



Federal Student Loan Updates

9/18/2024

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WASHINGTON
Student Loan
— **Advocate** —

Q&A and Upvoting



- This presentation is being recorded
- Copy of slides will be available
- Chat is disabled for participants - used only by panelists to share links & resources
- Participants are on mute
- Enter your questions using the Q&A and vote on questions you would like to have answered live
- Live closed captions available.

Questions we will answer:



How do I find my federal student loan information?



What is the “on-ramp” period?



What is the Fresh Start program?



What is happening to the IDR Payment Count Adjustment?



What is the SAVE lawsuit?



How can you get assistance with your student loans?

Federal student loan debt in Washington



790,800
federal student loan
borrowers

\$28.7 billion
outstanding student debt

\$32,498
average student debt

Washington Student Loan Bill of Rights



- Student loan servicers must be licensed with DFI
- Servicers and schools must notify student borrowers about Student Loan Advocate
- Develop student borrower education course
- Borrowers may request information, resources or make a complaint to Advocate
- Advocate makes recommendations to legislature regarding student debt in Washington

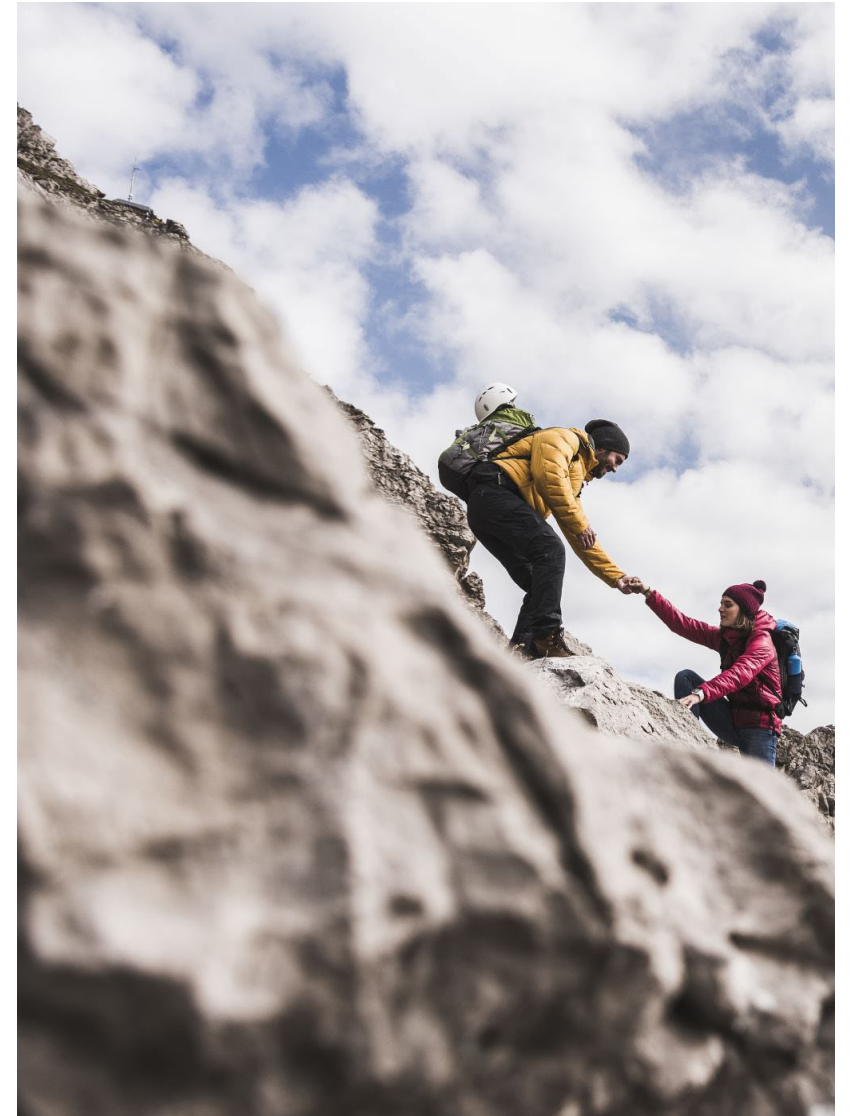
[Engrossed Senate Bill 6029](#)

What does the Student Loan Advocate do?

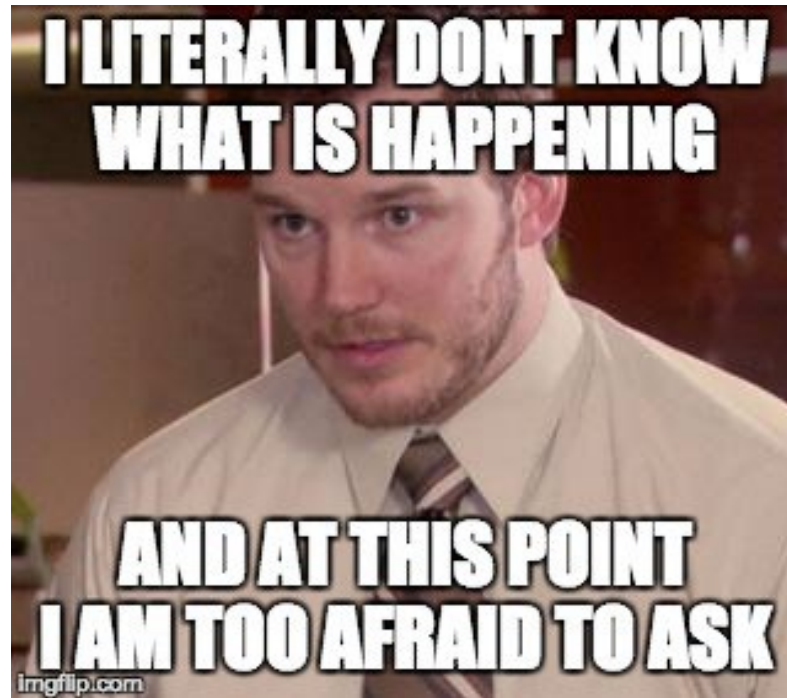


Supports current and future student loan borrowers in Washington State:

- Addresses student borrowers' complaints
- Provides information and resources about student loans
- Educates the public about the rights and responsibilities of student loan borrowers



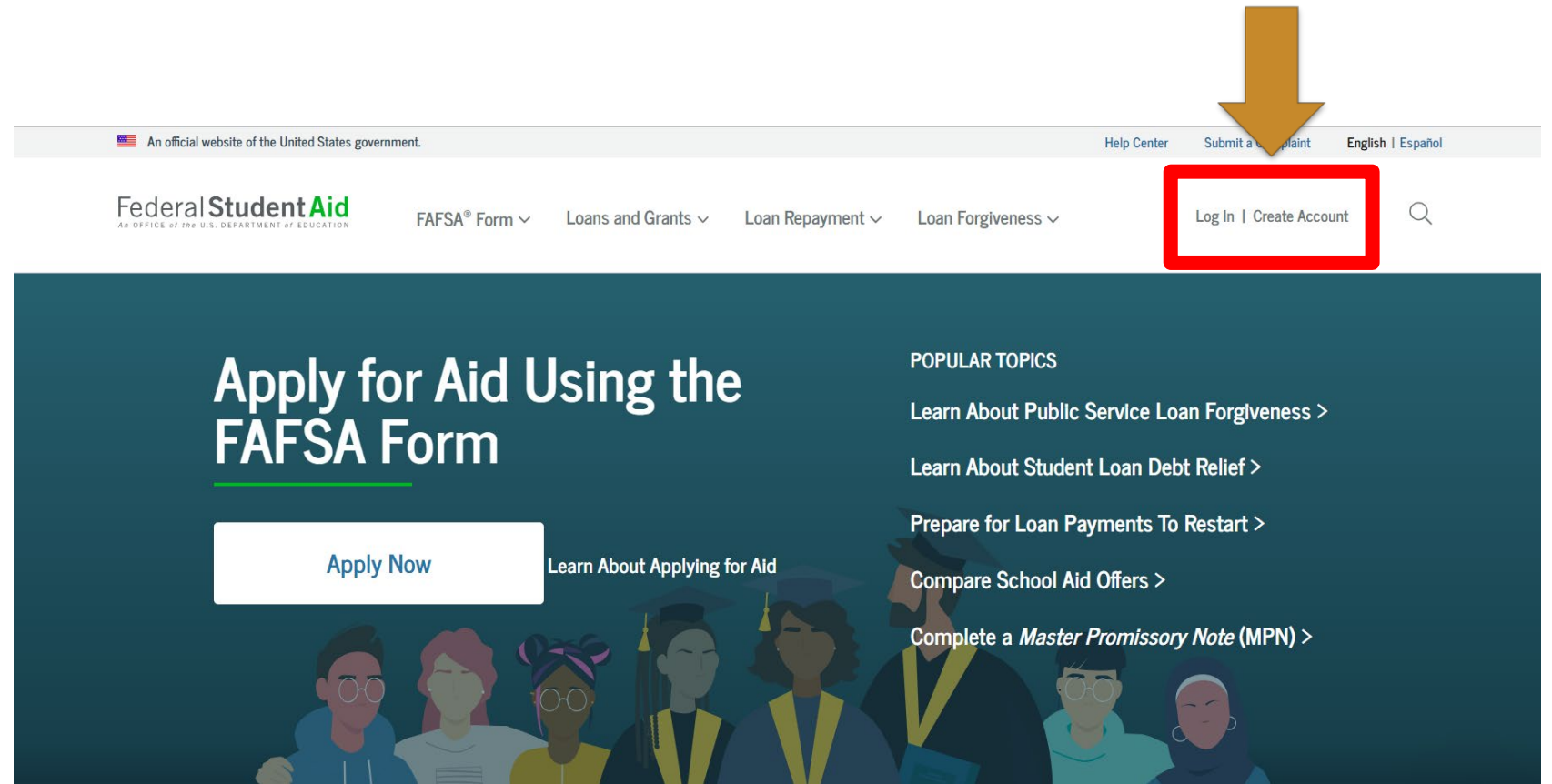
It's ok to be
confused.
This is a lot!



How do I find
my federal
student loan
information?



Find your federal student loans on FSA website



The screenshot shows the Federal Student Aid website homepage. At the top, there is a navigation bar with links for 'Help Center', 'Submit a complaint', and 'English | Español'. Below this is the 'Federal Student Aid' logo and a menu with options like 'FAFSA® Form', 'Loans and Grants', 'Loan Repayment', and 'Loan Forgiveness'. A red box highlights the 'Log In | Create Account' link, with a large orange arrow pointing down to it. The main content area features a large heading 'Apply for Aid Using the FAFSA Form' and a prominent 'Apply Now' button. To the right, there is a 'POPULAR TOPICS' section with links to 'Learn About Public Service Loan Forgiveness', 'Learn About Student Loan Debt Relief', 'Prepare for Loan Payments To Restart', 'Compare School Aid Offers', and 'Complete a Master Promissory Note (MPN)'. The background of the main content area shows an illustration of diverse students.

[StudentAid.gov](https://studentaid.gov)

Find your loan servicer



Dashboard

My Aid

[View Details](#)

Category	Amount
Loans Total Balance	\$20,541
Principal	\$20,507
Interest	\$34

Loan information as of 06/30/2023. [Learn how to download your aid data.](#)

Upcoming Payments

Servicer
Mohela

Due Date
9/30/23

[Pay on Servicer Website](#)

My Loan Servicers

[View More >](#)

DEPT OF ED/MOHELA
www.mohela.com



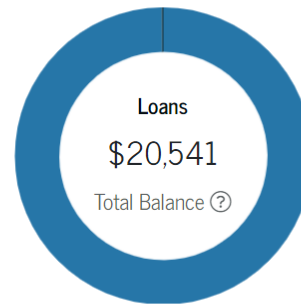
View your loan details



Dashboard



My Aid



- \$20,507 Principal ⓘ
- \$34 Interest ⓘ

[View Details](#)

Loan information as of 06/30/2023. [Learn how to download your aid data.](#)

Upcoming Payments

Servicer
Mohela

Due Date
9/30/23

[Pay on Servicer Website](#)

My Loan Servicers [View More >](#)

DEPT OF ED/MOHELA
www.mohela.com



My Activity [View All Activity >](#)

What is the
“on ramp”
period?



“On-ramp”



“On-ramp” period:

- October 1, 2023 - September 30, 2024.
- Interest will still accrue but will not capitalize.
- If not enrolled in an Income-Driven Repayment (IDR) plan, payments will be adjusted to reflect the accrued interest.

Benefits of “on-ramp” for late, missed or partial payments for borrowers:

- Not reported to credit bureaus
- Not considered in default
- Not referred to collection agencies

On-ramp ends on September 30, 2024.

Delinquency and Default



Good standing

- Making on-time monthly payments

90 days late

Delinquent

- Reported as delinquent / late to credit bureaus

270 days late

Default

- Entire loan amount due
- Wages may be garnished
- Tax refund withheld

What is the Fresh Start program?



Fresh Start Benefits



All defaulted borrowers temporarily have these benefits through **Sept. 30, 2024**. But you must use Fresh Start to get out of default to keep these benefits long-term.

Benefits of Fresh Start:

- Get out of default in as little as 10 minutes!
- Restores access to federal student aid, including loans.
- Removes the default record from borrower's credit report.
- Stops collections.

[A Fresh Start for Federal Student Loan Borrowers in Default | Federal Student Aid](#)

Sign up for
Fresh Start,
now!



Three Ways to Sign Up:

- **Online**—Go to myeddebt.ed.gov and log in to your account. This is the easiest option if you know your login.
- **Phone**—Call 1-800-621-3115 (If you are deaf or hard of hearing, the TTY number is 1-877-825-9923).
 - What to expect on the phone: It will take about 10 minutes. A representative will ask for some information to find your record, then ask why you are calling (your answer: Fresh Start, to get out of default).
- **Mail**—Write to P.O. Box 5609, Greenville, TX 75403. In your letter, include your name, social security number, date of birth, current mailing address, and the following: “I would like to use Fresh Start to bring my loans back into good standing.” Letters must be postmarked before Oct. 1, 2024.

[A Fresh Start for Federal Student Loan Borrowers in Default | Federal Student Aid](#)

Enroll in an Affordable Repayment Plan



When you get out of default, you'll automatically be put on the Standard Repayment Plan.

Use the [Loan Simulator](#) to review your repayment options.

Most borrowers enrolling in Fresh Start (about 80%) choose to apply for an **Income-Driven Repayment (IDR) plan**.

You can't apply for an IDR plan until Federal Student Aid (FSA) finishes processing your Fresh Start enrollment.

Currently, the online IDR application is unavailable, and you'll need to submit a [manual PDF application](#).

What is happening with the IDR Payment Count Adjustment?



PSLF vs. IDR Forgiveness



Public Service Loan Forgiveness (PSLF)

- Awarded after borrower completes 120 qualifying payments (10 years) **while** working in the public sector.

Income-Driven Repayment (IDR) Forgiveness

- Typically awarded after a borrower makes 20-25 years of payment under an Income-Driven Repayment (IDR) plan.

What is the IDR Payment Count Adjustment?



Certain periods of forbearance and/or deferment will convert to IDR payments for borrowers with:

- ✓ 12 or more consecutive months of forbearance
- ✓ 36 or more of total months of forbearance
- ✓ Months in economic hardship or military deferments after 2013
- ✓ Periods of deferment before 2013 (excluding in-school)

Any time spent in repayment will also convert into IDR payments. **Includes** payments made prior to consolidation. **Excludes** periods of bankruptcy or default.

Any borrowers with loans with eligible time in repayment of at least 20 or 25 years may receive automatic forgiveness, even if they are not currently on an IDR plan.

What is the IDR Account Adjustment?



These additional IDR payments may count as PSLF qualifying payments. You must have worked for a qualifying public employer during that time for the period to count.

Loans that hit forgiveness thresholds have started to be forgiven. IDR Forgiveness is currently paused.

PSLF Payment Counts are now available on the StudentAid.gov website if you have completed and FSA has processed at least one PSLF Form. Final PSLF credits may not be applied until later in 2024.

IDR Payment Counts are not currently available on the StudentAid.gov website.

While most people will get the payment adjustment automatically. Borrowers with commercially-held FFEL, Perkins and HEAL loans needed to consolidate by June 30, 2024, to benefit.

What is the SAVE lawsuit?



What is SAVE?



- **The Saving on A Valuable Education (SAVE) plan**
 - The **newest, most generous** Income-Driven Repayment (IDR) plan to date.
 - The SAVE Plan **replaced** the Revised Pay As You Earn (REPAYE) Plan.
 - The SAVE Plan **lowers payments** for almost all borrowers compared to other IDR plans.
 - The SAVE Plan has an **interest benefit**: If you make your full monthly payment, but it is not enough to cover the accrued monthly interest, the government covers the rest of the interest accrued that month.
 - The SAVE Plan gives borrowers who originally borrowed \$12,000 or less **forgiveness** after as few as 10 years.

SAVE Lawsuit



- **Two Lawsuits, one in Missouri and another one in Kansas, were filed to block the SAVE plan.**
 - Requested that SAVE be paused until the lawsuit is resolved.
 - Neither case has been argued yet.
- **As a result, SAVE was paused on July 18, 2024.**
 - Borrowers enrolled in SAVE have been placed in a 0% interest forbearance.
 - Payments are not required during the forbearance.
 - This forbearance will **not** count towards IDR and PSLF forgiveness.

SAVE Lawsuit



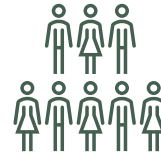
- **Other SAVE lawsuit impacts:**
 - Online IDR and consolidation loan applications on StudentAid.gov are temporarily not available.
 - IDR application processing has been temporarily paused.
 - IDR Forgiveness has been paused.
 - The terms of the SAVE Plan and other IDR plans are subject to the outcome of ongoing litigation.

[SAVE Plan Court Actions: Impact on Borrowers | Federal Student Aid](#)

Keep in mind!



SLA cannot tell you what to do, only explain your options.



Millions of borrowers across the country are facing the same issue.



These options have risks and timeframes that you have no control over.



No matter your choice, be patient.

I'm enrolled in
SAVE and
pursuing PSLF.
What are my
options?



1. Do nothing.

- Wait to see what happens with SAVE.
- Eventually, consider requesting to “[Buy Back](#)” months spent in forbearance.

2. Submit a PDF application to enroll in the Income-Based Repayment (IBR) plan, if eligible.

- Use the [Loan Simulator](#) to find out eligibility.
- You'll be placed into a 60-day processing forbearance that will count towards PSLF.
- After 60-days, if your application has not been processed, you'll be placed into a 0% interest forbearance that will not count towards PSLF.

3. Switch to the 10-year Standard Repayment plan.

- Payments under this plan count towards PSLF.

I'm enrolled in
SAVE and
pursuing PSLF.
What are my
options?



- 1. Do nothing.**
 - **Pros:** Does not require any action from you at this time.
 - **Cons:** May need to go through the PSLF buyback process once you have 120 months of qualifying employment.
- 2. Submit a PDF application to enroll in the Income-Based Repayment (IBR) plan, if eligible.**
 - **Pros:** Continued PSLF eligibility for at least 2 more months.
 - **Cons:** Not all borrowers are eligible for IBR. May increase your monthly payment. May still return to non-PSLF eligible forbearance after 60 days.
- 3. Switch to the 10-year Standard Repayment plan.**
 - **Pros:** Continued PSLF Eligibility.
 - **Cons:** Monthly payments are unaffordable to most borrowers.

I'm enrolled in
SAVE and
pursuing IDR
forgiveness.
What are my
options?



- 1. Do nothing.**
 - Wait to see what happens with SAVE.
- 2. Submit a PDF application to enroll in the Income-Based Repayment (IBR) plan, if eligible.**
 - Use the [Loan Simulator](#) to find out eligibility.
 - You'll be placed into a 60-day processing forbearance that will count towards IDR.
 - After 60-days, if your application has not been processed, you'll be placed into a 0% interest forbearance that will not count towards IDR.

I want to enroll in SAVE or another IDR plan. What are my options?



- **Apply for IDR by submitting a PDF application.**
 - Currently, borrowers can request to enroll in both SAVE and the Income-Based Repayment (IBR) plan.
 - Borrowers with Consolidated loans that repaid Parent PLUS Loans may still enroll into the Income-Contingent Repayment (ICR) plan.
 - You'll need to include documentation of your income.
 - Once you completed your application and gathered documentation:
 - Visit your servicer's website, log in, and upload your IDR application and related documents.
 - Alternatively, you can mail or fax your materials.

I want to consolidate my loans. What are my options?



- **Apply to consolidate by submitting a PDF application.**
 - Print your completed consolidation application and mail it to the servicer you would like to consolidate with.
 - If you are consolidating for the purposes of IDR, you must submit both a loan consolidation application and an IDR application to your consolidation servicer (see previous slide).
 - **Beware:** consolidating your loans at this time may lead you to lose IDR or PSLF credit, as only a **weighted average** of your payments may be applied to the new consolidation loan.

What else
should I be
aware of?



PSLF Program Transition to Federal Student Aid



- Beginning May 1, 2024, the PSLF program will be managed by FSA rather than through one loan servicer.
- You can now:
 - submit your PSLF forms on StudentAid.gov
 - track your progress on StudentAid.gov
 - get support for these programs through FSA's contact centers.
- Between May – June 2024, FSA there was a pause processing any forms for PSLF.
 - Forms submitted during this pause are still being processed, and it may take some time for your PSLF payment counts to be updated.

[How to Manage your Public Service Loan Forgiveness \(PSLF\) Progress on StudentAid.gov – Federal Student Aid](#)

What about the new alternative path to forgiveness?



- On Sept. 5, 2024, the U.S. District Court for the Southern District of Georgia issued a temporary restraining order on the proposed student loan relief regulations.
- FSA is currently reviewing this order and will provide updates on their website: [Federal Student Loan Debt Relief | Federal Student Aid](#)

How can you
get help with
your student
loans?



Past & Upcoming webinars

A green title slide for a webinar. At the top left is the Washington Student Achievement Council logo, which features a stylized tree with leaves and the text "WASHINGTON STUDENT ACHIEVEMENT COUNCIL" around it. The main text in the center reads "PSLF Waiver 2.0: Get a Second Chance with the IDR Recount". Below this, in smaller text, is the date "4/26/23" and the names of the speakers: "Jessica M. Manfredi, PSLF Program Associate (she/her)" and "Hannah Deck, Program Associate (she/her)".

WASHINGTON STUDENT ACHIEVEMENT COUNCIL

PSLF Waiver 2.0: Get a Second Chance with the IDR Recount

4/26/23
Jessica M. Manfredi, PSLF Program Associate (she/her)
Hannah Deck, Program Associate (she/her)

A screenshot of a YouTube video player. The video content shows a woman in a small window at the top right, identified as "Jessica Manfredi (she/her) - PSLF Program Associate". Below her is a larger window for "Hannah Deck". The main video area displays a graphic of a graduation cap with a green band featuring a dollar sign and a leaf, with the text "WASHINGTON Student Loan Advocate" below it. The video player controls at the bottom show a play button, a progress bar at 0:01 / 51:05, and icons for closed captions, settings, and full screen.

Public Service Loan Forgiveness waiver 2.0: Get a second chance with the IDR recount (April 2023)



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wsac.wa.gov/loan-advocacy

wsac.wa.gov/PSLF

Submit a question or complaint to the SLA



Borrowers may submit a complaint and/or question about their student loans to the Office of the Student Loan Advocate.

Borrowers can ask a question about:

1. Public Service Loan Forgiveness (PSLF).
2. Income-driven repayment (IDR) plans.
3. Delinquency and default.
4. Deferment and forbearance.
5. Loan forgiveness and discharges.
6. Consolidation.
7. Other student loan questions.

www.studentcomplaints.wa.gov

Let us know how we're doing!

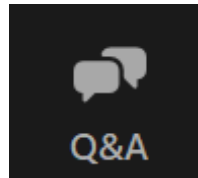
Please fill out a [survey](#) and help us continue providing resources for WA student loan borrowers.



Upvote questions to show your interest



- Typically, we're unable to answer all the questions in the Q&A.
- Please upvote questions you would like to hear the answer to.
Questions with more upvotes will be answered first!
- To upvote questions, click the **Q&A** button at the bottom of your screen.



- View the open questions and click the **Thumbs Up** button.

