

Five Student Debt Management Options

1. College Cost Reduction Act

Loan forgiveness

100% of the remaining balance will be forgiven if the following criteria are met:

- A graduate must be working **full time** in a public service job (i.e. social work in a public child or family service agency, public service for the elderly, public service for individuals with disabilities, or employment in a 501(c)(3) organization)
- 120 monthly payments (10 yrs) must be made
- Graduate has worked in public service during those payments and at the time of the loan cancellation

To find out if you qualify, contact the **U.S. Department of Education**, which will also be issuing regulations to clarify the program (**800-433-3243**).

2. Higher Education Reauthorization and Opportunity Act of 2008

Child welfare workers with a degree in social work or a related field with a focus on serving children and families and who are employed full time in public or private child welfare services are eligible

Mental health professionals with a master's degree in social work, psychology, or psychiatry who serve children, adolescents, or veterans

- Must be employed **full time** in an occupational area of “national need” (i.e. child welfare workers or public sector employees)
- Funds are available on a first-come, first-serve basis and are subject to Congressional appropriations. (See <http://studentaid.ed.gov>).
- Eligible participants may receive up to \$2,000 per year of service, up to a maximum of \$10,000 over a five-year period. The exact amount received is determined by the appropriations.
- Eligible borrowers may not be in default on the loan for which they are asking loan forgiveness.

Interested social work students and social workers should call **800-433-3243** to find out if the work they do “fits.”

3. Health Care Education Reconciliation Act of 2010

Expansion of the College Cost Reduction Act of 2007

- Lowers the mandated repayment ratio to borrowers' discretionary income from 15% to 10%
- Won't be effective until July 1, 2014
- Only applicable to the borrowers of federal student loans

4. Perkins Forgiveness Act

- Expected to become operational around 2017
- Involves 120 monthly payments over a 10-year period

5. National Health Service Corps Loan Repayment Program

\$50,000 to repay student loans will be provided if the following criteria are met:

- Fully trained and licensed social worker
- Two-years serving in a community-based site, in a high-need Health Professional Shortage Area (which has been approved by the NHSC as a service site)