



Public Schools of North Carolina

Teacher Loan Forgiveness/Cancellation Program

*Dr. Vanessa Nelson-Reed
Federal Programs Administrator
Federal Programs Monitoring and Support Division
NC Department of Public Instruction*

Today's Agenda

- Loan Cancellation
- Loan Forgiveness
- Loan Application
- Questions?
- Contact Information
- Questions and answers



Loan Cancellation-Perkins Loan Eligibility:

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 one or more of the following:

- teacher in a school serving students from low-income families;

or



Loan Cancellation-Perkins Loan

Eligibility:

- 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.



Loan Forgiveness-Stafford Loan Eligibility

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



Loan Forgiveness-Stafford Loan Eligibility

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.



Low-Income Schools

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 <http://www.tcli.ed.gov/> .



Low-Income Schools

Note that while a “low-income school” may be Title I eligible, it may not be Title I served, therefore, it is imperative that the school meets the “low-income school” requirements.

Also note that this information must be reported annually through free/reduced data reported through our Office of Child Nutrition. This is how our office determines schools to be added to the “low-income schools” list.



Loan Application

- Stafford Loan applications are submitted to the lender.
- Perkins Loan applications are submitted to the institution.
- Both the lender and the institution make the final decision as to eligibility.
- Loan application can be found at :
<http://ifap.ed.gov/dpcletters/attachments/GEN0811AttTLFAform.pdf>



Questions?

- Why is my school not on the list?
- Can the fifth year could come from another school in another state?
- My school is Title I, so am I eligible?
- I consolidated my loans, am I eligible?
- Are PLUS loans eligible for forgiveness?
- My school was eligible last year, but is not this year. Am I eligible to apply anyway?



Contact Information

Dr. Vanessa Nelson-Reed
Federal Programs Administrator,
Federal Programs and Monitoring
Division,

Vanessa.NelsonReed@dpi.nc.gov

919-807-4049



