

THE AWESOME IEA Podcast

Episode 5: Degrees Not Debt

K: *Welcome* to the AWESOME IEA Podcast brought to you by the Illinois Education Association.

D: The podcast for curious well-informed association members.

K: I'm one of your hosts, Kelsey Harms, Computer Specialist from the IEA Program Development Department

D: And I'm Diana Zaleski, one of your Instructional Resource and Professional Development Directors from IEA Teaching and Learning.

K: The goal of this podcast is to educate our members about important new educational policy initiatives in a brief and *hopefully* entertaining format.

D: Today we are going to discuss the National Education Association (NEA) Degrees Not Debt Program. So, Kelsey, let's jump right in. What is the NEA Degrees Not Debt Program?

K: NEA's Degrees Not Debt Program is designed to assist members in managing their student loan debt and fight for college affordability.

D: So, why is college affordability important?

K: More than 42 million Americans owe over \$1.2 trillion dollars in student loan debt. It's more than all auto loans and credit card debt combined. AND student loans can't be refinanced like auto or home loans to get better interest rates, without losing eligibility for certain loan forgiveness programs.

D: So, what programs does this campaign raise awareness on?

K: The Degrees Not Debt program highlights the Public Service Loan Forgiveness (PSLF), Teacher Loan Forgiveness (TLF), and Teacher Loan Cancellation (TLC) programs. It also raises awareness of income-based repayment plans that can help reduce monthly payments to make them more affordable.

D: Public Service Loan Forgiveness? Meaning, anyone in public service may qualify for forgiveness?

K: YES, anyone who works in public service may qualify for Public Service Loan Forgiveness. You don't have to be a teacher, or work in a Title-I school to qualify.

D: What other eligibility requirements are there to meet to qualify for PSLF?

K: Your loan must be a FEDERAL DIRECT loan. You need to work full-time in public service for a qualifying employer. You must make 120 qualifying payments on a qualifying repayment plan. Once you have made 120 qualifying monthly payments (that's 10 years of public service), the balance of your loan may be forgiven and that's tax-free.

D: That's a lot of qualifiers.

K: It is. There is an entire course available on our IEA Online Learning Portal, which you have access to for free for being a member, walking through just Public Service Loan Forgiveness and Income-Based Repayment programs. We go into all the details there.

Basically, if you are hired and paid by the district, your Federal Direct loan is on either the 10-year standard, income-based, income-driven, or income-contingent repayment plan, you may qualify, and you should definitely check out the program.

D: How do you know if you have a Federal Direct Loan?

K: Typically, Federal Direct loans will have the word DIRECT in the name of the loan. You can log into the National Student Loan Data System at nslds.ed.gov to determine your loan type and repayment status.

D: Tell me more about the Income-Driven Repayment Plans.

K: There are 5 plans that qualify for PSLF – the 10-year standard, income-based repayment (IBR), income-contingent repayment (ICR), Pay As You Earn (PAYE), or Revised Pay As You Earn (REPAYE).

D: So, how do you know which repayment plan is right for you?

K: You should always talk with your financial advisor. However, you can model your repayment on the various repayment plans on the studentloans.gov website to see a range of payments on the various repayment plans.

D: Kelsey, it sounds like a lot of our members may qualify for Public Service Loan Forgiveness.

K: YES! Public Service Loan Forgiveness, or PSLF, is the BIGGEST bucket – meaning the most people may qualify for the program. And the best part, this program is RETROACTIVE back to October 1, 2007. Meaning some of our members have recently submitted the final application for forgiveness!

D: That's fantastic! So, we've covered Public Service Loan Forgiveness, but you also mentioned Teacher Loan Forgiveness. What's that?

K: So, teacher loan forgiveness is the medium bucket. This forgiveness is available only to teachers who have a Stafford loan and work in a low-income or Title-I school. Most of our teachers have actually already heard of this program. This is that program that requires that you to be "highly-qualified". Typically, the loan forgiveness amounts are 17,500 if you are "highly-qualified" and teach science, math, or special education; or 5,000 if you are "highly-qualified" and teach reading, writing, or other areas of the elementary school curriculum. It's important to note that forgiveness levels for teaching prior to 2004 are slightly different. For the full details, check out the Teacher Loan Forgiveness course under Advocacy on the IEA Online Learning Portal.

D: So, that sounds great, but how long do you have to teach for this forgiveness?

K: You must teach for five complete and consecutive academic years to take advantage of this program.

D: Okay. What is Teacher Loan Cancellation then?

K: Teacher Loan Cancellation is the smallest bucket, meaning the fewer people qualify for this program. This is that Perkin's loan cancellation program you may have heard about.

D: What qualifiers does this program have?

K: You must teach full-time at a low-income school and it has to be in certain subject areas, and you must work directly with the school who made the loan, not with FedLoan Servicing like the other two programs.

D: How much of the Perkin's loan can be cancelled?

K: Well, you can apply for deferment while you are working on cancellation. Each year you teach a certain percentage of your loan is cancelled. 15% in years 1 and 2; 20% of your loan in years 3 and 4; and the final 30% is cancelled in year 5.

D: Does that include the interest accrued if you aren't making payments?

K: Yes! Remember this is cancellation, not forgiveness, so if you do apply for deferment, you may not need to make any payments on your Perkin's loan before it's cancelled.

D: How do you get started?

K: To get started, you must request the appropriate application form from the school who made the loan and provide documentation to show that you do meet all the qualifications. For more information, check out the Teacher Loan Cancellation course under Advocacy on the IEA Online Learning Portal.

D: We've covered quite a bit of information.

K: That's true. Remember, if you are interested in getting more information about any of these programs, check out the Advocacy category on the IEA Online Learning Portal. You'll find a course for each of the programs we covered today that you can take on-demand, and replay as necessary.

D: Great, thanks so much Kelsey. If you have any questions, comments, or feedback, please check out the contact section on the Podcast page on the IEA Website.

K: We will also post some helpful links in the show notes section on the Podcast Page as well. The links will include NEA's degrees not debt page, IEA's degrees not debt page that includes upcoming live training opportunities, and the Federal Student Aid department websites. There will also be a transcript available on the Podcast Page as well.

D: Thanks for joining us!

K & D: BYE!