

Sarae: [00:00](#) Hello, you're listening to the Clear Money program's online radio show. I am your host, Sarae Kurth, community relations coordinator at Denver Community Credit Union. Denver Community is a not-for-profit financial cooperative serving the people of Denver, Arapahoe, and Adams counties. On this show, I'd like to welcome Mr. Carlos Colón, on a personal finance coach at mpowered. Mpowered ia a non-profit resource for individuals and families in Colorado who want to learn about money management and participate in coaching to achieve their personal definition of financial success. We'll be discussing what types of federal student loan forgiveness programs are available for those in the public service sphere. Hi Carlos. Thank you for joining me.

Carlos: [00:00](#) It's a pleasure, Sarae.

Sarae: [00:44](#) Could you please tell us a little about yourself in what you do at mpowered?

Carlos: [00:50](#) Sure. At mpowered, I'm a financial coach. I'm bilingual, so I'm able to serve both a Spanish speaking and English speaking communities.

Sarae: [00:57](#) Great. So what is the Public Service Loan Forgiveness Program, or PSLF, and how does it work?

Carlos: [01:08](#) Well, for borrowers, it mainly represents a way to get loans forgiven and free of taxes. So it's—the amount that is forgiven is tax free. But mainly I think it's intended to encourage people to enter and continue full time public service jobs. And basically it requires a 120 qualifying payments or 10 years on the loans and being employed full time for a public service provider.

Sarae: [01:38](#) And so what are the specifics of the 120 qualifying payments then?

Carlos: [01:45](#) Well, they have to be on time, full, and scheduled. So extra payments don't count, right? And they have to be full payments. The loans that qualify are direct loans, so it's payments towards direct loans, and they have to be after October 1, 2007

Sarae: [01:45](#) Ok. So the loan had to have been administered after 2007.

Carlos: [02:14](#) Not necessarily. Well, they have to be direct loans. In that case, yes. It would have to be either an original direct loan or consolidated direct loan. So yes.

Sarae: [02:21](#) Ok, and what kinds of employment qualifies as Public Service for the purpose of this program?

Carlos: [02:27](#) Sure. So any level of government, whether it's municipal, state or federal, and also 501c3 nonprofits, in general, qualify. Other non-profits may also qualify, and I would recommend checking those on a case by case basis.

Sarae: [02:43](#) OK. And how many hours a week are considered full time for the Public Service Loan forgiveness program?

Carlos: [02:50](#) I think the technical number is close to 30 hours a week. But basically you need to be employed full time or have a two part time jobs that qualified as a public service.

Sarae: [03:04](#) Ok, and because it takes 10 years for someone to make the 120 qualifying payments necessary to qualify for the program, how would you recommend people keep track of their eligibility?

Carlos: [03:20](#) It doesn't necessarily take 10 years. So for example, a person might take longer if they have intervening years where they were, they don't work in public service or they don't work at all, so it doesn't have to be consecutive 120 payments. But assuming that you make a 120 consecutive payments, then it's 10 years. I hope that makes sense. In any case, you don't have to track your employment. You can do it at the time of application 10 years after. But I imagine that a lot of listeners can imagine that it might be hard to verify employment of, you know, 10 years ago. Who knows if that particular entity still exists? Who knows that there's people there that know you, that can verify your employment, or if the organization kept good paperwork and so forth. So in that sense, I recommend keeping track every year at least every time you change employment.

Sarae: [04:14](#) Thank you so much for your time and expertise. Carlos, could you please share your contact information so that listeners can reach you if they have any questions?

Carlos: [04:21](#) Absolutely. So our phone number at mpowered is 303-233-2773, and my email is [carlos@mpoweredColorado.org](mailto:carlos@mpoweredColorado.org).

Sarae: [04:49](#) Great. Thank you again. Listeners, please visit [StudentAid.ed.gov/publicservice](http://StudentAid.ed.gov/publicservice) for more details about the Public Service Student Loan Forgiveness Program we discussed. Follow Denver Community on Twitter or Facebook for personal

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