

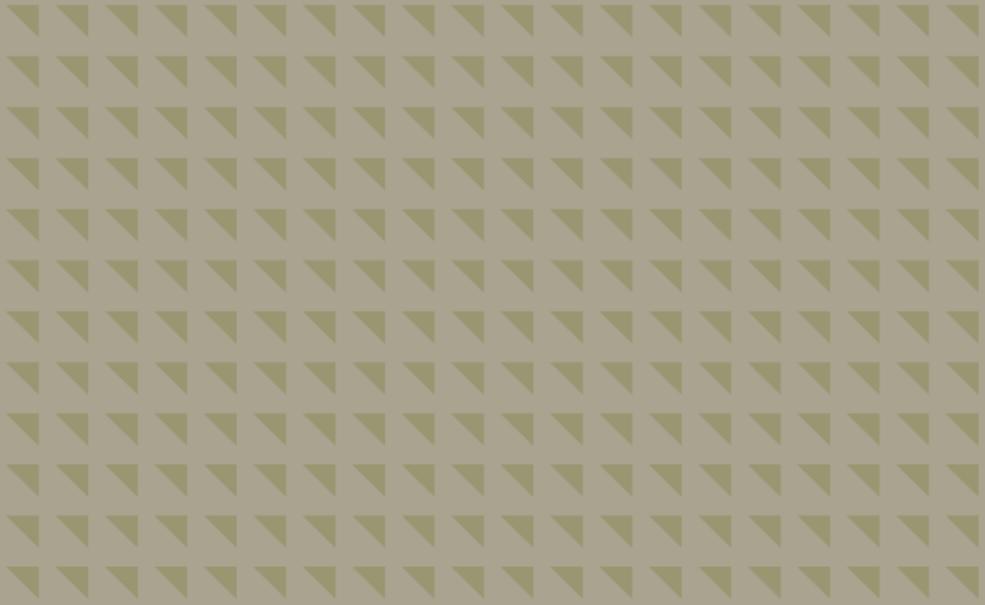


Teacher Loan
Forgiveness Program

I'm a school teacher.



Do I qualify?



Overview

Teaching is a profession that requires a great deal of talent and responsibility, but it also provides educators with many personal rewards. These rewards are what attract many people into the teaching profession. Congress provided another incentive to teach when it established the Teacher Loan Forgiveness Program (TLFP). The TLFP was created to encourage individuals to enter and continue in the teaching profession in certain elementary and secondary schools that serve low-income families.

Under the TLFP, if you borrow loan funds through the Federal Stafford Loan Program (and in certain cases, the Federal Consolidation Loan Program), and you teach for five consecutive, complete years at an eligible school, you may qualify to have up to \$5,000 (\$17,500 for certain highly qualified secondary math and science teachers, and elementary and secondary special education teachers) of your loan balance forgiven.

Specific eligibility requirements and the teacher loan forgiveness (TLF) application process are outlined in this brochure. If you think you may qualify for loan forgiveness under this program, or if you need more information, you can call the TG Customer Assistance team toll-free at (800) 845-6267.

Eligibility requirements

The following are general eligibility requirements for all borrowers seeking teacher loan forgiveness:

- You must not have had an outstanding balance on a Federal Family Education Loan Program (FFELP) or Federal Direct Loan Program (FDLP) loan as of October 1, 1998, or on the date you obtained a FFELP or FDLP loan after October 1, 1998.
- You must have been employed as a full-time teacher for five complete, consecutive academic years at an eligible school. An eligible school is considered “low-income” according to certain criteria for funding under Title I of the Elementary and Secondary Education Act and is listed in the Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits. At least 30 percent of an eligible school’s enrolled students must qualify for services provided under Title I.
 - If the school where you performed your teaching service meets the criteria of an eligible school for any year of your employment, that year and all subsequent years of service at that school continue to qualify you for forgiveness – even if the school is no longer eligible.

- However, if the school where you performed your teaching service meets the eligibility criteria of an eligible school after you have started your service, you will not gain any retroactive qualifying teaching service for previous years of employment at that school.
- You must have performed at least one of your five years of qualifying service after the 1997-1998 academic year.
- The loan for which you are seeking forgiveness must have been made before the end of the fifth year of your qualifying teaching service.
- If you are seeking loan forgiveness for a defaulted loan, you must make satisfactory repayment arrangements to re-establish your Title IV aid eligibility. Call TG at (800) 222-6297 for more details.
- You may not receive both teacher loan forgiveness and an AmeriCorps benefit for the same teaching service.
- You may not receive more than a total of \$5,000 (\$17,500 for certain highly qualified secondary math and science teachers, and elementary and secondary special education teachers) in loan forgiveness for outstanding principal and accrued interest under both the FFELP and the FDLP.

In addition to meeting the general eligibility requirements for teacher loan forgiveness, you must also obtain certification from your school's chief administrative officer (usually your principal, assistant principal, or district superintendent) that you meet the

To qualify for up to \$5,000 in loan forgiveness

If your qualifying teaching service began **before** October 30, 2004, you must meet **one** of the following criteria:

- If you performed your teaching service at an eligible elementary school, you demonstrated knowledge and teaching skills in reading, writing, mathematics, and other areas of the school's curriculum.
- If you performed your teaching service at an eligible secondary school, you taught in a subject area that is relevant to your academic major.
- During your qualifying teaching service as a *public* school teacher* at an eligible elementary or secondary school, you met the definition of "highly qualified" as provided in the No Child Left Behind Act of 2001.

If your qualifying teaching service began **on or after** October 30, 2004, and you performed your teaching service as a *public* school teacher* at an eligible elementary or secondary school, you must have met the definition of "highly qualified" as provided in the No Child Left Behind Act of 2001.

requirements outlined in one of the charts below. Each chart provides the maximum amount of loan forgiveness for which borrowers meeting each set of requirements are eligible.

The application process

In order to request teacher loan forgiveness, you must complete a TLF application. This application is available on TG's Web site, *TG Online*, at www.tgslc.org/borrowers. Both you and your school's chief administrative officer (usually your principal, assistant principal, or district superintendent) must complete the form.

If the loan for which you are seeking forgiveness was guaranteed by TG, once your application is complete, you can submit it directly to TG for review. TG will make a determination of your eligibility within 45 days of receipt of the application.

- If you are approved for loan forgiveness, TG will notify you of this approval and send a payment (for the forgiveness amount for which you qualify) to your lender.
- If you do not qualify for loan forgiveness, TG will send you notification of the denial explaining why you do not qualify.

Order of loan forgiveness

Unless you notify your lender to apply the funds differently, your lender must apply the proceeds of any loan forgiveness for which you qualify in the following order:

- Unsubsidized Federal Stafford loan/ Direct loan balances**

If you have already received \$5,000 in forgiveness, to qualify for up to an additional \$12,500 in loan forgiveness

You must meet **both** of the following criteria for five consecutive, complete academic years of your teaching service:

- 1) If you performed your qualifying teaching service as a *public* school teacher* at an eligible elementary or secondary school, you must have met the definition of "highly qualified" as provided in the No Child Left Behind Act of 2001.
- 2) You must have either:
 - Been employed as a mathematics or science teacher at an eligible secondary school.
 - Been employed as a special education teacher whose primary responsibility was to provide special education to children with disabilities at an eligible elementary or secondary school. In addition, if you are a special education teacher, you must have taught children with disabilities that correspond to your special education training.

- Subsidized Federal Stafford loan/Direct loan balances**
- Federal Consolidation loan balances** – Only the outstanding portion of the Consolidation loan that was used to repay an eligible subsidized or unsubsidized Federal Stafford or Federal Direct loan qualifies for loan forgiveness.

Authorized forbearance during teaching service

In order to help you maximize the forgiveness amount for which you may qualify, you can request that your lender grant you a forbearance (a temporary postponement of payments) in annual increments during each of the years in which you perform your qualifying teaching service. The lender must grant this request if the lender believes you will qualify for forgiveness of your entire anticipated outstanding loan balance at the time you complete your qualifying teaching service.

The Teacher Loan Forgiveness Forms are available on TG Online at www.tgslc.org/borrowers

* If you performed your qualifying teaching service as a *private* school teacher at an eligible nonprofit, private elementary or secondary school, contact TG Customer Assistance at (800) 845-6267 for more information about alternative qualifying eligibility criteria that may apply to you.

** Balance is defined as principal and interest.

To qualify for up to \$17,500 in loan forgiveness

You must meet **both** of the following criteria for five consecutive, complete academic years of your teaching service:

- 1) If you performed your qualifying teaching service as a *public* school teacher* at an eligible elementary or secondary school, you must have met the definition of “highly qualified” as provided in the No Child Left Behind Act of 2001.
- 2) You must have either:
 - Been employed as a mathematics or science teacher at an eligible secondary school.
 - Been employed as a special education teacher whose primary responsibility was to provide special education to children with disabilities at an eligible elementary or secondary school. In addition, if you are a special education teacher, you must have taught children with disabilities that correspond to your special education training.

Frequently asked questions

Why is it that only a borrower who took out his or her first FFELP or Direct loan after October 1, 1998 (or who had no outstanding balance on a prior FFELP or Direct loan at the time the borrower took out a new loan after October 1, 1998), qualifies for forgiveness under this program?

The TLFP is a program that Congress created in response to existing and anticipated teacher shortages. Congress limited the range of borrowers to encourage new people to enter into and continue working in the teaching profession.

What if I borrowed a FFELP or Direct loan on or before October 1, 1998, and still had an outstanding balance on that loan when I borrowed a new loan after October 1, 1998? Can I apply for forgiveness on the loan I borrowed after October 1, 1998?

No, unfortunately, you must have borrowed your first FFELP or Direct loan after October 1, 1998, or you must have paid off any FFELP or Direct loan you borrowed on or before October 1, 1998, before you borrowed a new loan after October 1, 1998 (and meet other applicable eligibility criteria) to qualify for teacher loan forgiveness.

Why is there a different set of requirements for teachers who began their teaching service on or after October 30, 2004?

That is the date that the Taxpayer-Teacher Protection Act (Act) was signed into law. The Act, among other things, provides increased TLF benefits for certain highly qualified secondary math and science teachers, and certain highly qualified elementary and secondary special education teachers.

Can teacher's aides qualify for forgiveness too?

No, only full-time teachers qualify for forgiveness under the TLFP.

For the purposes of the TLFP application, who is my "chief administrative officer?"

The chief administrative officer is usually your school's principal, assistant principal, or district superintendent. The chief administrative officer is not your school's or district's human resources manager.

Can I postpone my loan payments while I'm completing my teaching service?

You can request a forbearance by completing a Teacher Loan Forgiveness Forbearance Form, available for download from *TG Online* at www.tgslc.org/borrowers, and sending it to your lender. Your lender is required to grant this forbearance only if the lender believes that the maximum forgiveness amount you are seeking will pay your loan balance off in full at the end of your teaching service.

If I make payments on my loans and the outstanding balance is less than \$5,000 (\$17,500 for certain highly qualified secondary math or science teachers, or elementary or secondary special education teachers) at the end of my five years of teaching service, can any payments I've made be refunded?

No. The forgiveness only applies to any outstanding balance at the end of the five-year period of qualifying service. That's why if you have a low balance, it is advantageous for you to request a forbearance while you are performing your teaching service, to help you maximize your forgiveness benefit.

Is there a Web site that lists all the schools at which a borrower could teach to be eligible for teacher loan forgiveness?

Yes. A link is available from *TG Online* at www.tgslc.org/borrowers. However, the list of qualifying schools changes each year, and a school may be considered "low-income" one year but not the next.

Where can I obtain an application for teacher loan forgiveness?

You can request an application from TG's Customer Assistance at (800) 845-6267 or you can download one from *TG Online* at www.tgslc.org/borrowers.

About TG

TG is a public, nonprofit corporation that administers the Federal Family Education Loan Program (FFELP), a federal government-sponsored program of low-interest loans to help families and students pay for education beyond high school.

As a FFELP administrator, TG does not issue loans but guarantees loans. Much like securing an insurance policy for a home, guaranteeing a student loan protects the lender from possible loss if a borrower fails to or is unable to repay the loan. Because of the backing student loan guarantees provide, lenders more readily issue loans to borrowers for higher education.

For more information about TG, visit www.tgslc.org.

To learn more about college and career planning, visit *Adventures In Education* at www.AIE.org.

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