

## Teach ... and be Forgiven

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As the semester rolls to a close, I see familiar patterns emerging among our soon-to-be new crop of teachers bouncing around the halls. Smiles. Excitement. Anticipation. Fresh from their student teaching experiences, thousands of new professionals are poised to make that grand transition from “preservice” to “inservice” teaching. Old questions (What class should I take? When should I take the PRAXIS?) are being replaced by new questions (How can I find a good job? Where can I find some materials for my new classroom?). This is a great time of year to be around a College of Education. However, within the next few months, the smiles, excitement, and anticipation on many of these smiles will come crashing down as a sudden realization creeps in upon the arrival of ...

.... the first loan repayment bill!

Each year, thousands of students at hundreds of institutions throughout the country apply for—and are awarded—federal loans to pay for tuition and other expenses. Perhaps you are one of these students, and the idea of paying off these loans has been something far-off—of little concern until you have finished your degree. Well, for those of you leaving college life and entering the world of teaching, that time might be a bit closer than you think. Perhaps you have a plan for repayment—perhaps you don't. Perhaps the best advice one might give at this point is this: considering your options *now* might allow you more opportunities (and freedom) later. For example, many new teachers are not aware of the options available to new teachers that actually provide a way for student loans to be forgiven or deferred if you teach in low-income or content area shortage schools.

### **I Can Have My Student Loans Canceled?**

That's right. Deferral, or even forgiveness, might be an option for teachers who meet certain criteria. For example, if you received a Perkins Federal Loan as a student, you may qualify for cancellation if you:

1. Teach in an elementary or secondary school that has been identified as serving low-income students,
2. Teach in an elementary or secondary school that has an identified shortage of teachers in particular disciplines or subject matter areas, or
3. Teach students identified as “disabled” in a public, or other nonprofit, elementary or secondary school.

So, if you plan on teaching in a school or in a discipline that fits into any of the previous categories, you might be eligible for cancellation of up to 100% of your Perkins loan. Interestingly, these loans may be forgiven in increments, depending on how long you teach in an identified school or discipline. For example, under the loan forgiveness

program, you can receive a 15% cancellation each of your first two years of service. For years three and four, you can eliminate an additional 20% per year. Stick around for a fifth year, and you can cancel the rest. To find out how to apply, visit the [Teaching Service Cancellation/Deferment Options](#) website.

Each year, certain schools are designated as “low-income schools”—generally defined as containing at least 30% student population meeting the Title I funding formula. You can [search the database](#) to see which schools are currently listed as “low-income schools” in the city or state in which you are interested in teaching. Also, each State Education Agency (SEA) may have particular teaching fields designated as high-need. For instance, in 1998-1999, the state of New York listed the following areas as among their current “teacher shortage areas” (TSAs): Bilingual Education, Special Education for Children with Disabilities, and Emotionally Disturbed. Each state may list different TSAs, and the TSAs for a particular state may change from year-to-year. It is important, therefore, to check the database or contact the appropriate representative to find out the most current information. To get started, you might consult the [list of teacher shortage areas](#), organized by state and year, offered by the [Office of Student Financial Assistance Programs](#).

Finally, teachers should note that identification of schools as “low-income” is subject to change from year-to-year. However, once a teacher begins teaching at an identified school and has become eligible for the loan cancellation program, that teacher can continue to have portions of his or her loan canceled for teaching at that school, even if the school is removed later from the identified list.

For those of you who may have already accepted a position or have been teaching for a year or two and suspect you might have qualified for loan forgiveness if you had known about it, there may still be hope! Occasionally, schools may allow you to retroactively apply for loan cancellation. To do so, you should contact the institution that made your loan and be prepared to make your case by demonstrating that you qualified for cancellation the previous year.

A similar program exists to defer, or even forgive, other loans within the Federal Direct Loan Program and the Federal Family Education Loan program. If you have secured loans from any of the following programs to finance your preservice teaching preparation, you may be eligible for a deferment or cancellation of your loan: Federal Stafford Loans, Federal PLUS Loans, Federal Consolidation Loans, or the Guaranteed Student Loan Program. New teachers willing to teach in identified low-income areas—generally drawn from the same list provided for the Perkins forgiveness program—have the opportunity to relieve some of the financial burdens of teacher preparation.

With a little pre-planning and a little luck, you might be able to provide yourself with a little unexpected financial freedom—and become a valuable colleague in a school that needs you.