STUDENT LOAN TOOLKIT

A GUIDE FOR ADVOCATES AND BORROWERS

National Consumer Law Center
Fighting Together for Economic Justice

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STUDENT LOAN TOOLKIT

PART 1: UNDERSTANDING AND MANAGING YOUR STUDENT LOAN SITUATION

PART 2: CHECKLISTS & GUIDES FOR MANAGING STUDENT LOANS

NCLC National Consumer Law Center

This toolkit was written by advocates in the National Consumer Law Center's Student Loan Borrower Assistance Project. For more information, visit the website at **studentloanborrowerassistance.org**.

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services; and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state governments and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

HOW TO USE THIS TOOLKIT

This toolkit was adapted from the book, *Surviving Debt*, published by the National Consumer Law Center (NCLC). It has been a leading resource for more than 30 years for consumers struggling with various types of debt. *Surviving Debt* is available for free online at library.nclc.org/book/surviving-debt. You can also purchase a print copy at library.nclc.org/SD/subscribe.

Whether you are just starting your student loan journey or have been dealing with student loan debt for decades, you can use the resources and materials in this toolkit to help you take charge of your student loan situation and achieve financial stability.

The toolkit explains the basics of the student loan system, how to assess your own student loan situation, and your options for managing your student loan debt. It includes fillable pages where you can record your own student loan information to help you work through your situation and track your progress toward becoming debt-free. Finally, the toolkit includes information on how and when to get additional help with your student loans, as well as other useful resources.

This toolkit is also designed to be used by financial counselors and legal aid advocates working with student loan borrowers. The information in this guide is useful as a resource to borrowers, counselors, and attorneys alike, and the fillable pages can be used to guide meetings with borrowers, collect key information, and document information for the borrower to refer back to as needed.

STUDENT LOANS: A TRILLION-DOLLAR CRISIS

Almost 45 million Americans have student loan debt. Today, Americans collectively owe more than $1.7 trillion in student loan debt. Student loan debt impacts people of all ages, including an alarming number of older Americans. Because student debt burdens have increased and there is no statute of limitations on the collection of federal student loans, this debt can follow people for decades.

If you have student loan debt, you are not alone.

If you have student loan debt, you are not alone. While the government used to cover much of the cost of college, particularly at public schools, most students now have to take out student loans to pay for it. The student loan crisis is a growing problem, but the good news is that there is almost always something you can do to improve your situation.

This might include removing your loans from default, enrolling in a more affordable payment plan, temporarily postponing payments, or even having your loans canceled through one of several federal relief programs.

Your options vary a lot depending on what types of loans you have, who your loan holders are, and what the status of your loans is. It is important to know this information before you start dealing with your student loan problems.

DO YOU HAVE FEDERAL LOANS, PRIVATE LOANS, OR BOTH?

The majority of student loans are federal student loans. If you took out the maximum amount of federal student loans, you may have also taken out private student loans to cover the rest of your education costs.

Federal student loans are generally better than private student loans because the law provides special benefits and protections to help borrowers with federal student loans. Most private student loans do not have strong protections for borrowers who are struggling to pay. Private loans have different terms and protections depending on the loan agreement. The terms for private loans are made by the lender in the loan agreement. In contrast, federal student loan terms and protections are set by the law.

Federal student loans are loans that are made through special government programs. These programs include the Direct Loan Program, Perkins Program, and Federal Family Education Loan (FFEL) Program. Since 2019, all new federal student loans are given out directly by the federal government through the **Direct Loan Program**. But many borrowers still have older types of federal student loans, including **FFEL** and **Perkins Loans**. These older types of loans were issued by private lenders or schools, but were backed by the federal government.

Private student loans are issued by a bank, lender, or other institution. Private loans are not backed by the federal government and are made outside of the federal government programs.

It may be hard to tell at first glance if you have a private or a federal loan because many private student loan lenders also manage and service federal student loans. You may also have both federal and private student loans.

You can usually find your federal student loan information by logging into your Federal Student Aid account on studentaid.gov. Private student loans are not listed on studentaid.gov because they are not issued or managed by the federal government.

Private student loans may be listed on your credit reports. Because federal student loans are usually listed on your credit reports as well, it may be hard to tell if the loan listed is a federal loan or a private loan. If the loan on your credit report is labeled as "Department of Education," "DEPT of ED," or "DEPTED," it is likely that it is a federal loan, but not all federal loans are listed this way. If you know who your private student loan servicer is, you can log in to your online account with the servicer or call your servicer to get your loan information.

See the table below for more information on the differences.

FEDERAL STUDENT LOANS	PRIVATE STUDENT LOANS
Loans are issued through a federal government program.	Loans are issued by a bank, lender, or other institution.
You apply using the FAFSA form.	You apply for a private loan directly with the lender.
The government caps the amount you can borrow.	The amount you can borrow is set by the lender.
Credit checks are not required (except for Parent PLUS Loans).	Loans offered are based on your credit.
There are generally no co-signers (but parents may be able to get Parent PLUS Loans to pay for their children's education and PLUS loans may have endorsers).	A co-signer may be required by the lender (usually a close relative, but doesn't have to be).
Interest rates are fixed (except for some older loans).	Interest rates may vary.
Special protections are provided by law, such as Income-Driven Repayment plans, interest subsidies, loan cancellation and forgiveness programs, and help for borrowers in default.	Private lenders rarely offer flexible repayment plans, loan cancellation or forgiveness programs, or pathways out of default.
No statute of limitations applies, meaning debt collection can continue indefinitely.	State statutes of limitations apply, protecting borrowers from lawsuits to collect on old loans.
Find information on federal loans on studentaid.gov.	There is no central place to find private student loan information, but you may be able to see this information on your credit report.

DEALING WITH FEDERAL STUDENT LOAN DEBT

You Have Options That Can Help

There are different options for managing your federal student loan debt and getting more help if you can't make your payments. You may even be eligible to have some or all of your student loans canceled.

In order to determine what options or relief you are eligible for, you first need to know what types of federal student loans you have, what the status of your loans is, and who your loan holders and loan servicers are. You can find all of this information about your federal student loans in your account on studentaid.gov.

Find Your Federal Student Loan Information by Logging in to Your Account on Studentaid.gov

You can access information about your federal student loans at the Department of Education's Federal Student Aid (FSA) website by going to studentaid.gov and clicking the "Log In" button.

If it's your first time using studentaid.gov, you will need to create an account with an FSA ID and password. You will also need to provide an email address and other identity information. Your online account will provide your approximate loan balance, the types of federal loans you have, who is servicing those loans, and other loan details.

Once you have logged into your account, you can find your loan details on your Dashboard. Any loans listed on your studentaid.gov account are federal student loans. Some information is easy to find on studentaid.gov, but certain types of information may take a few steps to find.

Any loans listed on your studentaid.gov account are federal student loans.

The key pieces of information you need about your federal student loans are:

- The types of student loans you have;
- The status of your loans;
- Who holds the loans; and
- Your loan servicers.

Step One: What Types of Federal Loans Do You Have?

It is important to know exactly what types of federal student loans you have, as some loan benefits only apply to certain types of federal loans.

Over the years, there have been a number of changes to the federal student loans offered to borrowers. Today, the government only issues **Direct Loans** to new student loan borrowers—but older loans from different federal programs still exist. And if you took out your student loans a while ago, you may have one or more of these older types of federal student loans, such as **Federal Family Education Loans (FFEL)**, **Perkins Loans**, or (less commonly) **HEAL loans**.

Within the Direct Loan and FFEL programs, there are many different types of loans. A Direct Loan or FFEL loan can be a subsidized, unsubsidized, Parent PLUS, Graduate PLUS, or Consolidation Loan.

- **Subsidized** loans are only available to undergraduate borrowers and are based on your financial need. Interest does not accrue on subsidized loans while you are in school or during grace periods or deferments.
- **Unsubsidized** loans do not require you to show financial need and are available to undergraduate and graduate school students. Interest accrues while you are in school and is added to your principal balance if it's not paid each year. Many borrowers have both subsidized and unsubsidized loans.
- **Parent PLUS** Loans are made to parents for their children's education.
- **Grad PLUS** loans are available (along with unsubsidized loans) for graduate school.
- **Consolidation Loans** are loans used to pay off one or more federal student loans, often to combine multiple loans.

For more details on the types of federal student loans you may have, see the list below.

Federal Student Loans Issued Today

Direct Loans (the only types of loans the Department currently issues), including:

- Direct Subsidized Loans (for undergraduate study);
- Direct Unsubsidized Loans;
- Direct Parent PLUS Loans;
- Direct Graduate PLUS Loans;
- Direct Consolidation Loans.

Other Types of Federal Student Loans:

- **Family Federal Education Loans (FFEL)** (last issued in 2010), including:
  - Subsidized Federal Stafford Loans;
  - Unsubsidized Federal Stafford Loans;
  - FFEL PLUS Loans;
  - FFEL Joint Spousal Consolidation Loans (last issued in 2006); and
  - FFEL Consolidated Loans.
- **Perkins** Loans.
- **Direct Joint Spousal Consolidation Loans** (last issued in 2006).
- **Health Education Assistance Loans (HEAL)** (last issued in 1998).
- **Federally Insured Student Loans (FISL)** (much older type of student loan).
- **Supplemental Loans for Students (SLS)** (much older type of student loan).
- **Guaranteed Student Loans** (much older type of student loan).

NOTE: The majority of federal student loans are Direct Loans—the only type of student loans still issued today. But if you took out student loans before 2018, and especially before 2010, it's possible that you may have a different type of federal student loan that is no longer issued today. If you have one or more of these other types of loans (listed above as "Other Types of Federal Student Loans"), **you may want to consider consolidating those loans into a new Direct Consolidation Loan** to access better repayment plans and other types of loan relief.

Find Out What Types of Federal Student Loans You Have

To find exactly what types of loans you have, log in to your account on studentaid.gov and follow the steps listed here:

1. Once you are on the Dashboard, click on "View Details."
2. You will then be on the "My Aid" page, where you can scroll down to the "Loan Breakdown."

3. For each of your loans with a balance over $0 listed in the “Loan Breakdown” section, click on “View Loans.”
4. Click on “View Loan Details” for each loan listed on this page where the balance is more than $0.
5. You will then be on a new page where you can see your loan type (for example, Direct Unsubsidized, FFEL Subsidized, Direct Parent PLUS Loan, etc.).

You should write down (or print out) the loan type information for each of the loans you have. You may need to repeat this process if you have multiple loans that you are still paying on. Loans that are listed in your account that show a balance of $0 were either paid off, forgiven or canceled, or consolidated into a new loan.

NOTE: If you cannot find your student loan type information on **studentaid.gov**, you can call the Federal Student Aid Call Center at **1-800-433-3243**.

Step Two: What Is the Status of Your Federal Loans?

Depending on your situation, your loans may be:

- In repayment;
- In a grace period (if you recently left school);
- In deferment or forbearance (a temporary pause on your loan payments usually for an economic hardship or because you went back to school);
- Delinquent (after your first missed payment); or
- In default (after nine missed payments).

Find the Status of Your Loans on Studentaid.gov

1. To figure out the status of your federal student loans, take the following steps:
2. Log in to your studentaid.gov account.
3. Once you are on the Dashboard, click on “View Details.”
4. You will then be on the “My Aid” page, where you can scroll down to the “Loan Breakdown.”
5. Look for the “Loan Status” for each of your loans listed in the “Loan Breakdown.”

If you have paid off your loans, or consolidated your loans, the status of your loans with a $0 balance will say “Paid-in-Full” or “Paid-in-Full By Consolidation.”

You should write down (or print out) the status of each of your loans.

NOTE: If your loans are in default, the default will be listed in red under the “**Loan Breakdown**.” There will also be an alert notification at the top of your **Dashboard** letting you know that you have loans in default. If you have loans in default, you should take steps now to get your loans out of default to avoid collection.

The government has powerful tools to collect on student loan debt, and can garnish your wages, take your tax refunds, and even seize your Social Security benefits to pay back student loans in default without suing you first. See **the section on page 23 on default** for more information on how to get out of default.

Step Three: Who Holds Your Federal Loans?

A loan holder is the owner of your student loans. Most federal student loans are owned and held by the federal government through the Department of Education. These loans are sometimes called “ED-held, “Department-held,” or “federally held” loans. All Direct Loans are held by the Department of Education.

Some older federal student loans, such as FFEL and Perkins Loans, are not always held by the Department of Education. These loans might instead be held by a private lender, school, or other entity. This is sometimes referred to as “commercially held” or “non-ED-held” loans. If your loan is not held by the Department of Education, you may have to take steps before you can get certain loan relief, such as loan cancellation or forgiveness.

How Can You Tell if Your Loan Is Held by the Department of Education?

All Direct Loans are held by the Department of Education. For other federal student loan types, you will have to check to see who holds them.

Here’s how to find out:

1. Log in to your account on studentaid.gov.
2. On your Dashboard, click on “View Details.”
3. Scroll down to “Loan Breakdown.”

4. If the name of the loan servicer starts with “Dept. of Ed” or “Default Management Collection System,” then that loan is held (owned) by the Department of Education.
5. If the name of the loan servicer starts with either a company’s name or a school’s name, the loan is not held by the Department of Education.

You should write down (or print out) the loan servicer name listed in studentaid.gov for each of your loans.

NOTE: The majority of federal student loans are held by the Department of Education. And Direct Loans, the only types of federal loans issued today, are all automatically held by the Department of Education.

If you took out student loans before 2018, and especially before 2010, it’s possible that you may have another type of federal student loan that is not held by the Department of Education. If you have a loan that is not held by the Department of Education, **you may want to consider consolidating those loans into a new Direct Consolidation Loan** to access better repayment plans and other types of loan relief.

Step Four: Who Is Your Loan Servicer?

A loan servicer is a company that the loan holder or owner hires to handle the billing and other services on your student loans. The U.S. Department of Education contracts with several different companies to service federal student loans. Your loan servicer will work with you on repayment options and will help you with other issues related to your loans. If you need help with your student loans, you should contact your loan servicer first to see if they can assist you. Loan servicers will not charge you for any help they offer you, as they are paid to manage your loans by the loan holder.

The customer service agents at your loan servicer can help you with a number of things, including:

- Changing your payment due date;
- Stopping automatic payment withdrawals from your bank;
- Getting your loan records and payment history;
- Helping you enroll in an Income-Driven Repayment (IDR) plan to lower your monthly payment amount;

- Helping you sign up for forbearances to temporarily pause your loan payments;
- Advising you on loan forgiveness and cancellation options;
- Helping you stop collections and get out of default; and
- Answering any questions you have about your student loans.

While loan servicers can be helpful, they also have a history of making mistakes or providing incorrect information. If you think you are getting bad information or that your servicer has made a mistake, consider asking to speak with a manager. If that doesn't resolve the problem, see the section on page 29 about how to File Complaints to Resolve Your Student Loan Issues.

If you think you are getting bad information or that your servicer made a mistake, consider asking to speak to a manager or filing a complaint with the government.

There are dozens of companies that service student loans. Who your loan servicer is depends on whether your loan is held by the Department of Education or a private company, agency, or school.

Here are the current loan servicers for federal student loans that are held by the Department of Education, as of May 2024:

- **Edfinancial**, edfinancial.studentaid.gov, 1-855-337-6884
- **MOHELA**, mohela.com, 1-888-866-4352
- **Aidvantage**, aidvantage.studentaid.gov, 1-800-722-1300
- **Nelnet**, nelnet.studentaid.gov, 1-888-486-4722
- **ECSI**, efpls.ed.gov, 1-866-313-3797
- **Default Resolution Group**, myeddebt.ed.gov, 1-800-621-3115
- **CRI**, cri.studentaid.gov, 1-833-355-4311

If your loan is held by a private company, agency, or school, you may have a different loan servicer than those listed above.

Student loan accounts are frequently transferred from one servicer to another. That means your loan servicer today may have changed from the company that previously serviced your loans. It is important you check this information to make sure that your contact information is up to date with your current loan servicer so you don't miss out on any important notices or bills. If you haven't already, you should sign up for an online account with your loan servicer—which is different from your studentaid.gov account. On your online servicer account, you can make payments, enroll in auto-debit, and communicate with your servicer.

How Do You Find Your Loan Servicer?

If you have a federal student loan, you can find your loan servicer information on your Dashboard at studentaid.gov under the "My Loan Servicers" section. You can also call the Federal Student Aid Information Center at 1-800-433-3243 to get this information.

If you haven't already, you should sign up for an online account with your loan servicer—which is different from your studentaid.gov account.

NOTE: It's possible to have multiple loan servicers. This is more likely if you took out student loans at different times (such as for undergraduate loans and then graduate school loans) or if you have loans for your own education and then separate Parent PLUS Loans for your child's education.

If you have multiple loan servicers, you will have to make student loan payments to each of those student loan servicers directly. **You can consolidate your loans together to get one loan servicer (you can choose your servicer when you apply to consolidate your loans) to make repayment easier.** There may be some downsides to consolidating your loans together. See the **section on page 22 on consolidation for more information**.

Are You Eligible to Have Your Loans Canceled, Forgiven, or Discharged?

There are several programs to cancel some or all of your federal loans or have them forgiven, depending on your situation.

You may be able to cancel your federal student loans if:

- Your school closed, and you did not complete your program there (Closed School Discharge);

- Your school misled or lied to you about important information about the program you would attend, the outcomes of graduates, the type of federal aid you'd receive, or they engaged in aggressive and deceptive recruitment (Borrower Defense to Repayment);
- Your loans were taken out in your name without your knowledge (False Certification/ Identity Theft);
- You have a serious disability that generally prevents you from working (Total and Permanent Disability Discharge);
- You work full-time in a public service job for 10 years while in repayment (Public Service Loan Forgiveness); or
- You have been in repayment for 10 to 25 years (Income-Driven Repayment Cancellation).

Additionally, federal student loans are dischargeable upon the borrower's or student's death. The toolkit includes more information about Income-Driven Repayment. For more information on the other cancellation programs, visit NCLC's Student Loan Borrower Assistance site at studentloanborrowerassistance.org, and see the cancellation checklists on page 38 to learn if you are potentially eligible for loan cancellation or discharges.

NOTE: The Total and Permanent Disability Discharge program has recently gotten easier to apply for and can offer complete student loan cancellation for eligible borrowers. Some changes are still in the works, and borrowers can find updates on applying for a Total and Permanent Disability Discharge at **studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge**.

What about President Biden's Loan Cancellation Plan?

After the U.S. Supreme Court struck down President Biden's original student debt cancellation plan, the President announced he would pursue an alternative pathway for providing debt relief to borrowers. However, in December 2024, the Biden Administration announced it was no longer pursuing this plan. There are no new plans to provide widespread debt relief to student loan borrowers, and borrowers should not count on this when making decisions about how to manage their student loan debt.

IMPORTANT NOTE: On June 24, 2024, two court decisions temporarily blocked parts of the SAVE Plan from taking effect. These decisions may change borrowers' rights and access to certain benefits, including repayment plans. Visit the Department of Education's website for more information about the changes at **studentaid.gov/announcements-events/save-court-actions**.

LOWERING YOUR PAYMENTS BY SIGNING UP FOR AN INCOME-DRIVEN REPAYMENT PLAN

You Have Several Repayment Plan Options

The typical federal student loan repayment plan, called the Standard Repayment Plan, generally gives you up to ten years to repay your student loan (up to 30 years for consolidation loans). Under the Standard Repayment Plan, payments are the same amount every month. But the Standard Repayment Plan is just one option—there are a number of other repayment plans that borrowers can choose to manage their loans.

For many borrowers struggling to afford their student loans, income-driven repayment (IDR) plans are the best option. These plans base monthly payments on your current income and family size, with payments sometimes as low as $0/month, and they offer forgiveness of any outstanding balance after 10 to 25 years of qualifying payments, even if your payment is $0 per month.

There are several different IDR plans, but all of them work in the same way: Your monthly payment amount is set each year based on your current income and family size and can go up if you make more money or down if you make less or your family grows. After a certain number of years of making payments, any loan balance you have left is forgiven (canceled). Beginning in 2026, there may be tax consequences for any loan debt that is forgiven through this program.

After you sign up for an IDR plan, you will have to recertify (update) your income and family size each year, even if they haven't changed. If you're married, these plans allow you to not count your spouse's income if you file your taxes separately.

You can apply for an IDR plan by calling your loan servicer or going online at studentaid.gov/idr.

Types of Income-Driven Repayment Plans

As discussed below, there are four different IDR plans:

- SAVE (Saving on a Valuable Education);
- PAYE (Pay As You Earn);
- IBR (Income-Based Repayment);
- ICR (Income-Contingent Repayment).

SAVE

The SAVE (Saving on a Valuable Education) plan is the newest IDR plan. The SAVE plan is one of the best plans for student loan borrowers to consider. Compared to the other IDR plans, the SAVE plan will:

- Offer much lower monthly payments for most borrowers;
- Shorten the number of years some borrowers will need to make payments (as short at ten years for some borrowers);
- Prevent balances from increasing while borrowers are making payments (interest that isn't covered by your payment will be waived); and
- Reduce the total amount that most borrowers will pay on their loans.

Importantly, under the SAVE plan, many more low-income borrowers will be eligible for $0 monthly payments than under other IDR plans.

Some of the SAVE plan benefits were implemented in 2023 and early 2024, but other benefits won't go into effect until July 1, 2024. The SAVE plan is replacing the REPAYE plan. If you were already enrolled in the REPAYE plan, you should have been automatically transferred to the SAVE plan in fall 2023.

How Much Are Payments? Your monthly payment is based on your income and family size. If you make less than 225% of the Federal Poverty Level for your family size, you will have a $0 monthly payment.

Until July 1, 2024, if you make more than 225% of the federal poverty level, your monthly payments will be 10% of the portion of your income above that amount. After July 1, 2024, if you make more than 225% of the federal poverty level, and you only borrowed loans for your undergraduate education, your monthly payment will be 5% of any income above 225% of the federal poverty line.

If you only borrowed loans for graduate school, your monthly payment will be 10% of your income above 225% of the federal poverty line. If you borrowed for both graduate and undergraduate schools, your monthly payment will be a weighted average of your loans and will be between 5% and 10% of your monthly income above 225% of the federal poverty level.

Eligible Loans: Direct Subsidized and Unsubsidized Loans, Direct Grad PLUS Loans, and Direct Consolidation Loans that do not include Parent Plus Loans are eligible for this plan. Parent Plus Loans or Direct Consolidation Loans that paid off Parent Plus Loans are generally not eligible for SAVE.

Time Until Forgiveness: If you continue to make payments under SAVE, any remaining balance on your loans will be canceled after a specific number of years of payment that depends on how much you originally borrowed and whether you borrowed any loans for graduate school. See the chart below for more information on when you may be eligible for cancellation under the SAVE plan. Depending on your income and debt, you may pay off your loans sooner.

AMOUNT ORIGINALLY BORROWED	YEARS IN REPAYMENT UNTIL ANY REMAINING STUDENT DEBT IS CANCELED
$12,000 or less	**10**
$12,001 to $13,000	**11**
$13,001 to $14,000	**12**
$14,001 to $15,000	**13**
$15,001 to $16,000	**14**
$16,001 to $17,000	**15**
$17,001 to $18,000	**16**
$18,001 to $19,000	**17**
$19,001 to $20,000	**18**
$20,001 to $21,000	**19**
$21,001 to $22,000	**20**
$22,001 to $23,000	**20** (for borrowers with only undergraduate loans), **21** (for borrowers with at least one loan for graduate school)
$23,001 to $24,000	**20** (for borrowers with only undergraduate loans), **22** (for borrowers with at least one loan for graduate school)

AMOUNT ORIGINALLY BORROWED	YEARS IN REPAYMENT UNTIL ANY REMAINING STUDENT DEBT IS CANCELED
$24,001 to $25,000	**20** (for borrowers with only undergraduate loans), **23** (for borrowers with at least one loan for graduate school)
$25,001 to $26,000	**20** (for borrowers with only undergraduate loans), **24** (for borrowers with at least one loan for graduate school)
$26,001 or more	**20** (for borrowers with only undergraduate loans), **25** (for borrowers with at least one loan for graduate school)

PAYE

PAYE (Pay As You Earn) is another good plan to consider if SAVE is not right for you, though borrowers will not be able to enroll in this plan after July 1, 2024 (borrowers already enrolled in PAYE before that date may remain in the plan). PAYE may be a better option than SAVE for some borrowers with graduate school debt who would benefit from the 20-year cancellation period or for borrowers whose income increases significantly after initially enrolling in PAYE. Borrowers can compare payment plan options and estimate their payments in different plans using the Loan Simulator on studentaid.gov.

How Much Are Payments? Payments in PAYE are capped at 10% of your monthly discretionary income (defined as the difference between your income and 150% of the poverty guideline). Your payments will never be higher than what you would pay under the ten-year Standard Repayment Plan. Unlike the SAVE plan, your balance may increase while making payments in PAYE if your monthly payment is less than the interest you are charged monthly.

Eligible Loans: Only Direct Loans are eligible for the PAYE plan. Parent PLUS Loans and Direct Consolidation Loans that paid off Parent PLUS Loans are not eligible. Borrowers will not be able to newly enroll in this plan after July 1, 2024 (borrowers already enrolled in PAYE before that date may remain in the plan).

In addition, you are only eligible to enroll in PAYE if your current payment in PAYE would be less than your payment in a Standard plan and if you received a Direct Loan on or after October 1, 2011, and you had no outstanding Direct or FFEL loan balance when you received your first federal loan on or after Oct. 1, 2007.

Time Until Forgiveness: With the PAYE plan, any remaining loan balance you have will be canceled after 20 years of repayment, regardless of how much you borrowed or whether you took out loans for graduate school.

IBR

IBR (Income-Based Repayment) is generally not as generous as the SAVE and PAYE plans, but this may be a good option for FFEL borrowers who don't consolidate their loans into a Direct Consolidation Loan and for some borrowers with graduate school loans who cannot enroll in PAYE after July 1, 2024. IBR is generally the only income-driven repayment plan available to borrowers with FFEL loans. If you have a FFEL loan and want to sign up for an IDR plan, you may want to consider consolidating your FFEL loan into a new Direct Consolidation Loan to qualify for SAVE (or PAYE before July 1, 2024).

How Much Are Payments? Your monthly payment is based on your income and family size and depends on when you borrowed:

- Payments are 10% of your monthly discretionary income (defined as the difference between your income and 150% of the poverty guideline) if you were a new student loan borrower on or after July 1, 2014.
- If you borrowed before then, payments are generally 15% of your monthly discretionary income.

In IBR, just like in PAYE, payments will never be higher than what you would pay under the ten-year Standard Repayment Plan, and interest continues to accrue and be added to your balance.

Eligible Loans: All Direct and FFEL Loans are eligible for IBR, except for Parent PLUS Loans and Direct Consolidation Loans that repaid Parent Plus Loans. In addition, you are only eligible for IBR if your payment in IBR would be less than your payment in a Standard plan.

Time Until Forgiveness: If you continue to make payments under IBR, any remaining balance on your loans will be canceled after:

- 20 years of payments if you were a new student loan borrower on or after July 1, 2014; or
- 25 years if you borrowed before July 1, 2014.

ICR

ICR (Income-Contingent Repayment) usually requires higher payments than SAVE, PAYE, and IBR. However, ICR is the only IDR plan that is available to borrowers with Parent Plus Loans, but you first have to consolidate your Parent PLUS Loan into a new Direct Consolidation Loan to be eligible.

How Much Are Payments? In ICR, payments are capped at 20% of your monthly discretionary income (defined for ICR as income over 100% of the poverty guideline), though they may be lower based on a complicated alternative formula. Interest continues to accrue and be added to your balance under ICR.

Eligible Loans: Starting July 1, 2024, the ICR plan will limit new enrollments. After that date, only borrowers with Direct Consolidation Loans that include an underlying Parent PLUS Loan may enroll in ICR.

Time Until Forgiveness: If you continue to make payments under ICR, any remaining balance on your loans will be canceled after 25 years of payments.

NOTE: If you have FFEL Loans, you are generally eligible for the IBR plan, but you may want to consolidate your loans into a Direct Consolidation Loan to access the SAVE or PAYE plan, which are usually better plans for most borrowers.

If you have Parent PLUS Loans, you have to consolidate your loans into a Direct Consolidation Loan in order to be eligible for the ICR plan. **However, the ICR plan is the most expensive IDR plan, so if you have other types of loans besides Parent PLUS Loans, you may want to leave those loans out of your consolidation or consolidate those loans separately.** If you consolidate all of your loans together, you will only be eligible for the ICR plan and your payment may be higher.

Deciding Which Repayment Plan Is Right for You Using the Loan Simulator Tool

You can also use the Department of Education's helpful Loan Simulator Tool to see which payment plans you are eligible for and how much and how long you would likely pay under each plan. This can be very helpful in deciding which plan is right for you. The Loan Simulator Tool is available online at studentaid.gov/loan-simulator.

Retroactive Credit Toward Loan Forgiveness Through a One-Time Payment Count Adjustment

Beginning in 2023 and continuing in 2024, the Department of Education is conducting a one-time payment count adjustment to help borrowers get more credit toward Income-Driven Repayment (IDR) and Public Service Loan Forgiveness (PSLF) loan cancellation. While most borrowers will get this credit automatically, some borrowers had to take steps before June 30, 2024 to receive this credit.

As discussed above, on an IDR plan, borrowers have any remaining balance on their loans canceled or forgiven after a certain number of years of repayment (10 to 25 years, depending on the plan and loans). However, there have been huge problems with how the IDR plans were managed and how records were kept, which meant that only a small number of borrowers ever had their loans forgiven through IDR loan forgiveness prior to 2023. To help fix these issues, the Department of Education announced a one-time payment count adjustment program to give borrowers more credit toward forgiveness through IDR or PSLF. The account adjustment should help millions of borrowers get one step closer to loan forgiveness.

Under the account adjustment, any "time in repayment" on loans held by the Department of Education between July 1, 1994, and the end of the adjustment period will be counted as IDR-qualifying months, even if you were not enrolled in an IDR plan at the time. Additionally, "time in repayment" prior to consolidating loans before June 30, 2024, as well as some time in forbearance or time in deferment, will now be counted. This time will also count toward PSLF loan forgiveness as long as you meet the employment requirements for PSLF. Time in default, time in an in-school deferment, and time in a grace period still will not count toward IDR loan cancellation under the payment count adjustment.

What to Do After the Account Adjustment

If your loans are all held by the Department of Education, then you did not need to take any additional steps to get credit under the payment count adjustment. But if you don't have enough time in repayment to have your loans forgiven under IDR or PSLF loan forgiveness after the account adjustment, then you will need to sign up for an IDR plan going forward if you want to keep earning credit toward IDR or PSLF loan forgiveness.

Direct Parent PLUS Loans and other Parent PLUS Loans held by the Department will receive credit toward IDR cancellation under the payment count adjustment, even if they have not yet been consolidated. But to keep earning credit toward IDR loan forgiveness, you need to consolidate Parent PLUS Loans into a new Direct Consolidation Loan and then sign up for an Income-Contingent Repayment (ICR) plan. For more information on the payment count adjustment, visit the Department of Education's website at studentaid.gov.

NOTE: Loans that are not held by the Department of Education, such as commercially held FFEL loans and school-held Perkins loans, are not eligible for the payment count adjustment unless they were consolidated into a Direct Consolidation Loan before June 30, 2024. If you have one or more of these loans, **you needed to consolidate your loan into a new Direct Consolidation Loan before June 30, 2024**, to get credit for that loan under the account adjustment.

Consider Consolidating Loans to Make Repayment Easier

If you have federal student loans, you may be eligible to consolidate (combine) your loans into a new Direct Consolidation Loan. You may want to consolidate your loans if you have multiple loans and want to simplify repayment or make your loans eligible for certain loan repayment, relief, or forgiveness options. You may also want to consolidate defaulted loans to get out of default.

Consolidation is similar to refinancing a loan. In both cases, you are taking out a new loan that pays off your existing loans. But consolidation is less risky because the new loan is still a federal loan, and you keep your federal student loan benefits. Refinancing, on the other hand, replaces your existing federal loans with a new private loan.

NOTE: Only consolidate your federal loans using the federal Direct Consolidation Loan program. Consolidating or refinancing your federal student loans using a private loan refinancing or consolidation program will cause you to lose your federal student loan protections and benefits.

Direct Consolidation Loans are now the only type of federal student consolidation loan offered (although some borrowers still have older FFEL Consolidation Loans). Under the Direct Loan Consolidation Program, you can consolidate just about any type of federal student loan into a new Direct Consolidation Loan. You can consolidate all, just some, or even just one of your federal student loans. But you cannot consolidate private student loans into a federal Direct Consolidation Loan.

Interest rates for consolidation loans are fixed and set based on the interest rates of the loans you consolidate. There is no fee to consolidate your loans. Beware of any company that offers to help you with consolidation for a fee, as this is likely a scam. You can apply to consolidate your loans for free by completing the Direct Consolidation Loan application on the Department of Education's website.

There are many good reasons to consolidate, but whatever the reason, you should consider the pros and cons before consolidating. Once you consolidate, you cannot undo the consolidation—so make sure consolidation is right for you before you take this step.

Pros of Consolidating:

- Combines multiple loans into one to simplify loan repayment;
- Borrowers with FFEL and Perkins Loans can replace them with a Direct Loan that is eligible for more repayment plans and benefits;
- Borrowers with Parent PLUS Loans can consolidate to access the income-contingent repayment (ICR) plan;

Cons of Consolidating:

- If you are repaying in a standard or graduated plan, consolidating may result in a longer repayment period and, as a result, paying more interest over time;
- You might lose certain benefits and options, including the option to use consolidation to get out of default in the future;
- Consolidating certain types of loans together can limit your eligibility for some programs, but you can avoid this by leaving some loans out when you consolidate.

Visit the Department of Education’s Federal Student Aid website for more information on consolidating loans at: studentaid.gov/manage-loans/consolidation.

GET LOANS OUT OF DEFAULT AND STOP COLLECTION

Why You Should Get Your Loans Out of Default

If you fall behind on your student loan payments, you need to act quickly to avoid defaulting on your debt. In general, your federal student loans will be considered in default after you miss nine payments in a row.

If you default on your federal student loan debt, the federal government has powerful tools to collect on that debt. The government may be able to garnish your wages, seize your tax refunds, and even take a portion of your Social Security benefits to collect on your student loan debt. It can also make you ineligible to take on additional federal student aid, including Pell Grants, that you may need if you want to go back to school. If you are in this situation, this does not mean you should give up. The good news is that there are ways to recover even if you have already defaulted.

NOTE: There were special protections in place to help borrowers returning to repayment for the first year after the COVID-19 payment pause ended. These protections were a result of the Department of Education's special on-ramp period and the Fresh Start program. Both of these programs ended on September 30, 2024. The on-ramp and Fresh Start programs temporarily protected borrowers from the harsh consequences of default, provided a streamlined path for borrowers to have their loans removed from default, and gave borrowers time to sign up for a more affordable repayment plan or ask for a deferment or forbearance to pause student loan payments. Although the Fresh Start and on-ramp programs are now over, the federal government announced that they won't collect on defaulted student loans until at least 2025.

Loans That Defaulted Before the Pandemic

If your loans were in default before the payment pause, they will still be in default when you return to repayment unless you take action to get them out of default. Right now, there are two ways to get your loans out of default:

- Complete a loan rehabilitation; or
- Consolidate your loans to get out of default.

For more information, visit studentaid.gov/manage-loans/default and see the default checklist on page 43 in the toolkit.

DISCHARGING FEDERAL STUDENT LOANS IN BANKRUPTCY

It is difficult but not impossible to discharge student loan debt in bankruptcy. Bankruptcy is often considered a last resort option because of the impacts it can have on your credit and the costs and time involved in filing for bankruptcy. If you are struggling with debt and have student loans, it may be worth talking to an experienced bankruptcy attorney about your options. The federal government recently made changes to bankruptcy guidance that should increase the number of borrowers who are able to have their federal student loans discharged in bankruptcy.

If you file for bankruptcy, any collections and payments on your student loans and other debts will automatically be paused until the case is over or a judge says that payments should restart. Your student loans will not be automatically discharged if you file for bankruptcy, even if your bankruptcy is approved. You have to take special steps in the bankruptcy case to ask the judge to discharge your student loans. This is done by filing an adversary proceeding.

In order to have your student loans discharged in bankruptcy, you have to show that you have an undue hardship. When deciding if you have an undue hardship, the court will consider the following factors:

- **Present Ability to Pay:** if you're forced to repay your student loans, will you be able to maintain a minimal standard of living? If your expenses equal or exceed your income, you may be able to show that you lack the present ability to pay.
- **Future Ability to Pay:** can you show that your hardship will continue for a significant amount of the time left on repaying your loans? If you are in retirement, have a disability, have a chronic injury, have a long history of unemployment, are not likely to get better paying employment, don't have a degree, or have been in extended repayment status, you may be able to show that your hardship will continue.
- **Good Faith Effort to Repay:** have you made good faith efforts to repay your student loans before filing for bankruptcy? Have you contacted the Department of Education or your loan servicer regarding payment options for your loan prior to filing for bankruptcy? If you have taken all of these steps and still could not pay, or you never had an ability to pay, you may be able to show that you have made a good faith effort to repay.

Here are some examples of borrowers who discharged their student loans because of an undue hardship.

- A 50-year-old student loan borrower, earning $8.50/hour as a telemarketer, was granted a discharge because they did not earn enough to pay the loans and meet their basic needs and were trapped in a "cycle of poverty."
- A borrower who received Social Security benefits due to a medical condition received a discharge because she was able to show the judge that her illness was likely to continue to prevent her from working.
- A student who attended a for-profit college that lied to the student about their job prospects and earning potential was able to get their student loans discharged in bankruptcy.
- A college-educated married couple proved undue hardship and were able to discharge their student loans by showing the court that they worked steadily, maintained a very frugal budget, and tried an affordable repayment plan, but were still unable to meet their basic expenses.

For more information on filing for bankruptcy, contact a bankruptcy lawyer or visit studentloanborrowerassistance.org/for-borrowers/dealing-with-student-loan-debt/loan-cancellation-forgiveness-bankruptcy/bankruptcy.

DEALING WITH PRIVATE STUDENT LOANS AND OTHER EDUCATION DEBT

Private Student Loans Are Different

Private student loan payments are a lower priority than paying your mortgage, rent, utilities, car loan, or even your federal student loans. Private student loans should be treated like your credit card or medical debt—the only difference being that, as with federal student loans, it may be difficult (but not impossible) to discharge most private student loans in bankruptcy.

Private student loan lenders or collectors may be willing to negotiate because they do not have as many collection tools as the federal government. They cannot take your tax refunds, seize your Social Security benefits, or seize your wages before going to court. They also cannot deny you future government loans or financial aid. A defaulted private loan may, however, show up on your credit report.

Private lenders often hire collection agencies. You have the same rights as with any other debt to fight back against any collection harassment or abuse.

Be Aware of the Statute of Limitations on Old Private Student Loans

Unlike with federal student loans, there are state statutes of limitations that apply to private student loans. If a number of years has passed since you last made a payment or requested a deferment or forbearance on a private student loan, talk to an attorney before you contact the lender or start making payments again. A “statute of limitations” may have already expired on the loan, meaning the lender can no longer sue you on the debt. Payment now—or even a new promise to pay—may suddenly give the lender the right to sue you for years into the future.

It can be complicated to determine the number of years before the statute of limitations prevents suit on a debt, hence the need for legal help. In many places, the number is six years after your default, but in some states and for certain loans it may be only three or four years, or even as long as 20 years.

The attorney will want to see a copy of the loan agreement to help determine this. If you do not have a copy, request one from the lender whose contact information may be on collection letters or your credit report. If you reach out to the lender, avoid making payments or promises to repay, and don’t contact the lender unless you are prepared for them to follow up with collection efforts.

Relief Options for Private Student Loans

Private student loans do not have the same flexible repayment plans, loan cancellation, or other borrower protections that federal student loans have, but there may be steps you can take to get help. First, see if the loan agreement says anything about relief if you are having trouble making payments. If the statute of limitations has not expired, you may choose to negotiate for lower payments or even a reduction in your principal balance.

A borrower or the borrower’s estate will generally be liable for the loan even if the borrower becomes permanently disabled or dies, but some private student loan lenders voluntarily cancel the debt in these circumstances. For loans made after November 20, 2018, the lender cannot declare a default and ask for the immediate payment of the full loan amount from either the student or a co-signer just because the student has declared bankruptcy or dies. For loans made after that date, a co-signer’s legal obligation is also released upon the student’s death. Even for loans extended before November 20, 2018, lenders may voluntarily choose to follow these same protections.

Also, if your private student loan's interest rate is more than 6%, and you go on military active duty after taking out the loan, you have a right to reduce the interest rate to 6% while you are on active duty. If the lender does not adjust your rate automatically, notify it of your active-duty status.

Don't Refinance Federal Student Loans into Private Loans

Be wary of refinancing federal student loans with private companies. Even if a private lender offers you an interest rate that appears to be lower than your federal student loan interest rate, the rate might be variable. This means that what could start out as a 3% interest rate may later jump to a 19% interest rate, which is far higher than federal student loan rates.

Refinancing your federal loans into private loans also 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.

You can look into refinancing higher-interest private loans into a lower-interest private loan—but beware of other charges and fees to do so and watch out for variable interest rates that could make the loan more expensive.

Discharging Private Student Loans in Bankruptcy

In general, the ability to discharge private student loans in bankruptcy is subject to the same difficult standard as applies to federal student loans. But there is an important exception. If the school you attended (such as an unlicensed vocational school) is not eligible to participate in one of the federal student financial assistance programs, then you can discharge the private student loan in bankruptcy just like any other unsecured debt. Also, it is becoming increasingly easier to discharge private student loans in bankruptcy. Talk to an experienced bankruptcy attorney for more advice on handling your private student loans in bankruptcy.

Defending Against a Private Student Loan Collection Lawsuit

Private student loan lenders do not have the collection tools that are available to the government, making them more likely to sue on an unpaid debt. However, you have a number of defenses to such lawsuits. You may have similar defenses to these lawsuits as you would with other types of debt collection actions. Look carefully at any collection fees the private lender is seeking. The right to those fees must be stated in the loan agreement, and state law may further limit collection fees.

WATCH OUT FOR STUDENT LOAN SCAMS

Scammers are taking advantage of all of the confusion surrounding student loan repayments and cancellation. Don't pay a company to help you settle your student loan debt, reduce your payments, or access loan cancellation. Debt relief companies frequently charge expensive fees and upfront costs and never deliver on the promises they make to reduce your debt. And they can't do anything for you that you can't do for yourself, or with the help of your loan servicer, for free. The Consumer Financial Protection Bureau (CFPB) has a list of red flags for identifying student loan relief scams at consumerfinance.gov/StudentLoanScams. If you have been a victim of a debt relief scam, file a complaint with the Federal Trade Commission (FTC) and CFPB.

FILE COMPLAINTS TO RESOLVE YOUR STUDENT LOAN ISSUES

If you have problems with your student loans, you may be able to get help with your problem by contacting your lender or loan servicer's complaint department. If your problem is not resolved, you can try a couple of other places that might be able to help:

- File a complaint with the Department of Education Federal Student Aid Ombudsman office at studentaid.gov/feedback-center/login/complaint. This is often the best way to get issues with your federal student loans resolved if your loan servicer cannot resolve it or if you think your loan servicer has made a mistake.
- File a complaint with your state student loan ombudsman or advocate (if they have one) or your state attorney general.
- If your issue involves your school, you can consider filing a complaint with your state's higher education agency.
- If your issue has to do with private loans or student loan servicing, you can file a complaint with the Consumer Federal Protection Bureau (CFPB) at consumerfinance.gov/complaint, a federal agency that works on protecting consumers. You can also file complaints with the Federal Trade Commission, which also protects consumers, at reportfraud.ftc.gov.

If you still aren't able to resolve your issue, you might consider seeking legal assistance.

GET MORE HELP WITH YOUR STUDENT LOANS

More Information: Free information to help you with all types of student loan problems is available at NCLC's Student Loan Borrower Assistance website, studentloanborrowerassistance.org. NCLC's *Student Loan Law*, available at nclc.org/bookstore, has even more detailed information. For general student loan information and for managing your own loans, the best Department of Education website to use is studentaid.gov.

Free Legal Help: There are legal aid and legal services organizations in every state that provide free legal help to people whose incomes fall below certain amounts or to people who meet other requirements. Contact your local legal aid organization to see if you qualify for free help. You can find your local legal aid or legal services agency at LawHelp.org. Depending on where you live, there may be more than one organization in your area.

Find a Private Consumer Lawyer: 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. Student loans are generally a consumer law issue, and you may be able to find a consumer lawyer who handles student loan cases on the National Association of Consumer Advocates (NACA) website at consumeradvocates.org/findanattorney.

You can also get information on finding other legal help at studentloanborrowerassistance.org/for-borrowers/find-help/help-with-your-student-loans.

GETTING STARTED

Use the following checklists and guides to help you navigate your student loan situation. These tools refer to explanations in previous sections of the toolkit for more guidance on finding the information you need to complete these questions.

Are your student loans for yourself or someone else's education?

See page 4 of the toolkit: "Do You Have Federal Loans, Private Loans, or Both?" Check all that apply.

- ☐ My loans are for my education.
- ☐ My loans are for my child's education (such as Federal Parent PLUS Loans).
- ☐ I have loans for my own education and my child's education.
- ☐ I co-signed private student loans for someone else's education (such as a relative or friend).

Do you have federal or private student loans?

See page 4 of the toolkit: "Do You Have Federal Loans, Private Loans, or Both?"

☐ I have federal student loans.

Complete the section on "Dealing with Federal Student Loans."

☐ I have private student loans.

Complete the section on "Dealing with Private Student Loans and Other Education Debt."

☐ I have both federal and private student loans.

Complete both sections on "Dealing with Federal Student Loans" and "Dealing with Private Student Loans and Other Education Debt."

What schools did you attend?

If your student loans were for your education, list all of your schools and dates of attendance below.

Name/location of school: ______________________________

Dates attended: ______________________________

Diploma/degree earned, if any: ______________________________

Name/location of school: ______________________________

Dates attended: ______________________________

Diploma/degree earned, if any: ______________________________

Name/location of school: ______________________________

Dates attended: ______________________________

Diploma/degree earned, if any: ______________________________

Name/location of school: ______________________________

Dates attended: ______________________________

Diploma/degree earned, if any: ______________________________

Name/location of school: ______________________________

Dates attended: ______________________________

Diploma/degree earned, if any: ______________________________

DEALING WITH FEDERAL STUDENT LOANS

See page 6 of the toolkit for more information on "Dealing with Federal Student Loan Debt."

Have you set up an account on studentaid.gov?

See page 6 of the toolkit, "Find Your Federal Student Loan Information by Logging in to Your Account on Studentaid.gov."

- ☐ Yes
- ☐ No
- ☐ Yes, but I forgot my login information.

If you have federal student loans, setting up a studentaid.gov account will help you understand your loan situation and apply for payment plans and relief programs. Be sure to save your login information to make it easy to access your account and apply for relief now and in the future. If you previously set up an account but forgot your login information, you can retrieve your username and reset your password at studentaid.gov.

What types of federal student loans do you currently have?

See page 7 of the toolkit, "Step One: What Types of Federal Loans Do You Have?" Check all that apply. It's common to have several different types of loans.

Most Common Types of Loans (still issued today):

- [ ] Direct Subsidized Loans (for undergraduate study)
- [ ] Direct Unsubsidized loans
- [ ] Direct Parent PLUS loans
- [ ] Direct Graduate PLUS loans
- [ ] Direct Consolidation Loans (subsidized and unsubsidized)
    - [ ] Check here if your Direct Consolidation Loan paid off a Parent PLUS loan

Older, Less Common Types of Loans (no longer issued today):

- [ ] Family Federal Education Loans (FFEL) (last issued in 2010), including:
    - [ ] Subsidized Federal Stafford Loans
    - [ ] Unsubsidized Federal Stafford Loans
    - [ ] FFEL PLUS Loans
    - [ ] FFEL Consolidated Loans
    - [ ] FFEL Joint Spousal Consolidation Loans (last issued in 2006)
- [ ] Perkins Loans (issued by schools, last issued in 2018)
- [ ] Direct Joint Spousal Consolidation Loans (last issued in 2006)

Much Older, Less Common Types of Loans (no longer issued today):

- [ ] Health Education Assistance Loans HEAL) (last issued in 1998)
- [ ] Federal Insured Student Loans (FISL)
- [ ] Supplemental Loans for Students (SLS)
- [ ] Guaranteed Student Loans

What is the status of your federal student loans?

See page 9 of the toolkit, "Step Two: What Is the Status of Your Federal Loans?" If you have more than one federal student loan, check the status of each one, and if they have different statuses, fill in the blank with the loan that matches each status option.

- ☐ **In repayment:** ____________________
- ☐ **In a grace period** (if you recently left school)**:** ____________________
- ☐ **In deferment or forbearance** (a temporary pause on your loan payments, usually for an economic hardship or because you went back to school)**:** ____________________
- ☐ **Delinquent** (after your first missed payment)**:** ____________________
    - ☐ **Date of first missed payment:** ____________________
- ☐ **In default** (after 270 days or nine months of missed payments)**:** ____________________
    - ☐ **Date of first missed payment:** ____________________

NOTE: See **page 15** of the toolkit, "**Lowering Your Payments by Signing Up for an Income-Driven Repayment Plan**." If you cannot afford your payments or are in forbearance, you may qualify for a more affordable loan payment (in some cases as low as $0 per month) by signing up for an Income-Driven Repayment (IDR) plan.

If you are behind on your payments (delinquent), it is important to take action to prevent your loans from going into default, which can damage your credit, increase the cost of your loans, and put you at risk of wage garnishment, among other things. There are steps you can take now to avoid this.

If your loans are already in default, don't despair. There are often steps you can take to get your loans back in good standing.

Who holds your federal student loans?

See page 10 of the toolkit, "Step Three: Who Holds Your Federal Loans?"

All Direct Loans are held by the Department of Education, but other loan types might be held by a school, private lender, or other entity. If you have loans that are not Direct Loans, check whether the loan holder is the Department of Education or not, and list all loans ***not held*** by the Department of Education below. If you have more than one federal student loan, you may have different loan holders.

- ☐ My federal student loans are held by the Department of Education.
- ☐ My federal student loans are not held by the Department of Education.
- ☐ Some of my loans are held by the Department of Education, and some of my loans are held by other entities (such as private lenders or schools).

Loans Not Held by the Department of Education (if any)**:**

____

____

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____

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NOTE: If you have loans that are not held by the Department of Education, consider consolidating them to access better repayment options, loan forgiveness and cancellation, and other benefits. See **page 22** of the toolkit for help consolidating loans.

Who is your loan servicer?

See page 11 of the toolkit, "Step Four: Who Is Your Loan Servicer?" If you have more than one federal student loan, you may have different loan servicers. Check who the loan servicer is for each of your student loans, and list them below.

Loan	*Loan Servicer*

NOTE: EdFinancial, MOHELA, Aidvantage, Nelnet, ECSI, the Default Resolution Group, and CRI, are the only servicers that currently service loans held by the Department of Education. If your federal student loans are being serviced by another company, you may have loans that are not held by the Department of Education, and you should consider consolidating. See **page 22** of the toolkit for help consolidating loans.

Are you eligible to have your loans canceled, forgiven, or discharged?

See page 13 of the toolkit. Check the boxes below if any of these apply to you, and review your options for loan cancellation or forgiveness.

Total & Permanent Disability Discharge

- ☐ Are you unable to work due to an ongoing disability or a physical or mental condition?
- ☐ Do you receive some type of disability benefits, such as VA benefits, SSI benefits, or Social Security benefits?
- ☐ Are you retired and not able to go back to work due to a disability?

If you checked any of these boxes, you may be eligible to have your federal student loans canceled through the Total & Permanent Disability Discharge program.

Apply for Relief: Get information about applying for a Total & Permanent Disability Discharge at studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge.

Public Service Loan Forgiveness (PSLF)

- ☐ Do you work full-time in a public service job (at least 30 hours or more per week)?
- ☐ Is your public service employer a government, 501(c)(3) nonprofit organization, or other nonprofit organization that provides a public service?

If you checked these boxes, you may be eligible to have your federal student loans canceled after making 120 qualifying payments (10 years of payments) while working full-time in a qualifying public service job.

Only Direct Loans are eligible for PSLF, so if you have other loan types, you will need to consolidate them into a Direct Consolidation Loan.

Apply for Relief: Start earning credit toward PSLF or apply for forgiveness using the Department of Education's online PSLF Help Tool at studentaid.gov/pslf.

Income-Driven Repayment (IDR) Loan Cancellation

- [ ] Are you enrolled in an income-driven repayment (IDR) plan?
- [ ] Have you been in repayment for 10 to 25 years on your federal student loans?

If you checked these boxes, you may be eligible to have your federal student loans automatically canceled after 10 to 25 years of repayment depending on the IDR plan you are enrolled in, the amount you borrowed, and the type of loans that you have.

You may get credit for some past periods of repayment, deferment, and forbearance under the one-time payment count adjustment in 2024. You will need to be enrolled in an IDR plan to keep earning credit toward cancellation after the adjustment is made in 2024.

Apply for Relief: Make sure you are signed up for an IDR plan to keep earning credit. Once you've earned enough credit, cancellation will be automatic.

Borrower Defense to Repayment

- [ ] Did you take out student loans to attend a school that misled you or engaged in other misconduct to convince you to enroll or take out loans?
- [ ] Did your school mislead or lie to you about important information about the program you would attend, the outcomes of graduates, or the type of federal aid you'd receive?
- [ ] Did your school engage in deceptive recruitment to get you to enroll?

If you checked any of these boxes, you may be eligible to have your federal student loans discharged under the Borrower Defense to Repayment program.

Apply for Relief: You can apply for Borrower Defense to Repayment at studentaid.gov/borrower-defense/.

Due to recent court decisions, the Borrower Defense to Repayment Discharge program is in flux, and there may be delays in processing applications.

False Certification & Identity Theft

- [ ] Did someone else use your identity to take out loans in your name that you didn't receive? (*Forgery/ Identity Theft*)
- [ ] Did you not have a high school diploma or GED when you enrolled in college? (*Ability to Benefit*)
- [ ] Did someone who worked at your college sign your name on your loan documents without your knowledge or authorization? (*Unauthorized Signature/Payment*)
- [ ] Did your school sign you up for a program to train you for a job you would not be able to get because of some type of disqualifying status (such as a criminal record or medical condition)? (*Disqualifying Status*)

If you checked any of these boxes, then student loans may have been issued in your name that shouldn't have been. You may be able to have those federal student loans canceled through a False Certification discharge.

Apply for Relief: There are four different applications for False Certification Discharge, depending on your circumstances.

Find the False Certification Discharge applications at studentaid.gov/manage-loans/forgiveness-cancellation/false-certification.

Closed School Discharge

- [ ] Did your school close while you were enrolled but before you completed your program?
- [ ] Did you withdraw from your school within 120 (if you took out your loans before July 1, 2020) or 180 days (if you took out your loans after July 1, 2020) of it closing?

If you checked either of these boxes, you may be eligible to have your loans discharged through the Closed School Discharge program.

Find the Closed School Discharge application online at studentaid.gov/forms-library.

Did you attend any of the following schools?

Check all that apply. If you attended any of the following schools, the Department of Education may have made eligibility findings for your school, or may have decided to automatically cancel the loans borrowed to attend these schools through the Borrower Defense to Repayment program. See page 13 of the toolkit, "Are You Eligible to Have Your Loans Canceled, Forgiven, or Discharged?"

- [ ] Ashford University
- [ ] CEHE Schools:
  - [ ] CollegeAmerica
  - [ ] Independence University
  - [ ] Stevens-Henager College
  - [ ] California College San Diego
- [ ] Corinthian Colleges:
  - [ ] Everest College
  - [ ] WyoTech
  - [ ] Heald College
- [ ] Court Reporting Institute
- [ ] DeVry University
- [ ] Drake College of Business, Lincoln Technical Institute in Lowell or Somerville, MA
- [ ] Globe University
- [ ] ITT Tech
- [ ] Kaplan Career Institute Kenmore Square Campus, Medical billing & coding students
- [ ] Marinello Colleges of Beauty
- [ ] Minnesota School of Business
- [ ] University of Phoenix
- [ ] Westwood College
- [ ] The Art Institutes

NOTE: For more information on automatic cancellation, visit **studentaid.gov/announcements-events/borrower-defense-update**.

Managing federal student loan repayment

See page 15 of the toolkit, "Lowering Your Payments by Signing Up for an Income-Driven Repayment Plan."

<table>
<tr><th>CHECK THE BOXES THAT MATCH YOUR SITUATION</th><th>CONSIDER TAKING THESE STEPS</th><th>GET MORE INFORMATION</th></tr>
<tr><td>☐ I am struggling to afford my student loan payments.</td><td rowspan="3">You may be able to lower your monthly payment amount with an income-driven repayment (IDR) plan.

With an IDR plan, your payment is set based on your income and household size and could be as low as $0 per month.

On an IDR plan, your loans may be canceled automatically after 10 to 25 years of payments.

If you've already explored your IDR and payment plan options, and you can't afford payments under any of the plans right now, consider requesting a deferment or forbearance. Deferments and forbearances allow you to temporarily postpone payments and protect you against defaulting, which is very important. But they are generally not as helpful for getting out of debt as enrolling in an IDR plan that works for you.</td><td rowspan="3">Use the Department of Education's Loan Simulator Tool to see which payment plans you are eligible for and how much and how long you would likely pay under each plan.

The Loan Simulator Tool is available online at studentaid.gov/loan-simulator.

If none of the plans are currently affordable to you, check out deferment and forbearance options at https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief.

See the Income-Driven Repayment Plan Comparison Chart on page 46.</td></tr>
<tr><td>☐ I've temporarily paused my payments and am in deferment or forbearance.</td></tr>
<tr><td>☐ I am behind on my student loan payments (delinquent), but I'm not yet in default.</td></tr>
</table>

CHECK THE BOXES THAT MATCH YOUR SITUATION	CONSIDER TAKING THESE STEPS	GET MORE INFORMATION
☐ I want to earn credit toward loan cancellation or forgiveness while making payments on my loans.	You may be able to earn credit toward income-driven repayment (IDR) loan cancellation or Public Service Loan Forgiveness (PSLF) by signing up for an IDR plan. On an IDR plan your loans may be canceled after 10 to 25 years of payments, depending on your situation. Only Direct Loans are eligible for PSLF. If you have other loan types, you must consolidate them into a Direct Consolidation Loan to benefit from PSLF. If you have Parent PLUS Loans or Perkins Loans, you must consolidate them into a Direct Consolidation Loan to be eligible for IDR. Additionally, if you have FFEL loans, you must consolidate into a Direct Consolidation Loan to be eligible for the SAVE plan.	Review your eligibility for loan forgiveness on page 38 of the toolkit. Use the Department of Education's Loan Simulator Tool to see which payment plans you are eligible for and how many payments are required before your loans would be canceled. The Loan Simulator Tool is available online at studentaid.gov/loan-simulator. See the Income-Driven Repayment Plan Comparison Chart on page 46.
☐ I want to pay off my student loans as quickly as possible and limit the amount of interest I pay on my loans.	Depending on your goals for managing your repayment and your student loan situation, you may want to change your repayment plan. There are different lengths of repayment depending on what type of payment plan you are enrolled in.	The Department of Education's Loan Simulator Tool can help you compare student loan payment plans and choose one that fits your goals, including: ▪ Paying off your loans as quickly as possible, ▪ Getting the lowest monthly payment amount,

CHECK THE BOXES THAT MATCH YOUR SITUATION	CONSIDER TAKING THESE STEPS	GET MORE INFORMATION
	In some cases, the Standard repayment plan may be best if you want to limit the amount you pay over time and the amount of time you are in repayment. Some borrowers may also like the Graduated repayment plan, but it can be riskier because the payments increase every two years. For some borrowers, an IDR plan may be the best option. In many cases, an IDR plan will offer much lower monthly payments. Depending on your IDR plan and how much you borrowed, you could have your loans canceled after 10 to 25 years of payments. Regardless of which payment plan you choose, you can also make extra payments to pay down your loans faster and potentially reduce the amount of interest you pay. You can also enroll in auto-debit payments to slightly reduce the interest rate on your loans.	▪ Paying the lowest amount over time on your loans, and ▪ Paying off your loans by a specific date. The Loan Simulator Tool is available online at studentaid.gov/loan-simulator.

CHECK THE BOXES THAT MATCH YOUR SITUATION	CONSIDER TAKING THESE STEPS	GET MORE INFORMATION
☐ I am in default on my student loans.	You can get out of default through loan rehabilitation or by consolidating your defaulted loans into a new Direct Consolidation Loan. Consolidation is generally faster and easier than rehabilitation. There are pros and cons to consolidating loans. See page 22 of the toolkit for information on consolidation.	For more information about getting out of default through consolidation or rehabilitation, see studentaid.gov/manage-loans/default/get-out.
☐ I have Parent PLUS Loans and can't afford my payment plan.	If you have Parent PLUS Loans, you must consolidate them into a Direct Consolidation Loan to be eligible for IDR. Parent PLUS Loans that are consolidated into a Direct Consolidation Loan are generally only eligible for the Income-Contingent Repayment (ICR) plan.	Use the Department of Education's Loan Simulator Tool to see which payment plans you are eligible for and how much and how long you would likely pay under each plan. The Loan Simulator Tool is available online at studentaid.gov/loan-simulator. If none of the plans are currently affordable to you, check out deferment and forbearance options at studentaid.gov/manage-loans/lower-payments/get-temporary-relief. See the Income-Driven Repayment Plan Comparison Chart on page 46.

Income-Driven Repayment Plan Comparison Chart

REPAYMENT PLAN	ELIGIBLE LOANS	ELIGIBLE LOAN DATES	REPAYMENT CALCULATION	FORGIVENESS PERIOD	PARENT PLUS?
Saving on a Valuable Education (SAVE) *previously Revised Pay As You Earn (REPAYE)*	Only **Direct Loans**, except Parent PLUS Loans and Consolidation loans that repaid Parent PLUS Loans	All	Payments will be capped between 5% and 10% of income **lower payment rate will begin in July 2024*	10-25 years, depending on the original loan balance and loan.	No
Pay As You Earn (PAYE)	Only **Direct Loans**, except Parent PLUS Loans and Consolidation loans that repaid Parent PLUS Loans	New borrowers on or after Oct. 1, 2007, who received a disburse-ment on or after Oct. 1, 2011	Payments capped at 10% of income **after 7/1/24, no new enrollments in PAYE*	20 years	No
Income- Based Repayment (IBR) *for loans taken out before July 1, 2014*	**Direct Loans & FFEL Loans**, except Parent PLUS Loans and Consolidation loans that repaid Parent PLUS Loans	Borrowed before July 1, 2014	Payments capped at 15% of income **after 7/1/24, some limits on switching to IBR*	25 years	No
Income- Based Repayment (IBR) *for loans taken out after July 1, 2014*	Only **Direct Loans**, except Parent PLUS Loans and Consolidation loans that repaid Parent PLUS Loans	New borrowers on or after July 1, 2014	Payments capped at 10% of income **after 7/1/24, some limits on switching to IBR*	20 years	No
Income-Contingent Repayment (ICR)	Only **Direct Loans** ****Parent PLUS Loans** are eligible, but only if they are first consolidated into a **Direct Consolidation Loan***	All	Payments capped at 20% of income **after 7/1/24, no new enrollments except for Direct Consolidation Loans that repaid a Parent PLUS loan*	25 years	No, unless consol-idated first

Should you consider consolidating your federal student loans?

See page 22 of the toolkit, "Consider Consolidating Loans to Make Repayment Easier."
Check all the boxes that apply to you.

- ☐ I have federal student loans that are not held by the Department of Education.
- ☐ I have federal student loans that are not Direct Loans, such as FFEL, Perkins, or HEAL loans.
- ☐ I have Parent PLUS Loans, and I want to sign up for an income-driven repayment (IDR) plan.
- ☐ I want to be in a different income-driven repayment (IDR) plan (such as the SAVE plan), but my current loans are only eligible for the IBR plan.
- ☐ I have FFEL or Perkins Loans, and I want to participate in the Public Service Loan Forgiveness (PSLF) program.
- ☐ I want to make repayment easier by having fewer loans and loan servicers to manage.
- ☐ I have federal student loans in default.

If you checked any of the boxes above, you may want to consider consolidating your federal student loans into a new Direct Consolidation Loan. There are pros and cons to consolidating federal student loans. See page 22 of the toolkit for more information on consolidating federal student loans.

Visit the Department of Education's Federal Student Aid website for more information and to apply to consolidate your loans at: studentaid.gov/manage-loans/consolidation.

DEALING WITH PRIVATE STUDENT LOANS AND OTHER EDUCATION DEBT

Are you struggling with private student loans or other education debt?

See page 26 of the toolkit, "Dealing with Private Student Loans and Other Education Debt." Check all the boxes that apply to your situation.

- ☐ I have private student loans or other education debt that I am struggling to pay back.
- ☐ I am in default on my private student loans.
- ☐ I have been contacted by debt collectors about private student loans or other education debt (not federal student loan debt), and I want to know what might happen and what my options are.
- ☐ I have been sued (or am being sued now) for a private student loan or other education debt.
- ☐ I have a judgment against me for a private student loan or other education debt.
- ☐ My wages, bank accounts, or tax refunds have been seized to pay back a private student loan or other education debt.

If you are facing collections, lawsuits, or garnishments (if you checked any of the last four boxes), you may want to contact a lawyer for additional help. You may be able to get free legal help from your local legal aid agency. See page 30 of the toolkit, "Get More Help with Your Student Loans," for more information on finding additional legal help.

STUDENT LOANS & BANKRUPTCY

Should you consider filing for bankruptcy to deal with your student loan debt?

See page 28 of the toolkit, "Discharging Federal Student Loans in Bankruptcy." Check all the boxes that apply to you.

- ☐ Do you have other debts in addition to student loan debt, such as credit card debt, medical debt, or other household debt?
- ☐ Are you unable to afford your student loan payments, even with an income-driven repayment plan?
- ☐ Are you ineligible for student loan cancellation or loan forgiveness?
- ☐ Do you have private student loan debt that you are unable to pay?
- ☐ Are you facing collection, such as lawsuits, garnishments, or tax refund offsets to pay back your student loan debt?

If you checked any of the boxes above, then you may want to talk to an experienced bankruptcy attorney to see if bankruptcy is a good option for you. You may be able to get free legal help from your local legal aid agency. See page 30 of the toolkit for more information on finding additional legal help.

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Fighting Together for Economic Justice

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