

RETURN TO FEDERAL LOAN REPAYMENT

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BACKGROUND

- Payments and interest accrual on government-owned federal student loans have been paused since the start of the COVID-19 pandemic in March 2020
- Federal loan borrowers have not been required to make payments for more than three years
- Interest on these loans has not been accruing during this period
- All of that is about to end

WHAT'S HAPPENING

- Based on action taken by Congress, this pause will end in September 2023
- Repayment will resume in October 2023
- For some federal loan borrowers, this will be the first time they will be required to make a loan payment
- For other federal loan borrowers, this will reinstate their prior student loan payment obligation
- Even if you aren't scheduled to be in repayment right now (i.e., you are currently enrolled in college on at least a half-time basis pursuing a degree or certificate), interest will once again begin accruing on any federally owned unsubsidized and PLUS loans

QUESTIONS

- Any questions regarding this resumption to loan repayment should be directed to your federal loan servicer
- This presentation includes several resources you may want to review before directly reaching out to your loan servicer, as well as how to find out who your servicer is if you are unsure
- Millions of borrowers will be entering or re-entering repayment at once, so please be patient as your loan servicer makes preparations for this unprecedented event

SELECTING YOUR REPAYMENT PLAN

How to Pick the Right Repayment Plan

The contact information your servicer has may need to be updated. It is important that your servicer has accurate contact information so they can reach you with pertinent updates. You should also review your outstanding balances and accrued interest.

01

Review your student loan servicer account



When you completed loan exit counseling, you selected a plan to repay your student loans. If you didn't select a repayment plan, you were automatically placed in the standard plan. If the plan you were previously in no longer aligns with your repayment strategy, you may want to consider switching.

02

Consider your repayment strategy and decide whether you need to change plans



The standard repayment plan is solely based on the amount you borrowed, and divides your balance (plus interest) into equal, fixed monthly payments. Others, known as income-driven repayment (IDR) plans, take your income into account. In many cases, an IDR plan will provide you with a lower monthly payment. If you don't remember which plan you're in, you can find it on studentaid.gov or on loan servicer's portal. You can also find information on your outstanding balances, accrued interest, and current monthly payment. Your loan servicer may also have repayment calculator tools to help you figure out which plan is right for you.

03

Research repayment options and confirm the best plan for you



If you decide to change your repayment plan to a non-IDR plan, log on to your loan servicer's website to initiate the change. If you would like to apply for an IDR plan, you can do so via studentaid.gov. Keep in mind that if you select an IDR plan, you may be asked for additional information to certify your income and family size. If you need help selecting a plan or completing the process, contact your loan servicer.

04

Once you've selected your plan, make the change in your servicer portal or studentaid.gov



STEPS TO TAKE

Visual created by National Association of Student Financial Aid Administrators – NASFAA



Log in to your student loan servicer account

The contact information your servicer has may need to be updated. It is important that your servicer has accurate contact information so they can reach you with pertinent updates. You should also review your outstanding balances and accrued interest.

01

STEP I

02

If the plan you were in prior to the repayment pause no longer aligns with your repayment strategy, you may want to consider switching to a different plan.



Decide whether you need to change plans

STEP 2



Research repayment options and confirm the best plan for you

The standard repayment plan is solely based on the amount you borrowed, and that amount (plus interest) determines your monthly payment. Others, known as income-driven repayment (IDR) plans, take your income into account. In many cases, an IDR plan will provide you with a lower monthly payment than the standard, fixed repayment plan.

03

STEP 3

04

If you decide to change your repayment plan to a non-IDR plan, log on to your loan servicer's website to initiate the change. If you would like to apply for an IDR plan, you can do so via studentaid.gov. Keep in mind that if you select an IDR plan, you may be asked for additional information to certify your income and family size. If you need additional support in selecting a plan or have questions, contact your loan servicer.



Log in to your servicer portal or studentaid.gov to select your desired plan

STEP 4