

NEWS FROM

KHEAA–Alabama

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Federal government offers student loan forgiveness programs

The federal government may forgive all or part of federal student loans if borrowers meet certain requirements. The forgiveness options, according to KHEAA–Alabama, include:

- **Public Service Loan Forgiveness.** Employees of a U.S. federal, state, local or tribal government or not-for-profit organization may qualify for loan forgiveness after making 120 months of qualifying payments. For complete details, visit studentaid.gov.
- **Temporary Expanded Public Service Loan Forgiveness.** Through Oct. 31, borrowers may receive credit for past periods of repayment that would otherwise not qualify for PSLF. For complete details, visit studentaid.gov.
- **Teacher loan forgiveness.** To qualify, you must teach at least five full years in a low-income school in an eligible district. Depending on your field, you may have up to \$17,500 in student loans forgiven. For complete details, visit studentaid.gov.
- **Nursing loan forgiveness.** You must be at least a registered nurse and agree to work full time for a minimum of two years in a critical shortage facility. If you fulfill your agreement, 60 percent of your loan balance will be forgiven. Another 25 percent will be forgiven if you work a third year. Nurses teaching at an accredited school of nursing may also qualify. For complete details, visit bhw.hrsa.gov.

One thing to remember is that the Internal Revenue Service may count the amount forgiven as income. You should talk with a tax professional to understand the impact it may have on your taxes.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents.

KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit kheaa.com.

In addition, KHEAA disburses private Advantage Education Loans on behalf of its sister agency, KHESLC. For more information, visit advantageeducationloan.com.

For more information about financial aid and college planning, visit alstudentaid.com.