



MARYLAND COMMISSIONER OF FINANCIAL REGULATION

GUIDANCE



September 17, 2025

Guidance on Public Service Loan Forgiveness

The Office of Financial Regulation (OFR) is providing this guidance to help Maryland Governments and Non-Profits understand their obligations under the recently passed 2025 [HB 795](#) to assist their employees in applying for PSLF.

Who is eligible?

To be eligible an individual must:

- Work for a qualified employer. These include full-time employment with the federal, state or local government, in public education, or with a non-profit.
- Have a Federal Direct Student Loan. This includes: Direct Subsidized, Direct Unsubsidized, Direct Grad PLUS, or Direct Consolidation.
- Enroll in an Income Driven Payment (“IDR”) Plan which includes: Income-Based Repayment (“IBR”), Pay as you Earn (“PAYE”), and Income Contingent Repayment (“ICR”).
- Make 120 Qualifying Payments while a full-time employee of a qualified employer.

What are my responsibilities as an Employer?

The newly enacted HB 795 places certain obligations on Public Service Employers to help their employees obtain loan forgiveness.

Calculation of Hours of Employment

Qualified Employers are required to adopt a policy of calculating the hours an employee works to maximize the time allowing an employee to be considered full-time;

- Consider an employee full-time if they work the minimum required.

If a Qualified Employer is an institution of higher education:

- For an employee who is an adjunct or tenured employee, they should calculate 3.35 hours for every hour of credit, contact, or class time, unless a higher number is allowed.
- Treat consecutive academic terms as continuous employment regardless of whether: taught under separate contracts or separated by regular academic vacations.

Certification

- Qualified Employers must certify the employment of current or former employees upon request, including those who are leaving employment. The certification should be for either the specific period requested, or if no period is requested, the entire period of employment.
- If federal law permits, the Qualified Employer should directly certify employment with the Federal Department of Education.
- A Qualified Employer may not unreasonably delay certification.

Provide Employees with Information on PSLF

- Starting on or after November 15, 2025 a Qualified Employer must provide new hires with information about PSLF that the Student Loan Ombudsman has created within 30 days of their first paycheck.
- Starting on or after March 15, 2026 a Qualified Employer must annually provide all employees with information about PSLF created by the Student Loan Ombudsman.
- The Maryland Student Loan Ombudsman has created sample letters for use by Maryland Governments and Non-Profits to inform employees at the [start of employment](#), [annually](#), and at the [separation of employment](#).

Contact

Please contact the Maryland Student Loan Ombudsman via email at studentloan.ombudsman@maryland.gov with any questions or concerns.

The Office of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at www.labor.maryland.gov/finance.



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