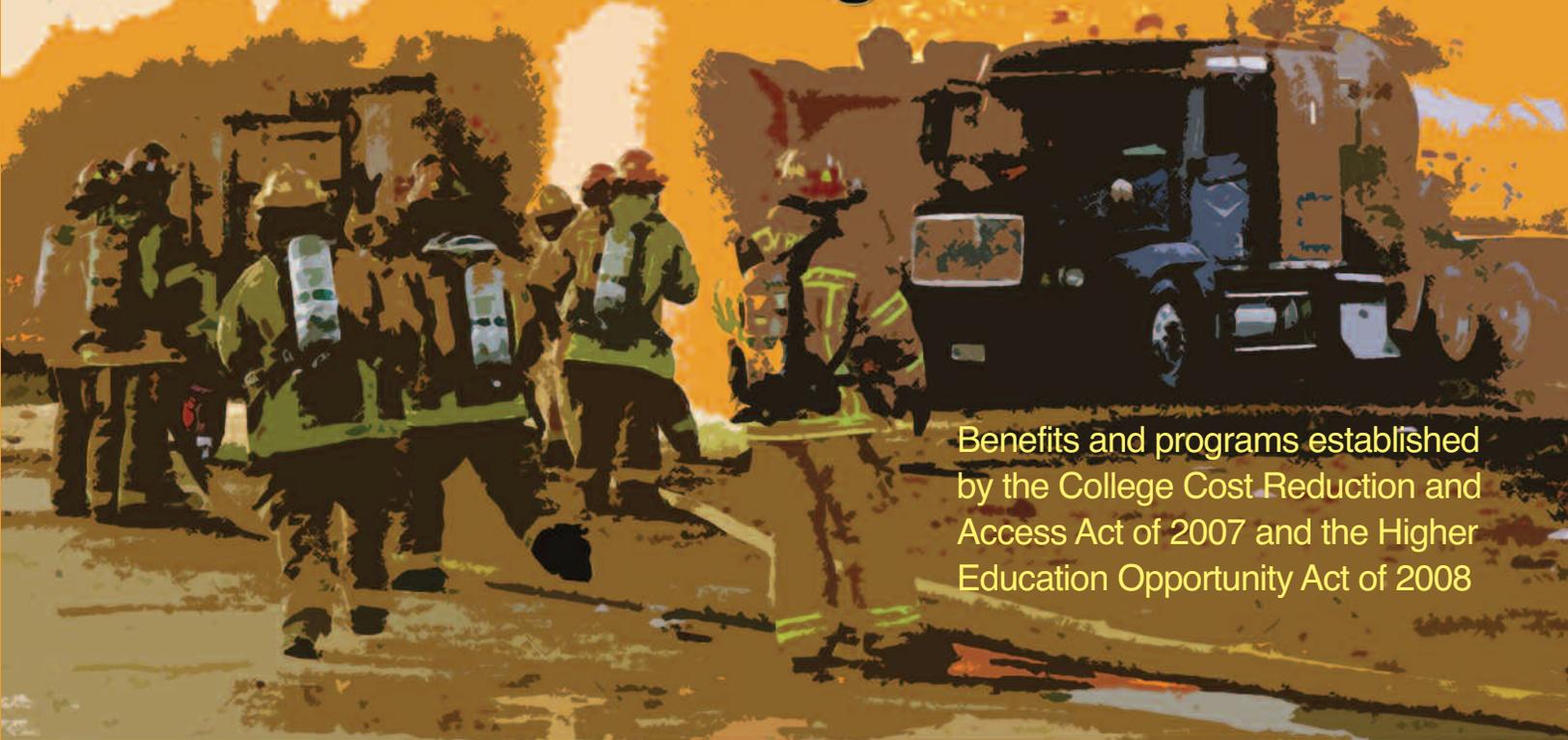




# Student Loan Forgiveness Programs for Fire Fighters



Benefits and programs established by the College Cost Reduction and Access Act of 2007 and the Higher Education Opportunity Act of 2008

**T**he IAFF has successfully helped enact legislation to ease the financial burden of student loans for fire fighters. In 2007, the College Cost Reduction and Access Act created the **Loan Forgiveness for Public Service Employees** program. In 2008, the Higher Education Opportunity Act (HEOA) created the **Loan Forgiveness for Service in Areas of National Need** and expanded the existing **Perkins Loan Cancellation Program** to include fire fighters. These programs will offer benefits in the near future and in the long term to aid fire fighters at various points throughout the loan repayment process.

## Eligibility for loan forgiveness will depend on the type of loan.

- Perkins Loans — qualifying loans are eligible for the Perkins Loan Cancellation program
- Federal Family Education Loans (FFEL) — qualifying loans are eligible for Loan Forgiveness for Service in Areas of National Need

FFEL Loans include:

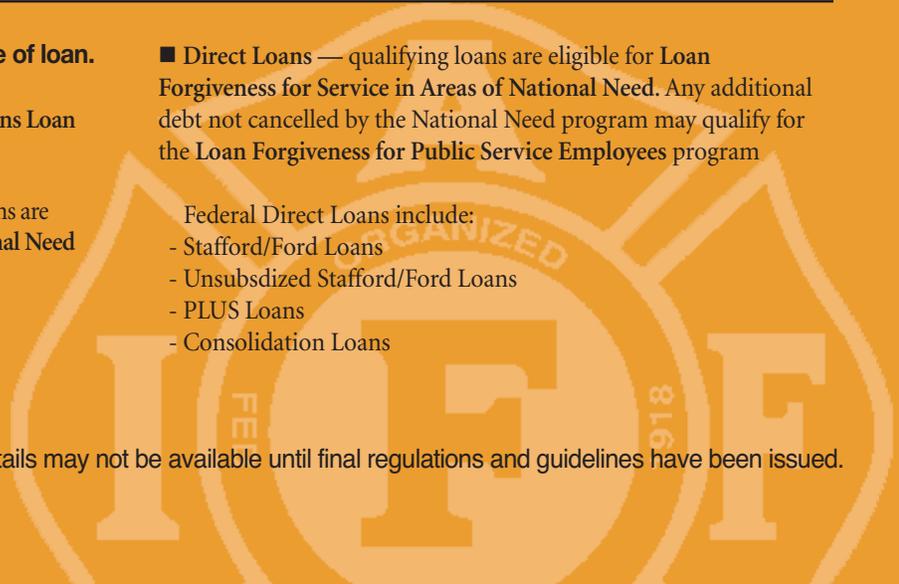
- Subsidized Stafford Loans
- Unsubsidized Stafford Loans
- Consolidation Loans

- Direct Loans — qualifying loans are eligible for Loan Forgiveness for Service in Areas of National Need. Any additional debt not cancelled by the National Need program may qualify for the Loan Forgiveness for Public Service Employees program

Federal Direct Loans include:

- Stafford/Ford Loans
- Unsubsidized Stafford/Ford Loans
- PLUS Loans
- Consolidation Loans

Because these programs are relatively new, additional details may not be available until final regulations and guidelines have been issued.



## Perkins Loan Cancellation

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Provides partial cancellation based on each year of qualifying full-time service.

### Eligible Loans:

- Perkins Loans only

### Overview:

The current program, which has been expanded to include fire fighters, provides partial cancellation for the original principal loan amount, plus the annual interest accrued, for each year of qualifying full-time service:

- 15% cancelled for the first year
- 15% cancelled for the second year
- 20% cancelled for the third year
- 20% cancelled for the fourth year
- 30% cancelled for the fifth year

### To Qualify:

- The loan must not be in default
- The loan must not have been consolidated
- You must be a full-time fire fighter serving a local, state or federal fire department/district

### To apply for loan cancellation:

Contact your educational institution's Financial Aid office or the designated billing service provider to obtain the appropriate cancellation form. Submit the form along with any required supporting documentation by the deadline. The educational institution or its billing service will determine whether you are entitled to have any portion of your loan(s) cancelled.

Educational institutions may not cancel any portion of a loan for full-time service performed either before the loan was issued or during the enrollment period covered by the loan.

### Timeline:

Eligible individuals may apply for benefits now. However, because the benefit is relatively new, the Department of Education has only begun to issue regulations to schools on how the program should be administered. Your educational institution will receive this information in the near future if it has not already.

For more information, contact your educational institution's Financial Aid Office or your school's billing service

## Loan Forgiveness for Service in Areas of National Need

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Provides up to \$10,000 of loan cancellation based on each year of qualifying full-time service.

### Eligible Loans:

- Federal Family Education Loans
- Federal Direct Loans

### Exception:

PLUS loans and consolidation loans used to discharge liability on PLUS loans are not eligible for cancellation under this program.

### Overview:

Public sector occupations, including fire fighters, first responders, emergency medical personnel and emergency management employees (such as EMTs), are considered Service in Areas of National Need.

For each calendar year of full-time employment in an area of national need completed on or after August 14, 2008, fire fighters will be eligible for up to \$2,000 of loan forgiveness, up to an aggregate amount of \$10,000 after five years of service.

### To Qualify:

- The loan must not be in default
- You must be employed full-time in one of the designated public sector occupations

### Timeline:

Congress has yet to provide the funding for the benefits available under this program. The IAFF is currently working to secure this funding.

### Ineligibility For Double Benefits:

The law includes a provision that prohibits borrowers from receiving a reduction of loan obligations for the same period of service under certain other multiple loan forgiveness programs.

For more information contact the U.S. Department of Education, which posts updates regarding the new law at [www.ed.gov/policy/highered/leg/nea08](http://www.ed.gov/policy/highered/leg/nea08)

## Loan Forgiveness of Public Service Employees

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Provides cancellation of the balance due on loans after making 120 monthly payments while employed in certain public service jobs.

### Eligible Loans:

- Federal Direct Loans only

### Overview:

Those employed in public safety, including fire fighters and emergency management positions, are eligible for cancellation of the balance due on loans after making 120 monthly payments while employed. Those who have a high debt-to-income ratio or a consistently low income will benefit most from this program.

### To Qualify:

- The loan must not be in default
- You must have made 120 monthly payments on or after October 1, 2007
- You must be employed full-time in one of the designated public service occupations during the period in which you make each of the 120 monthly payments
- You must be employed in a public service job at the time of forgiveness
- You must be paying your loan under any one or a combination of the following  
Direct Loan program repayment plans:
  - Standard Repayment Plan with a 10-year repayment period
  - Income Contingent Repayment (ICR) Plan
  - Income Based Repayment (IBR) Plan
  - Another Direct Loan Repayment Plan

### Timeline:

This program applies only to loan payments made on or after October 1, 2007 (i.e., the program is not retroactive). Any payments made before October 2007 will not be credited toward the 120-payment requirement. The earliest date for eligibility is October 1, 2017.

For more information, visit the U.S. Department of Education Student Aid online at: <http://studentaid.ed.gov>