



**Student Loan  
Borrower Assistance**  
National Consumer Law Center

# **Know Your Loans Part II:** *Returning to Repayment on Student Loans*

# We'll talk about:

- The end of the payment pause
- What returning to repayment means
- A checklist of what to do to prepare for repayment restarting

**NOTE:** We'll talk about federal student loans. The relief and options discussed today do not apply to private loans.



# The payment pause is over

Congress passed a law that ended the COVID-19 student loan payment pause on September 1, 2023



# The payment pause is over

## What does that mean?

- Student loan interest is being added to student loans again.
- If your student loan payments were paused during the pandemic, you should expect to receive your first bill from your servicer sometime in September.
- Your first bill will be due in October – your due date will vary.
- You should get your bill at least 3 weeks before it's due.

**Returning to  
Repayment**

# Prepare for repayment with these steps

- ❑ Check your **current loan information on StudentAid.Gov.**
- ❑ Update your **contact information** with your loan servicers and on studentaid.gov
- ❑ See if you are eligible to have your loans **canceled or forgiven.**
- ❑ Get a **Fresh Start** on student loans in default.
- ❑ Choose a **payment plan** that's right for you —consider an IDR plan like the SAVE plan
- ❑ Think about **consolidating** FFEL, HEAL, & Perkins loans by December 31, 2023
- ❑ Watch out for **scams!**
- ❑ Find **one-on-one help** with your loan situation.

# The Checklist



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**Reminder: you need to know your loan types, loan status, loan holders, loan servicers.**

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# Update your contact information on studentaid.gov

 An official website of the United States government.

[Help Center](#)

[Submit a Complaint](#)

[English](#) | [Español](#)

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

[FAFSA® Form](#) ▾

[Loans and Grants](#) ▾

[Loan Repayment](#) ▾

[Loan Forgiveness](#) ▾



Kyra ▾



## Get a Loan

[Undergraduate and Graduate Loans](#)

[PLUS Loans: Grad PLUS and Parent PLUS](#)

[Master Promissory Note \(MPN\)](#)

[Loan Entrance Counseling](#)

[Annual Student Loan Acknowledgment](#)

[PLUS Credit Counseling](#)

[Endorse a PLUS Loan](#)

[Appeal a Credit Decision](#)

## Get a Grant

[Pell Grants](#)

[TEACH Grants](#)

## Tools and Calculators

[Federal Student Aid Estimator](#)

[Loan Simulator](#)

## Learn About Loans and Grants

[How Financial Aid Works](#)

[Financial Aid Eligibility](#)

[Loans, Grants, and Work-Study](#)

- [Dashboard](#)
- [My Activity](#)
- [My Aid](#)
- [My Documents](#)
- [My Enrollment](#)
- [Settings](#)



Account Information →

Personal Information

Contact Information

Communication Preferences

Financial Information Access

Two-Step Verification

Authorizations

## Account Information

Last Successful Log In

August 21, 2023, 7:51 PM

Username

FSA ID Status

Enabled 

### Update Your Password

[Update Password](#)

### Challenge Questions

[Update Challenge Questions](#)

Cancel

Save Changes

Click  
“Contact  
Information”  
and make  
sure it’s  
correct.

# Update your contact information with your servicer

You don't want to miss important information from either the Department of Education OR your loan servicer!

.... Remember, you will get your first bill from your loan servicer in September.

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# See if you are eligible for cancellation/other relief

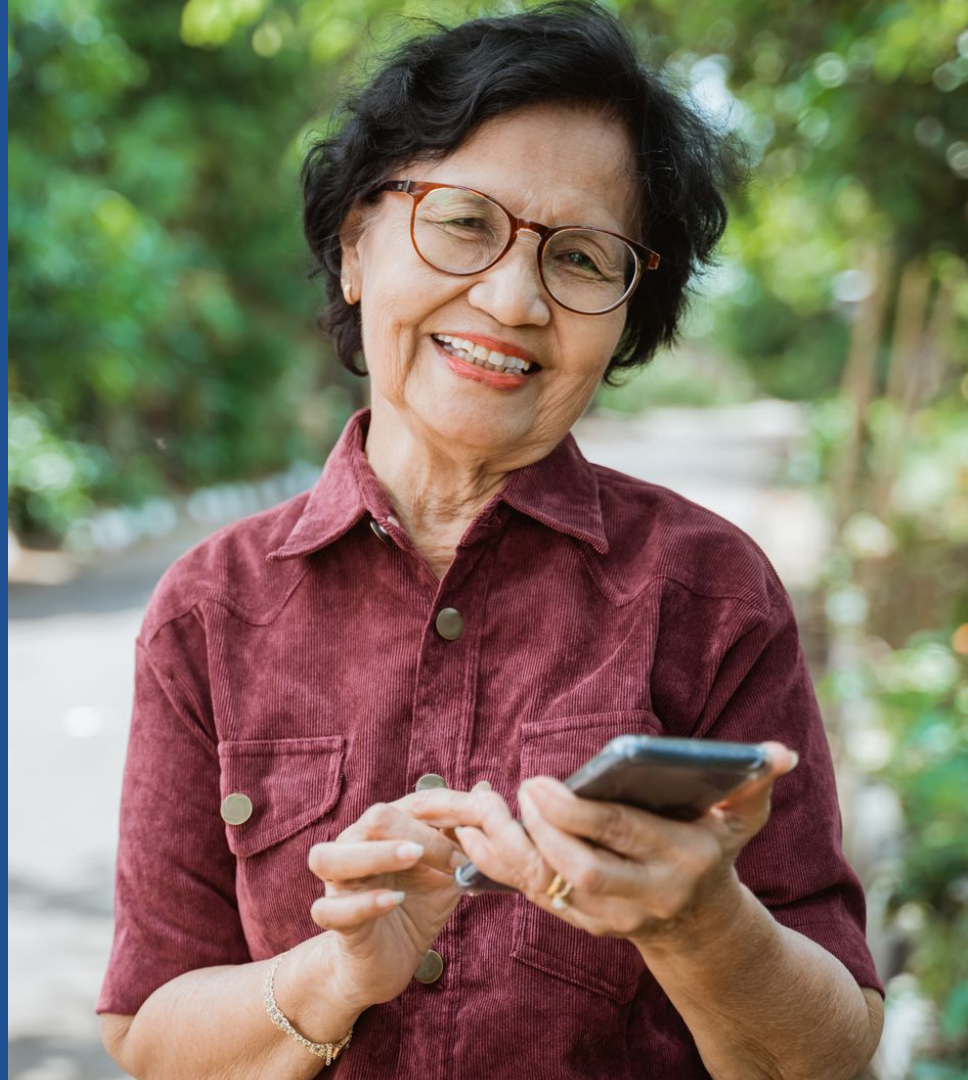
There are a number of programs borrowers can apply to to have their loans forgiven or cancelled.

You may be able to get your loans canceled now if:

- You worked **public service** for 10 years (such as teachers, government, and nonprofit workers) while you were paying off your debt
  - Public Service Loan Forgiveness
- You can't work because of **a physical or mental condition**
  - Total and Permanent Disability Discharge
- You didn't complete your degree because **your school closed**
  - Closed School Discharge
- Your **school lied to you** to get you to enroll or take out loans
  - Borrower Defense
- You have been **paying on your loans for 20-25 years**
  - Income-Driven Repayment
- Your school **falsely certified your eligibility** to take out federal loans
  - False Certification Discharge

## See information about all of the loan cancellation and forgiveness programs online:

- [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org)
- [Studentaid.gov](http://Studentaid.gov)



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# Get a Fresh Start on loans in default

If you have loans in default, take advantage of the time-limited Fresh Start program to remove your loans from default.

Requesting a Fresh Start is fast and easy, and will make you eligible for IDR plans and other relief options.

- Ask for a Fresh Start online at [myeddebt.ed.gov](https://myeddebt.ed.gov) or by phone at **1-800-621-3115**.





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# Make a plan for repayment

## Start planning now for the student loan bill that'll be due in October!

1. Contact your loan servicer for a estimate of what your bill will be
2. If the amount is too high, consider enrolling in an Income Driven Repayment Plan
  - In an IDR plan, your bill is based on a percentage of your income (*not your loan balance*)
  - There are multiple plans available, and they vary based on your loan type, loan disbursement date, and what you borrowed your loans for.
  - After 20 or 25 years of repayment\*, your loans will be cancelled

**Note:** Parent PLUS loans are not eligible for an IDR plan unless they are consolidated into a Direct Consolidation loan. Any Direct Consolidation Loan that contains a Parent PLUS loan is only eligible for the Income Contingent Repayment Plan, the least generous IDR plan.

# And, there is a NEW IDR plan you should be aware of: the SAVE plan!

Compared to the other IDR plans, the SAVE plan will:

- Offer much lower monthly payments,\*
- Shorten the number of years **some** borrowers will need to make payments,
- Prevent balances from increasing while borrowers are making payments by cancelling interest not covered by monthly payment,\* and
- Spousal income won't count if borrower files taxes **separately** from spouse.\*
- *Under the SAVE plan, more low-income borrowers will be eligible for \$0 monthly payments.*

\*= getting implemented this summer

*Only Direct Loans are eligible -- Parent PLUS Loans are still not eligible for this plan.*

# Savings for a Sample Student Loan Borrower



## ALEXANDER

ANNUAL INCOME: \$38,000

LOAN BALANCE: \$25,000

INTEREST RATE: 5%  
on a Direct Subsidized Loan

Alexander is a borrower with no dependents and makes **\$38,000** a year. He would save **\$91** per month under the SAVE Plan.

**\$134**

Previous Monthly  
Payment Under REPAYE

**\$43**

New Monthly  
Payment Under SAVE

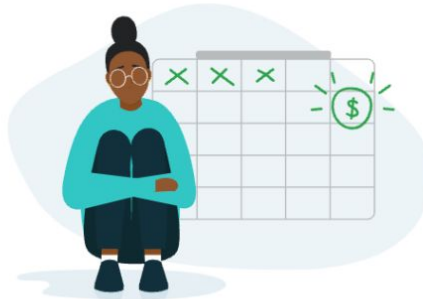
*Assumes family lives in contiguous 48 states. Estimates are for illustrative purposes only.  
Your loan servicer will calculate your actual monthly payment amount under the SAVE Plan.*

# Use the Loan Simulator tool to choose a payment plan



I Want to Find the Best  
Student Loan Repayment  
Strategy

[Log In and Start](#)



I'm Struggling With My  
Student Loan Payments

[Log In and Start](#)



I Want to Simulate  
Borrowing More

[Log In and Start](#)

# If you can't make your payment...

If an Income Driven Repayment Plan still isn't a fit for you, consider taking advantage of the Department of Education's "on-ramp period" (if you have ED-held loans) or using a forbearance or deferment to delay payments (if you have non-ED-held loans)

.... But **beware** that interest will still accrue on your loans.

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# Consider consolidating FFEL, Perkins, & HEAL Loans

If you have FFEL, Perkins, or HEAL loans:

- You may find that they are not eligible for the most generous IDR plans
- And, if they are not held by the Department of Education, they won't be eligible towards the Department of Education's one-time payment count adjustment

You should consider consolidating these loans into a Direct Consolidation loan **before December 31, 2023** so that you can maximize what prior time in repayment will count towards IDR cancellation under the Department of Education's one-time payment count adjustment, even if you have never enrolled in an IDR plan.

You can consolidate your loans at <https://studentaid.gov/loan-consolidation/>.



# A note on consolidating federal student loans

Consolidation means that you take off a new federal student loan to pay off existing student loans.

This means:

- The new loan's principal will include the interest that accrued on the prior loans
- The new loan's interest will be a weighted average of the consolidated loans
- For a small number of borrowers, consolidation may change the regulations that govern an application for borrower defense discharges, a form of statutory relief

# A note on consolidating federal student loans

Consolidation means that you take off a new federal student loan to pay off existing student loans.

This means:

- You can only consolidate a federal loan **once!**
- Consolidation is one of the limited ways out of default, so after you consolidate you must stay on top of your payments

# A note on consolidating federal student loans

It's important to remember:

If you consolidate before  
December 31, 2023, you will  
not lose qualifying time  
towards IDR or PSLF  
cancellation on your loans



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# Avoid Scammers & Refinancing



Scammers are taking advantage of all of the confusion there is related to student loan repayments and cancellation.

Be wary of refinancing student loans with private companies right now.

- Refinancing means you **will lose all the protections under the federal student loan system**, including income-driven repayment options, special deferments and forbearances, and any existing or future cancellation.

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# Get one-on-one help

## Legal Help

- Contact your local legal aid organization to see if you qualify for free help.
- If you do not qualify for free legal help, you may be able to hire a lawyer to help you with your student loan issue.

## File Complaints

- File a complaint with the Department of Education Federal Student Aid Ombudsman office.
- File a complaint with your state student loan ombudsman or advocate (if they have one) or your state attorney general.
- File a complaint with the Consumer Federal Protection Bureau (CFPB), a federal agency that works on protecting consumers, or the Federal Trade Commission, which also protects consumers.



## Student Loan Basics

- [What's next after Court strikes down debt relief?](#) →
- [Learn more about student loans](#) →
- [Find your student loan info](#) →
- [Help with repayment](#) →
- [Stop collections and get out of default](#) →
- [Cancellation and other relief](#) →
- [Get more help](#) →
- [President Biden's debt cancellation plan](#) →
- [Returning to repayment in September](#) →



Find how to get one-on-one help at:  
[studentloanborrowerassistance.org](https://studentloanborrowerassistance.org)

## Latest News

[Pres. Biden Announces New Student Debt Relief Effort After Court's Decision](#)



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**Questions?**