

New loan forgiveness legislation helps librarians reduce student loan expenses

ALA is pleased to announce that, before leaving for the August recess, Congress passed the Higher Education Opportunity Act (H.R. 4137). The President is expected to sign the bill soon.

The bill extends current law Perkins loan forgiveness to additional categories of borrowers who meet eligibility criteria and work as librarians, prekindergarten or child care workers, full-time faculty at tribal colleges or universities, and speech and language therapists. Specifically, the language includes service as a librarian with a master's degree working in:

an elementary or secondary school eligible for assistance under title I of the Elementary and Secondary Education Act; or

a public library serving an area containing an elementary or secondary school eligible for assistance under title I of the Elementary and Secondary Education Act.

The bill authorizes a discretionary loan forgiveness (excluding consolidation and PLUS loans) of \$2,000 a year (up to \$10,000) for service in areas of national need. Under this program, librarians are specifically listed as an area of national need as long as the individual is employed full-time in a high poverty area for five consecutive years. Specifically, the individual must work in:

a public library that serves a geographic area within which the public schools have a combined average of 30 percent or more of their total student enrollments composed of children eligible for assistance under title I of the Elementary and Secondary Education Act; or

an elementary or secondary school with greater than 30 percent of its students eligible for assistance under title I of the Elementary and Secondary Education Act.

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Several bills dealing with federal student loan forgiveness have emerged from the U.S. House of Representatives and Senate. Examples of these bills follow below. In order to make this information as clear as possible, the ALA Washington Office has created a fact sheet explaining each bill.

The LIBRARIAN Act of 2007 (H.R. 1877 and S. 1121)

You qualify to benefit from the LIBRARIAN Act if you meet the following criteria: You are currently employed as a librarian with a master's degree in library science and you obtained a Perkins loan in pursuit of your graduate studies. *And* you work in a public library that serves a geographic area that contains one or more schools eligible for assistance under Title I of the Elementary and Secondary Act of 1965. *And/or* you work in an elementary or secondary school library that is eligible for assistance under Title I of the Elementary and Secondary Act of 1965.

The College Cost Reduction Act of 2007 (H.R. 2669)

You qualify to benefit from the College Cost Reduction Act if you meet the following criteria:

You are currently employed as a librarian with an undergraduate or master's degree and you obtained a Direct Loan during your studies.¹ And you have been employed as a librarian for ten years or more and have made consistent payments on your loan.

For more detailed information on loan forgiveness visit the Washington Office Loan Forgiveness Fact Sheet.²

Notes

1. Direct Loans are Direct Stafford loans (Subsidized or Unsubsidized), Direct PLUS loans, and Direct Consolidation loans. Consolidation of loans may lead to disqualification from any of the above programs. Check with your borrower before deciding upon consolidation plans.

2. WOLFFS, www.ala.org/highered. *WR*