

**Public Service Loan Forgiveness:
What Every Dental and Dental Hygiene Student, Resident
and Fellow Should Know**

Quick Facts About Public Service Loan Forgiveness (PSLF):

- PSLF was enacted in 2007 to encourage borrowers to enter and remain in the public sector for at least 10 years by promising to forgive their remaining federal debt at that time.
- Forgiveness amount under PSLF is not subject to tax under current tax law.
- The program is not degree specific; any borrower meeting the eligibility requirements can qualify for PSLF, including dental school and dental hygiene graduates.
- While there have been proposals to eliminate PSLF, none have become law and these proposals have grandfathered in current direct-loan borrowers. Thus, we anticipate current direct-loan borrowers would not be adversely impacted were there to be any changes to the program—as long as they meet the eligibility requirements referenced below.
- While relatively few borrowers have qualified for PSLF to date, we anticipate that number increasing over the next few years due, in part, to a) more borrowers being better informed about the program and how to qualify, and b) more borrowers enrolling in the program and tracking their payments toward eligibility each year.

How Borrowers Qualify:

- Borrowers must do three things at the same time to qualify for PSLF:
 1. Make 120 timely, scheduled payments with an eligible income-driven repayment plan, such as Income-Based Repayment (IBR), Pay As You Earn (PAYE) or Revised Pay As You Earn (REPAYE),
 2. Make these payments on a direct loan (e.g., direct unsubsidized, direct PLUS or direct consolidation), and
 3. Work full-time for an eligible public service employer (such as a nonprofit, including academic dental institutions).
- Payments do not have to be consecutive.
- Borrowers do not apply for PSLF until they have made all required payments.
- Borrowers can confirm if their employer is an eligible PSLF employer and get help tracking eligible PSLF payments by submitting the PSLF Employment Certification Form (ECF), available at [StudentAid.ed.gov/publicservice](https://studentaid.ed.gov/publicservice). While not required, it is highly recommended borrowers interested in PSLF submit the ECF each year and when they change employers.
- Borrowers with non-direct federal loans can consolidate them into the federal Direct Consolidation Loan program to maximize their potential forgiveness amount.
- Many teaching hospitals for advanced dental education qualify as eligible PSLF employers, hence payments tied to income made on direct loans during hospital-based residency at those institutions should count as eligible payments toward PSLF.

Resources

- Track your loan debt with the Association of American Medical Colleges/ADEA Dental Loan Organizer and Calculator (AAMC/ADEA DLOC) at adea.org/DLOC.
 - See the DLOC tutorial and fact sheet at adea.org/DLOC.
- Review the PSLF Q&A document at StudentAid.ed.gov/publicservice.
- Fedloan Servicing is the designated loan servicer for borrowers interested in PSLF. Find out more at myfedloan.org.

Potential Forgiveness Amounts*

Please note the following assumptions used in the repayment estimate tables below:

- \$288,410 educational debt (median for indebted students in the class of 2018).
 - \$162,000 direct unsubsidized; \$126,410 direct PLUS (Grad PLUS).
 - Appropriate interest rates used for each loan based on year borrowed.
- \$54,612 stipend as first-year resident (GPR); \$180,000 starting salary.
- No aggressive payments (no payments over required minimum).
- Single/family size of one for income-driven repayment plan calculations.
- PSLF estimates assume the graduate works continuously in nonprofit sector.

Scenario 1: No Residency, Immediately Into Nonprofit Employment

Repayment Plan	Years	Monthly Payment	Total Repayment	PSLF Paid PSLF Forgiven	Program Forgiveness
Standard	10	\$3,751	\$450,114	NA	NA
Extended	25	\$2,210	\$662,881	NA	NA
REPAYE	25	\$1,348 to \$2,827	\$600,477	\$186,583 \$343,525	\$212,249 taxable

Scenario 2: One-year General Practice Residency (GPR), Then Nonprofit Employment

Repayment Plan	Years	Monthly Payment	Total Repayment	PSLF Paid PSLF Forgiven	Program Forgiveness
Standard	10	\$3,751	\$450,114	NA	NA
Extended	25	\$2,210	\$662,881	NA	NA
REPAYE	25	\$303 to \$2,738	\$569,348	\$168,559 \$353,199	\$247,476

Note: AAMC/ADEA DLOC used for all repayment and forgiveness estimates.

Note: Monthly payments under both standard 10-year and extended 25-year plans are not dependent on income and family size. Borrowers may start in these plans and apply for an income-driven repayment plan later, if needed.

IBR and PAYE plans are not displayed here, as the intention of the document is to simply show an example of how the income plans work; thus, we are using the most recent income-driven repayment plan REPAYE as an example. The AAMC/ADEA DLOC runs repayment and forgiveness estimates under IBR, PAYE and REPAYE, so borrowers can compare these income plans.

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