

• 2026 EDITION

DPT

PA

MD RESIDENTS

EDUCATORS

HIGH-BALANCE BORROWERS

Student loan survival, decoded.

A practical, plain-English breakdown of federal loans, the new RAP plan, PSLF, and the strategy that follows.

CH 01

Loan Landscape

CH 02

Repayment
2026

CH 03

PSLF

CH 04

RAP Plan







CH 05

Strategy &
Wealth

WHAT'S INSIDE

Six chapters. One strategy.

Click any chapter to jump there. Each builds on the last; reading in order is recommended for new graduates.

-
- | | | | |
|-----------|--|-------|---|
| 01 | The Loan Landscape
Loan types, definitions, rates, 2026 borrowing caps. | P. 03 |  |
| 02 | Repayment in 2026
IBR, Standard, RAP — plus the IBR-vs-RAP decision. | P. 07 |  |
| 03 | PSLF Deep Dive
Eligibility, employer guide, Parent PLUS transition. | P. 10 |  |
| 04 | The RAP Plan
Payment math, interest rules, forgiveness, PSLF timing. | P. 15 |  |
| 05 | Strategy & Wealth
Scenarios, tax-bomb planning, mental load, annual checklist. | P. 22 |  |
| 06 | New Grad FAQ
First 90 days, MFS, programs, recertification, recovery. | P. 28 |  |
-

**EDUCATIONAL DISCLAIMER**

For informational purposes only — not financial, legal, tax, or investment advice. Verify current rules at studentaid.gov and consult a qualified specialist before making repayment decisions. Not affiliated with the U.S. Department of Education or any federal loan servicer.

CHAPTER 01 THE MODERN LOAN LANDSCAPE

Before strategy, understand the system.

Federal student loans are not all created equal. The type of loan you have dramatically affects your repayment options, forgiveness eligibility, and long-term cost.

93%

PT grads carrying debt
APTA, 2020

\$116K

Avg PT education debt
PT-SPECIFIC LOANS

\$142K

Avg total grad debt
ALL EDUCATION LOANS

70%

Mid-to-high anxiety
DEBT-RELATED, SELF-REPORTED

Source: APTA *Impact of Student Debt on the Physical Therapy Profession, 2020* — survey of 3,073 PTs, classes 2016–2018. ~43% reported debt had a high impact on program choice; 22% are not in their preferred practice setting because of it.

FEDERAL LOAN TYPES

† Grad PLUS is eliminated for new borrowers as of July 1, 2026. Existing borrowers in active programs may continue borrowing for up to 3 years or program completion, whichever is sooner. See the next page for new borrowing caps.

LOAN	WHO	KEY FEATURE	RAP
Direct Subsidized	Undergrads (need-based)	Govt pays interest in school	YES
Direct Unsubsidized	Undergrad & grad students	Interest accrues from day one	YES
Graduate PLUS †	Grad / professional	Up to cost of attendance — ELIMINATED for new borrowers Jul 1, 2026	YES
Parent PLUS	Parents of undergrads	Limited IDR options — see Ch. 03 transition rules	NO
Consolidation	Existing federal borrowers	Combines loans · may reset count	IF DIRECT

GLOSSARY

Key terms every borrower must know.

Principal

The original loan amount, before any interest.

Capitalized Interest

Unpaid interest added to principal — how balances grow above what you borrowed.

Loan Servicer

The company managing your account (MOHELA, Aidvantage). Handles IDR, PSLF, payment history.

Grace Period

~6 months post-graduation before payments begin. Interest still accrues on unsubsidized loans.

Delinquency vs. Default

Delinquency = a missed payment. Default = 270+ days behind. Default kills credit and forgiveness.

Amortization

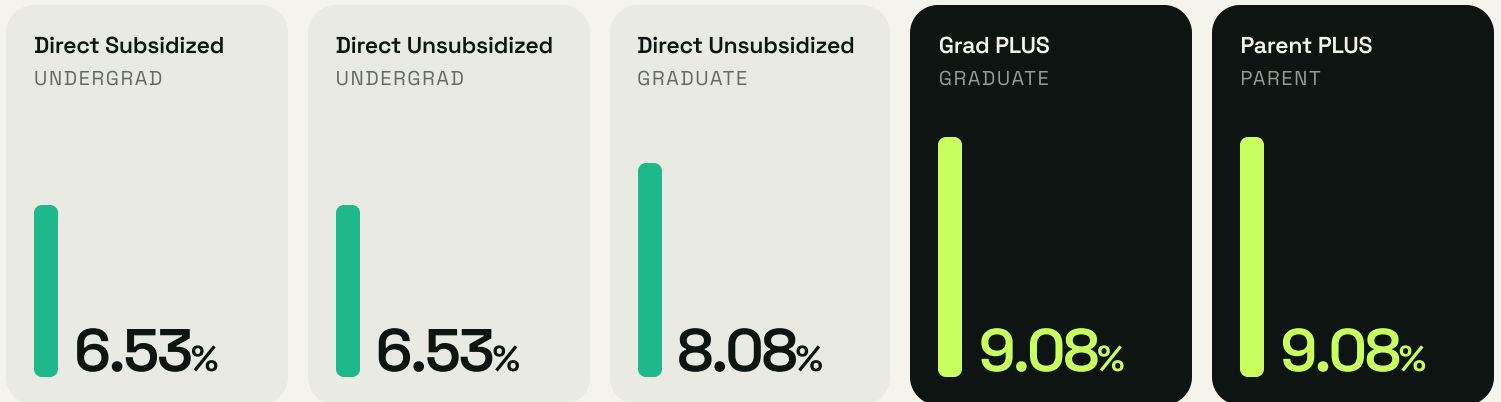
How a payment splits between principal and interest. Early on, most goes to interest.

Discretionary Income

Income above a percentage of the federal poverty guideline. IDR plans key off this.

2024-25 INTEREST RATES

Set annually by Congress, fixed for the life of loans disbursed that year, based on the 10-year Treasury plus an add-on. **Not variable.**



● **Note:** Graduate borrowers face the highest rates. A \$100K Grad PLUS balance accrues ~\$9,080 in interest per year alone — a key reason interest subsidies in IDR plans matter so much.

NEW · JULY 1, 2026

THE BORROWING LANDSCAPE CHANGES

Grad PLUS is going away. Borrowing caps replace it.

The federal government is eliminating Grad PLUS for new borrowers and capping annual and lifetime borrowing across all federal student loans. Many DPT and professional programs cost more than the new caps allow.

NEW FEDERAL BORROWING CAPS · EFFECTIVE JULY 1, 2026

BORROWER	ANNUAL	LIFETIME	NOTES
Graduate programs	\$20,500 / yr	\$100,000 lifetime	Most master's programs, including DPT
Professional programs	\$50,000 / yr	\$200,000 lifetime	Medicine, law, dentistry
Parent PLUS	\$20,000 / yr	\$65,000 per child	New borrowers only
Aggregate lifetime cap	—	\$257,500	Across ALL federal student loans

WHAT THIS MEANS FOR DPT & PROFESSIONAL STUDENTS

The funding gap is real

Many DPT programs already exceed \$200K total cost of attendance. Without Grad PLUS, you may need **private loans** to fill the gap — which carry no PSLF eligibility, no IDR plans, variable rates, and no death/disability discharge in most cases.

Grandfather window

Students already enrolled and actively borrowing Grad PLUS before July 1, 2026 may continue for **up to 3 years or program completion** — whichever comes first. Confirm with your financial aid office.

COMPARE THE MATH BEFORE BORROWING PRIVATE

Don't default to private loans the moment federal caps run out.



Run a hard ROI check on your program: expected starting salary vs. total private debt at private rates. If the private loan total + federal total puts your debt-to-income above 2:1, reconsider the program or the school. Private loans are last-resort, not gap-filler.

CHAPTER 02

REPAYMENT PLANS IN 2026

The plans changed. **RAP** is the new center.

SAVE was struck down in 2024. Congress passed the Repayment Assistance Plan in the *One Big Beautiful Bill* on July 4, 2025. RAP launches July 1, 2026 as the new primary income-driven option.

CRITICAL · READ FIRST



A new federal loan after July 1, 2026 = ALL your loans locked into RAP — old and new.

Even a small new loan triggers it. You lose existing IDR plan benefits across your entire portfolio.

PRE-JUNE 2026 LOANS

4 plans available

Standard	10 yrs · equal payments
Extended	10–30 yrs · 1–1.5× salary
Graduated	10 yrs · payments rise
IBR	20–25 yrs · IDR · taxable forgiveness

POST-JUNE 2026 LOANS

RAP + Hybrid Standard

Standard (New) — Hybrid term

<\$25K → 10y · \$25–50K → 15y · \$50–100K → 20y · >\$100K → 25y

RAP · for all borrowers

- 1-10% AGI sliding scale
- No negative amortization
- \$50/mo principal subsidy · min \$10/mo
- Parent PLUS not eligible

WHAT HAPPENED TO SAVE

SAVE was introduced in 2023 as the most generous IDR plan ever offered. Federal courts blocked it in 2024. PAYE and ICR phase out by July 2028 — but **IBR remains available** indefinitely. Borrowers in SAVE forbearance: payments are paused, but PSLF and IDR forgiveness counts **do not accrue**.

SAVE · 90-DAY TRANSITION WINDOW



Starting July 1, 2026, you have 90 days to pick IBR or RAP — or you're auto-moved into RAP.

Servicers send formal notices. No action by the deadline = automatic transition to RAP. Don't wait — processing

ACTION ITEMS

If you're in SAVE forbearance — do these now.

- 01 Contact your servicer to switch to IBR — preserves your existing forgiveness timeline
- 02 Verify your PSLF payment count is accurate via the MOHELA portal
- 03 Do not assume forbearance months count toward your 120 PSLF payments
- 04 Do NOT take out new federal loans after July 1, 2026 unless you intend to use RAP
- 05 Monitor studentaid.gov regularly for SAVE litigation and transition updates

FULL REPAYMENT PLAN COMPARISON

PLAN	PAYMENT BASIS	TERM	FORGIVENESS	STATUS
Standard 10-Year	Fixed equal payments	10 yrs	None (fully repaid)	ACTIVE
Graduated	Starts low, rises every 2 yrs	10–30 yrs	None	ACTIVE
Extended	Fixed or graduated	Up to 30 yrs	None	ACTIVE
IBR (pre-2014)	15% disc. income	25 yrs	Taxable forgiveness	ACTIVE • STAYS
IBR (post-2014)	10% disc. income	20 yrs	Taxable forgiveness	ACTIVE • STAYS
ICR / PAYE	20% disc. income or fixed	25 yrs	Taxable forgiveness	PHASING OUT • JUL 2028
SAVE	5–10% disc. income	20–25 yrs	Most generous — blocked	BLOCKED
RAP (Jul 2026)	1– 10% AGI • sliding	30 yrs • 360 pmts	Taxable; interest waived; PSLF compatible	ACTIVE • JUL 2026

Important: The July 2028 phase-out applies to ICR and PAYE — not IBR. IBR remains available to existing borrowers indefinitely and is often the lower-total-cost option (see Ch. 02 • IBR vs RAP). New loans disbursed after Jul 2027 also lose hardship / unemployment deferments; forbearance caps at 9 months per 2-year window.

RULES STILL IN FLUX • MONITOR QUARTERLY

RAP implementation guidance is still evolving through 2026–2027.



Servicer processing timelines vary widely. SAVE litigation outcomes may still affect some borrowers. PSLF employer interpretation continues to evolve. Check studentaid.gov at least quarterly and don't act on stale information.

DECISION FRAMEWORK

Choosing between IBR and RAP.

Most borrowers will pay less total under IBR than RAP. IBR forgives at 20–25 years; RAP forgives at 30. A lower RAP monthly payment can mean a higher lifetime cost. Run both scenarios before enrolling.

IBR

20–25 yrs

- 10–15% discretionary income
- Forgiveness at 20 yrs (undergrad) / 25 yrs (grad)
- Often lower total cost than RAP for forgiveness-track borrowers
- Available for existing borrowers; does not phase out

RAP

30 yrs

- 1–10% AGI sliding scale (not discretionary)
- Forgiveness at 30 yrs · 360 payments
- Interest subsidy + \$50/mo principal guarantee
- Only IDR plan available for new loans after Jul 1, 2026

QUICK-LOOK · WHICH PLAN FITS WHICH BORROWER

YOUR SITUATION	LIKELY PATH	WHY
Existing borrower, low income, no PSLF	IBR likely cheaper total	20-yr undergrad / 25-yr grad forgiveness
PSLF track (10-yr forgiveness)	Either works	RAP or IBR — depends on loan history & payment amounts
High debt-to-income, no PSLF	Compare total cost carefully	RAP's 30-yr timeline = 60 more payments vs IBR
High income, private sector	Refinance analysis after 5–7 yrs	Forgiveness may not be reached on either plan
Moderate debt, fast-growing salary	Aggressive payoff may outperform	Skip forgiveness entirely; pay it down

Source: Mark Kantrowitz analysis cited in CNBC reporting. Run both scenarios at studentloanplanner.com or with a student-loan-specialized CPA before enrolling.

The most powerful tool — for those who qualify.

For physical therapists, physicians, educators, and government workers, PSLF can mean six figures of tax-free forgiveness. But the margin for error is narrow.

THE 4 CORE REQUIREMENTS

01 Qualifying employer

Must work full-time for a government agency (federal, state, local, tribal) or a 501(c)(3) nonprofit. For-profit employers do not qualify — even when they provide public services.

02 Qualifying loans

Only Direct federal loans qualify. FFEL and Perkins loans must be consolidated into a Direct Consolidation Loan first — and consolidation resets your payment count.

03 Qualifying repayment plan

Must be on IBR, ICR, RAP, or Standard 10-Year. Graduated, Extended, and non-IDR plans do NOT count. Note: Standard 10-Year rarely makes sense for PSLF.

04 120 qualifying payments

Must make 120 separate monthly payments. Payments do not need to be consecutive. Lump-sum payments do not count as multiple months.

HEALTHCARE EMPLOYER ELIGIBILITY

EMPLOYER TYPE	PSLF ELIGIBLE	NOTES
Nonprofit hospital system (501c3)	YES	Most academic medical centers qualify
VA Health System	YES	Federal government employer
Public university / college	YES	Public and most nonprofits qualify
Nonprofit FQHC / community clinic	YES	Verify 501(c)(3) status directly
For-profit private practice	NO	Does not qualify regardless of service
For-profit hospital (HCA, etc.)	NO	Legal entity matters, not care type
Staffing agency / contract	UNCLEAR	Employer of record — not work location

New rule · effective Jul 1, 2026: The Department of Education can revoke PSLF eligibility for employers determined to have a "substantial illegal purpose." Fewer than 10 employers/year are expected to be affected, but verify employer eligibility **annually** — not just at hire.

COMMON PSLF MISTAKES

1 Wrong repayment plan

Standard 10-Year technically qualifies but pays off the loan before 120 payments on moderate balances. Use IBR or RAP to maximize forgiveness.

2 Skipping annual certification

Submit the Employment Certification Form (ECF) annually — don't wait until 120 payments. Early submission catches servicer errors before they compound.

3 Consolidating at the wrong time

Consolidating after qualifying payments accumulate resets your count to zero. Consolidate EARLY if you have FFEL or Perkins loans.

4 Assuming employer eligibility

Use the official PSLF Help Tool at studentaid.gov/PSLF. Don't assume — verify the specific legal entity.

CASE STUDIES · PSLF IN ACTION

Two real-world borrower paths.

CASE A Physical Therapist · Nonprofit Hospital

DEBT	SALARY	PLAN	FORGIVENESS
\$165K	\$72K	RAP	~\$140K+

Employer: academic medical center (501c3). Est. 120 qualifying payments in ~10 years; forgiveness tax-free under current law. **Key action:** Consolidated FFEL loans early, certified employment annually.

CASE B College Professor · Community College

DEBT	SALARY	PLAN	FORGIVENESS
\$95K	\$58K	IBR	~\$75K

Employer: public community college. Est. 120 payments in ~10 years; ~\$75,000 forgiven tax-free. **Key action:** Enrolled in IDR immediately after graduation, never missed certification.

USE THE OFFICIAL PSLF HELP TOOL



Visit studentaid.gov/PSLF to verify employer eligibility and track qualifying payments. Don't rely on your servicer alone — always cross-reference with the official FSA portal.

DTI · PSLF DECISION TOOL

Should you pursue PSLF?

Start with your DTI.

Divide your total student loan balance by your gross annual salary. This single ratio tells you almost everything you need to know about whether PSLF is worth pursuing.

TOTAL LOAN BALANCE
\$195K

/

ANNUAL SALARY
\$72K

=

DTI
2.7

**PSLF STRONGLY
RECOMMENDED**

DTI QUICK-LOOK SCALE

0 - 1x

SKIP PSLF

Standard repayment or aggressive payoff likely beats a 10-year PSLF track. Forgiven amount won't justify the plan constraints.

1 - 2x

BORDERLINE

Run the full numbers. PSLF may or may not outperform. Employer type, income trajectory, and plan choice all matter here.

2x+

PURSUE PSLF

Strong case for PSLF, especially at a nonprofit or government employer. The math tilts heavily toward forgiveness.

TWO EXAMPLES

BORDERLINE

SALARY
\$80K

LOANS
\$125K

DTI
1.56x

Moderate debt load relative to income. If working at a nonprofit, run the full PSLF scenario. If private-sector, aggressive payoff may come out ahead.

• **Run both scenarios before deciding.**

PSLF RECOMMENDED

SALARY
\$72K

LOANS
\$195K

DTI
2.71x

High debt relative to income · a classic PSLF candidate. On RAP, monthly payments stay manageable. A qualifying employer means \$100K+ could be forgiven tax-free after 10 years.

• **Strongly pursue PSLF if employer qualifies.**



DTI IS A STARTING POINT · NOT A FINAL ANSWER

A DTI over 2 is a strong signal · but employer type, income growth, tax filing status, and how long you stay in public service all affect the outcome. Use this ratio to prioritize the decision, then run a full scenario comparison at studentloanplanner.com or with a certified student-loan specialist before enrolling.

Note: DTI = Total Student Loan Balance ÷ Annual Gross Salary. Does not factor in interest rates, repayment plan, or income growth. Always verify at studentaid.gov.

THE PARENT PLUS TRANSITION

Existing vs new — they're not the same.

Parent PLUS is excluded from RAP — but the rules treat existing borrowers and new borrowers very differently. If you or a parent already has Parent PLUS, there's a narrow window to preserve forgiveness eligibility.

EXISTING · BEFORE JUL 1, 2026

Limited IBR pathway preserved

If consolidated into a Direct Consolidation Loan and enrolled in IBR **before July 1, 2028**, existing Parent PLUS borrowers may retain access to:

- IBR repayment plan eligibility
- PSLF, if employer qualifies and payments are made on a qualifying plan
- 20–25 year IDR forgiveness (taxable)

NEW · AFTER JUL 1, 2026

Excluded from IDR & PSLF

New Parent PLUS loans disbursed after July 1, 2026 have:

- No RAP eligibility
- No PSLF pathway
- \$20,000/yr · \$65,000 lifetime cap per child
- Standard repayment only — fully amortized

ACTION ITEM · EXISTING PARENT PLUS BORROWERS



If you or a parent is pursuing PSLF, consolidate and apply for IBR before July 1, 2028.

The window to preserve IBR eligibility on Parent PLUS loans is narrow. Apply for Direct Consolidation, then enroll in IBR before the deadline. Coordinate with the borrower's loan servicer and verify timing in writing.

DECISION SHORTCUT

Pursuing PSLF

Consolidate existing Parent PLUS → enroll in IBR → submit ECF annually. Time the consolidation early so the payment count doesn't reset close to forgiveness.

Not pursuing PSLF

Compare the IDR forgiveness math vs. straight-up payoff. With taxable forgiveness in year 20–25, aggressive payoff is often cheaper if income is stable.

The new floor for income-driven repayment.

The Repayment Assistance Plan, created by the *One Big Beautiful Bill* signed July 4, 2025, launches July 1, 2026. It will be the only IDR plan available for any new Direct Loans on or after that date.

RAP CORE FEATURES · ACCURATE AS OF JULY 2026

01 Sliding-scale payment

1–10% of total AGI (not discretionary). Starts at 1% near \$10–20K, scales up by ~1% per \$10K bracket, caps at 10% above \$100K.

02 Dependent deduction

\$50/month subtracted per dependent claimed on your tax return.

03 Minimum payment

\$10/month floor — applies even at very low income. No \$0 payments.

04 Interest subsidy

Unpaid monthly interest is fully waived. Your balance cannot grow.

05 Principal guarantee

If your payment doesn't reduce principal by \$50, the government makes up the difference.

06 Forgiveness

After 30 years (360 qualifying payments) — longer than SAVE/IBR.

07 PSLF compatible

RAP qualifies for PSLF — 120 payments at qualifying employer = tax-free forgiveness.

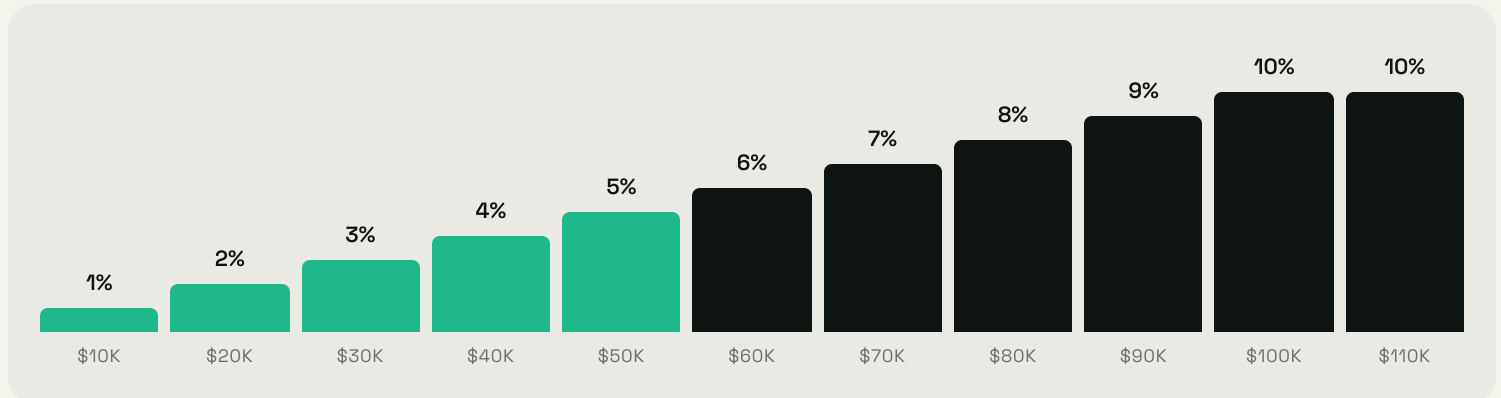
08 Excluded loans

NOT available for Parent PLUS Loans or Consolidation Loans that include Parent PLUS debt.

HOW RAP CALCULATES YOUR PAYMENT

Based on total AGI — not discretionary income.

Unlike IBR and SAVE, which protected a portion of income via poverty-guideline thresholds, RAP keys off your **entire adjusted gross income** on a sliding scale. The percentage starts at 1% just above \$10,000 and increases ~1 point per \$10,000 bracket, reaching 10% over \$100,000. Each dependent reduces your monthly payment by \$50. Hard floor: \$10/mo.



AGI bracket on the x-axis · % of AGI charged on the y-axis. Each \$50/dependent deduction is applied after.

SAMPLE BORROWER PROFILES

PROFILE	AGI	DEPENDENTS	EST. RAP PAYMENT
New DPT Graduate	\$52,000	0	~\$183/mo
Mid-Career PT	\$82,000	0	~\$467/mo
Married PT (MFS, own AGI)	\$52,000	0	~\$183/mo
PA Graduate	\$95,000	0	~\$750/mo
MD Attending	\$220,000	0	~\$1,833/mo
PT, 2 dependents	\$70,000	2	~\$250/mo

RAP PAYMENT TABLE · MONTHLY \$ BY AGI × DEPENDENTS

Each dependent reduces the payment by \$50. The percentage of AGI charged follows a sliding scale — lower earners pay a smaller slice, not a flat 10%. The \$10/month minimum applies across all income levels.

AGI	0 DEP	1 DEP	2 DEP	3 DEP	4 DEP
\$10K	\$10	\$10	\$10	\$10	\$10
\$20K	\$17	\$10	\$10	\$10	\$10
\$30K	\$50	\$10	\$10	\$10	\$10
\$40K	\$100	\$50	\$10	\$10	\$10
\$50K	\$167	\$117	\$67	\$17	\$10
\$60K	\$250	\$200	\$150	\$100	\$50
\$70K	\$350	\$300	\$250	\$200	\$150
\$80K	\$467	\$417	\$367	\$317	\$267
\$90K	\$600	\$550	\$500	\$450	\$400
\$100K	\$750	\$700	\$650	\$600	\$550
\$120K	\$1,000	\$950	\$900	\$850	\$800
\$140K	\$1,167	\$1,117	\$1,067	\$1,017	\$967
\$160K	\$1,333	\$1,283	\$1,233	\$1,183	\$1,133
\$180K	\$1,500	\$1,450	\$1,400	\$1,350	\$1,300
\$200K	\$1,667	\$1,617	\$1,567	\$1,517	\$1,467

Highlighted: typical new DPT/PT salary range (\$50K–\$100K). Source: Mass.gov RAP Payment Chart. Verify current numbers at studentaid.gov.

INTEREST SUBSIDY & PRINCIPAL GUARANTEE

Two protections, one promise: your balance never grows.

RAP has two linked protections that together prevent your balance from growing and guarantee forward progress every month — as long as you make your full, on-time payment.

01 · INTEREST SUBSIDY**Unpaid interest is waived.**

If your RAP payment is less than the monthly interest accrued, the remaining unpaid interest is fully waived — **not capitalized**. Balance cannot grow.

02 · PRINCIPAL GUARANTEE**Principal drops \$50/mo, minimum.**

If your payment doesn't reduce principal by \$50, the government applies a subsidy to ensure principal drops by at least \$50/month.

OVERPAYMENT · DEPENDS ON YOUR PATH



Extra RAP payments eliminate the interest subsidy and \$50 principal match — but that's only a problem if you're pursuing forgiveness.

For forgiveness-track or subsidy-optimizing borrowers: DO NOT make extra payments. Invest the difference instead. For high-income private-sector borrowers NOT pursuing forgiveness, aggressive payoff may outperform the 30-year RAP timeline. Decide your path first.

MISSED OR PARTIAL PAYMENT



You lose the subsidy, the \$50 match, AND the month doesn't count.

A missed or partial payment costs you the interest subsidy, the principal match, and credit toward your 360-payment forgiveness threshold or PSLF. Standard delinquency and default rules still apply on top.

FORGIVENESS TIMELINE & TAX TREATMENT

PATH	TIMELINE	TAX	NOTES
RAP — all borrowers	30 yrs · 360 pmts	TAXABLE	Plan for tax bill at year 30
IBR — undergrad	20 yrs	TAXABLE	Still available for existing borrowers
IBR — graduate	25 yrs	TAXABLE	Still available for existing borrowers
PSLF — eligible employer	10 yrs · 120 pmts	TAX-FREE	RAP qualifies for PSLF

HIGH DEBT-TO-INCOME WARNING



On RAP, 60 more payments than IBR can mean MORE total out of pocket.

Borrowers reaching the forgiveness threshold under all IDR plans (e.g., \$180K debt on \$72K salary) may pay more under RAP’s 30-year timeline than IBR’s 20/25. For DPT/PT borrowers pursuing forgiveness, PSLF (10 yrs, tax-free) is often the better path.

RAP · 30-YEAR FORGIVENESS

For private-sector borrowers

- For-profit / private practice employers
- Moderate debt-to-income ratio
- High earners who may pay off before year 30
- Plan for taxable forgiveness event

RAP + PSLF · 10 YEARS

Often the best path for grads

- Nonprofit hospital / VA / govt workers
- Public/nonprofit university faculty
- High debt + moderate income (DPT, PA, social work)
- Forgiveness is TAX-FREE under current law

No consolidation needed to enroll in RAP if you have Direct Subsidized, Unsubsidized, Grad PLUS, or eligible Consolidation Loans. Unnecessary consolidation can reset PSLF counts.

UNRESOLVED · RAP CREDIT PORTABILITY



It’s not yet clear whether RAP months credit toward IDR forgiveness if you later switch plans.

The DoE has not issued guidance on this. Borrowers considering mid-course plan changes should monitor studentaid.gov for updates and consult a specialist before switching. Don’t enroll in RAP assuming you can move the months later.

CHAPTER 04½ SHOULD YOU START PSLF PAYMENTS EARLY?

Start your 10-year PSLF clock as soon as possible.

If you're heading to a PSLF-qualifying employer, the 6-month grace period costs you 6 months of credit. Skip it.

THE DECISION · TWO YES/NO GATES

START HERE · Q1

Will you work full-time for a PSLF-qualifying employer?

501(c)(3) nonprofit, government, public school, certain public-service organizations.

NO ↓

YES →

Q2

Do you want PSLF credit as early as possible?

Every month before forgiveness counts. Earlier start = earlier finish line.

NO ↓

YES →

BEST PRACTICE FOR PSLF

Start payments early.

- 01 Consolidate your federal loans into a Direct Consolidation Loan (if you haven't already).
- 02 Choose a PSLF-eligible repayment plan — IBR, RAP, or other qualifying plan.
- 03 Submit the PSLF Employment Certification Form via the PSLF Help Tool at studentaid.gov.
- 04 Make your first payment. PSLF qualifying payments can begin right away.

Q1 · NO

You can wait for your 6-month grace period. Payments (and PSLF credit) begin after it ends.

Q2 · NO

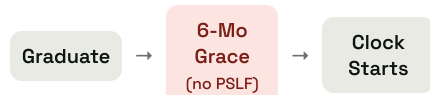
You can wait for your 6-month grace period. PSLF qualifying payments won't start until after.



Remember: the 6-month grace period does NOT count toward PSLF. The 10-year clock only starts when you're in repayment on a PSLF-eligible plan and working full-time for a qualifying employer.

THE IMPACT OF STARTING EARLY

WAIT FOR GRACE PERIOD



Lose up to 6 months of potential PSLF credit — 6 fewer payments toward forgiveness.

START PAYMENTS EARLY



Gain up to 6 months of PSLF credit — those months move you closer to forgiveness.

WHY IT MATTERS

120 payments

Every month counts.

Starting early can put thousands back in your pocket through earlier forgiveness.



Starting mid-year with low income — is RAP prorated or annualized?

CHAPTER 05

STRATEGY, WEALTH & THE BIG PICTURE

A math problem, **not a moral one.**

The borrowers who come out ahead aren't always those who paid every dollar as fast as possible — they're the ones who were strategic. This chapter ties everything together.

TAX STRATEGY · MARRIED FILING SEPARATELY

For married borrowers on RAP or IBR, your tax filing status directly affects your monthly payment. Filing MFS excludes your spouse's income from the calculation — which can cut your payment significantly.

FILING JOINTLY (MFJ)

~\$1,208/mo

RAP based on combined \$145K AGI.

FILING SEPARATELY (MFS)

~\$567/mo

RAP based on your \$68K AGI alone.

Monthly savings: \$641 · Annual: \$7,692

Combined income: \$145K · Yours \$68K · Spouse \$77K

New under the final RAP rule: married borrowers' payments are now **prorated by loan balance** rather than calculated against combined income — addressing prior IDR penalties for two-earner households. The math may be more favorable than a simple MFJ vs MFS comparison suggests. Always run with a CPA.

AGI REDUCTION TACTICS

Pre-tax retirement

401(K), 403(B), 457(B)

\$22.5K contribution reduces RAP payment ~\$1,875/yr while building retirement.

HSA

HIGH-DEDUCTIBLE HEALTH PLANS

Max \$4,150 individual / \$8,300 family. Reduces AGI; grows tax-free.

FSA

WHEN HSA IS UNAVAILABLE

Pre-tax for medical or dependent care. Lowers the income RAP uses.

REAL-WORLD BORROWER SCENARIOS

Two grads, two paths.

SCENARIO 01 New DPT · Nonprofit Hospital

DEBT

\$180K

SALARY

\$72K

EMPLOYER

501(c)(3) hospital

Strategy: Enroll in RAP, certify PSLF employment annually. **10-yr outcome:** ~\$140K+ forgiven tax-free. **Key moves:** Do NOT borrow new loans after July 2026 (locks all loans into RAP). Use MFS if married — could meaningfully lower the monthly payment.

SCENARIO 02 Married PT Couple · Both Private Practice

DEBT

\$280K combined

SALARY

\$195K combined

EMPLOYER

No PSLF eligibility

Strategy: RAP for both borrowers; consider MFS if payment savings > tax cost. Do NOT make extra payments on RAP — eliminates the interest subsidy. 30-yr forgiveness is possible but comes with a taxable event. A better path may be aggressive payoff after 5–7 years as income grows.

REAL-WORLD BORROWER SCENARIOS · CONTINUED

SCENARIO 03 Community College Professor

DEBT	SALARY	EMPLOYER
\$95K	\$58K	Public community college

Strategy: RAP → 10-year PSLF pathway (employer qualifies). Low RAP payments due to moderate salary maximize PSLF forgiveness. **Estimated forgiveness:** \$65–75K tax-free after 120 payments.

SCENARIO 04 Private-Practice PT · Refinance Question

DEBT	SALARY	EMPLOYER
\$130K	\$98K	For-profit private practice (no PSLF)

Option A: RAP for 30 years → forgiveness with taxable event in year 30. **Option B:** Refinance to a private 7-yr loan at a lower rate → aggressive payoff. **Heuristic:** if (30-yr RAP forgiveness) < (private interest saved), refinancing may be the better move. Run with a CPA.

COMMON MISTAKES · PART 1

1 New federal loans after Jul 1, 2026

Any new federal loan after that date locks all your loans — old and new — into RAP. A new graduate course loan could eliminate IBR eligibility for your entire balance.

2 Making extra RAP payments

Extra payments are applied to interest first, eliminating both the subsidy and the \$50 principal match. On RAP, extra payments work against forgiveness.

3 Missing IDR recertification

Your servicer may move you to Standard repayment — raising your payment dramatically and pausing PSLF counting.

COMMON MISTAKES · PART 2

4 Refinancing while pursuing PSLF

Refinancing to private loans permanently removes you from federal programs. There is no going back.

5 Skipping retirement investing

Paying extra toward loans instead of capturing employer match is almost always a mistake — the match is a 100% return.

6 Panic payoff decisions

Seeing a large balance is emotionally difficult, but emotional decisions rarely optimize outcomes. Use the numbers.

LONG-TERM WEALTH PRIORITY FRAMEWORK

Student debt doesn't exist in a vacuum. Here is the priority order that balances debt management with wealth building for most graduate borrowers:

STEP 1	Build a 3-month emergency fund	\$10,000–\$15,000 minimum. Cash is optional.
STEP 2	Capture full employer retirement match	100% return on the match — no equivalent investment exists.
STEP 3	Enroll in optimal repayment plan	Certify employment annually if pursuing PSLF.
STEP 4	Max HSA and/or Roth IRA	\$7,000/yr Roth IRA limit (2024). HSA reduces AGI and grows tax-free.
STEP 5	Max 403(b)/401(k) contributions	Reduces AGI and your RAP payment while building wealth.
STEP 6	Extra loan paydown — only after steps 1–5	Pre-tax investing usually beats extra principal payments early on.

THE BOTTOM LINE

Strategic borrowers who optimize plans, tax filing, and investing often build more long-term wealth than those who sacrifice everything to aggressively pay off loans.

Know your numbers. Know your employer. Know your plan. Then execute consistently.

LONG-TERM FORGIVENESS · TAX BOMB PLANNING

Forgiveness is taxable. Plan for it like a mortgage.

Under current law, RAP and IBR forgiveness are taxable in the year forgiven. For high-balance borrowers on long forgiveness tracks, the eventual tax bill can be \$30–60K+. PSLF forgiveness remains tax-free.

YEAR-30 ILLUSTRATION · \$180K STARTING BALANCE ON RAP

YEAR	EST. REMAINING BALANCE	EST. TAX-BOMB COST
Year 10	~\$25K	Year 20

Illustrative only. Estimates assume interest subsidy active throughout and marginal federal+state tax rates of 22–32% at year of forgiveness.

BUILD YOUR TAX-BOMB FUND

01 · Dedicated brokerage

Open a taxable brokerage account separate from retirement. Contribute monthly. Project the year-30 balance and back-solve a monthly contribution that covers the expected tax bill.

02 · Forecast annually

Re-estimate the projected forgiven balance each year as income grows. Adjust your contribution. Treat this like a sinking fund for a future expense — not optional.

03 · Marginal-rate planning

Your tax rate at forgiveness depends on income that year. High earners may consider deferring income to spread the tax hit, or work with a CPA on bracket management.

04 · Insolvency exception

If your liabilities exceed your assets at the moment of forgiveness, the IRS insolvency exception may reduce or eliminate the tax. Document this proactively with a CPA.

KEEP YOUR OWN RECORDS

SERVICER ERRORS ARE COMMON · PROTECT YOURSELF

- Download a PDF of every IDR / RAP application at submission
- Screenshot payment count tracker every quarter
- Keep annual tax returns and recertification docs together
- Save PSLF Employment Certification Form confirmations
- Save all servicer messages, letters, and emails
- Maintain a personal spreadsheet of qualifying payment months

STUDENT LOANS & THE MENTAL LOAD

Consistency beats perfection. The strategy is designed to outlast the emotion.

Avoid panic-driven decisions

The math rarely justifies emergency action. If you find yourself wanting to refinance, take new loans, or change plans because of stress — wait a week and run the numbers first.

Check accounts annually, not daily

Daily monitoring increases anxiety without changing outcomes. Two scheduled check-ins per year (anniversary date + tax season) is enough.

Career income is the biggest lever

A \$10K salary increase has more impact on your loan trajectory than most repayment optimizations. Invest in skills, certifications, leverage.

Emotional weight is real

A six-figure balance feels heavy. That feeling does not mean the plan is wrong. One missed step does not derail a 10-year PSLF track.

ANNUAL STUDENT LOAN CHECKLIST

Run this list once a year — same week each year. Most steps take under 15 minutes.

- | | |
|--|---|
| <input type="checkbox"/> Verify PSLF qualifying payment count in MOHELA | <input type="checkbox"/> Submit IDR recertification 60–90 days before anniversary |
| <input type="checkbox"/> Save tax forms (W-2, 1099, 1040) in your records folder | <input type="checkbox"/> Review AGI reduction strategies (401k, HSA, FSA) |
| <input type="checkbox"/> Project recertification payment changes if income shifted | <input type="checkbox"/> Review refinancing rates if on private loans |
| <input type="checkbox"/> Confirm employer retirement match is fully captured | <input type="checkbox"/> Rebuild/maintain 3-month emergency fund |
| <input type="checkbox"/> Update dependent and family-size info if changed | <input type="checkbox"/> Screenshot and save payment count tracker |
| <input type="checkbox"/> Review tax filing status (MFJ vs MFS) if married | <input type="checkbox"/> Re-read this guide / verify rules at studentaid.gov |

The questions every new DPT/PT graduate is actually asking.

Practical, real-world questions that don't always make it into repayment-plan guides — but come up constantly in the first year after graduation.

Q1 · WHAT DO I ACTUALLY DO IN THE FIRST 30-90 DAYS?

The grace period feels like breathing room, but it's actually your most important strategic window. Your repayment plan, employer verification, and consolidation decisions made now affect your finances for a decade.

DAYS 1-14

Find and log into your accounts

- Log in at studentaid.gov with your FSA ID. Confirm all loan types, balances, and servicer(s).
- Log into your servicer portal (likely MOHELA at mohela.studentaid.gov).
- Verify your loans are Direct Loans — not FFEL or Perkins.

DAYS 14-30

Make your plan decision

- Decide your path: RAP + PSLF, RAP standalone, or IBR if you have pre-existing loans.
- For PSLF: verify employer 501(c)(3) status using the PSLF Help Tool — before your start date.
- FFEL or Perkins? Apply for Direct Consolidation now at studentaid.gov/consolidation.

DAYS 30-60

Enroll and certify

- Submit IDR/RAP enrollment at studentaid.gov/idr. Consent to IRS data sharing.
- Submit your first PSLF Employment Certification Form as soon as you start.
- Calendar reminder 90 days before your IDR anniversary date.

DAYS 60-90

Financial foundation

- Enroll in your employer's retirement plan; confirm full match capture.
 - Open an HSA if your health plan is HSA-eligible — reduces AGI and RAP payment.
 - Consult a student-loan specialist if your situation is complex.
-

KEY FEDERAL LINKS · FIRST 30 DAYS

Loan dashboard & servicer info	↗ studentaid.gov
Enroll in IDR/RAP	↗ studentaid.gov/idr
PSLF Help Tool & employer search	↗ studentaid.gov/pslf
Direct Consolidation Loan application	↗ studentaid.gov/consolidation
MOHELA (PSLF servicer portal)	↗ mohela.studentaid.gov

Q2 · HOW DO I VERIFY MY EMPLOYER IS ACTUALLY 501(C)(3)?

One of the most consequential — and most commonly skipped — verification steps. An employer calling itself "nonprofit" is not the same as being a qualifying 501(c)(3) entity. Verify the legal entity, not the brand name.

STEP 01

Use the official PSLF Employer Search

Search studentaid.gov/pslf/employer-search by legal name (e.g. "Johns Hopkins Hospital", not "Hopkins"). Shows whether the employer has been certified previously.

STEP 02

Verify directly with the IRS

Search apps.irs.gov/app/eos by exact legal name. Confirm "501(c)(3)" and good standing. Three years of missed Form 990 filings = automatic loss of tax-exempt status.

STEP 03

Cross-check ProPublica Nonprofit Explorer

projects.propublica.org/nonprofits shows annual Form 990s, executive comp, revenue, and the EIN — the most reliable identifier for the legal entity.

STEP 04

Submit your ECF early

At studentaid.gov/pslf right after you start. MOHELA reviews and confirms eligibility. Don't wait until you've accumulated payments.

WATCH OUT · STAFFING AGENCIES & SUBSIDIARIES

**The legal employer on your W-2 is what counts — not the work location.**

If you're hired through a staffing agency or by a for-profit subsidiary of a nonprofit hospital system, verify which entity is paying you. Ask HR for the EIN on your W-2 and run it through the IRS search tool.

Q3 · MIXED FEDERAL + PRIVATE LOANS

Many DPT graduates exit with a mix — perhaps \$140K federal Direct + \$30K private. As new federal borrowing caps force more students into private lending, the risk profile is shifting. Treat them as two distinct problems with very different rules.

PRIVATE LOANS · THE RISK PROFILE IS REAL

As Grad PLUS caps push DPT students toward private loans, know what you're giving up.



- No PSLF or IDR eligibility — ever
- Variable interest rates possible — unlike federal fixed rates
- Limited forbearance vs. broad federal protections
- Debt may pass to cosigner or estate at death (lender-dependent)
- Treat as last resort, not a default gap-filler
- Compare private loan total cost vs. expected ROI of the program before borrowing

FEATURE	FEDERAL LOANS	PRIVATE LOANS
IDR / RAP enrollment	Yes — RAP, IBR available	No — fixed or variable terms only
PSLF eligibility	Yes — if Direct Loans	No — never eligible
Interest rate	Fixed, set by Congress	Fixed or variable, set by lender
Deferment / forbearance	Broad federal protections	Lender-specific, often limited
Death / disability discharge	Yes — full discharge	Varies by lender — often passes to cosigner/estate
Refinanced into federal?	No	No — refinancing is one-way

THE STRATEGY

Federal · optimize repayment first

Enroll in RAP or IBR; pursue PSLF if your employer qualifies. NEVER refinance federal to private — you permanently lose all federal protections and forgiveness eligibility.

Private · focus on rate and cash flow

If your private loans are above 7–8%, look into refinancing with another private lender. Compare at [credible.com](https://www.credible.com) or your own bank.

Pay private aggressively if rates are high

If you have cash flow after your federal IDR payment, direct extra payments to private loans first — especially variable-rate or no-subsidy loans.

Never consolidate private into federal

Not possible. The flow only goes one direction: federal → private. You cannot bring private loans into the federal system.

Q4 · SHOULD I FILE TAXES SEPARATELY IF MY PARTNER HAS NO LOANS?

Not necessarily — it depends on the numbers. MFS excludes your spouse's income from your RAP/IBR calculation, which can dramatically lower your monthly payment. But MFS also costs you tax benefits.

VARIABLE	FILING JOINTLY (MFJ)	FILING SEPARATELY (MFS)
Your AGI (DPT salary)	\$72,000	\$72,000
Spouse AGI included?	Yes — \$78,000 added	No — excluded
Combined AGI for RAP	\$150,000	\$72,000
Est. RAP monthly payment	~\$1,250	~\$383
Annual loan payments	~\$15,000	~\$4,596
Annual savings (MFS)	—	~\$10,404 saved

MFS HAS REAL TAX COSTS — YOU MUST ACCOUNT FOR THESE

The savings can outweigh the costs, but only sometimes.



- Lose the student-loan interest deduction (up to \$2,500/yr) when filing MFS
- May lose Roth IRA contribution eligibility at certain income levels
- Standard deduction may be half the MFJ amount
- Child tax credits and dependent care credits reduced or eliminated
- Spouse may owe more in taxes with income alone in a higher bracket

Rule of thumb: MFS is worth it when your annual loan savings exceed the total tax cost. Run the numbers with a CPA who understands student loans before filing — the IRS does not allow you to change filing status after the deadline.

Q5 · PT-SPECIFIC FORGIVENESS PROGRAMS BEYOND PSLF

None are as powerful or widely applicable as PSLF — but here are the programs most relevant to physical therapists, in order of likely impact.

NHSC Loan Repayment Program

UP TO \$50K · 2-YR COMMITMENT

- **PT eligibility:** PTs have been included in eligible disciplines — fluctuates by fiscal year.
- **Tax treatment:** NHSC awards exempt from federal income and employment taxes.
- **Combinable with PSLF:** Yes — NHSC participation does not disqualify you.
- **After 2 years:** Apply for continuation contracts to pay remaining debt.
- **Link:** nhsc.hrsa.gov/loan-repayment/nhsc-loan-repayment-program

NHSC State Loan Repayment Program

HRSA cost-shares grants to states, which run their own programs for clinicians in underserved areas.

- **PT eligibility:** Varies significantly by state.
- **Award:** \$10K–\$50K+ depending on state funding.

Institute of Student Loan Advisors (ISLA)

FREE · STATE DATABASE

ISLA maintains a free, searchable database of state-level loan forgiveness programs by occupation, income, and geography. Search your state before assuming PSLF or NHSC are your only options. Visit freestudentloanadvice.org.

Employer Student Loan Repayment Assistance (SLRA)

UP TO \$5,250/YR · TAX-FREE

Under SECURE 2.0, employers can contribute up to \$5,250/yr tax-free toward an employee's loans. Ask HR specifically: "Do you offer student loan repayment assistance?"

\$5,250/yr × 10 years = \$52,500. Does NOT affect PSLF qualifying payment count.

State PT / Healthcare Workforce Programs

Many states have shortage incentive programs that include PTs in rural or underserved areas. FL, TX, and several Northeastern states have had active programs recently. Search "[your state] health workforce loan repayment physical therapy".

IMPORTANT CAVEAT ON NHSC



PT eligibility for the NHSC LRP is not guaranteed every year.

Congress and HRSA update eligible disciplines annually based on workforce shortage data. Always check the current Application & Program Guidance at nhsc.hrsa.gov before planning around NHSC funding.

Q6 · WHAT DOES ANNUAL RECERTIFICATION LOOK LIKE?

Annual recertification updates your income and family size with your servicer every 12 months to keep your IDR or RAP payment accurate. Missing it is one of the most common and costly mistakes — your payment can jump to the full Standard amount.

IBR BORROWERS · MISSING RECERTIFICATION CAN CAPITALIZE INTEREST



On IBR, missed recertification may cause unpaid accrued interest to capitalize onto your principal — permanently raising your balance.

Future interest then accrues on the higher principal, compounding the cost. On RAP, payment reverts to Standard until you recertify (no capitalization). Act within 30 days of any missed deadline and call your servicer to request a short-term forbearance while paperwork processes.

WHEN TO RECERTIFY



Submit 30–90 days before your IDR Anniversary Date — not on it.

Find your exact date: [studentaid.gov](#) → My Aid → View Details → Loan Breakdown → IDR Anniversary Date. Set a recurring annual calendar reminder the day you enroll. Never rely solely on servicer emails.

THREE WAYS TO RECERTIFY

A · Automatic

RECOMMENDED

Consent to IRS data sharing when you first enroll. The Department of Education pulls your tax return and recertifies automatically.

B · Manual online

MOST COMMON

Log into [studentaid.gov/idr](#). Update income (use IRS Data Retrieval Tool), family size, marital status, employment. Submit; receive email confirmation.

C · Paper form

SLOWEST

Download the IDR Recertification Form, mail or fax to your servicer (MOHELA for PSLF). Allow 4–6 weeks; only use if the online portal is unavailable.

WHAT YOU’LL NEED · FOR MANUAL RECERTIFICATION

DOCUMENT	WHEN REQUIRED	NOTES
Most recent federal tax return	Standard — all borrowers	Up to 1 year old. IRS Data Retrieval Tool is faster.
Pay stubs (2 most recent)	If income changed since last return	Must be dated within 90 days of submission.
Employer letter	If no tax return / pay stubs	Must include salary and pay frequency.
Signed statement (no income)	If no taxable income	Explain your situation in writing.
Updated family size docs	If family size changed	Affects payment calculation — always

IF YOU MISS YOUR RECERTIFICATION DEADLINE

DON'T PANIC — BUT ACT IMMEDIATELY

- 01 Submit income documentation as soon as possible at studentaid.gov/idr.
- 02 Call your servicer and request short-term forbearance (up to 60 days) if your payment has jumped and you can't afford it during processing.
- 03 Under IBR: unpaid interest may capitalize if you miss your deadline — another reason to recertify early.
Under RAP: your payment reverts to Standard until recertified.

↗ studentaid.gov/idr

↗ mohela.studentaid.gov

CLOSING THOUGHT

**Know your numbers. Know your employer.
Then execute consistently.**

Student debt rewards strategy more than effort. The single most important thing you can do this year is enroll in the right plan, certify employment, and put your annual recertification on a calendar — then let compound interest, employer match, and tax-advantaged accounts do their work.

Q7 · MULTIPLE LOAN SERVICERS

Each servicer is its own system.

If your loans are spread across more than one servicer — common for borrowers with consolidation history — treat each as an independent operation. Servicers don't talk to each other on your behalf.

WHAT TO EXPECT WITH MULTIPLE SERVICERS

Separate payment tracking

Each servicer tracks payments and forgiveness counts independently. Counts may not match across portals.

Independent recertification

You may have different IDR anniversary dates with each servicer. Submit income documentation to each, separately.

Different processing speeds

One servicer may process a recertification in 5 days; another in 45. Plan for the slowest.

Separate communication channels

Each sends its own letters, emails, and portal messages. Set up filters/folders for each.

Q8 · WHERE DID THE STUDENTAID.GOV PAYMENT TRACKER GO?

The studentaid.gov payment tracker was removed in 2025. PSLF borrowers can still see their qualifying count in MOHELA — but for the broader payment summary, use this workaround:

THE WORKAROUND · FOR NON-PSLF TRACKING

1. Log into **studentaid.gov** via Chrome (not Safari).
2. In a new tab, navigate to studentaid.gov/app/api/nslds/payment-counter/summary
3. Right-click the JSON output and select **Pretty Print**.
4. Save as PDF for your records.

PSLF borrowers should also continue to check the official PSLF qualifying payment count in their MOHELA portal monthly.

IF YOU'VE FALLEN BEHIND

Default is recoverable. **But the clock matters.**

Default (270+ days delinquent) damages credit, can trigger wage garnishment, and pauses forgiveness eligibility. Two recovery paths exist — and one preserves more of your future options than the other.

THE TWO RECOVERY PATHS

OPTION A · RECOMMENDED

Loan Rehabilitation

- 9 on-time monthly payments within 10 months
- Payments based on income — can be very low
- Default record removed from credit report
- Restores access to IDR plans and PSLF eligibility
- Can only rehabilitate once per loan — use it well

OPTION B

Consolidation out of default

- Faster than rehabilitation — weeks vs months
- Default **record stays** on credit report
- Restores IDR / RAP eligibility
- Resets PSLF qualifying payment count to zero
- Best when speed matters more than credit recovery

WHAT'S AT RISK WHILE IN DEFAULT

CONSEQUENCE	WHAT IT MEANS
Credit damage	Default is reported to all three bureaus. Score drop typically 60–110 points.
Wage garnishment	Up to 15% of disposable pay can be administratively garnished — no court order required.
Tax refund offset	Federal tax refunds (and some state refunds) can be seized to pay defaulted loans.

IF YOU'RE MORE THAN 60 DAYS BEHIND · ACT NOW



Call your servicer this week. Discuss rehabilitation or a temporary forbearance.

Late-stage delinquency snowballs fast. Calling early often unlocks options that disappear after default — short-term forbearance, retroactive IDR enrollment, and income-based payment recalculation.

APPENDIX A · FEDERAL POVERTY GUIDELINES (2025, APPROX.)

Used by IBR and other IDR plans. RAP uses AGI directly but these figures remain relevant for eligibility thresholds.

HOUSEHOLD SIZE	100% FPG	150% FPG	225% FPG
1	\$15,060	\$22,590	\$33,885
2	\$20,440	\$30,660	\$45,990
3	\$25,820	\$38,730	\$58,095
4	\$31,200	\$46,800	\$70,200
5	\$36,580	\$54,870	\$82,305
6	\$41,960	\$62,940	\$94,410

APPENDIX B · PSLF EMPLOYER CHECKLIST

- Search your employer at the PSLF Help Tool: studentaid.gov/PSLF
- Confirm the legal entity name (not just the brand/hospital name)
- Verify 501(c)(3) status via IRS Tax Exempt Organization Search
- Submit Employment Certification Form (ECF) to MOHELA
- Confirm your loans are Direct Loans (not FFEL or Perkins)
- Confirm you are on a qualifying repayment plan (IBR or RAP)
- Do NOT take new federal loans after Jul 1, 2026 unless using RAP
- Set a calendar reminder to re-certify employment + income every 12 months
- Track your qualifying payment count in your MOHELA portal
- Do not make extra RAP payments if pursuing forgiveness

FINAL DISCLAIMER · PLEASE READ

This eBook is for educational purposes only and does not constitute financial, legal, or tax advice.

Student loan rules change frequently due to legislation, court decisions, and executive action. Always verify current information at studentaid.gov and consult a qualified professional before making decisions.

© 2026 New Grad Finances

Not affiliated with the U.S. Department of Education.