
Teacher Loan Cancellation

This fact sheet outlines the eligibility requirements and necessary steps to apply for Teacher Loan Cancellation, or discharge of your **Federal Perkins Loan**. You may be eligible if you **teach full-time** at a **low-income school**, or you teach in **certain subject areas**.

Determine Your Eligibility

- You must work full-time in a public or nonprofit elementary or secondary school as a **teacher**:
 - in a school serving 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.
- Official job description, not job title determines eligibility for loan cancellation.
- You must be directly employed by the school system.
- Postsecondary school educators are not eligible for Teacher Loan Cancellation.

Defining a “Teacher”

- Defined as someone who provides students direct classroom teaching, or classroom-type teaching in a non-classroom setting, or educational services directly related to classroom teaching (i.e. school librarian or guidance counselor).
- You do not need to be certified or licensed to be eligible for cancellation.
- Employing school must consider you to be a full-time professional for the salary, tenure, retirement benefit purposes, etc.
- Supervisors, administrators, researchers, or curriculum specialists are not considered teachers unless primarily providing direct and personal educational services to students.

How Does Cancellation Work?

- 15 percent canceled per year for the 1st and 2nd years of service.
- 20 percent canceled for the 3rd and 4th years.
- 30 percent canceled for the 5th year.
- Each amount canceled per year includes the interest that accrued during the year.

One (1) Year Teaching Requirement for Eligibility

- You must have taught **full-time for a full academic year or its equivalent** to be eligible for loan cancellation.

- No requirement that you must a given number of hours a day to qualify as a full-time teacher; your employing school determines the number of hours defining a full-time teacher.

Teaching at Low-Income Schools

- Your state education agency defines whether your school serves students from low-income families.
- Low-income schools are districts that qualified for Title I funds in the year for which the cancellation is sought.
- More than 30% of the school's enrollment is constituted by children in the Title I program.

Teaching Special Education

- Public or nonprofit elementary or secondary school official must certify that you are a full-time special education teacher of infants, toddlers, children, or youth with disabilities on the Federal Perkins Loan deferment/cancellation form or an official letter from the school bearing the school's seal or letterhead.
- You must be licensed, certified, or registered by the appropriate state education agency for that area in which you are providing related special educational services, and the services you provide are part of the educational curriculum for handicapped children.
- Services are speech and language pathology and audiology, physical therapy, occupational therapy, psychological and counseling services, and recreational therapy.

Teaching in a Designated Subject Shortage Area

- This is determined by your local school system or state education agency.
- If you teach full-time in science, mathematics, foreign language, or bilingual education, you qualify for cancellation even if your state has not designated one of these subject areas as a shortage area.
- For a borrower to be considered as teaching in a field of expertise, the majority of classes taught must be in that field of expertise.

Applying for Teacher Cancellation

1. Request appropriate forms from office that administers the Federal Perkins Loan program at the school that holds your loan.
2. Provide any documentation required by the school to demonstrate that you qualify for Teacher Loan Cancellation.
3. It is your school's responsibility to determine whether you qualify.
4. Your school's decision cannot be appealed to the U.S. Department of Education.
5. Schools may not cancel any portion of the loan for teaching services you performed either before the date the loan was disbursed or during the enrollment period covered by the loan.

Source: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/teacher#teacher-cancellation>