COVID-19: Student Loan Relief

What can I do if I can’t pay my student loans?
In response to the pandemic, the US Department of Education (DOE) granted temporary relief for student loan borrowers who have federally held student loans. Federally held student loans are loans borrowed directly from the federal government to pay for college. All loans get a pause in payments (forbearance) for six months, to September 30, 2020. Only federally held student loans qualify. Temporary benefits include:

- Interest at 0% until September 30, 2020.
- Payments more than 31 days behind on March 13 - automatically suspended.

Don’t count on extensions after September 30, 2020 without checking with your lender.

What if my loan is in default and I am having wages or tax returns garnished?
The DOE is suspending collection on defaulted federal student loans. This includes wage garnishments, social security offsets, and seizures of tax refunds. As things are now, the stimulus checks which Congress is considering in the CARE Act will not be seized to pay defaulted federal student loans.

How can I contact my federal student loan servicer?
Here are each of the federal student loan servicers' numbers. The names link to their websites:

- CornerStone: 1-800-663-1662
- FedLoan Servicing (PHEAA): 1-800-699-2908
- Granite State — GSMR: 1-888-556-0022
- Great Lakes Educational Loan Services, Inc.: 1-800-236-4300
- HESC/Financial: 1-855-337-6884
- MOHELA: 1-888-866-4352
- Navient: 1-800-722-1300
- Nelnet: 1-888-486-4722
- OSLA Servicing: 1-866-264-9762
- ECSI: 1-866-313-3793

Are private student loans eligible for this benefit?
No. Private lenders may have their own COVID-19 provisions. Contact your lender directly.

Are Parent PLUS loans eligible?
No. And if you have a Family Education Loan, you must consolidate it into a direct loan before it can be eligible. Perkins loans and any loans from the state, such as the Hinson-Hazelhurst loans, are not included in this forbearance.

What if my loan is already in forbearance?
If you already have a forbearance, the loan will stop accruing (adding) interest starting on March 13 until September 30, 2020. When your loan goes back into repayment, any interest accrued before March 13 will be added to your principal balance.

What if I am in a loan forgiveness program (like Public Interest Loan Forgiveness) and need to make all my payments to get forgiveness?
The months of the suspension in payments being owed — from March 13, 2020 to September 30, 2020 — are counted as paid for the purpose of the loan forgiveness programs. Zero was owed so by paying zero, you fulfilled your duty. Verify this with your servicer. The rules on loan forgiveness can change, but as of now, your direct student loan is in forbearance and you do not owe payments until after September 30, 2020.

I’m not going to recover financially in six months. What can I do?
Consider enrolling in one of the income-driven plans like PAYE, REPAYE, ICR and IBR. With an income sensitive plan, you pay a percentage of what the government qualifies as your discretionary income. People with low or no income may qualify for a $0 payment and still not be considered in default. You will have to provide evidence of your income to qualify, and if you are married your spouse’s income may also be considered. Log into your loan servicer’s website to change plans to and check the box for the option that offers the lowest monthly payment. Note: Be sure you understand the fine print. For example, your loan might be forgiven after years of payments, but you’ll have to pay taxes on the balance that was forgiven.

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This is legal information, not legal advice.