

RETURN TO FEDERAL LOAN REPAYMENT

Created by:

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Office of Financial Aid & Scholarships

(July 31, 2023)

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

PREPARING TO ENTER REPAYMENT

STEPS TO TAKE

How to Prepare for Successful Student Loan Repayment

Use your FSA ID to log in to StudentAid.gov 

01

Your FSA ID (the same you used to complete your FAFSA) will include a username and password. Once logged in, update your personal information and confirm your student loan servicer.

 Confirm your student loan servicer

02

Your servicer may vary depending on the type of loan you have. If you don't know who your servicer is, log on to studentaid.gov and visit the "My Loan Servicers" section of your dashboard.

Log in to your loan servicer account and update your contact information 

03

Create an account or log in to an existing one via the servicer's website. Review and update your personal contact information, including your email and mailing address, so your servicer can reach you.

 Reauthorize or select auto debit for monthly payments

04

If you were previously signed up for automatic debit before the payment pause began, you must reauthorize or select automatic debit through your loan servicer account. This will allow your loan payments to be automatically withdrawn from your bank account every month.

Review payment due date and amount 

05

Make note of your monthly payment amount and the date your first payment will be due, and update any changed banking information to ensure you either proactively make a payment by the deadline or are prepared for the funds to be drawn down by auto debit.

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

STEP 1 VISUAL



Log in to studentaid.gov with your FSA ID

Log In ↗

Email, Phone, or FSA ID Username

Password

 [Show Password](#)

Log In

[Forgot My Username](#)

[Forgot My Password](#)

Your FSA ID (the same you used to complete your FAFSA) will include a username and password. Once logged in, update your personal information and confirm your student loan servicer.



Confirm your student loan servicer

STEP 2 VISUAL

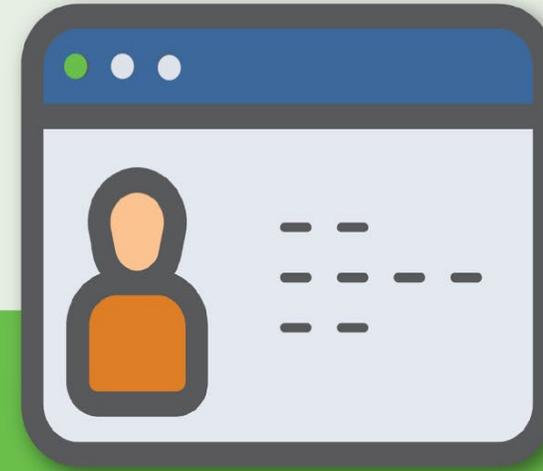
Your servicer may vary depending on the type of loan you have. If you don't know who your servicer is, log on to studentaid.gov and visit the "My Loan Servicers" section of your dashboard.

The screenshot shows the Federal Student Aid dashboard. At the top, there are navigation tabs: UNDERSTAND AID, APPLY FOR AID, COMPLETE AID PROCESS, and MANAGE LOANS. The main content area is titled "MY AID" and features a circular gauge labeled "Loans" with a dollar sign and "Total Balance". To the right of the gauge are two input fields for "Principal" and "Interest", each with a help icon. A "View Details" link with a right-pointing arrow is located to the right of these fields. Below the gauge, there is a link that says "Loan information as of 12/31/2020" and "View loan servicer details". On the right side of the dashboard, there is a section titled "UPCOMING PAYMENTS" with a table showing "SERVICER" as "NAVIENT SOLUTIONS, LLC." and "DUE DATE" as "N/A". At the bottom right, there is a link for "Get information about flexibilities for student loans" and another for "CORONAVIRUS AND FORBEARANCE FAQS".

STEP 3 VISUAL



Log in to your servicer account and update your contact information



Create an account or log in to an existing one via the servicer's website. Review and update your personal contact information, including your email and mailing address, so your servicer can reach you.

STEP 4 VISUAL



Reauthorize or select auto debit for monthly payments

If you were previously signed up for automatic debit before the payment pause began, you must reauthorize or select automatic debit through your loan servicer account to allow your monthly payments to be automatically withdrawn from your bank account.



STEP 5 VISUAL

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



Review your payment due date and amount



Make note of your monthly payment amount and the due date of your first payment on your servicer account, and update any changed banking information.

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

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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

REPAYMENT TIPS AND TRICKS

SUMMARY

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Tips & Tricks to Prepare for Student Loan Repayment

Start Early & Be Ready



Don't delay being proactive if you anticipate encountering any troubles as repayment begins, as there are consequences to not being prepared.

Review Your Personal Budget



Review your personal budget to ensure that you will be able to make your necessary monthly payments. You can find resources to help you create, manage, and maintain your budget on studentaid.gov.

Be Patient & Remain Diligent



With millions of borrowers transitioning into repayment at the same time, it is possible that loan servicers may be overwhelmed with a high volume of inquiries. It is possible you may not reach your servicer via phone the first time you call, and you may need to call a few times before getting connected. You may be able to find the information you're looking for on your own on your loan servicer's website, or by emailing or using live chat features.

Keep Documentation



Keep good documentation of your financial aid and loan servicer records and communications, such as forms, research, who you spoke to, and detailed notes of what you discussed.

Stay Alert to Avoid Scams



1. Your student loan servicer will provide you with free assistance; you should never pay an outside entity to help with your student loans.
2. If you don't know who your servicer is, you can find out by logging on to studentaid.gov and visiting the "My Loan Servicers" section of your dashboard.
3. While you may reach your loan servicer via phone, your servicer will always initiate communications with you via email. Unless you initiate the contact, you should never share personal information over the phone.

START
EARLY



Start Early & Be Ready

Don't delay being proactive if you anticipate encountering any troubles as repayment begins, as there are consequences to not being prepared.

**BUDGETING
IS
IMPORTANT**



Review Your Personal Budget

Along with confirming your payment due date and amount, review your personal budget to ensure that you will be able to make your monthly payments. You can find resources to help you create, manage, and maintain your budget on studentaid.gov.

PATIENCE AND DILIGENCE



Be Patient & Remain Diligent

With millions of borrowers transitioning into repayment at the same time, loan servicers may be overwhelmed with a high volume of inquiries. While you may reach your servicer via phone, you may find the information you're looking for on their website, or by emailing or using live chat features.

DOCUMENT



Keep Documentation

Keep good documentation of your financial aid and loan servicer records and communications, such as forms, research, who you spoke to, and detailed notes of what you discussed.

WATCH OUT FOR SCAMS



Stay Alert to Avoid Scams

Your student loan servicer assists you for free; you should never pay an outside entity to help with your student loans.

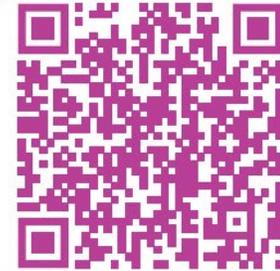
You can confirm who your servicer is on the “My Loan Servicers” section of your dashboard on studentaid.gov.

While you may call your loan servicer, they will always initiate communications with you via email. Unless you initiate the contact, never share personal information over the phone.

RESOURCES TO HELP YOU GET SET UP
AND STAY ON TRACK

OFFICE OF FEDERAL STUDENT AID

The Office of Federal Student Aid's (FSA) "Repaying Your Loans" Booklet



This resource outlines information related to the repayment of federal Direct Loans, Perkins Loans, and FFEL loans.

studentaid.gov/sites/default/files/repaying-your-loans.pdf

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LOAN FORGIVENESS

Loan Forgiveness



There are various loan forgiveness programs that are available for borrowers who meet certain criteria and circumstances.

studentaid.gov/manage-loans/forgiveness-cancellation

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INCOME DRIVEN REPAYMENT PLAN

Income-Driven Repayment (IDR) Plans



Learn more about the four available IDR plans that determine your monthly student loan payment based on your income and family size.

studentaid.gov/manage-loans/repayment/plans/income-driven

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FRESH START

Fresh Start



This initiative aims to assist delinquent and defaulted borrowers as they enter back into repayment in good standing.

studentaid.gov/announcements-events/default-fresh-start

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DEFERMENT AND FORBEARANCE

Student Loan Deferment and Forbearance



Deferment and forbearance are options that allow borrowers in short-term financial distress to temporarily stop making payments.

studentaid.gov/manage-loans/lower-payments/get-temporary-relief

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PUBLIC SERVICE LOAN FORGIVENESS (PSLF)

Public Service Loan Forgiveness (PSLF)



The PSLF program is for borrowers working in public service who are employed by qualifying employers and meet the criteria to receive forgiveness.

studentaid.gov/manage-loans/forgiveness-cancellation/public-service

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DELINQUENCY AND DEFAULT

Student Loan Delinquency and Default



Federal student loans become delinquent when a borrower misses a payment. A loan may go into default if the borrower does not make a payment in a certain amount of time. FSA outlines delinquency/default and actions borrowers can take if they believe their loans were mistakenly put in default.

studentaid.gov/manage-loans/default