

Recruit and Retain the Best and Brightest in Spite of Their Student Loan Debt:

NALP's Guide for Public Service Employers



HEATHER JARVIS
Student Loan Expert

... AT THE RATE
I'M GOING,
MY STUDENT
LOANS SHOULD
BE PAID OFF IN
3 YEARS...



WATT
HANDELSMAN
NEW YORK

THAT'S GREAT,
DAD...



Today's Plan

- Trends in student loan borrowing
- Why choosing a public service career isn't what it used to be
- Public Service Loan Forgiveness 101
- Enabling Public Service Loan Forgiveness for recruitment and retention
- The details matter: NALP's comprehensive guide covers it all so you don't have to
- Ask Heather

A typical law student borrows \$75,728 to attend a public law school, or \$124,950 to attend a private one.

ABA Section on Legal Education, Class of 2011



Step-by-Step Student Loan Guide for Public Service Employers:

A collection of tools you can use to
recruit and retain the best and
brightest in spite of their student
loan debt

**Public Service Loan Forgiveness
is earned by making payments
while working in public service**

**120
qualifying
payments**

Five Steps to Forgiveness



Remember these 5 steps:

1. **Make the right kind of payments,**
2. **on the right kind of loans,**
3. **while working in the right kind of job.**
4. **Repeat 120 times.**
5. **Prove it.**



The right kind of job

**full-time
paid work**



Government

501(c)(3)
Non-profit

AmeriCorps
Position

Peace Corps

Public
Service
Organization

Government

Local

State

Federal

Tribal

Government
organizations

Government
entities

Government
agencies

~~Government
contractors~~

Full-time

30 hour per week annual average

OR

your organization's full-time standard

if higher

OR

more than one part-time position adding to
30 hours per week

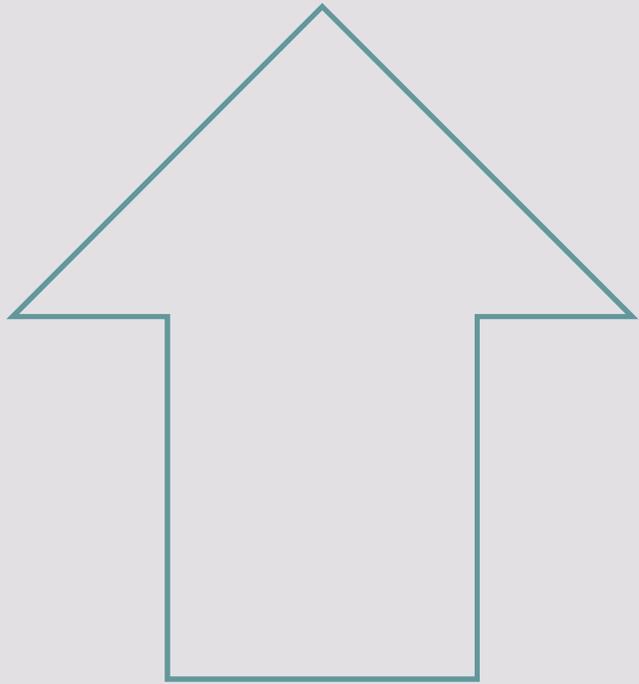
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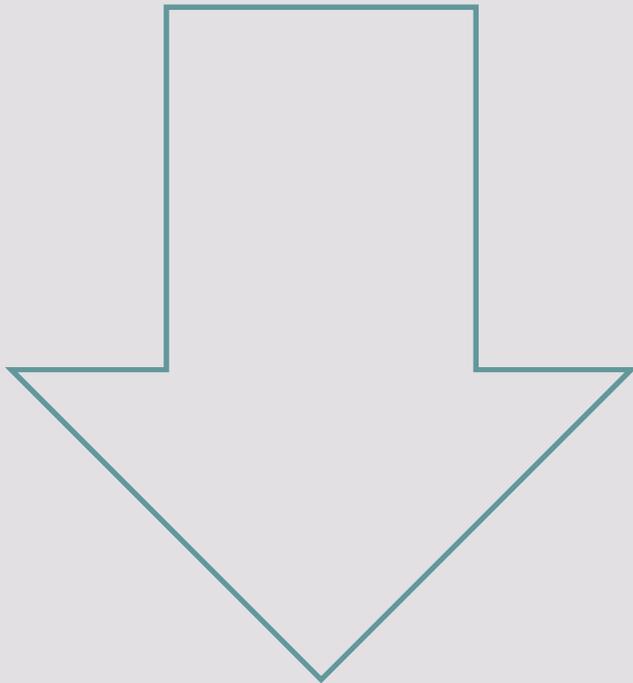


on the right kind of loan





**Federal
student
loans**



**Private
student
loans**

Commercial, private, alternative loans

ick

Private student loans

Terms based
on credit

Often variable
interest rates
with no cap

Lack borrower
protections

Lack flexible
repayment
terms

annualcreditreport.com

FREE Annual Credit Reports

AnnualCreditReport.com is the **ONLY** authorized source to get your free annual credit report under federal law.



www.nslds.ed.gov

The screenshot shows a Mozilla Firefox browser window displaying the National Student Loan Data System (NSLDS) for Students website. The address bar shows the URL http://www.nslds.ed.gov/nslds_SA/. The page features the Department of Education logo and the slogan "START HERE GO FURTHER FEDERAL STUDENT AID". The main heading is "National Student Loan Data System (NSLDS) for Students". A navigation menu includes links for "Financial Aid Review", "Glossary of Terms", "Browser Information/Setup", "FAQs", and "Contact Us". A prominent red link for "Hurricane Assistance" is visible. The main content area includes a photograph of a student at a computer and a section titled "NSLDS STUDENT ACCESS National Student Loan Data System". Below this is a blue box with the heading "Retrieve Your Loan Information" and a paragraph explaining that the NSLDS is the U.S. Department of Education's central database for student aid, receiving data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. A "FINANCIAL AID REVIEW" button is located below the text. The footer contains links for "FOIA", "Privacy", "Security", and "Notices", along with "WhiteHouse.gov", "USA.gov", and "ED.gov". The Windows taskbar at the bottom shows the Start button, Search Desktop, and several open applications including Microsoft Office, Presentations, Windows S..., Timesheets, Getting your s..., Career Scena..., New York Cl..., West Virginia..., money song li..., Document1..., National S..., and Career Scena... The system clock shows 2:12 PM.

National Student Loan Data System for Students - Mozilla Firefox

File Edit View History Bookmarks Yahoo! Tools Help

http://www.nslds.ed.gov/nslds_SA/

Student Aid on the Web Direct Consolidation Loans - Welcome!! IBRinfo : Updates National Student Loan Data Syst...

START HERE GO FURTHER FEDERAL STUDENT AID

National Student Loan Data System (NSLDS) for Students

Financial Aid Review Glossary of Terms Browser Information/Setup FAQs Contact Us

[Hurricane Assistance](#)

NSLDS STUDENT ACCESS
National Student Loan Data System

Retrieve Your Loan Information

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.

[FINANCIAL AID REVIEW](#)

FOIA | Privacy | Security | Notices WhiteHouse.gov | USA.gov | ED.gov

Start Search Desktop 2 Microsoft... Presentations Windows S... Timesheets Getting your s... Career Scena... New York Cl... West Virginia... money song li... Document1... National S... Career Scena... 2:12 PM

FFEL



**Federal
Direct**



**Federal
Student
Loans**

Eligible Loans for Public Service Loan Forgiveness

**ONLY
FEDERAL
DIRECT**

**For Public Service Loan Forgiveness,
FFEL loans MUST be consolidated
into federal direct**

<http://loanconsolidation.ed.gov/>

http://loanconsolidation.ed.gov/

The screenshot shows a web browser window with the URL <https://loanconsolidation.ed.gov/AppEntry/apply/online/appindex.jsp>. The page is titled "Borrower Services" and "Federal Direct Consolidation Loans Information Center".

Navigation: CONSOLIDATION HOME | APPLICATION HOME | FORMS & PUBLICATIONS | FAQ | CONTACT US

Left Sidebar:

- BORROWER INFO**
 - Should I Consolidate?
 - How Do I Benefit?
 - Am I Eligible?
 - What Loans Can I Consolidate?
 - How Do I Apply?
 - How Do I Update or Correct My Application?
 - What is the Status of My Application?
 - What are My Rights and Responsibilities?
- ADDITIONAL RESOURCES**
 - Direct Loan Servicing
 - NSLDS
 - ED.GOV
 - Online Calculator
 - PIN Request & Information
 - Students.Gov
- English Espanol**

Main Content:

Welcome Applicants!

You may be able to combine your existing Federal education loans into one new consolidated loan that offers several advantages. Click on "Borrower Info" topics to the left for more information about advantages of consolidation.

Here you will find what borrowers need to know about Direct Consolidation Loans. If you don't find it here, [Ask Us](#).

New Income-Based Repayment (IBR) Plan Available!

If you would like eligibility information or to take advantage of this repayment option, [Click Here](#) for more information.

Three-step process:

- 1 Before Beginning**
 - Get organized!**
 - To help you decide if you want to consolidate and/or to simplify the application process, gather and read required documents and other information ahead of time.
 - [Application and Promissory Note, Introductory Letter, and Instructions](#)
 - What [Web Tips](#) are Essential For Completing The Online Application
 - What [Do You Need to Fill Out This Application?](#)
 - Check The [Current Interest Rates](#)
 - What's [New and Security](#)
 - Want to Sign Your Promissory Note Online (E-sign)? [Apply For a PIN!](#)
- 2 Apply Online**
 - Complete the application**
 - The process asks about you, your financial information, your spouse, references and more.
 - [Apply Online and E-sign Your Promissory Note](#)
 - [Apply Online and Print, Sign, and Mail Your Promissory Note](#)
 - [Retrieve an In Progress Saved Application \(Not Submitted\)](#)
 - The online application process is the most efficient way to apply, but you could alternatively select 'Forms & Publications' from the top menu to download blank forms to print, complete, sign, and mail.
- 3 Follow-up**
 - Post-Application Activities!**
 - You can check the status of your application, retrieve your submitted E-signed Promissory Note, application data, and other information.
 - What [Happens After I Apply?](#)
 - [View Your Application Status](#)
 - [Retrieve Your Submitted E-signed Promissory Note and Other Consolidation Application Documents](#)
 - [Add Loans to Your Consolidation](#)
 - [Apply For a PIN](#) if you don't have one yet

Taskbar: Start | Search Desktop | Inboxes - Microsoft Outlook | question/concern about F... | Music | Windows Search | Getting your student loans... | money song list - Microsof... | Direct Consolidation ... | 12:23 PM

Federal Direct

- The one and only **RIGHT** kind of loan

FFEL, Perkins

- Could become right, but **only if action is taken**

Private,
alternative,
commercial,
bar study loan

- **WRONG** and can't ever be right

Remember these 5 steps:

1. **Make the right kind of payments,**
2. **on the right kind of loans,**
3. **while working in the right kind of job.**
4. **Repeat 120 times.**
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The right kind of payments



Income driven repayment

Income driven repayment plans

Monthly payments are calculated based on:

Adjusted Gross Income

Family Size

Income-Based Repayment or Pay As You Earn

Monthly
payments are
calculated
based on:

For married
people, AGI
depends on
federal tax
filing status

Family size is
NOT measured
by looking to
your tax return

PAYE more generous than IBR

But PAYE only available for “new borrowers”:

- No balance on a federal loan on October 1, 2007
- Borrowed a federal loan on or after October 1, 2011

Year	1	2	3	4	5	6	7	8	9	10
Salary	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$55,344	\$57,005	\$58,715
AGI	\$40,500	\$41,715	\$42,966	\$44,255	\$45,583	\$46,951	\$48,359	\$49,810	\$51,304	\$52,843
\$70,000 10-year Standard	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813	\$813
IBR	\$297	\$307	\$317	\$328	\$339	\$350	\$361	\$373	\$386	\$399
Balance	\$71,338	\$72,557	\$73,653	\$74,622	\$75,460	\$76,162	\$76,725	\$77,143	\$77,412	\$77,527
PAYE	\$198	\$204	\$211	\$218	\$226	\$233	\$241	\$249	\$257	\$266
Balance	\$72,526	\$74,972	\$77,336	\$79,615	\$81,807	\$83,908	\$85,917	\$87,829	\$89,641	\$91,351



Manage My Direct Loan

Sign In

Use your PIN to sign in
[Why am I signing in?](#)

- Entrance Counseling
- Sign Master Promissory Note
- Complete PLUS Request Process
- Financial Awareness Counseling
- Endorse Direct PLUS Loan
- **Income-Based Repayment Application**

Visit the PIN site if you are a new user or have forgotten your PIN.



StudentLoans.gov

This site is your source for information from the U.S. Department of Education about how to manage your student loans.

Learn More

- » [Find Information about Student Aid Programs](#)
- » [Recent Changes to the Student Aid Programs](#)
- » [Interest Rate Change for New Direct Subsidized Loans](#)
- » [Direct Loan Overview](#)
- » [What you Need for Direct Loans](#)
- » [What to Expect for Direct Loans](#)
- » [Glossary](#)

Tools and Resources

- » [Apply for PIN](#)
- » [FAFSA](#)
- » [Financial Awareness Counseling](#)
- » [Exit Counseling](#)
- » [Special Direct Consolidation](#)
- » [Direct Loan Consolidation](#)
- » [My Financial Aid History](#)

Managing Repayment

- » [Repaying Your Loans](#)
- » [Repayment Plans & Calculators](#)
- » [Trouble Making Payments?](#)
- » [Loan Discharge](#)
- » [Public Service Loan Forgiveness](#)
- » [Teacher Loan Forgiveness](#)
- » [Loan Servicers](#)



IBR/ICR/PAYE

Income-Based (IBR) / Pay As You Earn / Income-Contingent (ICR) Repayment Plan Request

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program

Use this form to request an available repayment plan based on your income, provide the required information for the annual reevaluation of your payment amount under one of these plans, or request that your loan holder recalculate your monthly payment amount early.

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying documents is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OMB No. 1845-0102
Draft Form
Exp. Date XX-XX-XXXX

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN - -

Name

Address

City, State, Zip Code

Telephone – Primary ()

Telephone – Alternate ()

E-mail Address (Optional)

SECTION 2: REPAYMENT PLAN REQUEST

Before completing this form, carefully read the entire form, particularly Sections 7, 8, and 9. Type or print using dark ink. If you need help completing this form, contact your loan holder(s). Return the completed form and any required documentation to the address shown in Section 10. You may be able to complete your request online by visiting studentloans.gov. In addition, repayment plan calculators are available at studentaid.gov.

1. Please select the reason that you are completing this request:

- I am requesting a repayment plan based on my income for the first time – Complete Section 2.
- I am submitting my annual documentation for the calculation of the payment amount under a repayment plan based on my income – Skip to Section 3.
- I am requesting that my loan holder recalculate my monthly payment amount early because my circumstances have changed – Skip to Section 3.

2. Check the repayment plan(s) you are requesting:

	Direct Loan Program Loans*	FFEL Program Loans*
IBR	<input type="checkbox"/>	<input type="checkbox"/>
Pay As You Earn	<input type="checkbox"/>	Not Available
ICR	<input type="checkbox"/>	Not Available
Determine which of the above plans I am eligible for, and place me on the plan with the lowest monthly payment amount.	<input type="checkbox"/> Only IBR will be considered for FFEL Program loans	

* Not all loan types under the FFEL and Direct Loan Programs are eligible for these plans (see Section 8).

Note: Other repayment plans are available and may offer a lesser payment amount. Payment under the IBR, Pay As You Earn, or ICR plans may result in your paying more interest over time. Calculators and information about repayment plans is available at studentaid.gov

For Direct Loan borrowers, your request will apply to all loans that are eligible for the plan you choose. However, you will need to choose a different repayment plan

SECTION 4: FAMILY SIZE AND FEDERAL TAX INFORMATION

7. Enter your family size (as defined in Section 8).

Note: If you do not enter your family size, your loan holder(s) will assume a family size of one. For purposes of these repayment plans, your family size may be different from the number of exemptions you claim on your federal tax return. By signing this form, you are certifying that the family size you enter above is correct.

8. Did you file a federal income tax return for either of the two most recently completed tax years?

- Yes – Continue to Item 9
 No – Skip to Section 5

9. Is your current income or your spouse's current income (if you completed Section 3 or file a joint federal income tax return) significantly different than the income used to determine the Adjusted Gross Income* (AGI) reported to the IRS on your most recently filed federal income tax return?

- Yes – Skip to Section 5.
 No - Provide your most recently filed federal income tax return or IRS tax return transcript. Skip to Section 6.

*You can find your Adjusted Gross Income on your most recently filed IRS Form 1040, 1040A, or 1040E7.

SECTION 5: ALTERNATIVE DOCUMENTATION OF INCOME – To be completed only if you answer "no" to question 8 or "yes" to question 9.

To be completed if you answer "no" to question 8, "yes" to question 9, or your loan holder(s) informed you that alternative documentation of income is required.

10. Do you have taxable income? Check "No" if you do not have any income, receive only untaxed income, such as Supplemental Security Income, child support, or federal or state public assistance, are not required to file a federal income tax return based on the amount of your taxable income.

- Yes – Provide documentation of this income, as described below.
 No – By signing this form, you are certifying that you have no taxable income or are not required to file a federal income tax return based on the amount of your taxable income.

11. If you are married and completed section 3 or file a joint federal income tax return with your spouse, does your spouse have taxable income? Check "No" if your spouse does not have any income, receives only untaxed income, such as Supplemental Security Income, child support, or federal or state public assistance, or is not required to file a federal income tax return based on the amount of his/her taxable income.

- Yes – Provide documentation of your spouse's income, as described below.
 No – By signing this form, your spouse is certifying that he/she had no taxable income or is not required to file a federal tax return based on the amount of his/her taxable income.

You must provide documentation of your total annual taxable income that you currently receive from all sources (for example, income from employment, unemployment income, dividend income, interest income, tips, alimony). If you are married and file a joint federal income tax return, you must also provide documentation of your spouse's annual taxable income. **Do not report untaxed income such as Supplemental Security Income, child support, or federal or state public assistance.**

You must provide **one piece** of supporting documentation for each source of income (your's and your spouse's), for example, pay stubs, letters from your employers listing income, interest or bank statements, dividend statements, or, if these forms of documentation are unavailable, a signed statement from you

Partial Financial Hardship

Required debt to income ratio in order to
qualify to choose IBR or PAYE

Partial Financial Hardship IBR example

Eligible Loans	AGI		
	Family size = 1	Family size = 2	Family size = 3
\$10,000	\$25,541	\$31,271	\$37,001
\$15,000	\$30,145	\$35,875	\$41,605
\$20,000	\$34,748	\$40,478	\$46,208
\$25,000	\$39,351	\$45,081	\$50,811
\$30,000	\$43,954	\$49,684	\$55,414
\$50,000	\$62,637	\$68,097	\$73,827
\$75,000	\$85,383	\$91,113	\$96,843
\$100,000	\$108,399	\$114,129	\$119,859
\$150,000	\$154,431	\$160,161	\$165,891
\$200,000	\$200,464	\$206,194	\$211,924

Source: Jeff Hanson, Hanson Education Services

The right kind of payments

- NOT long term repayment plans
 - be cautious about “standard” repayment terms

Repeat 120 times

**on time payments
once a month for 10-years**



Prove it
apply for forgiveness



Prove it

verify income & family size annually



certify employment annually



apply for forgiveness

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Three Steps Every Public Service Employer Can Use to Recruit and Retain Grads With Student Debt

1. Let recruits and all staff know that your organization is a qualifying public service employer.
2. Tell recruits and staff if your organization requires a particular number of hours to qualify as a full-time employee.
3. Annually certify employment using the U.S. Department of Education's Employment Certification for Public Service Loan Forgiveness (in NALP's Guide).

Step-by-Step Student Loan Guide for Public Service Employers:

A collection of tools you can use to
recruit and retain the best and
brightest in spite of their student
loan debt

Appendix of Materials for Public Service Attorneys with Student Loans

1. U.S. Department of Education's Fact Sheets
2. U.S. Department of Education's Public Service Loan Forgiveness Employment Certification Package
3. Direct Consolidation Loan Application Package
4. Essential Tools for Student Loan Borrowers

Closing Thoughts

- Help us help you
- Distribute NALP's tools
- Sign up for Heather's mailing list
- [Facebook/studentloanexpert](https://www.facebook.com/studentloanexpert)

HEATHER JARVIS
Student Loan Expert

askheatherjarvis.com