

## Loan Forgiveness

Under certain circumstances, the federal government will cancel all or part of an educational loan. This practice is called Loan Forgiveness. To qualify, you must: Perform volunteer work; Perform military service; Teach or practice medicine in certain types of communities; or, Meet other criteria specified by the forgiveness program.

### Teaching

Students who become full-time teachers in an elementary or secondary school that serves students from low-income families can have a portion of their Perkins Loan forgiven under The National Defense Education Act. This program forgives 15% of your loan for the first and second years of teaching service, 20% for the third and fourth, and 30% for the fifth. Contact your school district's administration to see which schools are eligible.

[Perkins loans](#) and [Stafford Loans](#) can be cancelled for full-time service as a teacher in a designated elementary or secondary school serving students from low-income families, special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school), qualified professional provider of early intervention services for the disabled, teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas, employee of a public or non-profit child or family service agency providing services to high-risk children and their families from low-income communities,

Secondary school math and science teachers, and elementary/secondary school special education teachers who commit to working in high-need schools for five years can obtain up to \$17,500 in Stafford loan forgiveness. They must teach full time for five consecutive years in a qualifying low-income school and be "highly qualified". (The Taxpayer-Teacher Protection Act of 2004, HR 5186, increased the amount of forgiveness from \$5,000 to \$17,500 on October 30, 2004.)

### Volunteer Work

These volunteer organizations offer loan forgiveness:

[AmeriCorps](#). Serve for 12 months and receive up to \$7400 in stipends plus \$4725 to be used towards your loan. Call 1-800-942-2677.

[Peace Corps](#). Volunteers may apply for deferment of Stafford, Perkins and Consolidation loans and partial cancellation of Perkins Loans (15% for each year of service, up to 70% in total). Volunteers make a real difference in the lives of real people with two years of service in more than 70 developing countries. Contact the Peace Corps at 1111 20th St., NW, Washington, DC 20526 or call 1-800-424-8580 or 1-202-692-1845.

[Volunteers in Service to America \(VISTA\)](#). Volunteer with private, non-profit groups that help eradicate hunger, homelessness, poverty and illiteracy. Provide 1700 hours of service and receive \$4725. Call 1-800-942-2677 or 1-202-606-5000.

### Military

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' associations provide many scholarships and tuition assistance programs.