

## Federal Perkins Loan Teacher Cancellation

You qualify for cancellation (discharge) of up to 100 percent of a Federal Perkins Loan if you have served full time in a public or nonprofit elementary or secondary school system as a

- teacher in a school serving students from low-income families; or
- special-education teacher, including teachers of infants, toddlers, children, or youth with disabilities; or
- teacher in the fields of mathematics, science, foreign languages, or bilingual education, or in any other field of expertise determined by a state education agency to have a shortage of qualified teachers in that state.

Eligibility for teacher cancellation is based on the duties presented in an official position description, not on the position title. To receive a cancellation, you must be directly employed by the school system. There is no provision for canceling Perkins Loans for teaching in postsecondary schools.

Note that you also qualify for deferment while you're performing teaching service that qualifies for cancellation. Contact the school that holds your loan for information on applying for deferment.

### **Definition of Teacher**

A teacher is a person who provides students direct classroom teaching, or classroom-type teaching in a non-classroom setting, or educational services directly related to classroom teaching (for example, school librarian or guidance counselor).

It's not necessary for you to be certified or licensed to receive cancellation benefits. However, your employing school must consider you to be a full-time professional for the purposes of salary, tenure, retirement benefits, etc. If you are a supervisor, administrator, researcher, or curriculum specialist, you are not considered a teacher unless you primarily provide direct and personal educational services to students.

### **Definition of Full Time for a Full Academic Year**

You must teach full time for a full academic year or its equivalent. There is no requirement that you must teach a given number of hours a day to qualify as a full-time teacher; the employing school is responsible for making that decision.

An "academic year or its equivalent" for teacher cancellation purposes is defined as one complete school year or two half years that are (1) from different school years, excluding summer sessions; (2) complete, and (3) consecutive. The two half years also must generally fall within a 12-month period.

### **Teaching Part Time at Multiple Schools**

You can receive cancellation if you are simultaneously teaching part time in two or more schools if an official at one of the schools where you taught certifies that you taught full time for a full academic year.

### **Teaching in a Private School**

You may receive teacher cancellation for services performed in a private academy if the private academy has established its nonprofit status with the Internal Revenue Service (IRS), and if the academy is providing elementary and/or secondary education according to state law.

### **Teaching in a Preschool or Prekindergarten Program**

You may receive teacher cancellation only if the state considers such a program to be a part of its elementary education program. A low-income-school-directory designation that includes prekindergarten or kindergarten does not suffice for a state determination of program eligibility.

### **Teaching in Low-Income Schools**

A cancellation based on teaching in a school serving students from low-income families may be granted only if you taught in an eligible school as determined by the state education agency. To be considered a "low-income school," the school must be in a school district that qualified for federal funds in the year for which the cancellation is sought. Also, more than 30 percent of the school's enrollment must be made up of children from low-income families.

To find out if the school that employs you is classified as a low-income school, you can check our online database for the year(s) that you have been employed as a teacher. Questions about the inclusion or omission of a particular school should be directed to the [state education agency contact](#) in the state where the school is located, not to the U.S. Department of Education.

### **[Low-Income School Search](#)**

The Secretary considers all elementary and secondary schools operated by the Bureau of Indian Affairs (BIA)--or operated on Indian reservations by Indian tribal groups under contract with BIA--to qualify as schools serving low-income students.

**NOTE:** If you have had a portion of your loan cancelled for teaching at a low-income elementary or secondary school in one year, you can continue to have portions of your loan cancelled for teaching at that school even if it is not listed as a low-income school in later years. Under certain circumstances, the institution that holds your Perkins Loan may permit retroactive cancellation if you can demonstrate that you qualified for cancellation in a prior year. However, the institution may not refund payments made during such a retroactive period.

### **Teaching in Special Education**

You must have an official at the public or other nonprofit elementary or secondary school certify that you are teaching handicapped or learning disabled students, either on the Federal Perkins Loan postponement/cancellation form or on an official letter from the school bearing the school's seal or letterhead. For Perkins Loans made on or after July 23, 1992, this cancellation includes special education teachers.

If you provide one of the following services, you qualify as a teacher only if 1) you are licensed, certified, or registered by the appropriate state education agency for that area in which you are providing related special educational services, and 2) the services you provide are part of the educational curriculum for handicapped children:

- speech and language pathology and audiology;
- physical therapy;
- occupational therapy;
- psychological and counseling services; or
- recreational therapy.

### **Teaching in a Designated Subject Shortage Area**

This cancellation is based on full-time teaching if there is a shortage of teachers in your subject area. Each year the state education agency determines any subject shortage areas in the elementary and secondary schools within the state. Check with your local school system or state education agency to find out if your subject matter area has been so designated. If you teach full time in science, mathematics, foreign language, or bilingual education, you qualify for cancellation even if the state has not designated one of these subject areas as a shortage area.

For a borrower to be considered as teaching in a field of expertise, the majority of classes taught must be in that field of expertise.

### **Teacher Shortage Areas Nationwide Listing**

([Word](#) or [PDF](#)).

### **Applying for Teacher Cancellation**

You must request the appropriate forms from the office that administers the Federal Perkins Loan program at the school that holds your loan. You must also provide any documentation the school requests to show that you qualify for cancellation. It is the school's responsibility to determine whether you qualify, and the school's decision cannot be appealed to the U.S. Department of Education. Schools may not cancel any portion of a loan for teaching services you performed either before the date the loan was disbursed or during the enrollment period covered by the loan.

### **Cancellation Amounts for Years of Service**

If a borrower is eligible for teacher cancellation under any of the categories listed above, up to 100 percent of the loan may be canceled for teaching service, in the following increments:

- 15 percent canceled per year for the first and second years of service,
- 20 percent canceled for the third and fourth years, and
- 30 percent canceled for the fifth year.

Each amount canceled per year includes the interest that accrued during the year.