



# Title I Updates

FEDERAL TEACHER LOAN FORGIVENESS PROGRAM

July 15, 2015



## *The Winning Ticket for Teacher Loan Forgiveness:*

- Communicate awareness for TLFP throughout the state;
- Have applications and resources readily available for teachers; and
- Check the eligibility website (TCLI) or NCDPI TLFP page for current year eligibility status.





There are two types of *loan forgiveness* programs for teachers:

- [Teacher Loan Forgiveness](#) for Direct Subsidized Loans, Direct Unsubsidized Loans, Subsidized Federal Stafford Loans, and Unsubsidized Federal Stafford Loans
- [Teacher Cancellation](#) for Federal Perkins Loans

# What are the eligibility requirements?



## Loan Forgiveness

- Must have been employed in a low-income school as a full-time teacher for **five** complete and consecutive academic years, and at least one of those years must have been after the 1997–98 **academic year**

## Loan Cancellation

- Must teach full-time for a **full academic year** or its equivalent in a low-income schools
- Services may have been performed in a private school if the private school has established its nonprofit status with the Internal Revenue Service (IRS), and if the school is providing elementary and/or secondary education according to state law



# Who is considered a teacher?

## Loan Forgiveness

- A teacher is a person who provides direct classroom teaching, or classroom-type teaching in a non-classroom setting. Special Education teachers are considered teachers.

## Loan Cancellation

- A teacher is someone who provides students direct classroom teaching, or classroom-type teaching in a non-classroom setting, or educational services directly related to classroom teaching (for example, school librarian or guidance counselor).

# Which schools are considered to be “low-income” schools?



- “Low-income” schools are those schools with a poverty percentage of *at least 30%*.
- Each year, the U.S. Department of Education (USED) publishes a list of low-income elementary and secondary schools.
- The list of schools for North Carolina is generated from the annual Eligible Schools Summary Report (ESSR).



## Loan Forgiveness

- Print and complete the [Teacher Loan Forgiveness Application](#).
- The chief administrative officer of the school at which the qualifying teaching service is performed must complete the certification section.
- Return the completed application to your [loan holder or loan servicer](#).

## Loan Cancellation

- Must request the appropriate forms from the office that administers the Federal Perkins Loan program at the [school that holds your loan](#).
- Must also provide any documentation the school requests to show that you qualify for cancellation of your Perkins Loan.
- 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.



## Loan Forgiveness

The cancellation of all or some portion of your remaining federal student loan balance. If your loan is forgiven, you are no longer responsible for repaying that remaining portion of the loan.



## Academic Year

For purposes of the Teacher Loan Forgiveness Program, an academic year is defined as one complete school year at the same school, or two complete and consecutive half years at different schools, or two complete and consecutive half years from different school years (at either the same school or different schools). Half years exclude summer sessions and generally fall within a 12-month period. For schools that have a year-round program of instruction, nine months is considered an academic year.



## Unsubsidized Loan

A loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan.

\*\*Note: The North Carolina Department of Public Instruction does NOT make determinations as to teacher loan forgiveness funding. All questions about loan reductions need to be made to the teacher's loan holder.

\*\*NCDPI can supply general program and eligibility questions.





- USED

<http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/teacher>

- NCDPI

<http://www.ncpublicschools.org/docs/program-monitoring/2009/fedloan.pdf>

# Teacher Loan Forgiveness Program

## Contact Information



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