

Teacher Loan Forgiveness and Cancellation Programs

Frequently Asked Questions

There are several types of loan forgiveness and cancellation programs available for teachers to help repay their student loan debt.

Teacher Loan Forgiveness

The [Teacher Loan Forgiveness](#) for Direct Subsidized Loans, Direct Unsubsidized Loans, Subsidized Federal Stafford Loans, and Unsubsidized Federal Stafford Loans is intended to encourage individuals to enter and continue in the teaching profession. Under this program, if you teach full-time for five complete and consecutive academic years in certain elementary and secondary schools and educational service agencies that serve low-income families, and meet other qualifications, you may be eligible for forgiveness of up to a combined total of \$17,500 on your Direct Subsidized and Unsubsidized Loans and your Subsidized and Unsubsidized Federal Stafford Loans. You may apply for teacher loan forgiveness after you have completed the five-year teaching requirement.

Who is considered a teacher?

A teacher is a person who provides direct classroom teaching, or classroom-type teaching in a nonclassroom setting. This includes Special Education, English as a Second Language, Bilingual Education, and Early Childhood Education teachers.

What are the eligibility requirements?

You must have been employed as a full-time teacher for five complete and consecutive academic years, and at least one of those years must have been after the 1997–98 academic year.

You must have been employed in an elementary or secondary school that:

- is in a school district that qualifies for funds under Title I of the Elementary and Secondary Education Act of 1965, as amended;
- has been selected by the U.S. Department of Education based on a determination that more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under Title I; and
- is listed in the [Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#). If this directory is not available before May 1 of any year, the previous year's directory may be used.

Teacher Cancellation

If you have a loan from the Federal Perkins Loan Program you might be eligible for [loan cancellation](#) for full-time teaching at a low-income school, or for teaching in certain subject areas.

What are the eligibility requirements?

You qualify for cancellation (discharge) 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 a:

- teacher in a school serving students from low-income families; or
- special education teacher, including teachers of infants, toddlers, children, or youth with disabilities; 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.
- If you teach full-time in science, mathematics, foreign language, or bilingual education, you qualify for cancellation even if the state has not designated one of these subject areas as a shortage area. The nationwide Teacher Shortage Areas (TSA) report shows the nation's teacher shortage areas by State and is available on the [U.S. Department of Education's Web site](#).
- Eligibility for teacher cancellation is based on the duties presented in an official position description, not on the position title. To receive a cancellation, you must be directly employed by the school system. There is no provision for canceling Federal Perkins Loans for teaching in postsecondary schools.

Who is considered a teacher?

A teacher is someone who provides students direct classroom teaching, or classroom-type teaching in a nonclassroom setting, or educational services directly related to classroom teaching (for example, school librarian or guidance counselor).

How long must I teach?

You must teach full-time for a full academic year or its equivalent.

What amount can be canceled?

If you are eligible for cancellation under any of the categories listed above, up to 100 percent of the loan may be canceled for teaching service, in the following increments:

- 15 percent canceled per year for the first and second years of service
- 20 percent canceled for the third and fourth years
- 30 percent canceled for the fifth year

Public Service Loan Forgiveness (PSLF) Program

This program forgives the remaining balance on your Federal Direct Loans after 120 qualifying payments (10 years).

This program has the broadest employment qualification requirements of the federal programs listed—it doesn't require that you teach at a low-income a public school, or even be a teacher. Most full-time public and private elementary and secondary school teachers will meet the employment requirements.

View complete program details at the [StudentAid.gov website](https://studentaid.gov).

Minnesota Teacher Shortage Student Loan Repayment Program

Designated teacher shortage areas are identified by the Minnesota Department of Education (MDE) on an annual basis.

Applicants are eligible to apply if they are:

Providing classroom instruction in a designated statewide license field teacher shortage area anywhere in the state; OR

Providing classroom instruction in any license field in a designated Economic Development Region teacher shortage area; OR

Providing classroom instruction in a designated license field teacher shortage in the Economic Development Region in which they teach.

Also, applicants must be currently licensed (e.g. not using a Special Permission) in the license field(s) in which they are providing classroom instruction.

Who is considered a teacher?

The statute that governs this program defines an eligible teacher as an individual holding a teaching license issued by the licensing division in the Department of Education on behalf of the Board of Teaching who is employed by a school district to provide classroom instruction in a teacher shortage area.

More information is available on the [Minnesota Teacher Shortage website](https://mn.gov/education).

Who can I contact for more information?

In most cases, you will need to contact your loan vendor for further information. In some cases, MDE can help with low income school designations and other general information. [Contact Student Support at MDE](#). Additionally, links throughout this document to various federal assistance sites are helpful.