



FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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Money Tip for Students, September 2022

Federal government offers student loan forgiveness programs

FRANKFORT, Ky. (Sept. 2, 2022) — The federal government may forgive all or part of federal student loans if borrowers meet certain requirements. The forgiveness options, according to the Kentucky Higher Education Assistance Authority (KHEAA), 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 the state agency that administers Kentucky's student financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES). Many of KHEAA's student aid programs are funded by Kentucky Lottery revenue. For more information about Kentucky scholarships and grants, visit kheaa.com; write KHEAA at P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926.

The agency also provides free copies of "It's Money, Baby," a guide to financial literacy, to Kentucky schools and residents upon request to publications@kheaa.com.

In addition, KHEAA administers the KY Saves 529 program, which allows families to save for college. For more information about KY Saves 529, visit kysaves.com.

KHEAA also disburses private Advantage Education Loans for its sister agency, KHESLC. For more information about Advantage Education Loans, visit advantageeducationloan.com.