GOVERNMENT RELIEF FOR STUDENT LOAN BORROWERS DURING THE COVID-19 PANDEMIC

What type of student loans do you have?
If you don’t know, call the Department of Education’s hotline at 1-800-433-3243

Federal

Both

Private

PAYMENTS AUTOMATICALLY STOP through Sept. 30, 2020 and loans will be placed in administrative forbearance. No interest will accrue during this period. Any amount you paid after March 13, 2020 can be refunded upon request.

CHECK WITH YOUR PRIVATE LENDER about options for pausing payments and other assistance. Be aware that many private loans will still accrue interest during a forbearance period.

IN DEFAULT OR REHABILITATING LOANS
All payments on defaulted loans will be stopped, defaulted loans will not accrue interest until Sept. 30, 2020 and suspended payments will still count as on-time payments for loan rehabilitation.

INCOME-DRIVEN REPAYMENT PLAN
This period of administrative forbearance will count towards your required repayment period.

PUBLIC SERVICE LOAN FORGIVENESS
All suspended payments will count towards your required on-time monthly payments.

FAQ

What if I make payments during administrative forbearance?
All payments made on federal student loans until Sept. 30, 2020 will be applied directly to the principal of your loans. Be aware that you must actively set up payments because loan servicers are being directed to stop all automatic payment plans.

What will happen after Sept. 30, 2020?
Your loan servicer should contact you in August to remind you that you need to start making payments again after the administrative forbearance ends on Sept. 30, 2020.

*Eligible federal student loans include Department of Education direct loans (direct subsidized and unsubsidized loans, direct PLUS Loans and direct consolidation loans), as well as Federal Perkins Loans and Federal Family Education Loans (FFEL) owned by the government. However, some Perkins loans are held by colleges and some FFEL loans are held by private banks. Since those loans are not held by the federal government, they will not be eligible for interest-free administrative forbearance. Additionally, consolidation loans issued before 2010 may not be eligible for this relief. Please check with your loan servicer to confirm your eligibility for administrative forbearance.

This is general information based on Department of Education guidelines and is not based on your individual loans. For more information on what relief may be available for you, contact the Department of Education or your loan servicer.

For more information on student debt visit: DPEaflcio.org/studentdebt