



Important Upcoming Deadlines and PSLF Updates

April 2, 2024

To: All PSLF Peace of Mind Clients

From: The Institute of Student Loan Advisors (TISLA)

Subject: Important Reminders and Updates Regarding PSLF

There have been quite a few changes related to the Public Service Loan Forgiveness (PSLF) program, some of which are temporary and some of which will be permanent. We are sending you this memo to ensure you are aware of these changes and don't miss any deadlines for the temporary programs that might benefit you.

One Time Account Adjustment – Consolidation Deadline

Last year, the administration announced a temporary, one time, waiver called the One Time Account Adjustment. This waiver will give borrowers credit towards the payments needed for income driven plan forgiveness as well as PSLF for periods where the borrower was not on an income driven plan. You can read about this adjustment [here](#)

If you have Federal Family Education Loan program (FFELP) or Perkins loans, you must submit an application for consolidation no later than **April 30th, 2024**, to qualify for this adjustment. All Direct Loans already qualify for this waiver and no application is needed. Borrowers whose loans have different periods of repayment can also benefit from consolidation by the above deadline as doing so will give the consolidation the benefit of the highest count of the underlying loans. You can read more about this potential higher count in the link above. **If you have all Direct Loans that have all been in repayment for the same time periods there is no need to consolidate to benefit from the one-time account adjustment.** Note that if you submit a consolidation application after the deadline your count will be a weighted average of the counts of the underlying loans. Also remember that when you first

consolidate, your counts will be reset to zero, but you will get them back once the adjustment is done later this year.

On a related topic, borrowers with Parent Plus loans may benefit from a loophole called double consolidation. This loophole allows Parent Plus borrowers' access to plans such as the new [SAVE plan](#), that they would normally not be eligible for. **The deadline to utilize this loophole is July 1, 2025.** You can read more about consolidation, including the double consolidation loophole, [here](#).

Processing Forbearances

Many of you have experienced some delays and errors in repayment plan processing since student loan repayments began last fall. To ensure borrowers aren't harmed by these delays and errors, the Department of Education (ED) has instructed federal servicers to apply what are being called processing forbearances on some accounts that have been affected. These processing forbearances WILL count towards income driven plan (IDR) and PSLF forgiveness assuming all other eligibility criteria are being met. Note that most other forbearances still do not count for PSLF.

Extension of IDR Recertification Deadlines

Also due to the delays and errors many borrowers have experienced related to their income driven plans, the ED has announced an extension for the deadline for borrowers to recertify their income for their IDR plan. Normally, borrowers are required to do this annually, no later than their IDR anniversary date. After the COVID pause ended in September 2023, the ED stated that no borrower would be required to recertify their IDR plan prior to March 1, 2024. **The new extension for this recertification deadline is November 2024.** If you recertified already and your payment went up, your account will be adjusted back down to the lower payment. Note that even though no one will be due to recertify before November, recertification paperwork is due before your anniversary date. You can read about this extension and the timeframes for submitting recertification paperwork [here](#).

PSLF Processing Pause and Transfer

The ED has been working for several years to transition all borrower-facing servicing transactions to a centralized website and call center rather than the current system of individual servicer phone numbers and account processing. As part of this transition, all PSLF paperwork and forgiveness processing is being transitioned to the ED website, www.studentaid.gov in the coming months. This website will be where you will be able to see your PSLF counts. During the transition, no PSLF forms or forgiveness will be processed. If you are due for forgiveness during this period, you can continue to pay and expect a refund of those payments if they bring you over the 120 needed for PSLF forgiveness.

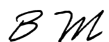
PSLF processing will pause on May 1, 2024, and resume in July 2024. We recommend borrowers screenshot and/or print their current PSLF counts on the MOHELA site prior to that date and maintain them for your records. You can read about the pause [here](#).

Your loan servicer will not change, nor will your requirement to make payments. The only thing that will change as a result of this transition is where you go to see your PSLF counts and who is processing those counts in the background. Going forward, MOHELA will not be the only servicer your loans can be administered by to pursue PSLF as the management of this program will be centralized.

Questions?

Still have questions? Remember that as a PSLF Peace of Mind client you have direct access to TISLA via a dedicated email channel as well as by booking a phone call. See your employers internal PSLF page for access to those channels.

Sincerely,



Betsy Mayotte

President

The Institute of Student Loan Advisors

