

Teacher Cancellation

If you have a loan from the [Federal Perkins Loan Program](#) you might be eligible for loan cancellation for full-time teaching at a low-income school, or for teaching in certain subject areas. You can also qualify for [deferment](#) for these qualifying teaching services. Check with the school that made your Federal Perkins Loan for more information.

[What are the eligibility requirements?](#)

[Who is considered a teacher?](#)

[How long must I teach?](#)

[How do I apply for teacher cancellation?](#)

[What amount can be canceled?](#)

What are the eligibility requirements?

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 Federal 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.

Who is considered a teacher?

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

You don't need 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.

How long must I teach?

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 cancellation purposes is defined as one complete school year or two half-years that are from different school years. The two half-years must be complete and consecutive, excluding summer sessions, and must generally fall within a 12-month period.

Teaching Part-time at Multiple Schools

You can have your loan canceled 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 at a Private School

Your loan can be canceled for services performed in a private school if the private school has established its nonprofit status with the Internal Revenue Service (IRS), and if the school is providing elementary and/or secondary education according to state law.

Teaching at a Preschool or Prekindergarten Program

Your loan can be canceled 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 at Low-income Schools

A cancellation based on teaching in a school serving students from low-income families will 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 Title I 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 in the Title I program.

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

All elementary and secondary schools operated by the Bureau of Indian Education (BIE)—or operated on Indian reservations by Indian tribal groups under contract with BIE—qualify as schools serving low-income students.

NOTE: If you have had a portion of your loan canceled for teaching at a low-income elementary or secondary school in one year, you can continue to have portions of your loan canceled 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 at an Educational Service Agency

If you teach at an educational service agency, your teaching service may qualify for cancellation if the period includes qualifying service that includes August 14, 2008, or begins on or after that date.

Teaching Special Education

You must have an official at the public or other nonprofit elementary or secondary school certify that you are a full-time special education teacher of infants, toddlers, children, or youth with disabilities either on the Federal Perkins Loan deferment/cancellation form or on an official letter from the school bearing the school's seal or letterhead.

If you provide one of the following services, you qualify as a teacher only if 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 the services you provide are part of the educational curriculum for handicapped children.

The services are

- speech and language pathology and audiology,
- physical therapy,
- occupational therapy,
- psychological and counseling services, and
- 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.

Nationwide Listing of Teacher Shortage Areas

You may download a [PDF](#) or [Word](#) version of the list of teacher shortage areas nationwide.

How do I apply 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 of your Perkins Loan. 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.

What amount can be canceled?

If you are eligible for 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
- 30 percent canceled for the fifth year

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