

Kansas Legal Services

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



www.kansaslegalservices.org

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.

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 or the Education Section at 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. For more info on loans, visit [**FinAid.org**](http://findaid.org).*

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<http://www.kansaslegalservices.org/node/156/student-loan-forgiveness-programs>

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