

# Federal Public Service Loan Forgiveness (PSLF) Program + Harvard Kennedy School Loan Repayment Assistance Program (LRAP)

## Federal Public Service Loan Forgiveness (PSLF) Program

*U.S. Congress has proposed discontinuing PSLF. We will update HKS students as more information becomes available.*

The United States Congress created the PSLF Program to encourage domestic borrowers to pursue careers in public service. The PSLF Program forgives student loans, tax free, if borrowers work full time in qualifying public service positions for at least 10 years while repaying loans through income-driven repayment (IDR) plans. Read more about the program here: [studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service](https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service).

### How does the PSLF Program work?

The amount forgiven is a borrower's remaining loan balance after making 120 qualifying payments through an income-based repayment plan. The amount to be repaid is 10-15 percent of a borrower's discretionary income, depending on the payment plan.

### Which loans qualify?

Only direct federal loans qualify for forgiveness. Perkins and other federal loans borrowed from private lenders must be consolidated into a direct loan to qualify for the PSLF.

### Which public service organizations qualify?

- › U.S. federal, state, local, or tribal governments, including the military, public schools, and colleges
- › Tax-exempt 501(c)(3) nonprofit organizations
- › AmeriCorps or Peace Corps

If an organization does not meet the above criteria, it may qualify so long as it meets two conditions:

1. It is not "a business organized for profit, a labor union, a partisan political organization, or an organization engaged in religious activities, unless the qualifying activities are unrelated to religious instruction, worship services, or any form of proselytizing" (CFR 685.219).
2. Its primary purpose is to provide for: early childhood education; emergency management; individuals with disabilities or the elderly; law enforcement; military service; public education; public health; public interest law services; public library services; public safety; or school library or other school-based services.

### Loan repayment for federal employees

Some U.S. federal agencies provide their employees with loan repayment assistance of up to \$10,000 per year or a maximum of \$60,000. Employees must serve in their positions for at least three years to be eligible. Visit [www.opm.gov/oca/pay/studentloan/index.asp](https://www.opm.gov/oca/pay/studentloan/index.asp) for details.



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**HARVARD** Kennedy School

## Harvard Kennedy School Loan Repayment Assistance (LRAP) Program

The mission of Harvard Kennedy School is to improve public policy and public leadership around the world so people can lead safer, freer, and more prosperous lives.

At HKS, we understand our alumni often must balance significant education debt with working in modest-paying public sector jobs. LRAP helps our alumni—domestic and international—working in the public or nonprofit sectors with repaying their traditional educational loans borrowed to attend HKS. Participation in LRAP is limited to five years—recipients cannot receive LRAP support beyond this timeframe.

HKS reserves the right to:

- › Change the terms of the LRAP Program
- › Limit participation, which may include funding only a portion of a participant's need
- › Limit the number of years a participant may take part in the program
- › Limit the maximum annual funding

### Eligible employment

Applicants must be employed full time directly by a nonprofit or government employer, and positions must be at least six months in duration.

For-profit employment is not eligible for LRAP even if the work being performed is for a nonprofit or governmental entity. For example, an individual working for an employment agency but assigned to a long-term position with an eligible employer would not be eligible for LRAP.

Applicants working on political campaigns must serve in a paid position for at least six months to qualify. Unpaid volunteer positions are not eligible.

### Eligible loans

Only educational loans will be considered if they've been certified by the HKS Office of Student Financial Services (SFS) and were borrowed to attend HKS. Assistance is not provided for loans incurred to attend other programs, including joint and concurrent degree programs. Applicants will not qualify for LRAP if they have defaulted or are delinquent on their loan payments.

A borrower's LRAP coverage is based on the lesser of:

- › The required monthly payment for loans borrowed to attend HKS
- › The monthly amount paid if a 10-year repayment plan was selected after initially entering repayment

### Income determination

Income is defined as an applicant's gross annualized income (monthly income x 12) and that of a spouse or registered domestic partner. Income also includes any housing benefits, per diem payments, location adjustments, income-generating assets (i.e., interest payments, stock dividends, trusts, etc.), rental income, gambling winnings, and other types of recurring sources of financial support.

LRAP also considers assets as part of a participant’s income. All assets, excluding primary residences and formal retirement plans, are included. Single participants receive \$10,000 in asset protection while those who are married receive \$15,000. Any asset values above these protections are added to the household income to arrive at an “eligible LRAP income.”

A spouse or registered domestic partner’s required annual loan payments are subtracted from the household income before determining the “eligible LRAP income.”

## LRAP EXAMPLES

### Single participant with \$5,000 in liquid assets and an annual \$10,000 loan payment

Income: \$38,000	Liquid assets (after protection): \$0
Eligible LRAP income: \$38,000	Percentage of coverage: 90%
Annual LRAP award: \$9,000	

### Married participant with \$23,200 in liquid assets and an annual \$10,000 loan payment

Income: \$45,000	Spousal income: \$33,600
Liquid assets (after protection): \$8,200	Spouse’s annual loan payments: \$6,800
Eligible LRAP income: \$80,000	Percentage of coverage: 50%
Annual LRAP award: \$5,000	

## INCOME LEVEL AND PERCENTAGE OF LOAN COVERED

### Single LRAP participants

Gross annualized income and assets (above cap)

\$32,000	100%	\$57,000	50%
\$33,000	100%	\$58,000	50%
\$34,000	100%	\$59,000	50%
\$35,000	100%	\$60,000	50%
\$36,000	90%	\$61,000	40%
\$37,000	90%	\$62,000	40%
\$38,000	90%	\$63,000	40%
\$39,000	90%	\$64,000	40%
\$40,000	90%	\$65,000	40%
\$41,000	80%	\$66,000	35%
\$42,000	80%	\$67,000	35%
\$43,000	80%	\$68,000	35%
\$44,000	80%	\$69,000	35%
\$45,000	80%	\$70,000	35%
\$46,000	70%	\$71,000	30%
\$47,000	70%	\$72,000	30%
\$48,000	70%	\$73,000	30%
\$49,000	70%	\$74,000	30%
\$50,000	70%	\$75,000	30%
\$51,000	60%	\$76,000	25%
\$52,000	60%	\$77,000	25%
\$53,000	60%	\$78,000	25%
\$54,000	60%	\$79,000	25%
\$55,000	60%	\$80,000	25%
\$56,000	50%	\$80,001+	0%

### Married LRAP participants

Gross annualized household income and assets (above cap)

\$51,000	100%	\$79,000	50%
\$52,000	100%	\$80,000	50%
\$53,000	100%	\$81,000	40%
\$54,000	100%	\$82,000	40%
\$55,000	100%	\$83,000	40%
\$56,000	90%	\$84,000	40%
\$57,000	90%	\$85,000	40%
\$58,000	90%	\$86,000	30%
\$59,000	90%	\$87,000	30%
\$60,000	90%	\$88,000	30%
\$61,000	80%	\$89,000	30%
\$62,000	80%	\$90,000	30%
\$63,000	80%	\$91,000	30%
\$64,000	80%	\$92,000	30%
\$65,000	80%	\$93,000	30%
\$66,000	70%	\$94,000	30%
\$67,000	70%	\$95,000	30%
\$68,000	70%	\$96,000	25%
\$69,000	70%	\$97,000	25%
\$70,000	70%	\$98,000	25%
\$71,000	60%	\$99,000	25%
\$72,000	60%	\$100,000	25%
\$73,000	60%	\$101,000	25%
\$74,000	60%	\$102,000	25%
\$75,000	60%	\$103,000	25%
\$76,000	50%	\$104,000	25%
\$77,000	50%	\$105,000	25%
\$78,000	50%	\$105,001+	0%

## LRAP APPLICATION PROCESS

If you are interested in applying to the LRAP Program, you must submit the following documentation dated no earlier than October 1 for the January-June application or June 1 for the July-December application:

- › Completed LRAP application
- › Statement of purpose
- › Employment certification form
- › Most recent federal tax return (including all schedules)
- › Loan statement(s)
- › If applicable, your spouse/partner’s income documentation

### Application deadlines

Applications are due by November 15 for a December 15 funding decision on January-June awards. Re-certifications are due by June 15 for July-December awards. We must receive your application by these dates. Late applications will not be considered.

### Funding decisions

You will be notified by December 15 of funding decisions if you submitted a January-June application—payments are prepared in January. If you submitted a July-December application, payments are issued the end of July.

### Change in eligibility

If you leave your qualifying employment during the time you’ve received assistance, you must notify the HKS Office of Student Financial Services to determine the amount of repayment. Additionally, you must also report any changes to your income or required monthly loan payments so we can reevaluate your eligibility.

“LRAP gave me the financial confidence to take a career risk, leave the law firm world, and jump right into public service.”

—Andrew Grotto, former LRAP participant

## FACTS FOR DOMESTIC AND INTERNATIONAL LRAP PARTICIPANTS

	Domestic	International
Average annual LRAP payment	\$3,678	\$2,928
Approx. percentage of loan payment covered by LRAP	53%	83%
Average combined income/ assets to be LRAP eligible	\$54,885	\$35,858
Average student monthly loan payment	\$497	\$289

### LRAP Participants by Sector

