

Public Service Loan Forgiveness: What Every Dental and Dental Hygiene Student, Resident and Fellow Should Know

Quick Facts About Public Service Loan Forgiveness (PSLF)

- Passed into law in 2007 to encourage borrowers to enter and remain in the public non-profit sector for at least 10 years by promising to forgive their remaining federal debt at that time.
- Forgiveness amount under PSLF is not subject to federal tax under current federal tax law (state tax provisions may vary).
- PSLF is not degree specific; any borrower meeting the eligibility requirements can qualify for PSLF, including dental school and dental hygiene graduates.

Recently passed legislation (H.R.1, *One Big Beautiful Bill Act*) protected PSLF and did not change the eligibility requirements. However, the U.S. Department of Education (ED) now has sole discretion as to whether an employer qualifies as an eligible PSLF employer.

How Borrowers Qualify

- Borrowers must do three things at the same time to qualify for PSLF:
 - Make 10 years' worth of qualifying payments with an eligible repayment plan, such as an Income Driven Repayment (IDR) plan like the Income-based Repayment (IBR) plan or the new Repayment Assistance Plan (RAP), which is not available until July 1, 2026.
 - Make those payments on direct loans (e.g., direct unsubsidized, direct PLUS or direct consolidation).
 - Work full time for an eligible public service employer, such as a nonprofit, including academic dentistry institutions.
- Payments do not have to be consecutive, nor do they have to be from the same eligible repayment plan.
- Employment does not have to be consecutive nor with the same employer.
- Borrowers may enroll in PSLF, confirm that their employer is an eligible PSLF employer and get help tracking eligible PSLF payments by submitting the PSLF form available at StudentAid.gov/publicservice. While not required, it is highly recommended that borrowers interested in PSLF submit the PSLF form each year and when they change employers. This greatly increases the chance they will be approved when they apply, as they will already know they have met the requirements.
- Borrowers with eligible non-direct federal loans can consolidate them into the federal direct consolidation loan program to maximize their potential forgiveness amount.
- Many teaching hospitals for advanced dental education currently qualify as eligible PSLF employers, hence payments tied to income made on direct loans during hospital-based residency programs may count as eligible payments toward PSLF, if the hospital qualifies.

Resources

- Association of American Medical Colleges/ADEA Dental Loan Organizer and Calculator (AAMC/ADEA DLOC) at aamc.org/services/first-for-financial-aid-officers/dental-loan-organizer.
 - See DLOC tutorial and fact sheet at aamc.org/services/first-for-financial-aid-officers/dental-loan-organizer.
- StudentAid.gov/publicservice

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