

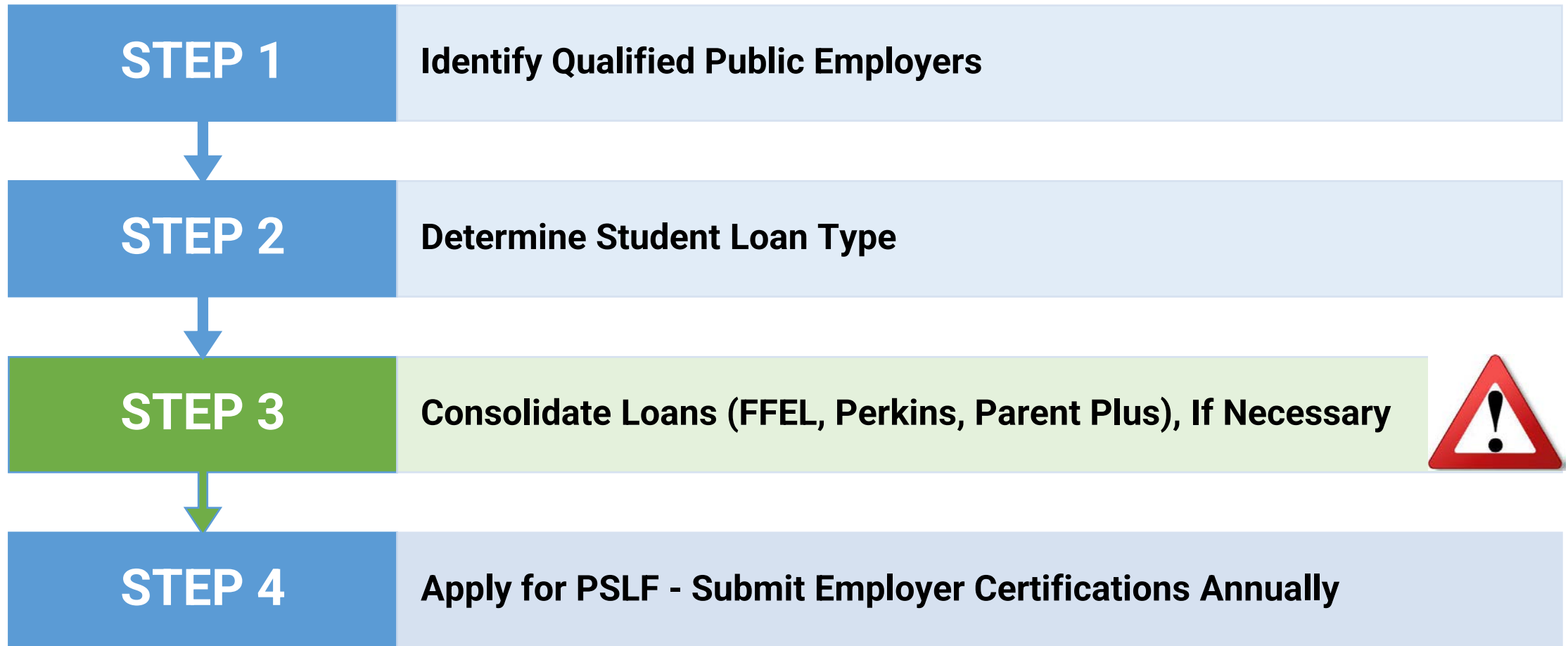
Step 3

Loan Consolidation

How do I make my FFEL, Perkins and Parent Plus Loans eligible for PSLF?



4 Steps to Forgiveness





Direct Loan Consolidation

<u>Loan Type</u>	<u>PSLF Eligible?</u>	<u>Waiver Benefits</u>
Federal Family Education Loans (FFEL)	MAYBE <u>if consolidated</u> into a Direct Loan.	If consolidated into a Direct loan <u>before October 31, 2022</u> , receive PSLF credit for payments made on FFEL loans prior to consolidation.
Perkins Loan	MAYBE <u>if consolidated</u> into a Direct Loan.	If consolidated into a Direct loan <u>before October 31, 2022</u> , receive PSLF credit for payments made on Perkins loans prior to consolidation.
Parent Plus Loan	MAYBE <u>if consolidated</u> with a Direct, FFEL or Perkins loan the parent took out for their own education.	If consolidation with an existing Direct Loan, or consolidated into a Direct Loan together with a FFEL or Perkins, <u>before October 31, 2022</u> , the new Direct Consolidation Loan will reflect the total dollar amount of the Parent Plus and non-Parent Plus loan, but will only be credited with past payment and work history associated with the non-Parent Plus loan.



A WARNING for Borrowers with Income Below \$125,000 or Household Income Below \$250,000 (Updated 9/29/2022)

- On August 22, 2022, President Biden announced \$10,000 to \$20,000 in student debt cancellation for federal loan borrowers who have income below \$125,000, or household income below \$250,000.
- It was unclear whether privately owned Federal Family Education (FFEL) loans and Perkins loans would qualify for cancellation.
- It was recently determined that borrowers who consolidate FFEL and Perkins loans with other federal loans (e.g., Direct loans) after September 29, 2022, may not be eligible for the \$10,000 or \$20,000 in debt cancellation. (Loans consolidated prior to September 29 remain eligible for debt cancellation.)
- However, FFEL and Perkins loans consolidated into a Direct loan prior to October 31, 2022, continue to be eligible to receive the benefits of the PSLF waiver.



Borrowers with individual income below \$125,000, or household income below \$250,000, should review their loans and carefully weigh the benefits of the one-time debt cancellation vs. PSLF loan forgiveness before consolidating their FFEL and Perkins loans into Direct loans.



Benefit of Direct Loan Consolidation



\$13,500 Loan Savings before Forgiveness

Before you
begin **STEP 3**,
you'll need...

Your FSA ID and Password



Loan Information



Contact Information for
Two References



Driver's License /
State Issued ID



Contact Information for
your Employer





Federal Student Aid Website www.studentaid.gov

www.studentaid.gov

An official website of the United States government. Help Center Submit a Complaint English | Español

Federal Student Aid AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION UNDERSTAND AID APPLY FOR AID COMPLETE AID PROCESS MANAGE LOANS Log In | Create Account

Apply for Public Service Loan Forgiveness (PSLF)

Apply by Oct. 31 to get credit for past periods of repayment that normally wouldn't qualify for PSLF. [Learn about the time-limited changes and how to apply.](#)

Log In Create Account

Log In

FSA ID Username, Email, or Phone

Forgot My Username

Password

Show Password

Forgot My Password


Log In


or

Create an Account






Manage Loans → Consolidate My Loans

 Just announced: New one-time student loan debt relief to be granted based on income. Student loan payment pause extended through 12/31/2022.

 An official website of the United States government. [Help Center](#) [Submit a Complaint](#) [English](#) | [Español](#)

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

[FAFSA® Form](#) ▾ [Loans and Grants](#) ▾ **[Loan Repayment](#)** ▾ [Loan Forgiveness](#) ▾

  NICOLE ▾ 

Prepare and Apply	Tools and Calculators	Learn About Repaying Loans
Loan Exit Counseling	Loan Simulator	Repayment Plans
Income-Driven Repayment (IDR) Plans		Deferment or Forbearance
Consolidate Loans		Delinquency and Default



Direct Consolidation Loan Application

DIRECT CONSOLIDATION LOAN APPLICATION

What is Loan Consolidation?

If you have multiple student loans you may be able to combine them into one loan with a fixed interest rate based on the average of the interest rates on the loans being consolidated. [Learn more about loan consolidation.](#)

A Direct Consolidation Loan allows you to consolidate multiple federal education loans into one loan at no cost to you.

Through your completion of the free Federal Direct Consolidation Loan Application and Promissory Note, you will confirm the loans that you want to consolidate and agree to repay the new Direct Consolidation Loan.

Once the consolidation is complete, you will have a single monthly payment on the new Direct Consolidation Loan instead of multiple monthly payments on the loans you consolidated.

Alert! On Oct. 6, 2021, the U.S. Department of Education announced a temporary period during which borrowers may receive credit for payments that previously did not qualify for PSLF or TEPSLF. [Learn more about this time-limited opportunity.](#)

Consolidate Your Loans

START

[Preview a read-only version of the complete form](#)

OMB No. 1845-0053 • Form Approved

Who should complete this?

Borrowers who want to consolidate their federal student loans and borrowers who have outstanding FFEL or Perkins loans and want to take advantage of the [Limited PSLF Waiver](#).

Note: There is no application fee to complete a Direct Consolidation Loan application. You may be contacted by private companies that offer to help you consolidate your loans, for a fee. These companies have no affiliation with the U.S. Department of Education (ED) or ED's Federal Loan Servicers.



Select Loans to Consolidate

DIRECT CONSOLIDATION LOAN APPLICATION

1 Choose Loan & Servicer 2 Choose Repayment 3 Terms & Conditions 4 Personal Information 5 Review & Sign

Select the Loans to Consolidate

Your Total Educational Indebtedness ? : \$50,000

<input checked="" type="checkbox"/>	Loan Type	Loan Servicer	Loan Balance	Interest Rate
<input checked="" type="checkbox"/>	D1 ?	Sample Servicer A Loan Details	\$ 30,000	3.4%
<input checked="" type="checkbox"/>	D2 ?	Sample Servicer B Loan Details	\$ 20,000	6.8%

[Add Loans](#)

Your New Direct Consolidation Loan

Your new Direct Consolidation Loan will combine the 2 loans selected above into a single loan with:

Loan Amount	Interest Rate
\$50,000	4.875%

[More Information](#)



Select a Grace Period

Browser address bar: ?execution=e1s1

Progress bar: 1 Choose Loan & Servicer (active), 2 Choose Repayment, 3 Terms & Conditions, 4 Personal Information, 5 Review & Sign

Left sidebar: Select the Loans to Consolidate (active), Grace Period, Servicer Selection

Grace Period

If you choose to consolidate at least one loan that is in a grace period, you can request that your servicer delay processing. If you would like your servicer to delay processing your consolidation application, indicate the length of time you would like to delay processing by choosing from the dropdown box at the right. [More Information](#)

Processing Delay

- Select -
- Select -
- Do not delay processing
- 1 month
- 2 months
- 3 months
- 4 months
- 5 months
- 6 months
- 7 months
- 8 months
- 9 months

IMPORTANT NOTE:
If your servicer determines that you do not have at least one loan in a grace period, your application will be processed normally.



Select Loan Servicer

Servicer Selection

Have you been or are you seeking to be **employed full-time by a public service organization** and are you consolidating for the purposes of Public Service Loan Forgiveness (PSLF)? [More Information About PSLF](#)

 Yes No

IMPORTANT NOTE:

If you answer "Yes", please select FedLoan Servicing (PHEAA) in the servicer drop-down box below. Note: If you choose another servicer, your loan will still be sent to FedLoan Servicing (PHEAA) because they are the PSLF servicer for U.S. Department of Education.

If you answer "No" now and your circumstances change, you can apply for PSLF at a later date. For more information discuss with your consolidation servicer.

Since you are consolidating for the purpose of Public Service Loan Forgiveness (PSLF), the Federal Loan Servicer or Not For Profit Loan Servicer you select will send you information on the steps you should follow to be considered for PSLF.

NOTE:

The current servicer of the loans that you want to consolidate may be one of the servicers listed. If your current servicer is listed, you may choose to keep your current servicer for your new consolidation. If your current servicer is not listed, you may choose to select a different servicer.

Federal Loan Servicers

- Select -
- Select -
- Navient
- HESC/EdFinancial
- MOHELA
- OSLA Servicing
- Nelnet
- Great Lakes Educational Loan Services, Inc.
- FedLoan Servicing (PHEAA)

Exit

Continue



Estimate Repayment / Select Plan

1 Choose Loan & Servicer ✓ 2 Choose Repayment 3 Terms & Conditions 4 Personal Information 5 Review & Sign

Estimate Your Payments

Repayment Estimator

Consolidation Loan Balance: \$50,000

Adjusted Gross Income: 56000

State of Residence: NEW YORK

Select your tax filing status: Single

Family Size: 2

Repayment Plan Information

Show payment estimated under Public Service Loan Forgiveness (PSLF)

Standard	\$289 - \$289/month	+
You will pay a total of \$86,600 over 300 months		
Graduated	\$203 - \$475/month	+
You will pay a total of \$94,621 over 300 months		
Extended Fixed	\$289 - \$289/month	+
You will pay a total of \$86,600 over 300 months		
Extended Graduated		
You will pay a total of \$94,621 over 300 months		
Revised Pay As You Earn (REPAYE)		

Repayment Plan Request

Choose the repayment plan for your new Direct Consolidation Loan: -- Select --

Exit Continue



Employment Information

DIRECT CONSOLIDATION LOAN APPLICATION

1 Choose Loan & Servicer ✓ 2 Choose Repayment 3 Terms & Conditions 4 Personal Information 5 Review & Sign

You're currently not logged in! [LOG IN](#)

You must log in to complete and submit federal student loan processes.

Employment Information

Do you work for a non-profit or government organization?

Yes

No

Family Size

The following questions will be used to calculate your family size [?]. Do not include yourself or your spouse (if applicable) in your responses to these questions. You and your spouse, as appropriate, are automatically included in your family size.

Dependent Children

How many children, including unborn children, are in your family and receive more than half of their support from you?

- Select -

Other Dependents

How many other people, excluding your spouse and children, live with you, and receive more than half of their support from you?



Transfer IRS Tax Information

DIRECT CONSOLIDATION LOAN APPLICATION

- 1 Choose Loan & Servicer ✓
- 2 Choose Repayment
- 3 Terms & Conditions
- 4 Personal Information
- 5 Review & Sign

IRS Information

Tax Information

Your Income-Driven Repayment Plan Request does not currently include transferred IRS tax information.

If you would like to retrieve your information again from the IRS click the button below.

LINK TO IRS

IRS Income Confirmation

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

- Yes
- No

Exit

Continue



Review Terms and Conditions

DIRECT CONSOLIDATION LOAN APPLICATION

1 Choose Loan & Servicer ✓ 2 Choose Repayment ✓ 3 Terms & Conditions 4 Personal Information 5 Review & Sign

BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS

PROMISE TO PAY

WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM DIRECT CONSOLIDATION LOAN BORROWER'S RIGHTS AND RESPONSIBILITIES STATEMENT

IMPORTANT NOTICES

You're currently not logged in!

You must log in to complete and submit federal student loan processes.

LOG IN

BORROWER UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATIONS

22. I understand that the following:

A. Applying for a Direct Consolidation Loan does not obligate me to agree to take the loan. The U.S. Department of Education (ED) will provide me with:

- The deadline by which I must notify ED if I want to cancel the Direct Consolidation Loan, or if I do not want to consolidate any of the loans that ED has verified; and
- A notice containing information about the loans and payoff amounts that ED has verified with the holders of my loans or through ED's National Student Loan Data System (NSLDS) before the actual payoffs occur.

I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Understandings, Certifications, and Authorizations section, and the Borrower's Rights and Responsibilities Statement.

Exit

Continue



Provide Personal Information

DIRECT CONSOLIDATION LOAN APPLICATION

1 Choose Loan & Servicer ✓ 2 Choose Repayment ✓ 3 Terms & Conditions ✓ 4 **Personal Information** 5 Review & Sign

Borrower Information
 Reference Information
 Reference 1
 Reference 2

You're currently not logged in!
You must log in to complete and submit federal student loan processes. [LOG IN](#)

i Some of the data fields may be populated with information we have on file for you.

Borrower Information

Former Name(s):

Driver's License State: Driver's License Number:

Permanent Address [More Information](#)

Address (line 1): State:

Address (line 2): Zip Code:

City: Country:

This is my current permanent address. If permanent address information is incorrect, update as needed.

Reference Information

- List two persons with different U.S. addresses who have known you for at least three years.
- The first reference should be a parent or legal guardian.
- References must have different addresses and telephone numbers.
- If the reference does not have a telephone number, enter N/A.

Reference 1

If you have previously completed information for the reference:

Name [More Information](#)

First Name: Middle Initial:

Last Name:

Permanent Address

Address (line 1):

Address (line 2):

City:

State:

Contact Information

Telephone Number:

Email Address:

Relationship to You:



Review & Sign

DIRECT CONSOLIDATION LOAN APPLICATION

1 Choose Loan & Servicer ✓ 2 Choose Repayment ✓ 3 Terms & Conditions ✓ 4 Personal Information ✓ 5 Review & Sign

- Choose Loans and Servicers
- Repayment Plan Request
- Borrower and Reference Information
- Certify & Sign

You're currently not logged in!
You must log in to complete and submit federal student loan processes. [LOG IN](#)

i This page will be populated with the information from the previous steps. You'll have the opportunity to verify that it's correct or update as needed by selecting "Edit"

Choose Loans and Servicers [Edit](#)

Loans Selected to Consolidate

Loan Type	Account Number	First Disbursement Date	Loan Balance	Interest Rate	Loan Servicer
D1 ?	11111111		\$ 30,000	3.4%	Sample Servicer A
D2 ?	11111112		\$ 20,000	6.8%	Sample Servicer B

Balance: \$50,000
Interest Rate: 4.875 %
Consolidation Servicer:
Grace Period:

Repayment Plan Request

Certify & Sign

I have reviewed the information about me on the Federal Direct Consolidation Loan Application and Promissory Note and acknowledge that it is true and correct. I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Understandings, Certifications, and Authorizations section and the Borrower's Rights and Responsibilities Statement.

I UNDERSTAND THIS IS A LOAN THAT I MUST REPAY.

First Name: Middle Initial: Last Name:



Student Debt Resources

www.AFSCME.org





Next Step



Navigating the Road to Public Service Loan Forgiveness

Step 4

PLSF Application & Employer Certifications

How do I apply for PSLF?