

MSBO
Student Loan Repayment Webinar (Feb 26, 2024)
Q&A

Please note: Questions identified from the meeting chat by MSBO staff were provided to Gallagher and Your Money Line, who provided answers and additional information as listed below.

MSBO Webinar Student Loan Repayment Webinar Q&A (Feb 2024):

- **Is 27K only for teachers or is it for anyone that works as a district employee?**
 - To qualify for Section 27k a district staff member must be working directly with pre-k to 12 students. Section 27k is not just for teachers.
- **Do administrators apply to this, or just teachers?**
 - Yes, if administrators work directly with pre-k to 12 students, they can qualify.
- **If payments were not made during covid, does that go towards "making payments" for the PSLF?**
 - As long as the employee was meeting the other program criteria including holding the right loans, working full time, and working for a qualifying employer, these \$0 payments count toward PSLF. The employee is still required to fill out the employee certification form to get credit for this time period of employment.
- **I was told that 3rd party employees are not restricted to qualify for this, but they had to be enrolled in the PSLF program. Does anyone else have any other clarity on this?**
 - This is correct. Employees hired from third-party companies can qualify. However, their employer must be a qualifying employer through the PSLF program. You can verify employer eligibility through the Department of Education website.
- **Just because we are enrolled in the PSLF program, doesn't mean our loans are forgiven, correct? We must apply for the forgiveness after all 120 payments are made, correct?**
 - Once you make 120 qualifying payments and they are certified via the Employment Certification Form, your loans will be placed into forbearance and then forgiven. The Employment Certification Form serves as both proof of employment and an application for PSLF.
- **We have a full-time building sub teacher employed through the sub agency but who works in our school everyday. Is she eligible?**
 - The sub-agency needs to be a qualifying PSLF employer. See the Department of Education guidelines to determine this employment eligibility.
- **Looking for clarity on working directly with prek - grade 12 students for an administrator to qualify.**

- At this time, we do not have the necessary clarity from MDE on the definition of “working directly.”
- The current answer is that the main criteria is whether the district defines that employee’s work as having direct contact with pre-K to grade 12 students.
- **What about the employees who are in the process of applying for PSFL? I have a few employees who have applied but it is still being reviewed.**
 - MDE guidance states that a borrower must be compliant with the requirements at the time of application.
- **Is the 32 hours/week what they are scheduled or actually working?**
 - MDE guidance states that employees must currently work 32 hours or more per week. Reach out to MDE for additional guidance if you have extenuating circumstances for an employee.
- **Please send spreadsheet!**
 - The “At Risk Estimates” spreadsheet can be found [here](#).
- **Do employees receive a notification if/when they are approved for PSLF? I complete the forms for the staff but never know if they are approved.**
 - Employees will see an update on their payment count on their loan servicers portal. Once 120 qualifying payments have been made they will receive a discharge notice forgiving the remaining balance.
- **What is repayment is \$0 per month, but employee wants to pay down interest only ? Do they qualify for 27k?**
 - An employee with a \$0 payment is not eligible to receive funds to pay outstanding interest. If an employee is enrolled in the “SAVE” plan, the monthly interest will not continue to accumulate.
- **The 27K website lists the qualifying loan types: Direct Subsidized, Direct Unsubsidized, Direct PLUS, and Direct Consolidation. What about Direct Teach Loans?**
 - A TEACH Grant will be converted to a “Direct Unsubsidized Loan,” a qualifying loan type for PSLF.
- **ISDs aren't on the MDE spreadsheet. How do we calculate for the ISD level?**
 - Please seek guidance from the MDE
- **Does this include Parent Plus loans?**
 - Parent PLUS loans are not an eligible loan type for PSLF, ergo, these loans are not Section 27k eligible. Parent PLUS loan holders can seek loan consolidation to qualify for PSLF.
- **Are all PSLF loans serviced by MOHELA now?**
 - Yes. Once a borrower is identified as a PSLF hopeful, their loan portfolio will be moved to MOHELA.

- **Wait, so there are vendors who can administer this plan for districts? More expense for the district of course...but who are these vendors?**
 - There are several vendors that may assist in various aspects of 27k. It will be essential to discuss taxation with your CPA group and any legal aspects with your legal counsel. Today's panel from Gallagher and Your Money Line provide services via Gallagher Money Coaching that assist districts in administering a plan and providing employee support.
- **Just to confirm...if they are not part of PSLF and the income-driven payment plan.....they are NOT eligible for this grant money?**
 - Correct. PSLF is the foundation for Section 27k. Borrowers who are not on income-driven repayment plans cannot receive funds via Section 27k.
- **As a loan expert - which specific documents do you recommend they provide us with to show proof of the requirements?**
 - We recommend seeking the guidance of your legal counsel to determine what documents the district is comfortable using as proof of payments.
- **If you're in the district that provides the \$400 you should be on the highest IBR plan then?**
 - Our team recommends the borrower choose the repayment plan that is the best fit for their personal finances, regardless of the amount available via the grant.
- **We have a long-term sub employed through a 3rd party. Are they eligible? I'm assuming no, since they are not on our payroll, but wanted to check.**
 - They might still be eligible, depending on the type of employer they work for. Please see the [qualifying employer criteria](#) via the Department of Education website.
- **Don't income driven plans prolong and increase the amount of interest that is due?**
 - This depends on the borrower's repayment plan, PSLF eligibility, and future income potential. For some borrowers, income-driven repayment plans are not the best fit for their situation. We recommend borrowers work with their servicer or a vendor to determine if the income-driven repayment plan is the best fit.