

# Kansas Legal Services

A non-profit law firm and community education organization helping low and moderate income people in Kansas



[www.kansaslegalservices.org](http://www.kansaslegalservices.org)

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## Student Loan Forgiveness Programs

In certain cases, the federal government will cancel all or part of a school loan. This practice is called Loan Forgiveness. Here are some programs out there and how to learn more about them.

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### **A. Perform volunteer work**

These volunteer groups offer loan forgiveness:

- AmeriCorps. Serve for 12 months and get up to \$7,400 in stipends plus \$4,725 to be used towards your loan.
  - Peace Corps. Volunteers may apply for deferment of Stafford, Perkins and Consolidation loans and partial repeal of Perkins Loans (15% for each year of service, up to 70% in total). Volunteers help real people with two years of service in more than 70 developing countries.
  - Volunteers in Service to America (VISTA). Volunteer with private, non-profit groups that help wipe out hunger, homelessness, poverty and illiteracy. Provide 1700 hours of service and receive \$4,725.
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### **B. Perform military service**

- Students who are in the Army National Guard may be eligible for their Student Loan Repayment Program, which offers up to \$10,000.
    - Note: The military and veterans' groups offer many scholarships and tuition help programs. See the section on Military Aid at [Finaid.org](http://Finaid.org) or the Education Section at [Military.com](http://Military.com) for details.
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### **C. Teach in certain types of communities**

- Students who become full-time teachers in an elementary or secondary school that serves students from low-income families can have a part of their Stafford or PLUS loans forgiven under The National Defense Education Act. This program forgives up to \$17,500 of the

loan balance.

- The American Federation of Teachers has a list of other [loan forgiveness programs for teachers](#).
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## D. Legal or medical studies

- Legal Studies:
    - Many law schools forgive the loans of students who serve in public interest or non-profit positions.
      - For more info, contact [Equal Justice Works](#).
      - The American Bar Association (ABA) also has lists of [Loan Repayment Assistance Programs \(LRAP\)](#) and [State Loan Repayment Assistance Programs](#).
  - Medical Studies:
    - The US Department of Health and Human Services offers loan forgiveness through the [National Health Service Corps](#) and the [Nurse Corps Loan Repayment Program](#).
      - These programs offer loan forgiveness to doctors and registered nurses. They must agree to practice for a set number of years in areas that lack decent medical care (including rural and/or economically poor regions).
    - The US National Institutes of Health's [NIH Loan Repayment Programs](#) repays up to \$35,000/year of student loan debt for US citizens who work in clinical medical research.
    - The US Department of Agriculture's [Veterinary Medicine Loan Repayment Program \(VMLRP\)](#) offers loan forgiveness of \$25,000 per year for three years.
      - It is offered for veterinarians who commit to work for three years in an area that has a shortage of veterinarians.
    - Many hospitals and private healthcare clinics use loan forgiveness to recruit occupational and physical therapists.
      - [Contact the American Physical Therapy Association](#) or the [American Occupational Therapy Association](#).
    - Other loan repayment programs for medical school students include:
      - [HRSA Faculty Loan Repayment Program](#)
      - [Indian Health Service \(IHS\) Loan Repayment Program](#)
      - [US Air Force, Army, and Navy Financial Assistance Programs](#)
      - [The American Association of Medical Colleges \(AAMC\) maintains a database of state and other loan repayment programs for medical school students](#).
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## E. Meet other traits required by Federal government loan forgiveness programs

- See the US Department of Education's pages on [Cancellation/Deferment Options for Teachers](#).
- Also, the US Department of Education has a database of [low-income schools eligible for teacher loan cancellation](#) for Perkins and Stafford loans.
- Visit the HRSA web site for info on [Nurse Corps Loan Repayment Program](#)

- The Federal Student Loan Repayment Program allows federal agencies to set up loan forgiveness programs to help recruit and keep employees.
    - This is a loan repayment program and not a loan forgiveness program. The agencies make payments directly to the loan holder and the payments are considered taxable income to the employee.
    - The agencies can repay up to \$10,000 in Federal student loans per employee per calendar year, with a collective max of \$60,000 per employee.
  - See also FinAid's Public Service Loan Forgiveness section.
  - Some, but not all, loan forgiveness is excluded from income.
    - See Taxability of Student Loan Forgiveness for more details.
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*This data was adapted for the Kansas Legal Services public from [findaid.org](http://findaid.org). For more info on loans, visit **[FinAid.org](http://findaid.org)**.*

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