

Surviving Your Service Year: Student Loans Support



Student loans are the #worst. We've been there with you. Living on a service year stipend while you have student loans might seem impossible, but it's likely you are eligible for options that will help you manage your loans and let you focus on what really matters – your service year!

Pause Your Student Loan Payments

There are two ways to temporarily pause your loans while you are doing your service year. By not having to pay towards your student loans while you are doing your service year, you'll have additional funds to help make ends meet.

Loan Forbearance

Service year corps members who have students loans may be [eligible for loan forbearance](#) during their service year. This is at the discretion of the lender. Student loan forbearance allows you to not make any payments on your student loans while you are serving. During this time, your student loans will still accrue interest. If you are an AmeriCorps member, you can make a forbearance request via your [AmeriCorps Portal homepage](#). If you choose to do multiple service years and are eligible for forbearance, you can opt to apply annually for loan forbearance.

Loan Deferment

Based on income, you may also be eligible for loan deferment. By deferring your loans instead of applying for forbearance, you

will delay both your payments and interest accrual. This is at the discretion of your lender and you should contact them to inquire about the deferment option.

Income-Driven Payment Plans

Based on your income, you may opt to sign up for a payment plan based on your income. Service year corps members living solely on the stipend may be eligible for very low, even \$0 loan payments. This is particularly helpful if you would like to meet the 10 year, 120 payments requirement of the Public Service Loan Forgiveness program.

Public Service Loan Forgiveness

If you work in public service, you may be eligible to have your student loan debt cancelled through the Public Service Loan Forgiveness program. While on this program, you make 120 monthly loan payments over 10 years, and then any remaining loans after that time are forgiven. Payments do not have to be consecutive. Loan forbearance months do not count, but loan deferment months do. There are [special rules](#) that allow borrowers who are AmeriCorps members or Peace Corps volunteers to use their Segal Education Award or Peace Corps transition payment to make a single "lump sum" payment that may count for up to 12 qualifying PSLF payments.

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AmeriCorps Segal Education Award

AmeriCorps members are often eligible for the [Segal Education Award](#) upon successful completion of a service year. Contact your program to see if you qualify. You can use your Education Award for seven years following the end of your service year. [The Education Award amount](#) can change every year based on the amount of the Pell Grant. While [private loans](#) cannot be paid through your Education Award, you can apply it to most federal loans, however there are [some exceptions](#). Eligible loans, tuition, and educational costs at most universities can be paid with your award. All [requests must be made after completion](#) of your service year.

Make the Most of Your Segal Education Award

- [Some universities will match your education award or provide additional scholarship because of your service year](#). Please ask your university's financial aid office if you qualify.
- [VISTA members may opt out of the Education Award](#) to receive a post-service year cash stipend in place of the Education Award. VISTA members may also be eligible for up to 15% cancellation on certain types of loans. AmeriCorps VISTA members who choose to receive the Education Award are not eligible for this cancellation. You can not switch from the cash stipend to Education Award, but you can change from the Education Award to the cash stipend as long as the change occurs before your 10th month of service.

- Remember, when you use your education award, you must [claim it on your taxes as income](#) in the year that you use it. Because of this, you may want to consult a financial professional about the best way and timing to use your education award. Remember, you don't have to use it all at once.
- If you are going back to school, you can apply your education award to future tuition. You may only use a certain amount of your education award in one semester. To figure out how this impacts you specifically, contact your university. If your Education Award exceeds the cost of tuition you owe in one semester, you may be eligible for a reimbursement check through your institution's financial aid office.

Interest Repayment Request through the Segal Trust

If you selected the Education Award, you may be eligible to make an "interest repayment request" via your [AmeriCorps Portal homepage](#) once you have successfully completed your service year. This repayment is paid by the Segal Trust, and payments are in addition to your Education Award amount is not deducted from Education Award. You do not have to have put your loans in forbearance to make this request, but if you did, then you can have the accrued interest paid for up to 100%. Like your Education Award, this payment is also taxable income in the year it was used. You must have successfully completed your service year for this option to be available to you.

Check out more resources to [#SurvivingYourServiceYear](#)