

0:04

all right um we're just going to go ahead and get started it looks like we might have a small group today but

0:09

that's okay um hello everyone my name is Jessica man Freddy and my pronouns are

0:15

she her I am um the student loan Advocate within the Washington State

0:21

Office of the student loan Advocate I also have here with me today Amber Amber

0:27

would you mind introducing yourself hi everybody my name is Amber hay I am the Public service loan

0:34

forgiveness Advocate uh and my pronounce are she

0:40

hers thank you Amber so today we are going to be talking about the income

0:46

driven repayment plan or IDR payment count adjustment and how it may benefit

0:51

you as a borrower today's presentation will be about 15 minutes and we will

0:57

have some time at the end to answer questions so without further Ado let's

1:02

get

1:12

started sorry I was remembering to unmute myself all right so um before we dive

1:19

into the material um we do have a few housekeeping items to share the presentation is being recorded as you

1:25

have all either heard or acknowledged When you entered the room uh we will post onto the post the video onto the

1:32

student loan Advocate web page which I actually just dropped into the chat um and we'll also provide slides for your

1:38

reference following the presentation so you can have access to all the links um and that might take us maybe about a

1:44

week to send out to the folks that attended um or signed up the chat

1:49

function is disabled for participants um but we will be using it to share links

1:55

and resources throughout the presentation um as you may have noted all particip SP right now are on mute um

2:02

uh and so what we want to have you do is enter your questions into the Q&A function um in there as questions are

2:09

entered um please do go in and upvote questions that you would like to have answered live um there's a little thumbs

2:15

up icon that you can use underneath each question when they're posted um we will

2:21

as Jessica mentioned have time at the Pres at the end of the presentation for those questions um and finally we do

2:28

have live closed captions that you can enable on your uh Zoom icons at the

2:38

bottom so what are we covering today uh today we're going to give you an overview of what in income driven

2:45

repayment is as well as how you uh apply for income driven repayment um we also

2:51

shorten income driven repayment to just IDR uh we will then shift gears to talk about the IDR payment count adjustment

2:58

and how you may benefit from the adjustment uh and finally we'll provide some resources and information about how

3:04

to get individual support regarding your student

3:10

loans thank you Amber um and to give you all a snapshot of what student loan Deb

3:16

looks like in Washington state as of December

3:21

2023 we have over 7 197,000 federal student loan borrowers or outstanding

3:27

federal student loan dad balance is \$ 28.4 billion and our average federal C

3:34

loan dat um is \$ 35,6 29 per borrower and I put these

3:41

numbers here not to intimidate anyone but really to just try and normalize

3:46

student Deb as much as possible I know that folks can have a lot of Shame and negative feelings and emotions that are

3:52

brought up in Associated when talking about finances and debt and I just want to really drive the point home the

3:59

student that is normal and that millions of people have it so there's absolutely nothing to be ashamed about and should

4:05

be in fact uh discussed more often so that borrowers can get the resource and assistance that they

4:12

need and before we dive into talking about IDR uh we do want to explain how

4:18

you can look at your student loan information and figure out details like the type of student loan that you have

4:25

you can log in into a website called student.gov to locate your fed student

4:30

loan information things like your balance uh the type of loan that you have and your student loan serer
Ember

4:38

will drop the link to that in the chat in case you you you want to visit the

4:43

website and to log in into that website you are going to go to the right corner of the page and it will ask you for

4:50

something called your fedos and Aid ID also known as your FSA ID this is your

4:56

username and your password uh for this website and if for some reason you don't have one uh you can also click on create

5:03

an account uh next to the login button once you log in it will bring you to a

5:09

dashboard and in there you can click to view more details about each of your federal student

5:15

loans now moving on to talk about income driven repayment plans so what exactly is income driven

5:24

repayment or an IDR plan well it's a plan that is based on household income

5:31

and that may provide you with a more affordable repayment option for some borrowers the payments can be as little

5:37

as z doar a month borrowers on IDR have the ability to request that their

5:43

monthly payments be recalculated if for some you know right away if there is a decrease in household

5:50

income including things like losing a job separation or divorce Etc um IDR can

5:58

also be a great alternative uh to delinquency default and longterm

6:04

forbearances or deferments that don't lead to forgiveness and IDR is also a

6:09

path to forgiveness in anywhere from 10 to 25 years depending on your specific

6:15

eligibility now it is important to highlight what income different repayment is not uh which may not be as

6:22

obvious so it's not typically a quick fix or a Magic Bullet to your student

6:28

loan forgiveness um as it can take a long time to get forgiveness um

6:34

depending on your specific circumstances under income driven repayment uh and unfortunately in the world of student

6:40

loans in general there are very little quick fixes but as I mentioned before it is a better alternative for borrowers

6:46

who otherwise would default on their loans due to high monthly payments in addition to providing that light at the

6:53

end of the tunnel with eventual forgiveness now moving on to talk about

6:59

how income driven repayment plans work the monthly payment amount um that you

7:06

that is is calculated right is generally a percentage of what's called discretionary household income now

7:13

discretionary household income is based on a percentage of the federal poverty

7:19

guideline for your state and I'll have Amber post the link on the chat so you

7:24

can see those percentages for yourself so discretionary income generally equals

7:30

the difference between your adjusted gross income your AGI and 100 150 or

7:38

225% depending on the IDR plan that you select of the poverty guideline for your

7:43

family size and state of residence because um IDR payments are based on

7:48

your income it's important to know that the payments may increase or decrease over time depending on your income now

7:56

you do need to recertify your income every year to remain eligible and but

8:02

now you have the option to sign up for Auto with certification which is a very nice feature and reduces the burden um

8:09

on their borrower it's also important to note that married borrowers borrowers

8:14

that are filing their taxes separately don't have to include their spouse's income for the monthly payment

8:20

calculation and that by the end of the repayment period in an IDR plan any

8:26

remaining balance that you have not paid off will be forgiven which can be anywhere from again 10 to 25 years

8:34

depending on the plan that you're on in your original balance and we'll talk about this in more detail in a little

8:42

bit now IDR plans like everything else are not for everyone right however there

8:49

are some examples um of people who may benefit from being on an IDR plan so for

8:55

example if you want to have an affordable monthly payment um if you plan on qualifying for Public

9:02

service loan forgiveness pslf um after 120 qualifying payments

9:07

about 10 years if you plan on qualifying for income driven repayment or IDR forgiveness again in 10 to 25 years

9:15

depending on the IDR plan that you're in in your original loan balance um and then if you are unemployed or

9:21

underemployed and you do not want a forbearance or deferment so these are some examples of people who may benefit

9:27

from being on an income driven repayment plan now if you're pursuing an IDR plan

9:34

with the specific purpose of eventually getting forgiveness right through that IDR plan it is important for you to know

9:41

that you do not need to apply for forgiveness right there's no application

9:47

process currently for you to apply for that forgiveness once you hit the required number of years in repayment

9:54

your servicer is going to notify of your eligibility right and they the the serer

10:00

is also going to give you the opportunity to opt out right to say no I don't want to get this forgiveness and

10:06

you might be asking yourself Jessica why would anyone ever opt out from having

10:11

their C loans forgiven right doesn't make a lot of sense well under IDR

10:16

typically right the amount that you get forgiven is considered federally taxable

10:22

income which depending on the amount that you get forgiven can lead for some people to have um very large tax bills

10:29

as a result however due to the American Rescue plan act um forgiveness under

10:35

income driven repayment plan um or or IDR will not be federally taxable until

10:41

January 1st of 2026 now so anyone that's reaching forgiveness before that date will not

10:48

need to pay federal taxes on the amount forgiven Washington state does not currently have any income tax but if you

10:55

move to another state that does have income tax um that state may charge you

11:00

for income tax for the Forgiveness so it's important for you to be aware and since we are not tax advisers or

11:07

professionals when in doubt um consult a tax professional with any questions if

11:12

you want to learn more about IDR including uh ins and outs about IDR forgiveness I highly recommend reading

11:19

federal student AID blog on the seven frequently asked questions about income driven repayment um and I'll have Ember

11:26

post the link um on the chat right now

11:32

all right so here is an overview of the current repayment plans that are available if you have a federal student

11:38

loan today we're going to focus on the bottom half of this list the income

11:43

driven repayment plans the current IDR plans that are available are the income

11:49

base repayment plan ibr pay as you earn or paye saving on

11:56

available education save in the income contingent repayment plan icr now moving

12:03

on to talk a little bit more detail on each plan for a lot of people what I'm

12:08

going to say about all these plant is going to sound a lot like w salad um which is understandable right I just

12:16

want uh I just want you to know that after I go through all of these options and you know the different the different

12:23

benefits that they have uh and how they work um there is a tool that you can use

12:28

use to help you determine uh which of these program which which of these plans um will give you the lowest um repayment

12:36

amount and also which one may be a good option for you so just keep that in the back of the your head as you as I'm

12:41

going through this okay and don't get overwhelmed with the information so the eligibility requirements for each plan

12:48

is very unique right and while I'm going to highlight some of those that information today I would recommend that

12:55

you review this table more carefully once you get a copy of this slides just so you can make sure you're not missing

13:00

anything so um for ibr or income base repayment um it caps your monthly

13:07

payments at 10 to 15% of your discretionary income depending on when

13:12

you borrowed um your loans and you will never pay more than the 10year standard

13:18

repayment plan amount EI eligibility for forgiveness under ibr is in 10 to 25

13:24

years again depending on when you borrowed now the pay plan or the pay as

13:30

you earn um plan caps your monthly payment at 10% of the borrower

13:35

discretionary income and once again you will never pay more than the 10-year

13:40

standard uh repayment plan amount on this plan the pay plan can be

13:46

particularly attractive for people with uh graduate degrees because it can lead

13:51

to forgiveness in 20 years regardless if you have an undergraduate or a graduate loan now there's also the icr plan or

13:59

the income contingent repayment plan which is typically the least generous of all the IDR plans and um because monthly

14:07

payments are based on 20% of your discretionary income now icr will lead

14:13

to forgiveness after 25 years of repayment it's important to know that there are some changes that are coming

14:20

our way when it comes to income driven repayment pay the pay as you earn um

14:27

plan will no longer be available for new enrollments after July 1st of 2024

14:32

but those who sign up for the plan before then and that are currently on the plan will be able to stay on it now

14:39

icr uh income contingent repayment starting on July 1st of 2024 will also

14:45

only be available for Consolidated Direct Loans that contain a Parent PLUS Loan however we do have a brand new kit

14:53

on the Block when it comes to repayment plans that you may have noticed that I skipped over um and that is the saving

15:00

on a valuable education the save plan which replaced what was called the Revis

15:06

pay as you earn the repay plan I'm going to dive into a into it a little bit more

15:12

because it is very different from all the other repayment plans and it offers a lot of unique benefits so what is this

15:19

so-called safe plan or the saving on available education plan which you may have heard about on the news over and

15:25

over and over again right so it is the newest most generous repayment plan that

15:30

fedos and Aid introduced last year um once again the repay or the

15:37

revised pay as you earn plan transformed into the save plan this means that if you were

15:44

enrolled in repay last year you should have already uh automatically been

15:49

switched into the save plan now one of the biggest benefits of save is that it

15:54

it increases the discretionary income exemption so basic basically the amount of your income that is protected from

16:00

payments from 150 to 250 225% of the poverty line what this means

16:08

is that typically more of your income will be protected from payments allowing for lower overall payments for most

16:16

borrowers again for most borrowers not everybody it's important to highlight that now um this plan is unfortunately

16:24

not available for parent plus borrowers unless they complete a very complicated process that is called a double

16:31

consolidation um I will have Ember post a link regarding the double consolidation process in case you want

16:38

to learn more about this process and I'll speak a little bit more about Parent Plus loans and consolidation on a

16:44

future slide because they're a little unique um now the repayment terms for

16:49

Save require 5% of the discretionary income for undergraduate loans 10% of

16:55

your discretionary income for graduate loans and a weighted average for borrowers who have both undergraduate

17:02

and graduate loans the Forgiveness timeline is a little bit more complicated right uh but borrowers with

17:10

low uh original principal balances of less than \$12,000 will actually be able to get

17:16

their debt forgiven in as little as 10 years and higher

17:21

undergraduate loans will be forgiven in 20 years and if the borrower has any

17:26

graduate loans then it will take um 25 years again unless they have a low a

17:32

lower um original balance and I'm going to talk about this in a little bit more in detail um and while these are all

17:39

really amazing changes Unfortunately they are not all getting implemented at

17:44

once so there are some same benefits that are in effect now which include the

17:50

increase in the amount of income that is protected from payments from 150% to

17:56

225% of the federal poverty guidelines this change means that for example a

18:02

single borrower who earns less than

18:08

\$2,852 monthly payment the Department of Education will subsidize any monthly

18:15

interest that is not covered by the borrower's payment on the save plan and

18:20

as a result um if you make your monthly payment your loan balance shouldn't grow

18:26

right due to unpaid interest now I want to explain this a little bit more because there is a common misconception

18:33

that the interest does not acrow on your account under Save which is not true

18:38

right the interest will continue um uh uring on your account and being charged to your account on the save plan it's

18:46

just that if your monthly payment is not high enough to cover that interest then

18:51

the Department of Education will cover that difference on a monthly basis so that the overall balance

18:59

doesn't increase right now borrowers um the other uh benefit that is currently

19:06

um has been like was was not supposed to start until July of 2024 but has um

19:12

actually been um U brought to the Forefront now with the Department of Education is that borrowers whose

19:19

original principal balance were less than 12,000 or less um will receive uh

19:24

forgiveness after 120 payments or the equivalent of 10 years payment with each

19:30

additional um 12 payments added for each ,000 borrower above the level up to a

19:37

maximum of 20 to 25 years um and I'm going to explain this more again in a future slide uh so that it's it's less

19:43

confusing however some save benefits will only be in effect in July of 2024

19:50

including payments on undergraduate loans will be cut in half so from 10% to

19:55

5% of the discretionary income and borrowers who have undergraduate and graduate loans will pay a weighted

20:02

average between 5 to 10% of their income based on the original principal balances

20:08

of their loans this means that those with undergraduate loans should expect

20:13

uh a decrease in monthly payments later this year now here is a couple of charts that

20:22

display how the shorter forgiveness timeline for Save works for those with low to total original balances now it's

20:30

important to know that they are looking here at the total original balance

20:36

amount right I have heard from people that think that federal student aid is looking at individual loans amounts

20:42

right to make that decision and that this is not true right they're looking at your total initial balance and if

20:49

that number meets the thresholds on these slides then you can get forgiveness faster than 20 to 25 years

20:55

on Save um that forgiveness time line changes slightly depending on whether you have just undergraduate loans or a

21:02

mix of um graduate and uh undergraduate loans but this charts can really help

21:09

you understand like based on my original principal balance am I expected to have a shorter timeline for

21:18

forgiveness the safe plan like all the other income driven repayment plans calculates your monthly payment like I

21:25

said based on your income and your family size um here you can see an estimated monthly

21:31

payment based on your income under the safe plan this is of course for illustr

21:37

illustrative purposes only right but it can give you an idea the types of saving you may be looking at if you enroll in

21:44

this plan all right so um I'm gonna go ahead

21:50

and give it over to Amber so she can talk a little bit more about applying for adrs thanks Jessica take a break get

21:57

some water uh um so now that Jessica has covered

22:02

the different IDR plans that you may have access to you might be wondering how do you go about applying for income

22:09

driven repayment so I'm going to go ahead and cover that if you decide to apply for an IDR

22:17

plan the best way to apply is by going online to student aid.gov uh the new

22:24

online application actually only takes about 10 minutes so it's pretty quick uh you could do it on your lunch break

22:30

right um borrowers can get their monthly payment calculated in real time and they

22:36

can choose to have their IDR application recertified automatically each year um

22:42

that's through an integration with the IRS U which is really awesome and it reduces the burden of having to remember

22:48

to resubmit paperwork every year borrowers applying for IDR plans on the

22:54

FSA website FSA website is the same thing it's student a.gov um will see their new payment amount

23:00

before submitting the application um most borrowers who apply for an IDR plan

23:06

can expect to see their next payment reflected on their IDR payment plan amount um sorry the um most barers who

23:15

apply for an IDR uh plan can expect their next payment to to reflect that

23:20

IDR amount um servicers will place borrowers in an administrative

23:26

forbearance if they need more time to process the application after borrowers apply they

23:32

can check the status of their application by visiting their student um Ado

23:37

account the nice thing about the application is you can start it just to see what the estimated amounts on the

23:43

different IDR plans are um and you can do kind of like a comparison if you decide that you're not ready to apply or

23:50

that you don't want to apply you can just exit before you submit it um without affecting anything so you can

23:57

check your estim without committing to switching to an IDR so that might help you make a decision as to whether it's a

24:02

good option for you now um if you prefer to apply using a manual application you

24:10

can actually download it from the federal student aid uh website and submit it directly to your loan serer um

24:16

I will go ahead and actually I'll put the online application Link in the chat uh as well as the link to the manual

24:23

application if that's something that you would like access to

24:30

all right thanks Amber so now we will move on to talk about the start of the show today which is the IDR payment

24:37

count adjustment which is also known as the IDR Account Adjustment I know that the name for this has been switched a

24:44

few times uh by the Department of Education but it's all referring to the same thing so I just wanted to make that

24:50

clear because that can be confusing to people somehow all right so why is this

24:56

happening right so this adjustment is intended to more accurately reflect

25:01

borrowers payment counts the Department of Education created this adjustment to

25:06

try and correct right for borrowers who were unnecessarily seared into forbearances and deferments in the past

25:14

when they could actually have qualified for an income driven repayment plan and made progress towards

25:19

forgiveness now when is this adjustment actually going to get done right the adjustment is actually currently

25:25

happening right and will continue through summer of 2024 uh Federal student a currently

25:32

estimates that it will be done by July of 2024 and then you might be wondering who is doing this adjustment well the

25:39

Department of Education is doing it um specifically fat Aid uh and you're

25:44

wondering who is going to qualify right for this adjustment so this adjustment will be applied to all Direct Loans in

25:52

all FFL loans that are held by the Department of Education okay and we're going to talk about a little bit more

25:58

about FFL loans in a little bit because they're an important part of this puzzle now in general the adjustment will cred

26:05

credit periods back to the start of the IDR program so July 1st 1994 as eligible

26:12

towards IDR forgiveness right when your specific credit period will start will

26:19

depend on you when you actually entered repayment right so that's going to vary

26:24

from borrower to borrower so you may be asking like this sounds

26:31

great Jessica but how how is this payment count adjustment potentially benefit me right so there's typically

26:38

three possible outcomes that will be a result of this adjustment right the first outcome is that the adjustment

26:45

will be applied to your account and you will still have more time left until the end of your repayment period before you

26:51

qualify for forgiveness right so um but as a result of that ID adjustment it is

26:57

possible that you may be closer to the end of that repayment period and closer to forgiveness um it is important to

27:04

knowe that if for some reason you are not um uh eligible for forgiveness once

27:09

the adjustment once the adjustment is complete that you will have to switch

27:14

into an IDR plan in order to continue working towards that forgiveness right

27:20

another possible outcome right which is one of my favorites in U what I hope

27:26

happens to a lot of people um that are in this call is that it will actually help you reach the end of your repayment

27:32

period And if you do well congratulations um this means that you will automatically receive loan

27:38

forgiveness and that and if that happens your servicer will notify you of your eligibility now another possible outcome

27:46

is that in addition to getting forgiveness um is that you may have more than the number of months required in

27:52

your repayment period and then in some cases and I really want to highlight the

27:57

in some cases right because not everybody is is going to be eligible for this that receives forgiveness you will

28:03

also receive a refund for any overpayment that you have may have made

28:09

um on top of the amount of of of payments that you needed to do to get forgiveness now because the rules about

28:15

who qualifies for refund are a little bit complicated I'm going to have Amber uh post a link in the chat that goes

28:22

into detail about who may qualify for refunds as a result of overpayments

28:29

now a big part of what the IDR payment count adjustment does is that it will convert certain periods of time in your

28:37

loan history into IDR payments right so which you can count towards your IDR

28:43

forgiveness and for people that are pursuing psif potentially towards their psif forgiveness now for example for

28:50

borrowers with 12 or more consecutive months in forbearance right these

28:55

borrowers will have those consecutive months treated as time in repayment an

29:02

example that we put here for you to kind of visualize this is someone who entered a forbearance in September of 2001 and

29:10

then stayed in forbearance until August of 2002 that entire period will be

29:15

converted into IDR payments now it will also be converted for borrowers with 36

29:21

or more cumulative or total months in forbearance once again um and it will

29:29

have all of their time and forbearance treated in repayment so here's an example of someone that had 36 or more

29:37

cumulative um um periods of forbearance and even though it was not consecutive right they might have had periods in

29:44

there where they were um in repayment um um it will lead to all of these 36

29:51

months and any other months that they spent in forbearance on their account to count as IDR payments now it's important

29:57

for you to know that for both of these cases right the periods under the covid-19 administrative forbearance will

30:04

not count right toward these thresholds and they will actually just be

30:09

considered repayment periods right once the the adjustment is made so it's important to keep that in

30:16

mind um there's also certain periods of the ferment who will also convert into

30:22

IDR payments including months that W spent in e in an economic hardship or

30:27

military deferment after 2013 in any period that you may have spent in a

30:33

deferment before 2013 specifically excluding in school right um now any

30:40

time spent in repayment that you you're in repayment will also convert into ivr

30:45

payments regardless if you made a payment regardless of the type of loan

30:50

that you have and uh regardless of the the repayment plan that you were under

30:56

now if you have any consolidated loans or if you're thinking about

31:02

consolidating your loans before April 30th of 2024 the adjustment will include

31:09

any payments or deferment and forbearances that fall under the situations that I explained earlier made

31:16

before the consolidation so this is important because in the past if you

31:21

Consolidated your loans right you may actually lose Credit in um towards IDR

31:28

or pslf um when you submitted that consolidation right but during the

31:33

special period of time that's not the case you get to keep all of that credit um um as long as you consolidate by

31:39

April 30th of 2024 so now we been talking about all

31:45

the types times that will convert into ivr payments it's important to know that there are some periods that will not

31:52

convert right into IDR payments so the following periods will not convert into

31:58

IDR payments any time that you were in an in school department right so periods of time that you were attending school

32:05

um um at least half time right those those periods of time typically will not

32:11

count um under this adjustment as a repayment any periods that you spent in a bankruptcy um any periods of default

32:19

and any periods of forbearance that don't meet the thresholds that I talked about earlier right and um the firmment

32:26

periods besides the economic hardship in military deferment after 2013 so these

32:31

are periods that are not going to count right if you had any of these periods in your history they're not going to be

32:37

added to your um um as as as IDR payment

32:42

payments as a result result of the adjustment all right so I don't want to

32:49

spend a lot of time on this slide because it does have a lot of information um so this is something that

32:55

I would recommend again that you review you um after today's presentation to get more in-depth knowledge about it but

33:02

this slide explains how long it will take for you to get forgiveness under IDR depending on the type of loans you

33:09

have in your specific circumstances and the type of IDR payment that you might

33:14

be under now there are some people that will be eligible for IDR forgiveness um

33:22

even if they never enrolled into an IDR plan because they have been in that

33:27

really long period of time of repayment right so 20 to 25 years timeline so there are some people that may never

33:34

have to enroll into an IDR payment right but there are some people that might have to choose to enroll into an IDR

33:40

payment to potentially either potentially shorten the time that they have to be in repayment and or um to

33:48

actually get forgiveness in case they need to make additional payments right um to get to those those that 20 to 25

33:56

year timeline now it is important to note that uh people that have lower balances who are enrollments that that

34:03

had lower original balances uh right principal balances who enroll and save

34:09

are not included in this chart right you should really be using um the the other

34:14

chart that I explained earlier that had the different uh timelines right for those borrowers to really to get an idea

34:21

of how long it's going to take for them to get forgiveness all all right so I'll go

34:27

ahead and give it back to Ember thanks Jessica um so uh Jessica

34:34

has been primarily covering right ibr payment count adjustment um and so um

34:39

there are some ways that this may intersect and impact borrowers pursuing the Public service loan forgiveness

34:45

program also known as pslf um uh and just to clarify so there's

34:52

um folks that are pursuing pslf are um are in income driven repayment plans

34:58

generally um but not all folks who are in income driven repayment plans are pursuing Public service loan forgiveness

35:05

right it's just for those folks that are um in public service right in any level of government and not working for uh

35:11

5093 50 oh gosh I can't remember 509 C3 uh nonprofit um so um in case you're

35:19

getting a little confused about the terms um and we can answer some of those questions um at the end but um as far as

35:25

the intersection between IDR payment adjustment and Public service loan forgiveness here's a few key key

35:32

takeaways um federal student aid has already beg to uh began to adjust pslf

35:38

payment counts for borrowers with at least one approved psfs for pslf form um

35:44

since this pass fall of 2023 um they will continue to adjust pslf counts um each month until the IDR

35:52

counts for all eligible loans are adjusted in in 2024 as of right now there is not a way to

35:59

track whether you've been impacted or not um so I encourage you to keep an eye on any Communications from the

36:05

Department of Education um or for moila um right if you're U working towards

36:10

pslf you're generally with mahila already um uh and I would also recommend keeping track on keeping an eye on the

36:17

the pslf payment tracker on your moila account after the IDR Account Adjustment

36:23

is complete all periods credited towards IDR will also be credited towards pslf

36:30

um for qualifying loans and time periods where borrowers have certified their employment um this is a good reminder

36:38

that ideally if you're pursuing pslf your employment should be certified annually um and I'll actually I'll post

36:44

in the chat here after this Slide the link to the pslf help tool um which can help you do your employment

36:51

certification uh if you believe that you might benefit from this adjustment we do encourage that you sure that you've

36:57

certified all pslf eligible periods of employment to keep track of your

37:03

progress uh borrowers who have commercially or federally held fell

37:09

loans uh who apply to consolidate those loans into direct consolidation loans by

37:16

that April 30th 2024 date we'll also get pslf credit under the IDR payment

37:22

Account Adjustment provided that they were during qualifying periods of public service

37:28

employment please note that borrowers who consolidate for pslf will temporarily have your payment counts

37:35

reset to zero um I emphasize the temporarily Please don't panic if you

37:40

see that happen if you've Consolidated your loans and all of a sudden your tracker says you have zero pslf payments

37:46

it will get adjusted during the process back to the amounts that you had um all

37:52

right I will go ahead and uh hand this back over to Jessica to talk more about consolidation since I just brought that

37:57

up uh and then I'm going to go ahead and post that pslf help tool um which is in general the fastest way to um have your

38:05

employment reviewed to update your qualifying payment

38:19

counts Jessica you're muted thank you um sorry about that um so you know

38:27

there's a lot of talk we've been talking about consolidation a few times throughout this presentation right so

38:32

you may be asking yourself how do I know if I may need to consolidate before

38:38

April 30th of 2024 in order to benefit from this adjustment right or to

38:44

maximize my benefits under this adjustment so there are three groups of

38:50

period that should strongly consider consolidating before April 30th 2024 to

38:56

really again either benefit from the adjustment or maximize their benefits under the adjustment so if you have any

39:04

commercially held FFL hurricanes loans or health education loans u i mean Health

39:11

um education assistance health program loans um once again how how do I know if

39:17

I have those loans right you can go to StudentAid.gov right and log in and these

39:23

loans when you look at them on your on your dashboard will be listed just under

39:28

a servicer's name right now um if you have a Department of Education held FFL

39:36

right because there's two types of held loans those that are commercially held and those that are Department of

39:42

Education held right if you have Department of Education FFL Perkins or health loans right you and you want to

39:49

qualify for consolidation you still would want to consolidate right uh these loans would

39:55

be listed um as Department of Education so Department of Education servicer name on

40:01

your state.gov account so that's how you can differentiate between the two types the commercially held type will

40:07

only have a servicer name under that loan and then the ones that are owned by the Department of Education will say

40:12

Department of Education slash the servicer name now the other group of people who should

40:18

consider consolidating is if you have different periods in repayment for your

40:23

loans now I feel like this is a concept that can be a little bit hard for people to grasp um so I'm going to give um a

40:30

little bit of an explanation of an example of the situation right so for example um there is a borrower that went

40:38

to school maybe they got their undergraduate degree right and then they graduated and then they took a break you

40:46

know a few years in between their undergraduate schooling and their graduate schooling right and they were

40:53

potentially in repayment during that period of time um and then they went back to graduate school and they got

40:59

their their graduate degree and then they entered repayment again right so in

41:06

this example um this person would have potentially more IDR payments on their

41:12

undergraduate loans um and less IDR payments under graduate loans right so

41:19

the person in this situation could potentially consolidate to maximize the benefits of the ID IDR Account

41:25

Adjustment and know EXP exp a little bit more how that maximizes in a future

41:32

slide so there's many benefits to consolidating your loans between now and

41:38

April 30th of 2024 so first you will not lose and I

41:43

need to really Hammer this this point home because that's like usually the number one question that I get whenever

41:50

I tell somebody that they they might want to consider consolidating you are not going to lose your pslf or IDR

41:56

credit as long as you meet that deadline right this is important to know because once again in the past if you

42:02

Consolidated your loans you could lose your progress towards forgiveness but this is not the case if you consolidate

42:08

by this deadline okay now for those that are pursuing pslf and I know that Amber

42:14

mentioned this but I'm going to mention it once again it is important to note that your pslf counts May temporarily

42:20

reset to zero or a very small number of qualifying payments right but it's important for you to know that

42:26

that will be adjusted once the um the the payment payment count adjustment is

42:31

applied to your account and right now if you consolidate your loans any type of

42:37

loan right it doesn't matter if it's a Perkins a Fel a direct commercially held not commercially held um your new uh

42:45

direct consolidation as a general rule atub will be credited with at least the

42:51

same number of qualifying payments as the oldest loan that is part of that consolidation ation so what does this

42:58

look like as an example um if you have an older subsidized loan with 200 months

43:05

in repayment and you consolidate that loan with another subsidized subsidized

43:10

loan with 100 months of repayment right uh before that deadline the resulting

43:16

consolidation loan will have 200 IDR payments so the same number as the

43:21

oldest loan that's part of that consolidation now for a pslf example example because it is important for you

43:27

to know you could actually end up with a different number in IDR payments in pslf

43:32

payments just because IDR payments are counting your entire history and pslf is

43:39

taking into account the the repayment history that you have that actually matches with your work history right so

43:46

important to keep that in mind so for a pslf example if you have an older unsubsidized loan um from your

43:53

undergraduate degree with 80 PS qualifying payments and a newer unsubsidized loan from your graduate

44:00

degree with 60 qualifying payments right your new consolidated loan again if you

44:06

consolidate by April 30th of 2024 would have at least 80 pslf qualifying

44:11

payments now if you wait to apply to consolidate your loans after April 30th

44:17

of 2024 the new consolidation loans will not be credited as generously right it

44:24

will only be credited with a weighted average of those qualifying payments made to Direct Loans so if you have an

44:31

FFL loan or you have um Perkin zones etc those are not even going to the history

44:36

of those are not even going to be included in this in this consolidation so um the weighted average will

44:42

typically not include um um all the payments you might have made right and

44:47

it may not give you 100% of your IDR or pslf credit so if you're considering consolidating doing so before April 30th

44:54

of 2024 um really is going to maximize your benefits under the IDR Account

45:01

Adjustment all right now um we're going to take a moment and talk about

45:07

specifically Parent Plus loans and consolidation and because the the options for people

45:14

that are in that situation that have Parent Plus Loans is a little bit more complicated a little no a lot more complicated than for people who only

45:21

have loans that they took out for their own education so if you don't have a plus loan please kind of tune out

45:28

pretend that you never saw the slide because I don't want you to get confused this this information is specifically for people who have at least one Parent

45:36

PLUS Loan okay if you don't have a Parent PLUS Loan this information doesn't apply to you okay so I just want

45:41

to emphasize that because I don't want anybody to get confused so I want to preface this by saying that Parent PLUS

45:48

borrowers par Plus Loans have been historically locked out of a lot of

45:53

benefits right and because of of that the decision making and options for

45:59

borrowers that have those loans is a lot more complicated than it would be for other borrowers and I'm going to try to

46:06

explain these things on the most straightforward way as possible but unfortunately like I said it is

46:11

complicated and it tends to get a little bit into the weeds right of of of student loans so I recommend that if

46:18

after today you're still confused and you don't understand your options as a parent plus borrower one that you

46:24

revisit this information on the slide and that you rewatch the recording just to make sure that you're capturing all

46:29

the Nuance that we're going to be talking about here okay now moving on to explain the actual content of the slide

46:36

for those that have Parent Plus Loans it is important for you to know that Parent Plus Loans are not eligible for an IDR

46:43

plan unless they are Consolidated into a direct consolidation loan there are two

46:49

options currently available for someone that may consolidate their parent plus loan with the goal of entering in into

46:56

income driven repayment and each of them have pros and cons right the first option is to submit a single

47:03

consolidation so just submit one one uh consolidation application with all your loans by April 30th of

47:11

2024 this will allow you to get the full benefit of the IDR Account Adjustment

47:17

including retaining 100% of your ID in or pslf credit the bad thing about a

47:24

single consolidation currently is that it will only give you access to What's called the income contingent repayment

47:30

plan the icr which if you remember earlier I said it's typically the least

47:36

generous of all the ibr options for most borrowers now the second option is to

47:41

submit what's called oh and I accidentally moved slides I apologize

47:46

the second option is to submit um what is called a double consolidation

47:51

application which is much much more complicated right than

47:58

than the single consolidation application you're looking at submitting typically one virtual in one paper

48:04

application like it's it's a complicated process right uh before July 1st of 2025

48:10

a double consolidation like I said it's very involved and a long process and if you want to want more I recommend once

48:17

again that you go into the Massachusetts Attorney General website and I'm going to have um Amber post a link to this on

48:25

the on the on the chat the benefit of doing this more complex double consolidation process is that it's going

48:32

to give you access to all available IDR plans including Save Right the downside

48:39

of doing this double consolidation is that because it is a complex process and it takes some time you will likely not

48:47

be able to meet the April 30th deadline to qualify for the adjustment right um

48:53

so you you may not get 100% of the IDR in pslf credit that you would get if you

48:58

were to consolidate by that date now um um and just as a reminder once the

49:05

adjustment is completed if your consolidation is done after you know the adjustment is completed you're only going to get a weighted average of your

49:11

IDR and pslf payments right so whether it makes sense for you to do option one

49:17

or two depends on a variety of factors that I am unfortunately not able to cover on this presentation however it

49:23

comes down to whether it's more important for you to potentially get access to a lower repayment option to

49:30

save or to retain all of your pslf and IDR qualifying payments right you need to decide what's more important to you

49:37

and then um make a decision from that point on now I also want to add a couple

49:43

notes for borrowers with both loans that are taken out for their own education

49:48

right and Parent Plus Loans right borrowers that have both types of loans

49:53

you really want to think carefully before consolidating all of your loans together um and it might be benefit you

50:00

to actually do separate consolidations for each type of loan so your personal student loans and your Parent Plus Loans

50:06

now consolidation loans that are um that include both loans for your own

50:12

education and Parent Plus Loans a single consolidation right of all of those loans will make you ineligible for Save

50:19

in the other IDR plans for um that you would otherwise be eligible um for your

50:26

um um the Ed the the loans that were taken out for your own education right in some cases however it could be

50:33

beneficial to consolidate your loans for your own education and your Parent Plus Loans um uh together right with a single

50:41

consolidation for example if your if the loans you took out for your own education are near the Forgiveness

50:47

threshold right so near the 25y year um IDR timeline for people that are in in

50:53

con content repayment or or Parent Plus Loans or the 10 years for pslf for people in these cases it may be

50:59

beneficial to consolidate everything together um but again this is a little bit more complicated and like I said I

51:05

can't go over every single example um in situation so I highly recommend that you

51:11

take your time reviewing this information and applying it to your own specific

51:17

circumstances and I also want to in you know a um a more cheerful note so show

51:23

some data um regarding the IDR adjustment and the effects that it's currently having on borrowers in our

51:29

state so so far there are 18,350 borrowers in Washington who have

51:36

received IDR forgiveness due to the payment adjustment as of early November of 2023 and that translates into about

51:43

\$878 million that will be discharged as a result as I mentioned before the

51:49

payment adjustment has not been completed or applied to our accounts but it will continue to be applied

51:56

to all Department of Education held loans between now and summer of 2024 so likely more folks will end up getting

52:02

forgiveness in the next few months now there are borrowers um you know the

52:08

people that are typically qualifying for this are borrowers that have been in repayment from 20 to 25 years um with

52:15

most of them like with no light at the end of the tunnel but who were finally able to get relief through this

52:20

opportunity um and we personally helped a lot of these borrowers um who who were almost like in disbelief when this is

52:27

actually applied to their account um and it they they conveyed that it was like a huge burden uh that was lifted off from

52:33

their shoulders so this is just to encourage you to look at your options and see how you can potentially benefit from this opportunity and take action um

52:41

consolidating if you need to consolidate and there is a lot of things

52:47

happening in the world of student loans right now and I just want to highlight a few of these um important things so

52:53

there is a program going on right now that's called The Fresh Start program which can move folks out of default and

53:00

make them eligible for for title for Aid again um and it's currently in in to

53:06

fact until August of 2024 um it's a very easy process to enroll so if you're in

53:11

default or if you know somebody who um is in default I highly encourage that

53:17

you you en know to this program as soon as possible right and you may actually receive some of the benefits of the

53:22

adjustment if you enroll into this program um now um the US Department of Education

53:29

um has identified about 153,000 uh borrowers nationally that

53:34

were enrolled and save who are going to have their debt cancelled starting last week um and those are the people that

53:40

had the lower balances that were in safe so um those people were not included on

53:47

the numbers that I shared earlier so I just want to make sure that I highlight that just in case you may be part of

53:54

that group right and then finally there are a few major uh service or transfers

53:59

that are happening um if you have been impacted by a loan transfer I recommend

54:05

reviewing fsa's blog on post on what to expect on a loan transfer and um the

54:12

link is on the slide but I'm also going to have Amber share that with you um in the

54:18

chat all right Amber um and I'll give it back to

54:24

you great thank you Jessica um thank you all for hanging in with her we have a

54:29

couple more slides before we go to our Q&A um so see here um I wanted to take a minute

54:37

to highlight some of our specific resources from the office of the student loan advocate here in Washington um we

54:44

have other recorded webinars that are available on the student loan Advocate web page um and I'll post that link in

54:51

the chat here um and this one will also be uploaded as well um within the next week or so um if you

54:59

have a specific question uh about your case or maybe you'd like to submit a

55:05

complaint about your student loan serer please use our complaint question forms

55:10

available at the student complaints. w.gov um and I'll post that in in the

55:15

chat um if you access that form make sure you select the student loans student loan questions and complaints

55:21

form um note that it's currently taking us about four to six weeks to respond to questions and complaints submitted um

55:28

our office is just myself and Jessica um so we get you know easily over a 100

55:33

complaints a month I would say um uh and with that timeline know that it's

55:40

possible that we may not get back to you before April 30th um that uh deadline for um consolidation to take advantage

55:46

of the IDR um payment count adjustment so keep that in mind that um you know really you'll want to use the variety of

55:52

resources you have access to potentially to make decisions ahead of that deadline um and I will post the link to our um

56:01

questions and complaints form in the chat um if you also want to receive

56:08

student loan updates from our office you can sign up to join our list um and I'll

56:13

post that link in the chat as

56:19

well all right so um we're gonna quick take a

56:26

quick two-minute Break um just so H Jessica can get some water before we dive into the question and answer um so

56:33

um at 11:30 um exactly we'll go ahead and start the Q&A process um please take

56:40

a moment or two to submit your questions um and or upvote the questions that you

56:45

would most like to hear the answers to right now we only have about 10 questions in the Q&A um so um if you

56:52

have more questions please definitely submit them um and we'll see what we can get through um during our Q&A session

56:58

which I think we've allotted about a half hour up till noon for

57:03

um you can upvote questions using the thumbs up um icon under each question

57:08

when you look at the Q&A section um and all right um we'll be back in

57:14

about just a minute um and we look forward to answering your

57:23

questions

58:17

all right looks like it's 11:30 um uh before we dive into the Q&A I just want

58:23

to say thank you for the opportunity for us to present to you today um please let us know how we're doing um we do have a

58:29

short survey um that we would love to to have you guys fill out to hear um so we

58:34

can hear how we're doing and what we can improve on um the QR code is on the

58:40

screen um and we'll also uh post the link in the chat here uh in just a minute

58:47

um Jessica I'm realizing that I can't on my end can you see the the

58:54

votes on your Q&A I can't see them on

58:59

mine yeah I wonder if the function is disabled and I didn't realize um which

59:05

is unfortunate um Let me let me double check here see if there's a way

59:11

to um though I I think that it's going to be okay because we don't have that many questions right now so I think we

59:17

can just answer them in the order receipt at this point okay yeah we can just dive in um all right so um the

59:25

first question that we had was am I hearing that if I have graduate student loans they will not be forgiven until 25

59:32

years under pslf um I'll go ahead and take this one um so um and then I had

59:38

saw this question earlier which is why I kind of alluded to the differences between income driven repayment

59:44

forgiveness and Public service loan forgiveness um so Public service loan forgiveness is if you are working

59:51

full-time for a qualifying Public Service employer any level of government working for a

59:57

nonprofit organization um and you're making payments on an income der repayment plan

1:00:03

or the standard repayment plan for 10 years um under those plans and you submit your payment or you submit your

1:00:09

qualifying uh employment right like those loan amounts could be forgiven under 10 years regardless of if they're

1:00:16

graduate or undergraduate loans now if you are someone who is not pursuing

1:00:22

Public Service um uh you're not pursuing Public service loan forgiveness and you're not in a public service job maybe

1:00:27

you work for a for-profit company um then um you might be pursuing IDR

1:00:34

forgiveness right income driven uh repayment forgiveness um and that's where you tend to see those 20 25e

1:00:41

timelines um depending on uh the types of loans that you have um and the

1:00:48

original loan amount uh balances um so that's what Jessica was alluding to with the differences with like the save plan

1:00:55

um versus the 25 year um timeline if you have a large amount of um graduate

1:01:01

undergraduate loans right anything to add to that Jessica no

1:01:07

I think that that's a great answer thanks s perfect okay um next

1:01:16

up let's see um all right this one

1:01:21

says uh uh covered this apologies but just to clarify if you're in the pslf

1:01:28

program and the save plan any remaining loan balance would be forgiven after 120

1:01:33

qualifying payments correct um

1:01:40

yes would be the answer to that yes um so yeah if you're in the save income driven repayment plan um and you're

1:01:47

pursuing Public service loan forgiveness once you've met your 120 qualifying payments yes your your loans would be

1:01:53

forgiven under the the pslf

1:02:01

program all right Jessica this one's for you and if you want to go back to

1:02:07

slide eight I think um that would probably be helpful this question is how

1:02:14

is discretionary income determined does the uh fed I'm guessing federal

1:02:20

government maybe determined that or is it reflected on the application

1:02:25

um so the short answer is um yes fonade

1:02:31

is the one that is going to determine what your discretionary income is um and it's based on the information that you

1:02:37

put on your um on your application but in general right and this can this calculation can change a little bit

1:02:44

depending on the specific repayment plan that you're under but typically the way the discretionary income is calculated

1:02:50

is your adjusted gr income right your AGI minus a specific percentage of the

1:02:57

poverty guideline and again that depends on the percentage that is used there

1:03:02

depends on the specific repayment plan that you're under which is the reason why if you want to calculate this the

1:03:07

easiest way to do that is by to is by going to the Fate website and starting

1:03:13

an IDR application right because that will be estimated for you and you don't have to worry about these percentages

1:03:19

and all that stuff you can just see what your actual payments are going to be are going to look like under the different

1:03:24

income G repayment

1:03:29

plans great thank you um speaking of income driven repayment plans um how

1:03:36

would someone switch from uh the ibr right income base repayment to the save

1:03:42

plan saving on a valuable education right both of those are IDR plans great question Rachel so the way

1:03:49

that you would switch um between those programs is by reapplying for for um

1:03:54

income driven repayment right so again the recommended way that we recommend that you do this is by going to

1:04:01

s.gov IDR and then submitting an application there and then you know you can select save as the plan that you

1:04:08

want to apply for um and then you would be switched into um safe

1:04:15

plan excellent um uh this next question I'm going to go ahead and and take if uh

1:04:22

you don't mind Jessica so um uh this person asked if the loan is a

1:04:27

10year term you'll receive forgiveness at the end of 10 years even if there's still a remaining balance on your

1:04:33

loan um so when you talk about like a 10-year term that generally applies uh

1:04:41

to the standard repayment plan right so if you have undergraduate loans and you're on the standard repayment plan

1:04:47

your loan amounts are divided out so that in 10 years you would pay your entire loan off right so when we're

1:04:55

talking about income driven repayment plans they're not based on a particular

1:05:00

timeline right they're based on that um calculation right that payment calculation um based on your um AGI the

1:05:09

F Federal property guidelines and your discretionary income um and

1:05:14

so the 10year forgiveness if you're on specifically the save plan depends on

1:05:20

that original balance of loans that you took out so um those charts that Jessica

1:05:26

showed that had starting at like 12,000 and going up um in years so that depends

1:05:32

so income driven repayment forgiveness in a kind of a 10year timeline would

1:05:37

really be possible only if you're on the save plan and with balances under um the

1:05:42

the limitations that are set by the federal um student aid Jessica does that

1:05:49

is that an accurate representation yes that question yes

1:05:54

great okay um okay um the question that came

1:06:00

in um this question it came up during the slide um Jessica slide number 22

1:06:08

when you were reviewing reviewing the forbearances um so the question itself

1:06:16

is um what ises it mean that it doesn't count towards the time requirements when

1:06:21

you said it it is only a period of repayment is talking about the covid forbearance um if you could review that

1:06:28

again got it so what I meant here is that when you're when you're looking at

1:06:34

your loan history right in order to determine if you meet either the 12 or

1:06:39

more consecutive months or forbearance or 36 or more total months of forbearance you can't include the

1:06:45

covid-19 forbearance into that calculation because all of you know everybody that was eligible for the

1:06:50

covid-19 forbearance you know had 30 almost 36 months of cons of of of of

1:06:56

forbearances and more than 12 months right so those the period of time that we were under the covid-19 forbearance

1:07:03

will just count as a repayment period so it will count as an ibr qualifying payment under the adjustment so but they

1:07:11

cannot that that period of forbearance cannot count toward these specific

1:07:16

thresholds but they will count as repayments for for IDR is correct

1:07:22

implication so if your loan history is um longer than covid right if your loan

1:07:28

history is 5 10 15 20 25 years um right they're looking at then forbearances

1:07:35

separate from the covid forbearance to see if you meet those um 12 consecutive months threshold or that 36 uh or more

1:07:42

months of forbearance overall across that student loan

1:07:50

history um all right raos a really good question how do we know if we have

1:07:56

graduate loans or if we only have undergraduate loans so the first question is did you

1:08:02

attend both undergraduate school and graduate school right um so that that would be the first thing that you would

1:08:08

want to ask yourself if you didn't attend graduate school or a professional school after completing your

1:08:14

undergraduate degree then you likely don't have graduate um um loans now if you're not sure if you attended both

1:08:21

undergraduate and graduate school and you're not sure the best way to check is by going to c.gov and looking at uh your

1:08:28

specific loan history it should tell which school um in which which program

1:08:33

that you know that loan was um um corresponding to and then um there are

1:08:40

also some loans that are only available specifically for graduate um um graduate

1:08:47

students such as The Graduate PLUS Loan program so if you have any of those those would also be considered um

1:08:53

graduate uh loans specifically so hopefully that answer your

1:08:58

question yeah and I would say you know um loans that were taken out in pursuing

1:09:03

an associates degree or bachelor's degree those would be considered undergraduate

1:09:08

loans correct thank you all right um Anonymous says I

1:09:16

checked payment histories uh following pslf app confirmation okay so it sounds

1:09:21

like they've submitted their their pslf um at least one pslf application um and

1:09:27

what they see seems incorrect seems I only got credit going back a few years but I started making payments back in

1:09:33

2018 I don't see any credits for those payments going up to when the covid forbearance started um I'll grab this

1:09:41

one so when you submit a pslf form right

1:09:46

that is to certify your employment and so the period that's in that form right

1:09:54

so if you say I was working for this employer let's say from

1:10:00

um 2018 to 2019 they're only going to certify the months that for that

1:10:05

qualifying employer during that time they have no way of verifying if uh you

1:10:11

continued working with that employer until you submit the next um uh payment

1:10:16

form right or pslf form so if the periods that you think you should be getting for um uh uh uh payments for

1:10:25

qualifying payments for pslf you'll want to go in and verify that you've submitted pslf forms for those time

1:10:31

periods if you've changed employers each employer needs a different form um if

1:10:37

you worked for one employer and maybe you were part-time partially or you were full-time um you might need different

1:10:43

forms for those time periods um if you submitted a form let's say maybe before

1:10:48

covid and you haven't submitted one since again you'll just need to submit another one to get those additional months um covered if you were in

1:10:55

qualifying appointment and a qualifying payment

1:11:03

plan okay Jessica this one's a good one for you from Suzanne um is an income based

1:11:11

repayment plan the same as an income driven repayment plan great question Zan

1:11:18

so income driven repayment plan is an umbrella term right that is applied to

1:11:24

all of the um um repayment plans that are based on your income the income

1:11:31

based repayment plan or ivr plan is one of those income driven repayment plans but there's also currently three more um

1:11:39

um uh repayment plans that fall under that income driven repayment plan umbrella so income driven repayment plan

1:11:45

refers to a type of plan that is based on your income and income based

1:11:51

repayment the ibr plan is a type of income driven repayment plan which I

1:11:56

know is very confusing okay I understand that these terms are confusing so but yes hopefully that answers your

1:12:08

question all right we have a question here from Kimberly um this is one that I'll take so Kimberly says I recently

1:12:16

switched my loans to IDR income driven um repayment through Nelnet how do I

1:12:22

apply for pslf and when is the deadline so applying for Public service loan

1:12:28

forgiveness the best way to do that is through using the pslf help tool on the

1:12:33

studentaid.gov website I'll repost this in the chat right now so you can open

1:12:39

that link up so you can um go through that help tool and submit your request

1:12:44

um for um getting your employment considered for pslf um if this is the

1:12:50

first time that you're doing this which this would be for you um because you're currently with Nelnet this will

1:12:56

also initiate a transfer of your loans from Nelnet to moila because currently

1:13:01

moila is the only servicer that deals with pslf um so and part of that process is

1:13:08

um uh you can also certify your IDR plan through that process as well so um

1:13:16

basically submit that form that'll get the process there's no deadline to sub to submit the form for Public service

1:13:22

loan forgiveness but we recommend doing it um as soon as possible you know if you've been in in um your public service

1:13:29

job for five years two years however many and however much time it's been we want you to get credit for those

1:13:35

payments for as long as you've been in repayment on your loans um so definitely encourage you to get one of those forms

1:13:41

submitted as soon as you can all right um a question from Rachel

1:13:50

if we switch from IDR to say what are the pros or cons and Rachel here I'm gonna I'm going

1:13:57

to assume that you're saying income based repayment right because again as I just explained in a little bit um income

1:14:04

driven repayment is an umbrella term it doesn't apply to a specific um uh type of plan there's four income driven

1:14:11

repayment plans so I'm going to assume you're talking about income based repayment plan right so um just to kind

1:14:17

of summarize right the pros of staying potentially on an income based repayment plan is that

1:14:23

um your payments are capped right the most you're ever going to pay on an

1:14:29

income based repayment plan is what you would pay under a 10-year standard

1:14:34

repayment plan right um under the safe plan there's no cap your your income um

1:14:42

is going to determine always how much you um how much you you pay every month

1:14:48

and if your income increases substantially over the years that will mean that your um

1:14:54

your payment can also increase substantially over the years now there is a benefit to save that is not a

1:15:01

benefit there are several benefits actually to say that are not a benefit to IDR I just want to highlight a couple

1:15:07

of them the first one is the interest subsidy right so if you are making

1:15:13

monthly payments every month that don't cover the entire amount that you're of

1:15:18

Interest that's being accrued on your account every month um under the ibr what's going to happen is that you're

1:15:23

going to see your balance increasing every single month and it's going to continue increasing and increasing and increasing and and and and it can

1:15:30

balloon over time right under the save plan let's just say that you would qualify for Z monthly payments under ibr

1:15:38

and a z monthly payment under save right so under the save plan if you um if you

1:15:45

if you qualify for a \$ monthly payment um or an amount that does not cover your entire interest basically the interest

1:15:52

that gets recruit in your account will be paid off by the government right so

1:15:57

it won't cause you it won't cause your um balance to grow over time which can

1:16:04

be a very big benefit to a lot of people right to not see that that um that that

1:16:11

um um the amount of your loans increasing over time right so I would say that's probably the biggest Pro of

1:16:18

switching to save in addition if you had um a lower balance right so uh original

1:16:24

balance when you when when you attended school so like 12,000 or less if you were an

1:16:30

undergraduate um um then you may you may also benefit from that shorter

1:16:35

forgiveness timeline right which under ibr is going to be 20 to 25 years so

1:16:41

those are some of the pros and cons of switching from ibr to save again highly recommend that you go to

1:16:47

s.gov IDR and apply because it actually does a good job at telling you the benefits of each plan before you make

1:16:53

that decision great thanks

1:17:00

Jessica um here's a question related to pslf I have three direct plus grad loans

1:17:06

that I'm working towards pslf on a friend said I have to consolidate them into a single direct PLUS Loan in order

1:17:13

to have them all forgiven after my 120 payments otherwise only one loan will be

1:17:18

forgiven is this true no it is not true um what is most

1:17:25

important is are those direct plus grad loans are

1:17:31

those do they all did they all enter repayment at the same time so um when

1:17:36

you go to certify your employment right one of the things that happens is they send you a notice that says we've

1:17:42

updated your qualifying payment count if all of your loans have the same payment

1:17:48

counts right that generally means they all entered repayment at the same time then they would all be on the same

1:17:53

timeline for forgiveness and you wouldn't have to consolidate them um you could if you wanted they would keep

1:17:59

those same um payments but you wouldn't have to to get forgiveness um consolidation is

1:18:06

something that you might want to consider if those loans have different um time uh or different qualifying

1:18:13

payments right so if you see that some of those loans have let's say 20 payments and some only have two well

1:18:20

then you may want to consider consolidating them prior to that April 30th 30th deadline so that they would

1:18:26

all receive that higher payment count um and again after that April 30th deadline

1:18:32

they would receive a weighted average if you were to consolidate rather than the highest payment

1:18:41

count um Jessica so this one is from Teresa and it's kind of it's split

1:18:47

across two questions but it says I have a set of two loans one set was Consolidated and the other other one

1:18:54

wasn't uh can I consolidate my consolidated loans and my non-consolidated loans

1:19:01

together yes that's a short answer yes you can okay all

1:19:08

right um okay does refinancing sorry this is a question from Kelsey does

1:19:14

refinancing or consolidating private loans affect anything regarding your Federal loans if your Federal loans are

1:19:21

in an IDR plan no it does not right and I do want to

1:19:28

like emphasize here that when we're talking about

1:19:33

reconsolidation um I mean refinancing private student loans I'm only talking about private student loans that you're

1:19:39

privately refinancing right if you want to pursue IDR forgiveness or you want to be in an IDR plan or you want to be in

1:19:45

pslf you have to have a federal stud loan and you have to continue within the federal stud loan system in order to be

1:19:51

able to continue qualify fine so I just want to highlight that but if you if you have you know federal student loans and

1:19:57

private student loans and you want to refinance your private student loans that's not going to affect your eligibility for IDR or pslf or anything

1:20:04

like that all right um here's a really great

1:20:11

question where do you recommend starting if you have no idea about the status of your student

1:20:17

loans student a.gov U that's where you want to go um because it's going to have all the

1:20:23

information about your loans there so that's where I recommend that you start s.gov um and if you don't have an

1:20:29

account create an account um so that you you can log in and see information about your

1:20:37

loans okay um here's it's kind of a specific question um from Suzanne I

1:20:43

originally had Sally May as my loan servicer starting in the early 90s the two undergraduate Fel uh phelp loans

1:20:50

were Consolidated to navat federal student Federal Loan trust in March of

1:20:55

2002 original loan amounts were about 15,000 and 9,000 while I lose credit for

1:21:00

payments if I do not consolidate them before the end of April okay so um that's a really good

1:21:08

question it's a little bit weedy so I'm GNA try my best to answer it without um

1:21:13

um getting too into the weeds but not consolidating will mean that the only

1:21:21

way you could get uh forgiveness um with a felt loan would be if you were in an

1:21:27

income based repayment plan and you were in repayment for 25 years and there was no forbearances and no no nothing

1:21:34

happened like you were consistently in repayment in ibr for 25 years right so

1:21:41

um most people unfortunately have not been that perfect right with their repayment history over the years for a

1:21:47

lot of reasons specifically because servicers typically didn't make it easy for you to do so um so by not

1:21:53

consolidating by April 30th into a direct consolidation you basically are

1:21:59

likely not going to get um the the benefits right of the IDR count

1:22:06

adjustment specifically if those loans were commercially held which if you were

1:22:14

if you are with nabian currently right that would mean that you have a commercially held loan so um I would say

1:22:21

that overall the benefits of you consolidating generally outweighs the

1:22:28

benefits of not consolidating so I would highly cons I would highly uh encourage you to potentially consolidate uh before

1:22:35

April 30th uh because you you're bothos to potentially have a lot more benefits than

1:22:43

downsides great thank you Jessica um let's see here if you enter

1:22:50

the Public service loan forgiveness plan does that take take away your ability to qualify for the other forgiveness

1:22:56

plans short answer would be no um you can be eligible for multiple types of

1:23:02

forgiveness um if you have loans currently that are on different

1:23:08

timelines you may want to consider consolidating so that they might be all on the same Public Service forgiveness

1:23:14

timeline um if you do public Ser loan forgiveness now and then maybe down the

1:23:19

road you take out a new loan you could po still consolidate at that point for a weighted average or maybe you do ID and

1:23:26

work on that for the other loan so like it doesn't one does not disqualify you from the

1:23:33

other yes and in fact right if you are in an income driven repayment plan while

1:23:38

you are working under pslf you're technically also working towards IDR right um it's just that the IDR

1:23:45

timelines typically are longer than um pslf but you are also working towards that at the same time um so just just

1:23:54

important to know um all right okay um if I set up an IDR payment plan then I

1:24:01

will most likely meet the requirements to receive loan forgiveness through pslf in 10 years due to employed being

1:24:06

employed in public service yes yes as long as you stay in public

1:24:13

service right 10 years of

1:24:19

payments um can I switch IDR plan via reconsolidating

1:24:25

so yes during the consolidation application you actually have the option

1:24:30

to select to be in an IDR plan and you're going to have to do this even if you are in an IDR plan now right if you

1:24:36

decide to consolidate you're GNA have to make the choice once again to enroll into an income driven repayment plan now

1:24:43

would I tell somebody to consolidate just because they want to get into an income D repayment plan not necessarily

1:24:48

you might not have to do that uh but if you are considering consolidating for other reasons yes during the application

1:24:54

for um consolidation you will have the option during the application to also apply for

1:25:02

ADR great okay I now we're running short in time there's a couple questions I want to make sure we get to um so one

1:25:09

can you still get credit for public service work from the past um so this

1:25:15

answer it depends um so um Public service loan forgiveness the the program

1:25:22

when into effect October 2007 so employment can be certified as far as

1:25:27

like that far back however in terms of counting towards your qualifying

1:25:34

payments um the public service like work that you did would need to have been when you were on a qualifying payment

1:25:40

plan so I would say like as far back as you have public service work um up to

1:25:45

that October 2007 go ahead and submit an employment certification and they can let you know via your payment pay

1:25:52

account whether that time period is going to count towards your qualifying

1:26:00

payments um and then similarly so um do we have a do we need to have a lot of years to submit psf let's say I've been

1:26:07

in government for six months do I need to wait for one year to submit absolutely not I started a new job just

1:26:12

a few months ago and two months in I submitted my most recent certification form um so you can go ahead and do that

1:26:18

and if you're working for a Washington state agency actually help you remember to recertify uh um or resubmit your plan

1:26:26

um by state law um uh at the year mark so um I guess annually would be the easy

1:26:32

way to say that um Jessica are there any in here that you really want to make sure that

1:26:38

you cover out a time yeah and I don't mind running a little bit over because I feel

1:26:44

like we're almost at the end yeah so I'm going to try to answer as many as I can and if you have to leave obviously feel

1:26:50

free to leave but this will be available in the recording in case anybody wants to go over any of these questions so

1:26:56

somebody said as I mentioned earlier that previously consolidation resulted in a loss I believe of repayment credits

1:27:02

are those loss credits being restated yes they are right so if you Consolidated in the past and that

1:27:09

resulted in you losing your credit um any period prior to a consolidation will

1:27:15

be uh counted um any period in repayment prior to to to a consolidation will be

1:27:21

counted so yes you could get that

1:27:29

reinstated great okay I'm just going to go in order then since we'll get to all the questions are there any avenues for

1:27:36

recourse if an employer um specifically I don't want to say the employer in the

1:27:42

recording um that continues to delay and not respond to requests for employer

1:27:47

certification for pslf the runaround is truly exhausting

1:27:53

um I'm going to say can you please submit a complaint to us um so that's

1:27:59

going to be student complaints. wa.gov um we can try uh to reach out to

1:28:05

your employer and and try to figure out what's happening why there is a delay in completing re forms so hopefully

1:28:12

hopefully that can help you through this process and I'm sorry that you're running into this issue but yeah submit a complaint to us and hopefully we can

1:28:17

facilitate that for you and uh I just put the link to the Complaint Form in the chat so it's the

1:28:23

most recent um chat in there all right um this is a followup

1:28:30

from Kim Kimberly you said that using the pslf help tool if applying would switch my loans from Nelnet to moila

1:28:38

does that mean that once I apply for pslf I make my payments through moila and not Nelnet yes the answer to that is

1:28:44

yes um there is kind of a transfer period that it goes through um that you

1:28:50

might be an administrative forbearance for some of that time but yes you would get a notification from moila that you

1:28:55

now have an account with moila and then any of the loans that transferred um to moila you would start making your

1:29:01

payments through them not your prior

1:29:08

servicer all right I have a consolidated loan from AES and a non-consolidated

1:29:16

with Nelnet can I still consolidate those two loans together and how do you go about doing that great question so if

1:29:22

you're with AES I know that you have either a Perkins or a FF commercial FFL

1:29:28

loan that really needs to be Consolidated right for you to be able to qualify for this so the way that you

1:29:34

would consolidate all of them together is that you're going to go to the fedon Nate website I'm gonna have Amber post

1:29:41

the link to that in the chat right so yes you definitely want to consolidate

1:29:47

yeah to benefit from the ID account adjustment

1:29:54

all right so Rachel asked if I have already done a direct consolidation Loan

1:30:00

in 2017 for all grad and undergrad loans and I'm also in pslf well all grad and

1:30:07

undergrad loans be forgiven in 10

1:30:15

years yes as long as you continue working in the public sector um in being

1:30:22

in an in a qualifying um um repayment uh program right so yes the answer is yes

1:30:30

but there's two things that you need to make sure that you're doing continue working in the public sector right 30

1:30:36

hours a week or more and being enrolled in a qualifying repayment plan which is either an in income driven repayment

1:30:42

plan or the cender repayment plan 10 years S A repayment plan to be more specific 10 years um and they say

1:30:49

it write 120 qualifying payments so so if you already have a number of qualifying payments right your timeline

1:30:56

will be less than 10 years from now it'll be whenever you hit that 120 qualifying payments which if it was

1:31:01

consecutive months would be exactly 10 years all right do I need to make

1:31:09

payments to do consolidation this might be a good chance to talk about onramp and Fresh

1:31:15

Start maybe um I don't know necessarily if it applies I mean you have to if you should

1:31:23

be making payments if you can right at this point in time so that has nothing to do with consolidation um but to do a

1:31:29

consolidation there's no cost it's free so I I think that might be what you were asking right if it's not just let us

1:31:39

know okay this one says I Consolidated a group of loans several years ago if I

1:31:45

consolidate that consolidated loan with the non-consolidated loan will I lose

1:31:51

time on the non-consolidated loan time no you won't right um it doesn't

1:31:58

matter how many consolidations you've done as long as the last consolidation that you submit is by April 30th of 2024

1:32:07

you're going to get uh time in repayment in the specific forbearance um in The

1:32:12

Firm peers that we talked about all the way back to the oldest Loan in that consolidation right so no you will not

1:32:18

lose time all right the last two questions I think are from the same person they're

1:32:24

um related to um pslf um so uh in terms

1:32:30

of qualifying full-time employment so they've actually recently done away with

1:32:35

what your employer considers to be full-time they now consider full-time to be 30 or more hours and that's 30 more

1:32:42

hour like 30 or more hours could be at one qualifying pslf employer or you could be doing part-time work at two

1:32:49

other um employers so it's no longer if they consider it full-time they would

1:32:55

just need to mark your hours per week right and if it's 30 or more that's full

1:33:01

time awesome and then I think we just went through all of the questions so

1:33:07

thank you everybody that joined us today once again just want to remind you uh to

1:33:12

please submit um a survey to let us know how we're doing right you can use the QR

1:33:18

code that's on the screen and I'm going to have Amber just one more time um post

1:33:23

that um um link into the chat if you could complete that survey we would really appreciate it and we're already

1:33:29

over time so unfortunately we're not going to go over any more of the questions uh that are being asked but if

1:33:35

you didn't get your um your question answer today please know that you can go to student complaints. wa.gov and submit

1:33:43

a question there as well okay um so so

1:33:48

just keep that in mind that that's also an option uh once once again it was a pleasure having you all here today uh

1:33:54

and we look forward to seeing you at a future uh webinar and Jessica um don't

1:33:59

exit the zoom quite yet I just posted the survey Link in the chat I realized I forgot to post it earlier so again if

1:34:05

you're still with us before you leave please click on that survey in the chat and open it up um because once you leave

1:34:11

the zoom you won't have access to it we would love to get your feedback um and um hear back from you so thank you all

1:34:18

for attending and we'll wait maybe just quick 30 seconds to make sure folks click on the links if they need to

1:34:25

thanks Ember for letting me know all right everyone I hope you have

1:34:32

all have a great

1:34:37

day