. Department of Education list of schools eligible for loan forgiveness is: https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp

Question 5: I work at a Title I school that doesn't appear to qualify, why doesn't it qualify?

Response 5: Some Title I schools in Utah have a low-income rate of less than 30%. These schools, although they are eligible for Title I services, do not qualify.

Question 6: I work at a non-Title I school with a low-income rate higher than 30%, does my school qualify

for this program?

Response 6: All public schools in Utah that have a low-income rate of at least 30% qualify.

Question 7: Do private schools also qualify for the loan forgiveness program?

Response 7: Private non-profit schools may also qualify if their low-income percentage is at least 30%. To

be included on the federal list of qualifying schools, the private non-profit school must $\underline{\text{provide}}$

<u>documentation</u> verifying low-income status to the Utah State Office of Education annually.

Question 8: What role does the USOE have in the loan forgiveness program?

Response 8: The Utah State Office of Education (USOE) does <u>not</u> process or approve loan forgiveness

applications. The USOE is responsible to provide to the U.S. Department of Education annually

a list of the schools that have at least 30% low income as measured by October 1 data

submissions.

Question 9: How do I apply for loan forgiveness?

Response 9: All questions about individual loan forgiveness eligibility and application are answered by the

Financial Aid Office of the college/university where the loan was obtained.

Question 10: Where can I get more information?

Response 10: The U.S. Department of Education has provided a web site with valuable information.

http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/teacher

Information from http://studentaid.ed.gov/repay-loans/forgiveness-cancellation#teacher-loan

Teacher Loan Forgiveness

If you are a teacher and also a *new borrower* (i.e., you did not have an outstanding balance on a Direct Loan or FFEL Program loan on Oct. 1, 1998, or on the date you obtained a Direct Loan or FFEL Program loan after Oct. 1, 1998) and have been teaching full-time in a low-income elementary or secondary school or *educational service agency* for five consecutive years, you may be able to have as much as \$17,500 of your subsidized or unsubsidized loans forgiven. Your PLUS loans cannot be included. For more information, go to <u>Teacher Loan Forgiveness</u>. If you have a Federal Perkins Loan, see Perkins Loan Cancellation for teacher cancellation in that loan program.

Public Service Loan Forgiveness

If you are employed in certain public service jobs and have made 120 payments on your Direct Loans (after Oct. 1, 2007), the remaining balance that you owe may be forgiven. Only payments made under certain repayment plans may be counted toward the required 120 payments. You must not be in default on the loans that are forgiven. For more information, go to <u>Public Service Loan Forgiveness</u>.

Perkins Loan Cancellation and Discharge

The following Federal Perkins Loan Program cancellations apply to individuals who perform certain types of public service or are employed in certain occupations.

For each complete year of service, a percentage of the loan may be canceled. The total percentage of the loan that can be canceled depends on the type of service performed. Depending on the type of loan you have, and when that loan was taken out, you may be eligible to cancel part of or your entire loan if you have served as one of the following:

- Volunteer in the Peace Corps or ACTION program (including VISTA)
- Teacher
- Member of the U.S. armed forces (serving in area of hostilities)
- Nurse or medical technician
- Law enforcement or corrections officer
- Head Start worker
- Child or family services worker
- Professional provider of early intervention services

There is no standard application form for Perkins Loan cancellations. Contact the school that you were attending when you received the loan.

To view the Perkins Loan Cancellation and Discharge Summary Chart, go to <u>Forgiveness, Cancellation, and</u> <u>Discharge Charts.</u>