

STUDENT DEBT RELIEF SCAMS

Some companies claim that they can help save you money on monthly student loan payments.

These companies may charge hundreds of dollars for services that you can access for free.

You do NOT need to pay anyone to enroll in a borrower assistance program that the federal government provides for free.

Federal programs include loan consolidation, income-based repayment plans, and loan forgiveness and discharge.

The government even provides options to borrowers who have already defaulted, such as loan rehabilitation.

Any New Yorker who would like to file a complaint about a student debt relief company or other potential abuse can call DFS at (212) 480-6400, toll-free (800) 342-3736, or visit us on the web at www.DFS.ny.gov.

ABOUT THE DFS STUDENT PROTECTION UNIT (SPU)

The Department of Financial Services Student Protection Unit (SPU) works to enhance consumer protections for New York students and help them build financially sound futures.

The goals of the SPU are to:

- Protect students from fraud and misrepresentation by taking appropriate action, such as enforcing applicable laws and encouraging industry transparency
- Provide unbiased and objective information on industry practices and the functions of student-related financial products
- Educate student consumers and their parents regarding available financial products and services and empower them to make informed choices

Visit the DFS
STUDENT LENDING RESOURCE CENTER
dfs.ny.gov/StudentProtection



What You Need to Know About...

FEDERAL STUDENT LOAN FORGIVENESS AND DISCHARGE

This guide is provided for informational purposes only and does not constitute legal advice.

Department of Financial Services

(212) 480-6400

(800) 342-3736

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Important information about what to do when you are having trouble paying off your student loans.

FEDERAL STUDENT LOAN FORGIVENESS

You may be eligible to have all or part of your federal student loan forgiven if you meet certain criteria.

Two of the most popular federal student loan forgiveness programs are the Public Service Loan Forgiveness program and the Teacher Loan Forgiveness program.

PUBLIC SERVICE LOAN FORGIVENESS

The **Public Service Loan Forgiveness (PSLF)** program is available to borrowers who have a Direct Loan that was taken out after Oct. 1, 2007 and who work full time for a government organization at any level, including federal, state, local, or tribal. Borrowers who are employed at certain not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and those who serve full time in AmeriCorps or Peace Corps are also eligible.

Once you are making payments on a qualifying income-driven repayment plan and submit the Employment Certification form to the Department of Education your loans will be transferred to FedLoan Servicing. You should periodically submit the Employment Certification form, especially when you change employers.

After you've made 120 qualifying payments, you will need to submit the PSLF application to FedLoan Servicing in order to have the

remaining balance owed on your loans forgiven. Any amount forgiven is not considered income and is therefore tax-free.

If you have questions about PSLF, contact your loan servicer, or visit the Department of Education online at studentaid.ed.gov.

TEACHER LOAN FORGIVENESS

If you teach in a low-income elementary or secondary school or educational service agency you may be able to have as much as \$17,500 of your direct subsidized or unsubsidized student loans forgiven.

You must teach full time for five consecutive years and be rated as a highly qualified teacher.

After you have completed five years of qualifying teaching service you will need to submit a completed Teacher Loan Forgiveness Application to your loan servicer.

To see if you are teaching at a qualified school and review the full program information, visit the Department of Education online at studentloans.gov.

FEDERAL STUDENT LOAN DISCHARGE

There are a number of circumstances where you may be eligible to have your Federal student loans discharged.

You can learn more about the criteria and submit an application for the **Total and Permanent Disability Discharge** at disabilitydischarge.com or call Nelnet at (888) 303-7818.

For additional information on the **Closed School Discharge**, **Bankruptcy** (under certain circumstances), **False Certification of Student Eligibility**, **Unauthorized Signature/Unauthorized Payment Discharge**, and **Death Discharge** contact your loan servicer or the Department of Education at studentaid.ed.gov.

NEW YORK STATE GET ON YOUR FEET LOAN FORGIVENESS

Recent graduates of New York State colleges and universities may be eligible to receive an award equal to 100 percent of their monthly federal income-driven repayment plan payments for 24 months of repayment.

The New York State **Get on Your Feet Loan Forgiveness Program**, administered by the New York State Higher Education Services Corporation (HESC), is designed to help recent New York State college graduates focus on establishing their careers and start life out on sound financial footing.

To learn more about the New York State **Get on Your Feet Loan Forgiveness Program** or to apply, visit HESC.ny.gov/GetOnYourFeet.

To qualify, you must graduate from a New York college, continue to live and work in New York, and meet certain income criteria. You must also apply for the program within two years of graduation.