

# Repayment of Student Loans for Teachers Frequently Asked Questions

The information provided in this document has been compiled from the following sources: [KDE Website Teacher Loan Repayment Page](#); [Federal Student Aid Website](#); [Teacher Loan Forgiveness Application](#); [Ready Set Repay Site](#); [MOHELA](#) (Ready Set Repay is the default prevention initiative of the Oklahoma College Assistance Program)

## **There are several opportunities for teachers to receive loan forgiveness or cancellation:**

- [Teacher Loan Forgiveness](#)
- [Teacher Loan Cancellation](#)
- [The TEACH Grant](#)
- [Public Service Loan Forgiveness](#)
- [The Saving on a Valuable Education \(SAVE\) Plan](#)

## **TEACHER LOAN FORGIVENESS**

### **1. Q: Who qualifies for teacher loan forgiveness? (Source: Federal Site & Teacher Loan Forgiveness Application)**

**A:** A teacher is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers. Special education means specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability, including instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings.

Basic Requirements for All Teachers:

To be a highly qualified teacher, you must have:

- attained at least a bachelor's degree;
- received full state certification as a teacher; and
- not had certification or licensure requirements waived on an emergency, temporary, or provisional basis.

### **2. Q: Who does not qualify for teacher loan forgiveness? (Source: TLF Application)**

**A:** School librarians, guidance counselors, and other administrative staff are not considered teachers for the purposes of this loan forgiveness program.

### **3. Q: What is the definition of a complete academic year? (Source: Teacher Loan Forgiveness Application)**

**A:** A complete academic year can be defined several ways:

- 1 complete school year at the same school;
- 2 complete and consecutive half years at different schools;
- 2 complete and consecutive half years from different school years, at either the same school or different schools; or
- A minimum of 9 months for schools operating on a year-round program of instruction.

### **4. Q: How much money can I receive? (Source: KDE & Federal Sites)**

**A:** Between \$5,000 and \$17,500 (See questions 6 and 7 for details on the loans which qualify).

### **5. Q: What determines how much money I get? (Source: Federal Site & TLF Application)**

**A:** The amount you receive is based upon when you began your 5 consecutive years of teaching and what you taught:

- If your qualifying teaching service began **before October 30, 2004:**
  - You may receive up to \$5,000 if you were:
    - A full-time teacher of elementary students and you demonstrated knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; or

- A full-time teacher for secondary school students and you taught in a subject area that was relevant to your academic major.
  - You may receive up to \$17,500 if you were:
    - A highly-qualified full-time teacher of mathematics or science teacher to secondary school students; or
    - A highly-qualified full-time special education teacher whose primary responsibility was to provide special education to children with disabilities, and you taught children with disabilities that corresponded to your area of special education training and have demonstrated knowledge and teaching skills in the content areas of the curriculum that you taught.
- If your qualifying teaching service began **on or after October 30, 2004:**
  - You may receive up to \$5,000 in loan forgiveness if you were a highly-qualified full-time teacher for elementary or secondary students.
  - You may receive up to \$17,500 in loan forgiveness if you were:
    - A highly-qualified full-time teacher of mathematics or science teacher to secondary students; or
    - A highly qualified full-time special education teacher whose primary responsibility was to provide special education to children with disabilities, and you taught children with disabilities that corresponded to your area of special education training and have demonstrated knowledge and teaching skills in the content areas of the curriculum that you taught.

**6. Q: Is any type of loan eligible for forgiveness?** (Source: KDE and Federal Sites & TLF Application)

**A:** No. Direct Subsidized and Direct Unsubsidized Loans as well as Subsidized Federal Stafford Loans and Unsubsidized Federal Stafford Loans are eligible. PLUS Loans are *not eligible*. Federal Perkins Loan participants could qualify for Teacher Loan Cancellation. Any loan received under the William D. Ford Federal Direct Loan Program is eligible for Public Service Loan Forgiveness.

- You must not be in default on your loans, unless you have made satisfactory repayment arrangements with the loan provider.
- Loans taken out before October 1, 1998 are not eligible for teacher loan forgiveness. Any loans taken out prior to October 1, 1998 must be paid off in order to receive forgiveness for loans taken out after that date.

**7. Q: Do I qualify for loan forgiveness if I've taught at multiple schools?** (Source: TLF Application)

**A:** Yes, as long as each school qualifies for funds under Title I and as long as it was for 5 consecutive years. Be sure to complete section 5 of the application for each school.

**8. Q: How many times can I receive loan forgiveness?** (Source: KDE and Federal Sites & TLF Application)

**A:** One time only.

**9. Q: How do I know if my school qualifies for this program?** (Source: KDE and Federal Sites & TLF Application)

**A:** All schools serving over 30% low-income students are considered qualifying low-income schools for the purpose of Teacher Loan Forgiveness. You can check the [Teacher Cancellation Low Income Directory](#) to see if your school is eligible. The following steps can be used to navigate the directory:

- On the main page, Click the search button next to the directory search option.
- Select your state and the appropriate school year from the drop-down menus. Enter the school name and location (district) in the space provided and click search.
  - Check your school's eligibility for the *first year* you taught there.
  - To see all schools in a given district, leave the school name field blank.

**10. Q: My school isn't in the TCLI Directory, but I think it should be. What do I do?**

**A:** Have an administrator complete [the Teacher Loan Forgiveness Survey](#) or email [erica.tipton@education.ky.gov](mailto:erica.tipton@education.ky.gov).

**11. Q: What if my school was eligible one year, but not the next? (Source: TLF Application)**

**A:** If your school meets the requirements for at least one year of your teaching, but not subsequent years, your subsequent years at that school may be counted toward the required 5 complete and consecutive years of academic teaching.

**12. Q: I've already paid off some/all of my loans, can I get a refund in place of loan forgiveness? (Source: Ready Set Repay Site)**

**A:** No.

**13. Q: What if I hold multiple loans with multiple lenders? (Source: Federal Site & TLF Application)**

**A:** Complete a separate application for each lender.

**14. Q: How should I submit my loan forgiveness application?**

**A:** While a preferred submission method is not stated on the website or application, keep in mind that the document does contain sensitive personal information such as the borrower's Social Security Number and using standard mail may be the most secure option.

**15. Q: Where do I send my completed application? (Source: Federal Site & TLF Application)**

**A:** The application should be sent directly to the company holding the loan. It is advisable to call the company or check their website to determine exactly where to send it.

**16. Q: Do I have to teach in Kentucky to qualify for teacher loan forgiveness?**

**A:** No, teacher loan forgiveness is a federal program and is open to teachers in all states. The TCLI Directory contains the low-income status for all schools as far back as the 1997-98 school year.

**17. Q: What do I do if I found my school in TCLI but the information, such as grade span, is incorrect?**

**A:** Please email [erica.tipton@education.ky.gov](mailto:erica.tipton@education.ky.gov).

**18. Q: Why was my application for loan forgiveness rejected?**

**A:** There could be a number of reasons. Some lenders will highlight a portion of the application indicating what the issue is. You can call your lender and request an explanation. You are permitted to re-apply.

**19. Q: Is there a way to determine whether or not a school will be eligible for the next school year?**

**A:** Checking the school's poverty percentage on the school/district website or School Report Card can provide some indication; for example, a school serving 85% low-income one year is not likely to drop to 30% the following year. However, there is no guarantee that a school will meet the qualifications from year to year.

## TEACH GRANT

**1. Q: What is the difference between a TEACH Grant and teacher loan forgiveness? (Source: Federal Site)**

**A:** The TEACH Grant provides grants of up to \$4,000 per year to students if they agree to teach **in a "high need field"** for four complete academic years (within a period of 8 years) at qualifying low-income schools.

**2. Q: Do all colleges participate in the TEACH Grant program? (Source: College & University Websites)**

**A:** No, consult the financial aid office at your college or university to find out if they participate. You can often find the information on their website. Each school determines which of the programs they offer are eligible for program participation. Just because a program is eligible at one school does not mean it will be eligible at another school.

**3. Q: What happens if I don't complete my service for a TEACH Grant?** (Source: Federal Site)

**A:** All funds that you received through the grant will be converted to a Direct Unsubsidized Loan. You must repay this loan *with interest* from the date the grant was paid out.

**4. Q: What are the requirements for participating in the TEACH Grant program?** (Source: Federal Site)

**A:** To be eligible for a TEACH Grant, you must do the following:

- Meet [the basic eligibility criteria for the federal student aid programs](#).
- Complete the [Free Application for Federal Student Aid \(FAFSA®\) form](#).
- Be enrolled as an undergraduate, postbaccalaureate, or graduate student at a school that participates in the TEACH Grant Program.
- Be enrolled in a TEACH-Grant-eligible program.
- Meet certain academic achievement requirements (generally, scoring above the 75<sup>th</sup> percentile on one or more portions of a college admissions test or maintaining a cumulative GPA of at least 3.25). For specific information about the academic requirements, talk to the financial aid office at your college or career school.
- Receive [TEACH Grant counseling](#) that explains the terms and conditions of the TEACH Grant service obligation. You must complete counseling each year that you receive a TEACH Grant; and
- Sign a *TEACH Grant Agreement to Serve (ATS)*. By signing the ATS you agree to (among other requirements) teach:
  - in a high-need field, as identified by the federal government in their annual [Teacher Shortage Area Nationwide Listing](#);
  - at an elementary school, secondary school, or educational service agency that serves students from low-income families; and
  - for at least four complete academic years within eight years after completing (or ceasing enrollment in) the course of study for which you received the grant.

**5. Q: My school was low-income, and now it's not. How does this affect my TEACH Grant?** (Source: Federal Site)

**A:** If a school qualifies as low-income for all or part of one year, the subsequent school years can be counted towards satisfying the TEACH Grant. Check the [Teacher Cancellation Low Income Directory](#) to see if your school is eligible (see Q8 for instructions).

**6. Q: What type of documentation of my service do I need to provide for the TEACH Grant?** (Source: MOHELA Site)

**A:** After you have completed each one of your four years of required teaching, you must provide your TEACH Grant servicer with documentation of that teaching service.

A form for documenting your qualifying teaching service will be available from your TEACH Grant servicer, MOHELA, and in the [Forms Library](#). This form must be certified by the chief administrative officer (authorized official) of the school or educational service agency (ESA) where you taught and must confirm for each school year:

- You were a highly-qualified teacher,
- You taught in a low-income school or ESA,
- More than half of the classes that you taught during school year being certified were in a high-need field.

If you have questions about your TEACH Grant certification, contact the TEACH Grant servicer, [MOHELA](#), at 1-888-866-4352 during the following times:

- Monday: 8 a.m.–11 p.m. Eastern time (ET)
- Tuesday–Friday: 8 a.m.–8 p.m. ET
- Saturday: 10 a.m.–2 p.m. ET

7. **Q: What if I do not meet the requirements of the TEACH Grant Program and my grant is converted to a Direct Unsubsidized Loan?** (Source: Federal Site)  
**A:** While you can't "undo" this action, you may still qualify for teacher loan forgiveness.

## PERKINS LOAN CANCELLATION

1. **Q: Who qualifies for Perkins Loan Cancellation?** (Source: Federal Site)  
**A:** Teachers who have a loan from the Federal Perkins Loan Program who teach at low-income schools or teach in certain subject areas qualify. See the [full list of occupations that may be eligible for Perkins Loan Cancellation](#).
2. **Q: What are the requirements for Teacher Loan Cancellation?** (Source: Federal Site)  
**A:** You may qualify if you are a:
- Teacher in a school serving students from low-income families;
  - Special Education teacher, including a teacher of infants, toddlers, children, or youth with disabilities and an official at your school certifies that you are a full-time special education teacher on the loan cancellation form or on an official letter form the school bearing the school's seal or letterhead;
  - Teacher in the fields of mathematics, science, world languages, bilingual education, or any other field of expertise determined by a state education agency to have a shortage of qualified teachers in that state, according to the [Teacher Shortage Areas Nationwide Listing](#).
3. **Q: Who is considered a teacher?** (Source: Federal Site)  
**A:** A teacher is someone (including for example, a school librarian or guidance counselor) who provides elementary or secondary students with direct services directly related to classroom teaching. You do not need to be certified or licensed but your school must consider you a full-time professional for the purposes of salary, tenure, retirement benefits, etc. Supervisors, administrators, researchers, or curriculum specialists are not considered teachers unless they provide direct and personal educational services to students.
4. **Q: How long must you teach in order to qualify?** (Source: Federal Site)  
**A:** You must teach full-time for a full academic year or its equivalent. An academic year or its equivalent is defined as one complete school year or two half-years that are from different school years. The two half-years must be complete and consecutive, excluding summer sessions, and must generally fall within a 12-month period. Simultaneously teaching part-time at two or more schools is permitted, if an official at one of the schools certifies that you taught full-time for a full academic year.
5. **Q: What about private school teachers or teachers at the preschool or prekindergarten level?** (Source: Federal Site)  
**A:** Your loan may be eligible for cancellation if
- Your loan can be cancelled for services performed in a private school if **the private school** has established its nonprofit status with the Internal Revenue Service (IRS) and if the school is providing elementary and/or secondary education according to state law.
  - Your loan can be canceled only if the state considers a **preschool/prekindergarten** program to be a part of its elementary education program. A low-income school designation is not enough to qualify for cancellation. In Kentucky, preschool students, teachers, and classrooms are considered part of the public school system. Preschool teachers certified IECE and recognized by EPSB may be eligible for Teacher Loan Forgiveness.
6. **Q: How do I apply for cancellation?** (Source: Federal Site)  
**A:** Request the appropriate forms from the office that administers the Federal Perkins Loan program at the school holding your loan. Your school may also request other documentation to prove that you qualify for cancellation.

7. **Q: Who determines whether someone qualifies for loan cancellation?** (*Source: Federal Site*)  
**A:** The school determines your eligibility. Their decision cannot be appealed by the U.S. Department of Education.
8. **Q: How much can be cancelled?** (*Source: Federal Site*)  
**A:** Up to 100% of the loan, including the interest accrued, may be cancelled for teaching service, in the following increments:
- 15% canceled per year for the first and second years of service;
  - 20% canceled for the third and fourth years; and
  - 30% canceled for the fifth year.
9. **Q: How long does this program last?** (*Source: Federal Site*)  
**A:** Undergraduate borrowers won't be able to take out Perkins loans after September 30, 2017 and graduate borrowers only had until September 30, 2016 to use the program.

## PUBLIC SERVICE LOAN FORGIVENESS

1. **Q: Where do I get started?** (*Source: MOHELA Site*)  
**A:** Visit [MOHELA's Seven Steps for PSLF Success](#) for your one-stop shop for PSLF resources and a step-by-step guide.
2. **Q: Who qualifies for Public Service Loan Forgiveness?** (*Source: Federal Site*)  
**A:** Individuals who work full-time for the government or a nonprofit (including schools) for at least 10 years. Only federal direct loans qualify—but if you have other types of student loans, you can consolidate them to become eligible. Consolidating loans resets the clock on qualifying payments.
3. **Q: Who does not qualify for Public Service Loan Forgiveness?** (*Source: Federal Site*)  
**A:** Employers that do not qualify are: Labor unions, partisan political organizations, for-profit organizations, or non-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that do not provide a qualifying service. It is recommended that individuals interested in Public Service Loan Forgiveness submit the [Employment Certification Form](#) on an annual basis.
4. **Q: What type of loans are eligible for Public Service Loan Forgiveness?**  
**A:** Any loan received under the William D. Ford Federal Direct Loan Program is eligible for this forgiveness opportunity. Other loans which do not qualify (such as Perkins loans or Federal Family Education loans) may be eligible if they are consolidated into a Direct Consolidated Loan. Once the loans are consolidated, any payment made after the consolidation are considered qualifying payments.
5. **Q: What is the definition of “full-time”?** (*Source: Federal Site*)  
**A:** If you meet your employer's definition of full-time or work at least 30 hours per week. If you are simultaneously employed part-time in more than one qualifying job, you may meet the full-time employment requirement if you work a combined average of at least 30 hours per week.
6. **Q: How much can be forgiven?** (*Source: Federal Site*)  
**A:** 100% of your remaining federal student debt can be forgiven after you have made 120 on-time payments. They do not have to be consecutive payments. You may still qualify even if you've had periods of deferment or forbearance).
7. **Q: What is the definition of a “qualifying monthly payment”?** (*Source: Federal Site*)  
**A:** A qualifying monthly payment must meet certain criteria. It must have occurred:
- After October 1, 2007;
  - Under the qualifying repayment plan (all income-driven repayment plans qualify);
  - For the full amount due as shown on your bill;

- No later than 15 days after your due date;
- While you are employed full-time by a qualifying employer; and
- During periods when you are required to make a payment (not while your loans are in an in-school status, the grace period, a deferment, a forbearance, or a default).

**8. Q. What is an [income-driven repayment plan](#)?**

**A.** Applicants wishing to be considered for public service loan forgiveness must be on an income-driven repayment plan such as President [Biden’s Saving on a Valuable Education \(SAVE\) repayment plan](#). The SAVE repayment plan is just one of the available options for income-driven repayment plans. Income-driven repayment plans may offer lower payments because they are based on your income and family size. Payments can be as low as \$0 per month, depending on your circumstances. You can estimate your payments for various repayment plans using this [Repayment Plan Evaluator](#). The Department of Education has [additional information about the repayment plans](#) and the eligibility requirements for each.

**9. Q: Where can I find more information?**

**A:** Visit [MOHELA’s FAQ for Public Service Loan Forgiveness](#) for more information.

## THE SAVING ON A VALUABLE EDUCATION (SAVE) PLAN

**1. Q. What is the SAVE Plan? (Source: [Studentaid.gov](#))**

**A.** [The Saving on a Valuable Education \(SAVE\) Plan](#) is the newest income-driven repayment (IDR) plan. Like other IDR plans, the SAVE Plan calculates your monthly payment amount based on your income and family size. In addition, the SAVE Plan has unique benefits that will lower payments for many borrowers. The SAVE Plan replaced the Revised Pay As You Earn (REPAYE) Plan. Borrowers on the REPAYE Plan automatically get the benefits of the new SAVE Plan.

**2. Q. What do I need to know about the SAVE Plan? (Source: [Studentaid.gov](#))**

**A.** The SAVE Plan is an IDR plan, so it bases your monthly payment on your income and family size. The plan lowers payments for almost all people compared to other income-driven repayment (IDR) plans because your payments are based on a smaller portion of your adjusted gross income (AGI). The SAVE Plan has an interest benefit: If you make your full monthly payment, but it is not enough to cover the accrued monthly interest, the government covers the rest of the interest that accrued that month. This means that the SAVE Plan prevents your balance from growing due to unpaid interest.

**3. Q. Which loans are eligible? (Source: [Studentaid.gov](#))**

**A.** Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans made to graduate or professional students, and Direct Consolidation Loans that did not repay any PLUS loans made to parents are all eligible for the SAVE plan. Other types of loans may be considered if consolidated into a direct consolidated loan. More information on which loans are available can be found on the [Eligibility Section of the SAVE Plan Page](#) page of the Federal Student Aid website.

**4. Q. What loan forgiveness is available on the SAVE Plan? (Source: [Studentaid.gov](#))**

**A.** Beginning in February 2024, the SAVE Plan will give borrowers who originally borrowed \$12,000 or less [forgiveness after as few as 10 years](#). More elements of SAVE will go into effect in summer 2024 and will lower payments even more for borrowers with undergraduate loans.

**5. Q. How do I apply for the SAVE Plan? (Source: [Studentaid.gov](#))**

**A.** [Use the IDR application to apply for the SAVE Plan](#). If you were on the REPAYE Plan, you've been automatically enrolled in the SAVE Plan. There is no need to reapply or request to change your plan. [Learn how to check which plan you’re on](#).

**6. Q. Where can I find more information on the SAVE Plan? (Source: [Studentaid.gov](#))**

**A.** Visit [More Questions and Answers](#) on Federal Student Aid for more information.