

FEDERAL PERKINS LOAN CANCELLATION PROGRAM

PROGRAM OVERVIEW

PURPOSE:

The Federal Perkins Loan Cancellation Program was created by the federal government to encourage individuals to enter and continue in the teaching profession, specifically in schools serving low-income families. Under the program, teachers who have Federal Perkins Loans and have taught full time at an eligible school, may qualify for loan cancellation.

PROGRAM DETAILS:

To Qualify:

- The borrower must have a Federal Perkins Loan (awarded to undergraduate, vocational, and graduate students)
- Teach **either** in an eligible Low-Income School
 - The school must be located in a DISTRICT that is eligible for Title I funds,
 - Have greater than 30% low-income student enrollment.

OR

- Teach in a subject-matter shortage area (school does not have to be low-income)
- For 2009-2010, shortage areas are Bilingual Education, Mathematics, Science, Spanish, and Special Education and Technology Applications

Benefit:

- 100% loan cancellation benefit (guaranteed benefit for eligible Perkins Loan borrowers) at rate of
 - 15% each year for first and second years
 - 20% each year for third and fourth years
 - 30% for the fifth year
- Forgiveness occurs annually
- **WARNING:** NEVER consolidate a Perkins loan with any other loans, or benefits will be lost!

To Apply:

- Get forms annually from the university where your Perkins Loan was received
- Contact University at beginning and end of every year to notify where and in what subject area you are teaching
- Website: <http://studentaid.ed.gov/PORTALSWebApp/students/english/cancelperk.jsp>

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FEDERAL STAFFORD (or DIRECT) LOAN FORGIVENESS PROGRAM

PROGRAM OVERVIEW

PURPOSE:

The Teacher Loan Forgiveness Program was created by the federal government to encourage individuals to enter and continue in the teaching profession, specifically in schools serving low-income families. Under the Teacher Loan Forgiveness Program, teachers who have a Federal Stafford loan(s) (and in certain cases, a Federal Consolidation loan(s)) and have taught full time for five consecutive, complete academic years at an eligible school, may qualify for teacher loan forgiveness.

PROGRAM DETAILS:

To Qualify:

- Must have taken out First Stafford or Direct loan on or AFTER Oct. 1, 1998
- Must teach in an eligible low-income School for 5 consecutive years (List of eligible schools: <https://www.tcli.ed.gov/CBSWebApp/tcli/TCLIPubSchoolSearch.jsp>)
- May consolidate Loans using a Federal Consolidation Loan without losing forgiveness benefits.

Benefit:

- Up to \$5,000 for teaching any subject at an eligible school(guaranteed for eligible borrowers with eligible Stafford or Direct Loans)
- Up to \$17,500 for teaching secondary math, secondary science, or any level special education (guaranteed benefit for eligible borrowers with eligible Stafford or Direct Loans)

To Apply:

- Forgiveness Application (available at <http://www.tgslc.org/forms/teacher.cfm>) and should be sent to lender at the end of the fifth year of qualifying service
- Forgiveness Forbearance Form (available at <http://www.tgslc.org/forms/teacher.cfm>) can be filed with lender to put payments on hold if total balance due is less than or near the benefit amount.
- Website: <http://studentaid.ed.gov/PORTALSWebApp/students/english/teachercancel.jsp>

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PUBLIC SERVICE LOAN FORGIVENESS

PROGRAM OVERVIEW

PURPOSE:

The Public Service Loan Forgiveness Program was created to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, borrowers may qualify for forgiveness of the remaining balance due on eligible federal student loans after they have made 120 payments on loans under certain repayment plans while employed full time by certain public service employers.

PROGRAM DETAILS:

To Qualify:

- Borrowers must have a Federal Direct Loan
- The forgiveness occurs after 120 monthly payments made on or after October 1, 2007 on an eligible Federal Direct Loan. Periods of deferment and forbearance are not counted toward the 120 payments **and**
- The borrower must be employed full-time in a public service job for each of the 120 monthly payments.
- **Eligible Repayment Plans:** Borrowers may use income-based repayment, income contingent repayment, standard repayment or a combination of these repayment plans.

Benefit:

- This program is an all or nothing program, in order to receive benefits borrowers must meet the conditions outlined above,
- Not guaranteed; loan repayment is contingent upon availability of funds.

To Apply:

- No forms currently available; first available forgiveness will be in 2017
- Deadline: none
- Website: <http://studentaid.ed.gov/PORTALSWebApp/students/english/PSF.jsp>

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TEACH FOR TEXAS LOAN REPAYMENT ASSISTANCE PROGRAM

PROGRAM OVERVIEW

PURPOSE:

The purpose of the Teach for Texas Loan Repayment Assistance program is to recruit and retain certified classroom teachers in fields and communities having a shortage of teachers in Texas by providing loan repayment assistance to eligible teachers.

PROGRAM DETAILS:

To Qualify:

- The borrower must:
 - Provide evidence of a promissory note which explicitly required the loan proceeds to be used to pay the costs incurred by attending a public or private institution of higher education
 - have an outstanding balance that is not currently being repaid through another loan repayment program
 - not be in default status
- The borrower must be currently teaching full-time at the preschool, primary, or secondary level in a Texas public school, **and**;
- Certified in and teach full-time in a field identified by the Texas Education Agency (TEA) as experiencing a shortage of teachers during the academic year for which the application is submitted,
or
- Certified and teach full-time at a campus identified by TEA as having a shortage of teachers during the academic year for which the application is submitted (listed on the website below)

Benefit:

- \$5,000/year up to \$20,000 total over 4 years.
- Not guaranteed; loan repayment is contingent upon availability of funds
- May apply for both federal program and state-funded program
- Only loan amounts not already forgivable by another program (such as a federal program) are considered for the state-funded program benefits

To Apply:

- Application available annually starting in April from the Texas Higher Education Coordinating Board at www.hhloans.com
- Can apply after the first year of teaching
- Participation in the program is limited to 5 years
- Deadline: June 15

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