



**STATE OF NORTH CAROLINA
OFFICE OF STATE PERSONNEL
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**BEVERLY EAVES PERDUE
GOVERNOR**

**LINDA D. COLEMAN
STATE PERSONNEL DIRECTOR**

September 11, 2009

Memorandum

To: Agency HR Directors
University HR Directors

From: Linda D. Coleman *LDC*

Re: Student Loan Repayment Programs

One of the initiatives under the Special Emphasis Project for Young Employees is the identification of educational assistance opportunities and the advisory committee would like to share the following information with you for distribution to your employees.

North Carolina is home to over 100 public and private colleges and universities that produce thousands of graduates who have proven to make profound contributions to society, but sometimes these contributions come with a great burden upon graduation. As a means to assist student loan recipients, the U.S. Department of Education has instituted two new student loan repayment programs to ease the stress of copious federal student loan repayments.

As of July 1, 2009, the U.S. Department of Education offers the Income Based Repayment Plan (IBR), a new repayment plan for certain types of federal student loans. Under IBR, the required monthly payment is restricted to an intended affordable amount based on income, family size, and state of residence. In addition, student loans may be eligible for cancellation after a period of 25 years of payment.

In conjunction with the IBR Plan, public service professionals can take advantage of the Public Service Loan Forgiveness Program. This program's aim is to promote professionals to work full-time in the capacity of public service to local and federal governments as well as non-profit organizations. Through the Public Service Loan Forgiveness, individuals may qualify for forgiveness of the outstanding balance on their eligible federal student loans after making 120 consecutive payments while employed full-time with specific public service employers. Those eligible for this program can also reap the additional benefit of enrollment in the IBR Plan as well.

For more information on the Income Based Repayment Plan (IBR), go to the U.S. Department of Education Federal Student Aid website, <http://studentaid.ed.gov/>. For more details on the Public Service Loan Forgiveness Program, go to the website, <http://studentaid.ed.gov/PORTALSWebApp/students/english/PSF.jsp>.

LDC/CS/asm

C: Special Emphasis Project – Young Employees Advisory Committee