Template Letter to FedLoan Regarding Public Service Loan Forgiveness

Public Service Loan Forgiveness is earned by making 120 “qualifying payments”. For a payment to be a “qualifying” payment, is must be an on-time payment on an eligible Direct Loan made while the borrower is employed full-time for an eligible public service employer.

This template letter does NOT address any of the mistakes borrowers may make when trying to navigate this convoluted program. Instead, this letter is intended only to address the most common mistakes made by the federal loan servicing company assigned to PSLF, FedLoan Servicing.

Far too many borrowers find that FedLoan Servicing fails to accurately count the number of qualifying payments made towards Public Service Loan Forgiveness.

At the time of this writing, the main servicing errors contributing to undercounting are:

1. FedLoan fails to properly count payments made to another loan servicing company (typically payments made before the borrower files his or her first Employment Certification Form); and
2. FedLoan Servicing is undercounting borrowers’ progress towards Public Service Loan Forgiveness during the months subject to payment suspension under Executive Order and the CARES Act (beginning March 13, 2020 through December 31, 2020).

The COVID-19 portion of this template assumes that the borrower was enrolled in an Income-Driven Repayment plan prior to March 13, 2020 and that the borrower has filed an PSLF Employment Certification Form covering the entire period between March 13, 2020 and December 31, 2020. Borrowers should adjust the letter as necessary to reflect different circumstances.

Although FedLoan is aware of these deficiencies, it has so far not corrected the automated processes that cause the undercounting. Borrowers may benefit from notifying FedLoan of their intention to earn forgiveness and request a review of accounts to reveal any servicing errors.

To this end, the following template letter may be customized, signed, and mailed via certified mail to FedLoan at the address listed on the template letter.

Note that all sections [bracketed] and highlighted must be customized, it is wise to include a copy of the relevant Employment Certification Form(s), and borrowers should retain a copy of this signed letter until forgiveness is granted.

[Borrower's Full Name
Address
City, State Zip Code]

[Month, Day, Year]

FedLoan Servicing Customer Service Department
PO Box 69184
Harrisburg PA 17106-9184

Regarding: Public Service Loan Forgiveness
[INSERT list of account numbers or identify each loan by disbursement date]

To whom it may concern:

As the loan servicer of my federal Direct Loans, it is your responsibility to administer Public Service Loan Forgiveness (PSLF) pursuant to the Higher Education Act of 1965. I write to inform you of my intention to earn PSLF according to the applicable rules and regulations. For this reason, I ask that you please take all steps necessary to ensure that servicing errors and omissions do not delay my progress towards PSLF.

Basic Requirements for PSLF
Please review the records of my accounts to confirm that all my federal student loans are:

- Direct Loans eligible for PSLF,
- in a Repayment status, and;
- enrolled in a qualifying Income-Driven Repayment (IDR) plan.

If your review reveals any ineligible loans, loans with an ineligible loan status, or loans not enrolled in a qualifying IDR plan, please inform me immediately.

Qualifying Payments Towards PSLF During COVID-19 Payment Suspension Period
Please ensure that FedLoan properly counts the months during the CARES Act payment suspension as extended by presidential executive order (March 13, 2020 – December 31, 2020) as qualifying payments towards PSLF as required by law.

I have one or more Direct Loans, was on a qualifying Income-Driven Repayment plan prior to the payment suspension, and have or will certify my full-time qualifying public service employment over the months subject to payment suspension pursuant to the CARES Act (March 13, 2020 – December 31, 2020). For these reasons, FedLoan is required to count the period of suspension as though I had made on-time monthly payments.

Please update the count of qualifying payments, manually if necessary, and confirm that you have done so in writing.

Pre-Pandemic Qualifying Payments Towards PSLF

I am concerned that FedLoan has not accurately counted my number of payments towards PSLF. For this reason, please promptly prepare a detailed Public Service Loan Forgiveness payment history beginning upon the date my loans first entered a repayment status through the present.

To prepare a complete PSLF payment history, please review of my account's full servicing history. So that your review includes my complete loan history, before conducting your review please ensure that FedLoan Servicing has received my account history from all previous servicers. If FedLoan has not received my complete account history, please request any missing documentation from all previous servicers and notify me that you have done so.

Please document your review findings and provide this documentation to me. Specifically, please provide my:

- **Full Repayment Schedule** history including beginning and ending dates
- **Full Deferment and Forbearance** history including deferment and forbearance type and beginning and ending dates
- **Employment Certification Forms** on file including beginning and ending dates of qualifying employment

Please also calculate and inform me of the amount I would pay under the 10-year Standard Repayment Plan, based on the loan amount I owed when I first began repayment under the IDR plan (in other words, the payment cap or Permanent Standard amount).

Paid Ahead Loan Status

Unless required by law, please do not change the status of my loans without my express permission. Specifically, do not change the status of my loans to Paid Ahead status or any other loan status that would serve as a procedural hurdle to my continuing to make qualifying payments towards PSLF.

If I send an amount greater than the minimum amount due, please apply payments as follows:

- After applying the minimum amount due for each loan, any additional amount should be applied to the loan that is accruing the highest interest rate.
- If there are multiple loans with the same interest rate, please apply the additional amount to the loan with the lowest outstanding principal balance.
- If any additional amount above the minimum amount due ends up paying off an individual loan, please then apply any remaining part of my payment to the loan with the next highest interest rate.
- Even if I make a payment that covers more than one required monthly payment, please do NOT advance my next due date.
- If any third party makes payments to my account on my behalf, you should use the instructions outlined above.
- Please retain these instructions and apply these instructions to all future overpayments.

Annual Income Recertification for Income-Driven Repayment

To ensure that future IDR payments are properly credited towards the 120 qualifying payments required to earn PSLF, please process my income recertification submissions without delay. Even if you are unable to promptly process my recertification, I intend to continue to make payments towards PSLF. Do not change my loan status to forbearance without my express permission.

Finally, please acknowledge your understanding of my intention to meet the requirements of PSLF, retain and follow a copy of these instructions, and notify me immediately if your review indicates any discrepancies.

Thank you for your attention to this important matter.

Sincerely,
[signature]

[Borrower's Full Name
Address
Email Address]