



FEDERAL PERKINS LOAN REPAYMENT

Fact Sheet for Teachers, Schools, and Administrators

PUBLIC SCHOOLS OF NORTH CAROLINA State Board of Education | Department of Public Instruction

Cancellation of Teachers' Federal Perkins Loans

If you are a teacher serving in a low-income or subject-matter shortage area, it might be possible for you to cancel or defer your student loans. You qualify for cancellation of up to 100 percent of a Federal Perkins Loan if you have served full time in a public or nonprofit elementary or secondary school system as a:

- teacher in a school serving students from low-income families; *or*
- special-education teacher, including teachers of infants, toddlers, children, or youth with disabilities; *or*
- teachers in a school operated by the Bureau of Indian Affairs (BIA) or operated on Indian reservations by Indian tribal groups under contract with the Bureau of Indian Affairs; *or*
- teacher in the fields of mathematics, science, foreign languages, or bilingual education, or in any other field of expertise determined by a state education agency to have a shortage of qualified teachers in that state.



Teachers are expected to reach unattainable goals with inadequate tools. The miracle is that at times they accomplish this impossible task.
- Haim G. Ginott

Eligibility for Loan Forgiveness—Teaching in Low-Income Schools

A cancellation based on teaching in a school serving students from low-income families may be granted only if you taught in an eligible school as determined by the state education agency. To be considered a “low-income school,” the school must be in a school district that qualified for federal funds in the year for which the cancellation is sought. Also, more than 30 percent of the school’s enrollment must be made up of children from low-income families. A list of the low income school directory is found at www.tcli.ed.gov. A list of the shortage areas for the state agency is found at <http://www.ed.gov/about/offices/list/oep/pol/tsa.html>.

For More Information About:

Teacher Cancellation:

www.studentaid.ed.gov

Federal Perkins Loans and teacher shortage areas eligible for cancellation:

1-800-4FED-AID

North Carolina Department of Public Instruction Teacher Loan Cancellation State Agency Contact:

Federal Program Monitoring and Support
Phone: 919-807-3957

Cancellation Amounts for Years of Service

If a borrower is eligible for teacher cancellation under any of the categories listed above, up to 100 percent of the loan may be canceled for teaching service, in the following increments:

- 15 percent canceled per year for the first and second years of service,
- 20 percent canceled for the third and fourth years, *and*
- 30 percent canceled for the fifth year.

Each amount canceled per year includes the interest that accrued during the year.

How to Apply for Teacher Loan Cancellation

You must request the appropriate forms from the office that administers the Federal Perkins Loan program at the college, or district office. To print a copy of the Teacher Cancellation Application, go to: www.ifap.ed.gov, click on general distribution letters, click on teacher loan forgiveness application and forbearance forms, then scroll to the bottom of the page and click on

the link for the application. It is the school’s responsibility to determine whether you qualify, and the school’s decision cannot be appealed to the U.S. Department of Education. When the application is complete, submit it to your lender or loan agent for processing services. Your lender will report its decision to you regarding the request for teacher cancellation.



FEDERAL STAFFORD LOAN REPAYMENT

Fact Sheet for Teachers, Schools, and Administrators

PUBLIC SCHOOLS OF NORTH CAROLINA State Board of Education | Department of Public Instruction

Cancellation of Teachers' Stafford Loans

If you received a Stafford Loan on or after October 1, 1998, and you teach full time for five consecutive years in a low-income school, you might be eligible to have a portion of the loan cancelled. This applies to Federal Family Education Loan (FFEL) Stafford Loans, Direct Subsidized and Unsubsidized Loans, and in some cases, Consolidation Loans.

*Learning is finding out what we already know.
Doing is demonstrating that you know it. Teaching
is reminding others that they know just as well as
you. You are all learners, doers and teachers.*

Richard Bach

Teacher Loan Forgiveness Program—FFEL and Direct Loan Programs

To qualify for up to \$5,000 loan forgiveness under this program you must not have had an outstanding balance on a FFEL or Direct Loan program loan as of October 1, 1998. To qualify for the increased amount of loan forgiveness up to \$17,500 available for shortage areas and certain mathematics, science, and special education teachers, you must not have had an outstanding balance on a FFEL or Direct Loan program loan as of October 1, 1998, or on the date that you obtained a FFEL or Direct Loan program loan after October 1, 1998. A list of the shortage areas for the state agency is found at <http://www.ed.gov/about/offices/list/oep/pol/tsa.html>

For More Information About:

Teacher Cancellation:

www.studentaid.ed.gov

Federal Perkins Loans and teacher shortage areas eligible for cancellation:

1-800-4FED-AID

North Carolina Department of Public Instruction Teacher Loan Cancellation State Agency Contact:

Federal Program Monitoring and Support
Phone: 919-807-3957

Eligibility for Loan Forgiveness—Teaching in Low Income Schools

To qualify, you must have been employed as a full-time teacher for five consecutive complete academic years in an elementary, middle, secondary school or charter school that has been designated as a "low-income" school by the U.S. Department of Education. A list of the low income school directory can be found at www.tcli.ed.gov

- At least one of the five qualifying years of teaching must have occurred after the 1997–98 academic year.
- The loan must have been made before the end of the fifth year of qualifying teaching.
- The school or charter school must be public or private nonprofit.
- A defaulted loan cannot be cancelled for teacher service unless you have made satisfactory repayment arrangements with the holder of the loan.

How to Apply for Teacher Loan Cancellation

You apply for teacher loan cancellation after you have completed the five-year teaching requirement. To print a copy of the Teacher Loan Forgiveness Application go to www.ifap.ed.gov, click on general distribution letters, click on teacher loan forgiveness application and forbearance forms then scroll to the bottom of the page and click on the link for the application. Once you have completed the application, give it to the Chief Administrative Officer at your school to complete the certification section. That individual must certify that you have taught full-time for five consecutive years at that school, and when your application is complete, submit it to your lender or loan servicing agency for processing. Your lender will report its decision to you regarding the request for teacher cancellation.