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All right, just one more minute and we'll get started. We have a lot to cover today, so we

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want to make sure to have plenty of time to go over information. Thank you everyone that's here.

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All right, let's go ahead and get started. Welcome once again to everyone to a webinar on navigating

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federal student loan repayment, life after save, and avoiding default. My name is Jessica Manfrey.

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I am the student loan advocate within uh Washington state's office of student loan

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advocacy. Our panelists today include student loan advocates and ombudspersons from California,

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the District of Columbia, Illinois, Maryland, Massachusetts, Nevada, North Carolina,

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and Virginia. We are glad that you're here today to learn about this very important topic that is

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affecting millions of borrowers nationwide. Here are a couple of reminders for everyone

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that is attending today. In case you need it. Zoom has a close caption option that you can

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activate at the bottom menu. So if you if you need that to be able to access the information today,

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make sure to take advantage of it. Um all participants are going to be muted throughout

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the presentation and we don't have a chat or a Q&A available today due to the number of

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participants. However, uh this session will

be recorded and posted on YouTube and you

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will receive a YouTube link and a copy of the slides via email about a week after today and

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you can so that you have the ability to review the materials all the or the presentation at

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your own pace. All of this information that we're going to be sharing today is updated as of today,

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but as you know, things change with student loans all the time. Um so the information may change in

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the future. So if you're watching this recording at a later time, just keep in mind that some of

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this information might be out of date. Uh we have a lot of ground to cover. So I will go

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ahead and get started. Amber, next slide. So our agenda today is to first give you an overview of

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what is the safe plan and then we're going to move on to talk about some overall strategies

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for you to manage your student loan debt. We'll then finally then dig into what life after save

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is going to look like as far as your options to manage your debt. And finally, we're going

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to end by giving you some detailed action steps that you can take to successfully manage your

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federal student loan debt as we transition away from the safe plan. Next, so what exactly is the

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safe plan? As most of you are here today probably because you are enrolled into the safe plan. So

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you might already have some familiarity with it
but it's helpful for you to get a little bit more

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background about about why it got started and
why it's being taken away. Right. So the save

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plan is an income driven repayment plan. So a
plan that is based on your income. The save is

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stands for saving on a valuable education. This
plan is a modified version of what used to be the

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repay plan and was updated during the Biden
administration to allow for more affordable

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monthly payments and faster forgiveness for low
balance borrowers. Borrowers that were in repay

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were eventually automatically moved into SAVE
in the summer of 2023. And currently there are

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still about 7 million borrowers in the safe
blood. And while the SAFE plan was a great

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option that was affordable for many borrowers,
the plan faced strong opposition by attorney

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generals in several Republican states and has as
a result effectly ended because of lawsuits. Next.

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So, just to give you an idea of what the save
timeline has been so you can better understand

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what has happened, you know, while while you have
been in in this plan in the past couple of years.

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In March and April of 2004, 11 state attorney
generals sued the US Department of Education

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over the safe plan. Then in June 2024, a court

injection paused as a safe plan while the case

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was being heard, meaning your servicers was no longer able to send you bills, right? Uh

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under the safe plan. And then in July of 2024, because of that injection, borrowers were placed

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into a forbearance that is commonly known as the safe forbearance that is interest free, right? So

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interest wasn't accumulating um um at that point in time. However, a year later in August 1st of

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2025, the Department of Education shifted stances and interests actually started accruing for folks

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that were in that safe forbearance. And finally about 7 months later on March 10, 2026, court

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rulings um ended the safe plan uh once and for all. So this is kind of where we are right now.

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And while you may have already received um several emails and other notifications from the Department

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of Education about the safe plan ending, it's important for you to know that you're also going

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to be receiving notices directly from your servicer that has some important deadlines. Starting July

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1st of 2026, loan servicers will begin to issue 90day notices requiring borrowers to switch to a

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different plan or be automatically placed on the standard plan. You will have 90 days to switch to

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another repayment plan. Because you don't want to miss this notice, you need to make sure that

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you keep your contact information up to date with your student loan serer and on your studentaid.gov

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account. And you also want to make sure to check your accounts regularly for communications and

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or bills. These communications are often posted to inboxes in your serer accounts. So that's why it's

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important to log in regularly and ensure that you don't miss any important announcements. Now that

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we have laid down the background information about save and what notices you should be expecting in

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the next few months, I'll go ahead and pass it over to Scott Camp so he can talk about strategies

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to manage your student loan debt. All right. Thank you, Jessica. Uh thank you for providing us that

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background. And so now we'd like to talk about what some of your options would be, what some

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of your strategies and just keep in mind there is no one approach that works for everyone. So,

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we're going to give you several different options and just our contact information will be at the

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end so you can reach out by state for particular help that you may need. Uh, next slide. So,

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a big part of it is what is your repayment goal? Um, and I'm going to talk about the first two.

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They're talking about paying off your debt quickly and also looking at whether your goal is low

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monthly payments. Next slide. So obviously anytime

you have any kind of debt or loan, you want to pay

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it off in in using the the best approach possible for you. And one might be, you know, to make your

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strategy to pay it off quickly is to make lump sum payments or pay more a month. And you might have

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heard in the past like with mortgages, you know, you make one extra payment uh a year and it can

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cut off two to three years off your mortgage. Well, the same goes for for student loans.

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you can either, you know, maybe you come across some money, you can make a lump sum payment or,

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you know, you can pay a little bit more each month. Uh, this is for borrowers who have low

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loan balances relative to their income. And if this is your goal, um, then you should choose

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either the the current standard plan or the new tiered standard plan. Next slide. If your goal

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is low monthly payments, um, and this may be a strategy for someone who is working towards loan

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forgiveness or maybe they're having some issues with, uh, having enough income to to pay their

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bills. This strategy is the best option. And as I said, it's for those with low low income, older

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borrowers who are looking at getting their loans discharged later on, um, or other borrowers who

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just can't realistically. And if you're choosing between paying your student loan and putting food

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on the table, obviously, you know, you you want to focus on on taking care of your your family

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and your needs. Um, if this is your goal, uh, you want to choose an income driven repayment plan.

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We're going to talk about some of those. Um, or an extended repayment plan, which stretches it out

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over a longer period of time. And the new tiered standard plan, which is going into effect for new

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loans, it'll be an option starting July 1, does stretch it out over a longer period of time based

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on the the amount of the loan. And with that, uh, next slide, I'd like to head due south and

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pass it over to my colleague, Luke Perin in North Carolina. Thank you, Scott. Uh, going to talk for

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a little bit now about your loan forgiveness options um for your federal student loans. Um,

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and really kind of the two main options that you're going to have for those loans are going to

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be income driven repayment forgiveness and public service loan forgiveness plans. So, under R plans,

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your your payments are going to be based on your income, your family size, your tax filing status,

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and they're going to forgive the remaining balance of your loans after making a certain

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period of payments. um with those income driven repayment forgiveness, that's going to be anywhere

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from about 20 to 30 years, whereas public service

loan forgiveness is going to forgive those after

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10 years on that plan. Um ultimately, if this is going to be your goal, you're going to want

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to choose one of those income driven repayment plans. We'll talk more in a little bit about what

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those options are going to be. And your strategy here is going to be to make the minimum required

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monthly payments until you reach that forgiveness. There's really no incentive to make extra payments

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toward this because your goal is to have the most forgiven at the end of that term. Who is this for?

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This is going to be for somebody who has maybe like a low to a moderate income compared to their

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loan balance. Somebody who's been in repayment for a long time or specifically with public service

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loan forgiveness, somebody who is committed to working for a local, state, or federal government

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agency or a qualified nonprofit. Um, and somebody that's really committed to staying in that sector.

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um because it's going to require you to make 120 payments while working at that institution

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um for a full-time or an average of about 30 hours per week at that employer. Next slide.

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So, you might actually even be closer to forgiveness than you think. Um,

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so there was a temporary opportunity a few years ago called the payment count adjustment

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um that some folks might have received for credit toward either your public service

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loan forgiveness or income driven repayment forgiveness for a past period of repayment

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um or certain periods of forbearance that normally wouldn't have qualified. Um and so

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keep that in mind when you're thinking about what your repayment goal might be. Um you can

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take a look at this by going to your student a.gov account. Um, if you're enrolled in PSLF,

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you can view the PSLF payment progress on your account dashboard or you can check out

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your income based repayment plan um or check out your IDR forgiveness uh term date on your

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R application on studentaid.gov as well. Um, so just keep that in mind as you're

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maybe deciding which of these forgiveness plans might be best for you. Next slide.

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A few general tips um as you're moving towards loan forgiveness. Um, and again,

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I will just emphasize what Scott said a minute ago, um, that a lot of these are going to be

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very situational, um, with some of the tips that we're going to talk about. Um, and so ultimately,

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um, if you have specific questions about that, would advise you to, um, reach out to somebody,

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reach out to a qualified tax professional. Um,

but some general tips here. First and foremost,

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uh, to certify your employment every year if you're doing public service loan forgiveness by

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submitting a PSLF form. That's going to have some employer requirements as well. Um, so making sure

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that you keep that certified so you can maintain good standing with the program. Track your PSLF

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progress very closely in your studentaid.gov account as well so you have an accurate idea of

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those payments towards your 120 payments that you're working to. Look out for requests to

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reertify your IDR plans annually. Um, and consider opting into automatic reertification. I will note

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that if your income drops at any point, you should request recalculation of your payment right away

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at studentaid.gov. um since that's going to be based off of like I mentioned some factors earlier

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including income, family size, tax filing status. Um any change to your income is going to change

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how much your payments are. And so if your income drops, you're going to want to request that so you

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can have a lower monthly payment. And lastly, I mentioned it a second ago, but I'll say it

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again just to emphasize its importance. Don't make extra payments. The goal here is to get the most

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forgiveness possible. Um and any extra payments that you make um is money that's not going to be

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forgiven later on. Um, I will just also add here specifically that at a federal level,

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any of these things that I've talked about, those are going to be tax, the forgiveness is

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going to be taxexempt. However, that's not going to be the case in every state. Um, so if you have

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questions about your state tax, the state tax on your uh forgiven loans, um, would advise you to

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reach out to a tax professional um, to learn more about your specific situation. Next slide, please.

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There are a couple or there are a few uh we'll just say situationbased forgiveness options or

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discharge options that you could also look into um that I just want to touch on briefly. The first

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is what we call total and permanent disability discharge. Um so if you are not able to work due

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to a disability or an ongoing medical condition, you may be able to have your federal student debt

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canceled or forgiven through total and permanent disability. TPD is the acronym. You don't have

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to be receiving Social Security disability benefits in order to qualify. Um, and there are

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a few different ways to qualify. Either through certification of disability through the SSA,

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through the VA, or through an eligible medical professional. Um, the second thing I just want

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to emphasize here is this program called borrower

defense to repayment. Um, this allows you to seek

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the discharge of your student loan debt if a school violates certain state laws or engages

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in misleading, deceptive practices or fraud. Um, and then lastly, I will just mention what's called

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closed school discharge. Um, so certain instances, the closure of your school uh may result in the

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uh discharge of your loans or the release of your obligation to pay for those loans. Um,

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you may be eligible for a discharge if your school closes while you're enrolled and you're unable

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to complete the program. Um, or if your school closes um, shortly after you withdrew. Um, again,

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a lot of these are kind of situational programs. Um, and so if you have any questions about that,

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would would recommend you reach out to somebody. Um, and you can check out all these options at

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studentaid.gov. And I just want to emphasize for these as well, it's kind of the same thing

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as the last slide. Whereas these are these uh discharge programs are going to be uh tax exempt

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on a federal level, but that's going to vary based on your state. So your state might have

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a different tax law um that's going to require certain tax certain uh I guess tax requirements

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on those. Um and with that, I'm going to turn it over to Rwin Thman from Massachusetts. Thanks,

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Luke. Uh I just wanted to clarify one point which is that uh PS public service loan forgiveness is

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generally not treated as taxable uh income on federal tax returns but but that could vary by

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state. Um income driven repayment forgiveness is now generally treated as taxable income for

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federal tax purposes and may also be uh treated as taxable in your state. Um but but I'm here

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now to talk about um the different repayment plans that that you can switch to based on your

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repayment goal. So next slide please. Uh broadly speaking for those of you who are finished taking

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out your loans there are there are three main options. Um first as we've talked about you can

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do nothing and you'll be put on a standard plan. Um, second, you can switch to another

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income driven plan. And third, you could switch into an extended and/or graduated plan. Next

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slide. Here is sort of an overview of all of the repayment plans. Uh, if your goal is to pay off

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your federal loans quickly, as Scott mentioned, choosing the standard plan often makes sense.

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This plan has level monthly payments, but the term length can be anywhere from 10 to 30 years

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depending on whether you've consolidated. Um, you may need to make extra payments if you want to pay

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off your loans quickly and you have one of these

longer terms. If you're looking for the plan with

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the lowest monthly payment, it really could end up being any one of these plans. It depends on your

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income, your family size, your loan type, uh when you took out your loans, and what your balance is.

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We'll talk about how to find out what your payments would be under each plan later on.

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If you're planning to pursue public service loan forgiveness or income driven repayment forgiveness,

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in nearly all cases, you will need to choose one of the plans that are highlighted here in

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green. These are the income driven plans. Keep in mind that the ICR plan and the pay plan will

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be phased out by July 1st of 2028. While you can potentially choose one of these plans for now,

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uh you will have to switch to another income driven plan down the line. Next slide, please.

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Uh now, if you're done taking out federal student loans, including any doing any consolidating,

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we're just highlighting here on this slide that you will not have access to the new

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tiered standard plan. That's only going to be available if you take out loans or consolidate

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after July 1st of 2026. Next slide. We do want to caution you though that your repayment plan

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options are going to be far more limited if you take out any federal student loans after

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July 1st of 2026. This includes consolidation loans that fund after July 1st of this year.

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In this scenario, you would only have access to the newest incomedriven repayment plan called WAP

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and the new tiered standard plan. And if you have parent plus loans, these are loans that parents

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take out uh for their kids, you'd only have access to the new tiered standard plan. We're

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going to talk about these plans uh more later on in the presentation. Next, please. Okay. So,

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if you don't choose another plan and all of your loans were taken out before July 1st of this year,

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you're going to be put on the old standard plan and your payments will probably be higher than

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what they were in save. For unconsolidated loans, the standard plan has a 10-year term,

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as I said. But for consolidation loans, the standard plan has a term between 10 and 30 years,

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depending on the loan's original balance, as you can see here in this table. Um,

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standard plan payments on consolidation loans do not count toward PSLF or income driven repayment

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forgiveness. This is an important point uh because you know many people have consolidated their loans

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and have consolidation standard plans and we often see people sort of mistakenly believe that

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these payments will count toward toward PSLF and

income payment forgiveness and that is simply not

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the case. Um, you can find out what your standard plan payment amount is by using the US Department

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of Education's loan simulator while logged into your studentaid.gov account. Uh, but if you're

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seeing a number that's, you know, a a really high standard plan payment figure, you know, you may

0:20:19.440,0:20:26.000

want to actually call your server just to make sure that it's actually correct. Next slide, please.

0:20:27.280,0:20:32.480

For those of you who do end up taking loans after July 1st of this year, the only standard plan

0:20:32.480,0:20:38.480

available to you will be the new tiered standard plan. And that's true even for your older loans,

0:20:38.480,0:20:44.320

which is a little confusing. Um, the term length here for the new tiered standard plan is based on

0:20:44.320,0:20:50.320

the total outstanding direct loan principal balance at the time your loans enter. Um,

0:20:50.320,0:20:57.440

once again, tiered standard plans do not count toward public service loan forgiveness. Um,

0:20:57.440,0:21:01.520

they don't count toward forgiveness under any of the older income driven repayment plans,

0:21:01.520,0:21:09.120

including IBR, ICR, or pay, but they do count toward forgiveness under the newest income driven

0:21:09.120,0:21:16.000

repayment plan called RAP, provided that you make the payments on time. Um, now I'm going to pass it

0:21:16.000,0:21:20.240

over to my colleague Erica Harmon of Massachusetts to tell you more about income driven repayment

0:21:20.240,0:21:29.520

plans. Thanks, Aaron. So, rather than waiting to be placed in the standard plan, you may want to

0:21:29.520,0:21:36.320

switch to another income driven plan, especially if you are pursuing incomedriven plan forgiveness

0:21:36.320,0:21:43.200

or public service loan forgiveness. Unfortunately, the payments under these plans may be higher than

0:21:43.200,0:21:49.760

your save payments, but they could still be lower than your other options. The older income driven

0:21:49.760,0:21:58.560

repayment plans are income based repayment or IBR, income contingent repayment or ICR, and pay as you

0:21:58.560,0:22:06.000

earn or pay. And these plans offer the possibility of forgiveness after 20 or 25 years depending on

0:22:06.000,0:22:12.480

the plan and when you took out your loans. and use your income and family size to calculate your

0:22:12.480,0:22:19.840

payments. Typically, the income used to calculate your payment is from your most recent tax return.

0:22:19.840,0:22:26.400

Though, if your income has gone down since your most recent tax return, you can submit alternative

0:22:26.400,0:22:34.000

documentation of income. And you can do that sort of in the middle of of the term. If you're

0:22:34.000,0:22:38.800

married and you file your taxes jointly with your spouse, your spouse's income will be included in

0:22:38.800,0:22:44.560

the calculation. And if you're married and your spouse doesn't have federal student loans, you

0:22:44.560,0:22:50.320

may want to explore filing your taxes separately. So, your payments are calculated using only your

0:22:50.320,0:22:57.760

income rather than your combined income. You can

find out your eligibility and what your monthly

0:22:57.760,0:23:05.840

payments would be under these plans by starting an online application at studentaid.gov. GV/IDR and

0:23:05.840,0:23:12.640

allowing the US Department of Education to link to your most recent tax return. So before looking

0:23:12.640,0:23:19.200

at these plans more closely, keep in mind that if you take out any federal loans or consolidate

0:23:19.200,0:23:28.080

on or after July 1st, you won't be eligible for any of these older plans. Next slide. So here's

0:23:28.080,0:23:34.720

an overview of the older income driven plans. Each plan calculates your monthly payment differently.

0:23:34.720,0:23:41.440

We want to highlight that there are two versions of the IBR plan. The old IBR has higher payments

0:23:41.440,0:23:48.480

and a 25year forgiveness timeline. The new IBR has lower payments and a 20-year forgiveness

0:23:48.480,0:23:57.280

timeline. The new IBR is available if you took out all of your loans after July 1st, 2014.

0:23:57.280,0:24:04.000

Um, you could also be eligible if you paid off loans taken before that date before taking out

0:24:04.000,0:24:10.320

new loans after July 1st of 2014. So that could happen, for example, if you paid off

0:24:10.320,0:24:16.560

your undergrad loans before taking out grad school loans or before taking out parent plus loans for

0:24:16.560,0:24:24.480

your kids. Unlike the other plans, the ICR plan considers your loan balance in the calculation.

0:24:24.480,0:24:31.200

It's usually more expensive unless you have a low loan balance. The pay as you earn plan also

0:24:31.200,0:24:39.520
has eligibility requirements. First, you must not have had any loans outstanding as of October 1st,

0:24:39.520,0:24:47.200
2007. Second, you must have taken out a new loan on or after October 1st of 2011. And third,

0:24:47.200,0:24:53.440
your your pay payments must be less than what you would pay on a 10-year standard plan.

0:24:54.560,0:24:59.440
Parent plus loans that have not been consolidated are not eligible for any

0:24:59.440,0:25:04.960
of these plans. But if your parent plus loans were consolidated into a direct consolidation

0:25:04.960,0:25:11.120
loan and that consolidation loan was dispersed before July 1st of this year, you can access

0:25:11.120,0:25:20.560
some of these plans. We'll talk more about parent plus loans later in the presentation. Next slide.

0:25:20.560,0:25:26.640
RAP, which stands for repayment assistance plan, is a new income driven plan that was created by

0:25:26.640,0:25:33.920
recent legislation and it should be available in July. Payments under RAP will be higher than save.

0:25:33.920,0:25:39.120
Rap payments are calculated as a percentage of your income minus \$50 for each of your

0:25:39.120,0:25:46.480
dependents. Depending on your income, the lowest possible monthly payment is \$10. Whereas under

0:25:46.480,0:25:53.280
those older income driven plans, payments could be zero if your income is low enough. The forgiveness

0:25:53.280,0:26:00.080
timeline for RAP is 30 years rather than 20 or 25 under the older income driven plans. Um,

0:26:00.080,0:26:06.480
a payment in RAP has to be made on time to count

toward the 30-year forgiveness timeline or public

0:26:06.480,0:26:13.280

service loan forgiveness. Uh but but despite these drawbacks, RAP may provide helpful principal and

0:26:13.280,0:26:19.040

interest subsidies for some people. If your RAP payment doesn't cover interest and reduce your

0:26:19.040,0:26:25.280

principal by at least \$50, a subsidy payment will be applied to ensure that your interest gets paid

0:26:25.280,0:26:32.880

and your balance goes down by \$50 each month. For some people, these subsidies can be very valuable.

0:26:32.880,0:26:38.160

But these benefits won't help you if your wrap payment is enough to both pay your monthly aced

0:26:38.160,0:26:45.440

interest and reduce your balance by at least \$50 a month. In comparison, the older income

0:26:45.440,0:26:51.600

driven plans offer less generous subsidies or no subsidies. This can lead to ballooning loan

0:26:51.600,0:26:58.160

balances if your payment doesn't cover the acrewing interest on your loans each month.

0:26:59.360,0:27:04.160

We also want to note that RAP typically offers lower payments than the old IBR

0:27:04.160,0:27:10.880

plan. That's the IBR plan available if you took out your loans prior to July 2014. So,

0:27:10.880,0:27:15.840

if you took out loans before July 2014, you may want to consider enrolling in RAP

0:27:15.840,0:27:27.040

rather than IBR. You can estimate your payments under RAP at mass.gov/wrap.

0:27:27.040,0:27:32.720

Uh, we do want to note parent plus loans are not eligible for RAP at all, even if they've

0:27:32.720,0:27:39.520
been consolidated. Something else we want to highlight is that payments you make in RAP will

0:27:39.520,0:27:47.680
not count towards forgiveness under the older income-driven plan. So, IBR, ICR, and pay. This

0:27:47.680,0:27:53.520
means if you're pursuing income-driven repayment forgiveness, if you choose RAP, you will not be

0:27:53.520,0:27:59.760
able to switch back to another plan without losing the progress towards forgiveness you made while

0:27:59.760,0:28:05.120
paying in RAP. This is different from all the other income-driven plans. In the older plans,

0:28:05.120,0:28:11.440
you carry your qualifying payments with you when you switch income-driven plans. So, that concludes

0:28:11.440,0:28:21.200
the review of the income-driven repayment plans. I'll now pass it to Amy Hennon from Maryland.

0:28:21.200,0:28:27.200
Thank you, Erica. I want to take the opportunity now to highlight an additional option that may

0:28:27.200,0:28:31.520
be available and may appeal to some that are currently in repayment and

0:28:31.520,0:28:37.440
that are those are the extended or graduate graduated plans. These may be helpful if you

0:28:37.440,0:28:42.560
aren't eligible for income-driven repayment or can't afford your income-driven repayment plan.

0:28:42.560,0:28:47.280
Uh, these may have higher total loan costs than the standard plan. They may offer

0:28:47.280,0:28:51.440
lower payments than the standard plan, but they don't typically count towards public

0:28:51.440,0:28:59.440
service loan forgiveness or income-driven

repayment forgiveness. Next slide, please.

0:28:59.440,0:29:04.400

The two plans I'm going to highlight are the graduated repayment plan where payments start

0:29:04.400,0:29:10.640

lower and automatically increase every two years. The lower initial payments can accommodate growly

0:29:10.640,0:29:17.760

slowly increasing salaries. However, the payments as they increase over time may become unaffordable

0:29:17.760,0:29:24.720

and it is likely that you would pay a higher total loan cost at the conclusion of repayment.

0:29:24.720,0:29:29.520

The extended repayment plan lowers monthly payments by spreading it out up to 25 years

0:29:29.520,0:29:34.640

and requires a minimum threshold of debt of 30,000 and would and it can be combined

0:29:34.640,0:29:40.160

with the graduated repayment plan. This is this may be appealing for folks with lower

0:29:40.160,0:29:44.080

with the with the low who are looking for the lowest possible monthly balance

0:29:44.080,0:29:50.800

uh monthly payments towards large balances and the long however the long repayment term can in

0:29:50.800,0:29:56.000

can result in significantly higher total interest paid over the life of the loan. And of course,

0:29:56.000,0:30:00.000

it's really important to note that these plans are only available if all of your loans,

0:30:00.000,0:30:06.080

including any consolidations, were taken out before July 1st, 2026. Next slide, please.

0:30:08.720,0:30:14.960

I want to take this opportunity to highlight what is available to borrowers with parent plus loans.

0:30:14.960,0:30:21.120

The landscape is rather complicated depending on what the status of your parent plus loan is.

0:30:21.120,0:30:27.760

A parent plus loan is one that is taken out by a parent or guardian for a dependent student. If you

0:30:27.760,0:30:32.320

if you don't have these loans, you can certainly tune out. Um but this chart shows the repayment

0:30:32.320,0:30:38.080

options that you have or will have depending on what one whether you have consolidated a parent

0:30:38.080,0:30:44.080

plus loan when you have when you consolidated that loan and whether you take out any more loans

0:30:44.080,0:30:50.320

after July 1st including any consolidation dispersement. Starting at the top, if you

0:30:50.320,0:30:56.080

previously consolidated a parent plus loan before July 1st and don't take out any new loans, you can

0:30:56.080,0:31:02.160

re then repay your consolidation loan in the in the IBR plan after making at least one payment

0:31:02.160,0:31:09.840

in the ICR plan. You can also access existing standard graduated and extended plans. If you

0:31:09.840,0:31:15.600

didn't apply to consolidate and it's dis uh uh if you apply to consolidate and it's dispersed after

0:31:15.600,0:31:21.360

July 1st, you will only have access to the tiered standard plan. If you did not consolidate prior

0:31:21.360,0:31:27.120

to July 1st and don't and do not take out any new plans after that date, you will have access to the

0:31:27.120,0:31:32.400

old standard plan, extended and graduated plans. As a reminder, taking out any more loans after

0:31:32.400,0:31:39.840

July 1st will limit any parent plus loans or any

consol and any consolidation t uh uh t taints that

0:31:39.840,0:31:46.480

parent plus loan previously taken out um as far as the new standard plan. Uh and now I will turn

0:31:46.480,0:31:54.960

it over to Lilia Deator from Illinois. Thanks Amy. Now um let's move on to talk about other options

0:31:54.960,0:32:01.600

that you can explore um in case that the uh the payment plans that were uh presented to you are

0:32:01.600,0:32:07.840

unaffordable. Um here in this section we're going to be talking about um consolidation, temporary

0:32:07.840,0:32:15.760

relief, refinancing and what happens if you stop paying your loans. Next slide please. So first

0:32:15.760,0:32:20.960

let's talk about consolidation. Consolidation is a process that allows you to combine one or more

0:32:20.960,0:32:25.840

federal student loans into a new federal loan. More specifically, it's a process of converting

0:32:25.840,0:32:31.600

older loans like FEL or Perkins into a direct loan consolidation or combining multiple direct

0:32:31.600,0:32:36.240

loans into a single direct consolidation loan. Um, you can consolidate your loans

0:32:36.240,0:32:42.960

uh by applying online at studentaid.gov and it's free. Um, and for purposes of this section, um,

0:32:42.960,0:32:49.840

consolidation refers to consolidation that occurs on or after July 1st of 2026, given that we're so

0:32:49.840,0:32:57.360

close to the deadline and it typically takes 30 to 60 days to process uh, consolidation. So, um,

0:32:57.360,0:33:03.840

who may benefit from consolidation going forward? If you have federal Perkins or federal, uh,

0:33:03.840,0:33:10.000

program loans, um, and you want to pursue PSLF, um, consolidation may be a good option. If you're

0:33:10.000,0:33:15.040

also pursuing PSLF and you want to have your loans uh for your loans to have the same forgiveness

0:33:15.040,0:33:21.920

timeline, uh consolidating can help you achieve that. Uh please note that for purposes of uh PSLF,

0:33:21.920,0:33:27.760

your new direct consolidation loan will receive an average of the PSLF qualifying payment counts

0:33:27.760,0:33:33.520

on the loans consolidated weighted based on their balances and time and repayment with an eligible

0:33:33.520,0:33:39.600

employer. Uh, you can try ATCAP New York's weighted average calculator to see what that would

0:33:39.600,0:33:46.640

look like. Um, here's a tip. Make sure to certify any qualifying employment before you consolidate.

0:33:46.640,0:33:53.920

This will help ensure that the weighted average is correctly applied. Next slide, please.

0:33:53.920,0:33:58.960

Here are some additional benefits to consolidation. Um, if you are in default

0:33:58.960,0:34:04.320

and you've exhausted all of your rehabilitation options, consolidating can help you get you out

0:34:04.320,0:34:11.200

of default. Um, if you are not pursuing public service loan forgiveness and the incomedriven

0:34:11.200,0:34:16.640

repayment plans are not affordable, but you want to lower your monthly payment and you owe between

0:34:16.640,0:34:23.600

25,000 and 30,000, or you have significantly less than 10 years left in your repayment term, again,

0:34:23.600,0:34:31.280

consolidation here may be a good option. Uh but

I would um encourage everyone in this situation

0:34:31.280,0:34:37.200

to reach out to your state ombudsman um to see what may be the the best option for you. Next

0:34:37.200,0:34:44.320

slide please. Now let's talk about some of the downsides to consolidation and there are quite

0:34:44.320,0:34:50.800

a few. Um here are some. If you consolidate now, you will only have, as my other co-panelists uh

0:34:50.800,0:34:56.960

share before, you will only have access to the new tier standard plan and the RAP payment plan. Um,

0:34:56.960,0:35:02.320

even for other loans that you did not include in that consolidation with a few exceptions.

0:35:02.320,0:35:06.960

If your consolidation includes any parent plus loans or an earlier consolidation that

0:35:06.960,0:35:12.560

included a parent plus loan, you will only have access to the tier standard plan. And remember,

0:35:12.560,0:35:16.960

the tier standard plan does not count towards PSLF. So, you will be blocked from pursuing

0:35:16.960,0:35:25.440

PSLF on those loans. Next slide, please. Here are a few more downsides to consolidating your loans

0:35:25.440,0:35:29.920

going forward. Your principal balance will increase because any unpaid interest will be

0:35:29.920,0:35:35.440

um capitalized or added to your loan principal. You may also spend longer in repayment and pay

0:35:35.440,0:35:40.880

more interest over time. If you consolidate all your loans into a single consolidation,

0:35:40.880,0:35:46.080

note that you will not be able to consolidate to get out of default in the future. So while you

0:35:46.080,0:35:52.480
can initially consolidate to get out of default,
th this is a downside of consolidating all loans

0:35:52.480,0:35:59.520
into one and then not being able to do it in the
future again. Um and then also note that payment

0:35:59.520,0:36:04.640
count for income driven repayment forgiveness
will restart at zero once you consolidate.

0:36:04.640,0:36:11.440
And now I will turn it over to um Evelyn Castro
from Nevada. Thank you, Lilia. Good afternoon,

0:36:11.440,0:36:15.920
everyone. In the next few slides, I'll
be covering deferment and forbearance,

0:36:15.920,0:36:20.400
including a few important updates regarding
them, as well as things to keep in mind if

0:36:20.400,0:36:25.360
considering refinancing federal student loans.
Before discussing deferment and forbearance,

0:36:25.360,0:36:31.200
it's important to emphasize that these options
should generally be viewed as a last resort.

0:36:31.200,0:36:36.160
Borrowers should first explore all available
repayment options, the ones that we were that

0:36:36.160,0:36:40.640
we just spoke about, particularly incomedriven
repayment plans, because these programs can

0:36:40.640,0:36:46.000
often provide affordable monthly payments while
keeping borrowers on track toward forgiveness and

0:36:46.000,0:36:53.680
repayment. Deferment forbearance are designed to
serve as temporary emergency relief when borrowers

0:36:53.680,0:36:59.680
are facing financial hardship or unexpected life
circumstances and have exhausted their other

0:36:59.680,0:37:06.480
repayment options. Although similar, the primary

difference between the two is how interest occurs.

0:37:06.480,0:37:12.720

These tools can help borrowers avoid delinquency or default by temporarily pausing their payments.

0:37:12.720,0:37:18.720

However, borrowers should understand the long-term consequences. During certain types of deferment,

0:37:18.720,0:37:23.840

interest does not accrue only on subsidized loans, but during forbearance, interest

0:37:23.840,0:37:30.240

occurs on all types of loans. Over time, this can substantially increase the total amount repaid on

0:37:30.240,0:37:36.480

your student loans. In addition, periods spent in deferment or forbearance generally do not

0:37:36.480,0:37:41.360

count towards loan forgiveness programs, including public service loan forgiveness,

0:37:41.360,0:37:48.240

except in certain limited circumstances relative to military, service-based, economic hardship,

0:37:48.240,0:37:53.600

cancer treatment, or administrative deferments or forbearances. We will be providing a copy of

0:37:53.600,0:37:58.240

this presentation to participants and therefore you will be able to review the link included on

0:37:58.240,0:38:03.840

the slide for additional information and specific qualifying circumstances. For all these reasons

0:38:03.840,0:38:07.840

mentioned on the slide, borrowers should view deferment and forbearance as a short-term

0:38:07.840,0:38:14.000

emergency measures rather than long-term repayment strategies. Next slide, please.

0:38:15.360,0:38:20.480

This slide highlights some important changes to deferment and forbearance under the one big

0:38:20.480,0:38:27.440

beautiful bill act that will primarily affect new borrowers beginning July 1st, 2027. First,

0:38:27.440,0:38:32.160

new direct loan and parent plus borrowers will have fewer options for pausing their payments.

0:38:32.160,0:38:37.760

One significant change is that borrowers will be limited to a maximum of 9 months of forbearance

0:38:37.760,0:38:43.520

within a 2-year period, which differs from previous rules since under current rules,

0:38:43.520,0:38:48.240

borrowers could often receive forbearance for up to 12 months at a time. In some cases,

0:38:48.240,0:38:53.440

renew it for multiple consecutive years. Another major change is the elimination of

0:38:53.440,0:39:00.560

economic hardship and unemployment deferments for new loans dispersed on or after July 1st, 2027.

0:39:00.560,0:39:05.600

These deferments have been available to borrowers experiencing significant financial hardship based

0:39:05.600,0:39:11.200

on income or the receipt of certain public assistance benefits or who are unemployed

0:39:11.200,0:39:15.520

or unable to find full-time employment while actively seeking work. Borrowers

0:39:15.520,0:39:20.880

with loans dispersed before July 1st, 2027 may still qualify for the economic hardship

0:39:20.880,0:39:27.040

or unemployment deferments under the existing rules if they meet eligibility requirements.

0:39:28.480,0:39:33.280

These changes reflect a broader shift away from long-term payment pauses

0:39:33.280,0:39:39.040

and place greater emphasis on borrowers

remaining in active repayment. As a result,

0:39:39.040,0:39:42.720

it will become increasingly important for borrowers to understand their repayment

0:39:42.720,0:39:53.280

options early and seek assistance before they experience financial distress. Next slide, please.

0:39:53.280,0:40:00.160

Next slide. Thank you. As we just discussed, recent changes under the One Big Beautiful Bill

0:40:00.160,0:40:04.640

Act will limit some of the safety nets available to borrowers, including certain deferment and

0:40:04.640,0:40:10.400

forbearance options. When borrowers experience financial hardship or are looking to lower monthly

0:40:10.400,0:40:15.840

payments, they may start considering refinancing their federal student loans into the private

0:40:15.840,0:40:21.520

market. In fact, some borrowers typically confuse refinancing with consolidation and sometimes we'll

0:40:21.520,0:40:27.440

use the terms interchangeably. However, these are two very different processes with very different

0:40:27.440,0:40:32.560

consequences. Now, before discussing this option, I want to acknowledge that as student loan

0:40:32.560,0:40:37.360

and buds persons, we do not typically recommend refinancing federal student loans into the private

0:40:37.360,0:40:43.520

loans. We recognize that this option exists and may be appropriate in very limited situations,

0:40:43.520,0:40:49.280

but borrowers need to proceed with extreme caution because the risks can be significant.

0:40:49.280,0:40:53.520

The most important message on this slide is the warning at the very top.

0:40:53.520,0:41:00.880

Refinancing federal loans into private loans is irreversible. Once federal loans are refinanced,

0:41:00.880,0:41:06.720

borrowers permanently lose valuable federal benefits, including income-driven repayment plans,

0:41:06.720,0:41:12.000

deferment and forbearance protections, loan forgiveness opportunities such as PSLF,

0:41:12.000,0:41:16.800

hardship protections, and access to any future federal relief programs.

0:41:16.800,0:41:20.960

In addition, private loans often come with their own challenges. Borrowers

0:41:20.960,0:41:25.200

may need a co-signer to qualify. The lowest interest rates are typically reserved for

0:41:25.200,0:41:30.160

those with excellent credit histories and high credit scores. In my professional experience,

0:41:30.160,0:41:36.320

I have seen private lenders charge interest rates as high as 17%. Many private lenders also offer

0:41:36.320,0:41:41.840

variable interest rates, meaning payments can increase over time. While refinancing may offer

0:41:41.840,0:41:47.200

benefits to some borrowers, such as a lower interest rate or different repayment terms,

0:41:47.200,0:41:52.160

it is critical that borrowers carefully weigh the pros and cons associated to their individual

0:41:52.160,0:41:58.800

circumstances and thoroughly read the loan terms before signing. Again, I want to emphasize that

0:41:58.800,0:42:05.360

once a borrower refinances federal loans into the private market, there is no option

0:42:05.360,0:42:10.720

to convert those loans back into federal loans.

To continue building on these important topics,

0:42:10.720,0:42:18.720

I'd now like to turn it over to Selena Damian, California's student loan servicing budseron.

0:42:18.720,0:42:25.920

Thank you, Evelyn. Good afternoon, everyone. So, what happens if you stop paying your loans? What

0:42:25.920,0:42:33.600

happens if you exhaust your forbearance, your deferment, if you um get overwhelmed and ignore

0:42:33.600,0:42:41.760

payments? Um what happens if um you just you miss payment on on you have several loans and

0:42:41.760,0:42:49.200

you miss a payment on one of your loans? The consequences could be severe. And um I want to

0:42:49.200,0:42:56.800

discuss delinquency and default today and steps to uh and explain what each one of those are

0:42:56.800,0:43:05.280

and what happens if you do um get to that point. Um when you miss your first payment uh or don't

0:43:05.280,0:43:11.920

make your full monthly payment, you will start receiving pass through notices from your serer.

0:43:11.920,0:43:19.360

Uh it is crucial that you do not ignore these letters, emails, uh any of the correspondence and

0:43:19.360,0:43:25.440

that you don't miss any deadlines. So it is very important that you keep your contact information

0:43:25.440,0:43:34.160

updated with your serer. Uh not knowing or not being aware um does not uh relieve you from owing

0:43:34.160,0:43:42.000

the the balances and could still put you in your your loan in delinquency status. So not knowing or

0:43:42.000,0:43:48.640

not being aware um will not be an excuse to get you out of uh delinquency. immediately contact

0:43:48.640,0:43:56.560
your student loan serer. Um they will be able to help you understand your options and then discuss

0:43:56.560,0:44:04.160
those options with you. Uh currently collection activity for defaulted loans is paused but they

0:44:04.160,0:44:11.440
may resume at any time. We don't know when. Um but just because uh everything is at a standstill

0:44:11.440,0:44:18.720
does not mean that they will not resume with uh collection activities as you've heard throughout

0:44:18.720,0:44:24.800
the webinar. Uh you do have options. We will discuss more afterward after my section as

0:44:24.800,0:44:34.160
well. But you do have options to stay out of um delinquency. Next, please. So when do you become

0:44:34.160,0:44:41.040
delinquent on federal student loans? You become delinquent after your first missed payment. Again,

0:44:41.040,0:44:48.160
you will be notified by your serer. If your delinquency is not resolved within 90 days,

0:44:48.160,0:44:54.720
your delinquency will be reported to national credit bureaus. Your credit score will take a

0:44:54.720,0:45:06.160
hit and it may affect you in in other ways if you are trying to make other big purchases. Um if the

0:45:06.160,0:45:12.400
sorry the loan will remain delinquent until uh you pay your pass through balance, you

0:45:12.400,0:45:20.720
apply for an incomedriven repayment plan or you request a retractor forbearance. This can be done

0:45:20.720,0:45:28.960
uh by your by calling your student loan serer. Not resolving a delinquency can lead to default which

0:45:28.960,0:45:37.840
is can also lead to the harsher consequences of

collections. Next, please. So, if your loan is in

0:45:37.840,0:45:46.640

delinquency and you don't resolve it and a payment is not made within 270 days, it goes into default

0:45:46.640,0:45:55.360

and the unpaid balance and interest must be made in full. This is called acceleration. After 360

0:45:55.360,0:46:02.720

days, the loan is moved to the federal default serer, which is the default resolution group. So,

0:46:02.720,0:46:07.840

how can you resolve the default? So, you've been in delinquency, haven't made a payment

0:46:07.840,0:46:14.960

for 9 months, your loan has been moved to default. Uh the there are three ways that you can resolve

0:46:14.960,0:46:23.360

it. Uh you can pay the balance in full, which uh usually is not reasonable for many borrowers.

0:46:23.360,0:46:31.920

Um you can apply to consolidate the defaulted loan. Um we talked you heard about consolidation

0:46:31.920,0:46:39.440

and uh the pros and cons about with that. Um to consolidate a defaulted student loan,

0:46:39.440,0:46:47.360

you agree to repay the new direct consolidation loan under an R plan. Remember if you consolidate

0:46:47.360,0:46:53.680

moving forward, you will only have access to the repayment assistance plan. or you can make three

0:46:53.680,0:47:00.560

consecutive voluntary on-time payments before you consolidate the loan. So again remember

0:47:00.560,0:47:08.560

consolidating the loan will extend your loan period uh and but it will increase in increase

0:47:08.560,0:47:15.920

the overall balance of your loan. That is one option. Uh you can also rehabilitate your loans.

0:47:15.920,0:47:24.960

this um through rehabilitation the borrower enters into a rehabilitation agreement and you agree

0:47:24.960,0:47:31.600

in writing to make nine voluntary reasonable and afford affordable monthly payments during a period

0:47:31.600,0:47:40.320

of 10 consecutive months. Um this is currently just a one-time opportunity. Uh, so if you have

0:47:40.320,0:47:46.000

rehabilitated your loans before and completed a rehabilitation agreement, you do not have the

0:47:46.000,0:47:55.200

option to do it twice. However, starting July 1st, 2027, you are able to rehabilitate a loan twice.

0:47:55.200,0:48:02.320

Um, but currently consolidation and rehabilitation are the most common loans, common ways to clear a

0:48:02.320,0:48:10.640

default. Um, also if you consolidate the your loan, your default is not removed from your

0:48:10.640,0:48:16.000

credit report. However, if you rehabilitate your loan, you go through the agreement,

0:48:16.000,0:48:22.480

complete the 9 months, the default record will be removed from your credit report. So, that's the

0:48:22.480,0:48:28.880

one of the differences between those two. Um there is also a way where you can submit a request for

0:48:28.880,0:48:34.960

review or you can object to the debt but that's further down if you're in collections and it's a

0:48:34.960,0:48:41.040

uh more of a difficult process done through the default resolution group but consolidation and

0:48:41.040,0:48:48.160

rehabilitation are going to be uh the most common options. uh default resolution group will help

0:48:48.160,0:48:55.360

you understand what those options are. And again,

very important not to miss deadlines to uh really

0:48:55.360,0:49:01.920

uh understand those options because if you do not resolve a default, um there are very harsh

0:49:01.920,0:49:10.480

consequences that the department will take to uh collect their money. Basically um you are subject

0:49:10.480,0:49:17.040

to tax refund interception or offset through the treasury offset program. You are subject to

0:49:17.040,0:49:23.920

administrative wage garnishments where up to 15% of wages may be garnished. Uh you are also subject

0:49:23.920,0:49:30.640

to uh social security offset through the top program or treasury offset program. Um, you will

0:49:30.640,0:49:37.760

also no longer be able to receive deferment or forbearance or have access to certain incomedriven

0:49:37.760,0:49:44.800

repayment plans. If you are planning to go back to school, you will lose eligibility for additional

0:49:44.800,0:49:51.200

federal student aid. Um, so you may not be able to attend school. You will have to resolve that

0:49:51.200,0:49:57.440

default before going back if you're planning um on restarting your education. Um, of course, the

0:49:57.440,0:50:04.240

default is reported to credit bureaus, um, which can stay up stay on your credit report for up to

0:50:04.240,0:50:11.600

seven years. So, again, it can have long-term consequences in addition to the wage, the uh,

0:50:11.600,0:50:19.360

federal benefit offset. And one thing to remember is that there is uh, no statute of limitation for

0:50:19.360,0:50:26.000

defaulted student loans. and the Department of Education will continue attempting to

0:50:26.000,0:50:33.280

uh collect the loan and uh could even uh sue the borrower in some cases and will be will could add

0:50:33.280,0:50:41.600

collection cost and legal fees. Um but as stated, we've discussed the many options and uh just keep

0:50:41.600,0:50:50.480

in touch with your serer, pay attention to the communication. The options may seem overwhelming.

0:50:50.480,0:50:55.840

um it may seem a little confusing, but it will be more confusing. You will have more

0:50:55.840,0:51:03.760

limited limited options if your loan is placed in default. So, um hopefully you obtained some great

0:51:03.760,0:51:10.000

information today that will help you u stay out of delinquency and default. Now, I will pass it

0:51:10.000,0:51:18.400

over to Jesse Meyers, our Washington DC embedded person. Amazing. Thank you, Selena. Hi, everyone.

0:51:18.400,0:51:24.240

We've covered a lot of content um today. We've covered payment plan changes, forgiveness options,

0:51:24.240,0:51:30.800

repayment strategies. We wanted to end with some action steps and tools to move forward. Next

0:51:30.800,0:51:39.280

slide, please. So, where do you begin? Step one, take some time to reflect on your repayment goals.

0:51:39.280,0:51:44.400

We discussed strategies related to minimizing your payment and pursuing forgiveness compared

0:51:44.400,0:51:50.320

to paying off your debt as quickly as possible. There's no right or wrong answer here. Strongly

0:51:50.320,0:51:56.000

consider your forgiveness options at this stage. Think through um pursuing options like

0:51:56.000,0:52:03.040

incomedriven repayment or R and public service

loan forgiveness or PSLF. Some places to start. So

0:52:03.040,0:52:09.200

we included tips and tools towards the bottom of these action step slides. So if you haven't logged

0:52:09.200,0:52:16.800

into studentaid.gov, do so. Make sure your contact information is up to date. On the studentaid.gov

0:52:16.800,0:52:24.880

website, you can track your PSLF progress, certify PSLF employment, apply to income driven repayment,

0:52:24.880,0:52:29.680

and apply to different discharge programs.

So, anything administered will be through this

0:52:29.680,0:52:36.160

website. Additionally, be sure to log into your serer account. And here you can set up payments.

0:52:36.160,0:52:42.320

So, you can set up things like autopay um and receive an interest rate incentive in

0:52:42.320,0:52:50.240

doing so. Um, our friends at Edcap put together a really helpful repayment plan strategy guide. Um,

0:52:50.240,0:52:55.920

this is the second bullet point under helpful tips. We covered a lot of this today. Feel

0:52:55.920,0:53:01.120

free to also take a look here as you're thinking through how these strategies, how these changes

0:53:01.120,0:53:07.920

apply to you individually. We also encourage you to review um forgiveness types. We, you know,

0:53:07.920,0:53:14.480

conducted an overview today of programs like PSLF, borrow defense, uh closed school discharge. If you

0:53:14.480,0:53:19.120

go to this link that we have here, you can get a little bit better sense of what some of the

0:53:19.120,0:53:24.960

eligibility requirements are and what next steps there would be in terms of applying.

0:53:24.960,0:53:32.080

We also want to highlight um if you are a government or 501c3 employee working on

0:53:32.080,0:53:42.160

average 30 or more hours per week um currently or any time since you know October 2007 to present

0:53:42.160,0:53:51.920

be sure to certify that employment using the PSLF help tool linked here. Next slide please.

0:53:51.920,0:53:55.520

Okay. Step two, estimate your monthly payments. How do you

0:53:55.520,0:54:03.920

do this? One way is you can start an IDR application at studentaid.gov/IDR.

0:54:03.920,0:54:10.640

You will have the option to authorize connection to your IRS federal tax information. And in doing

0:54:10.640,0:54:15.680

so, you'll be able to see your IDR plan eligibility, uh your monthly payments,

0:54:15.680,0:54:22.880

and forgiveness progress. FSA also has a loan simulator tool that you can use. Um, please note

0:54:22.880,0:54:30.000

that if you borrowed um any loans prior to July 1, 2014, your payment that will be listed under

0:54:30.000,0:54:36.320

income based repayment um may actually be higher than what's listed there. So, if you have concerns

0:54:36.320,0:54:41.120

about that, you can confirm by looking at your loan history, seeing when you first borrowed,

0:54:41.120,0:54:49.040

or by calling your serer. EDCAP also has a really um helpful repayment plan calculator which also

0:54:49.040,0:54:55.680

includes estimates um for the new RAP plan. So be sure to check that out. Additionally, we also

0:54:55.680,0:55:02.080

wanted to flag here um to assess your progress

towards income driven repayment forgiveness,

0:55:02.080,0:55:08.320

particularly given the one-time account adjustment that ED instituted or the Department of Education

0:55:08.320,0:55:14.720

instituted to provide retroactive credit towards forgiveness. This adjustment was completed in late

0:55:14.720,0:55:22.880

2024. I do want to note that some OMBbuds offices um have heard from borrowers related to concerns

0:55:22.880,0:55:27.920

um related to this account adjustment and making sure that all of their qualifying

0:55:27.920,0:55:34.240

time was accurately counted. So, we really want to encourage borrowers to review the account

0:55:34.240,0:55:39.760

adjustment page, which we've linked here, so you can understand your eligibility requirements. And

0:55:39.760,0:55:46.000

if you aren't sure um where you're at in terms of PSLF progress or R progress, you can log into

0:55:46.000,0:55:52.240

studentaid.gov and then when you're logged into your account, you can copy and paste this link

0:55:52.240,0:55:59.120

that we have here, this back slash app back/appi into that same browser. It's important that you're

0:55:59.120,0:56:04.640

logged into your account when you do so. What this will show you is it will show you an output with

0:56:04.640,0:56:10.160

all of your PSLF and R progress. It's going to look really messy once you enter the link. There

0:56:10.160,0:56:15.680

should be an option that says pretty print with a check mark. Um, be sure to check that if you face

0:56:15.680,0:56:22.640

any issues with that. Um, I've seen better success in using Google Chrome. What this provides you

0:56:22.640,0:56:28.400
is account of what your student aid account shows
you of where you are in terms of your progress for

0:56:28.400,0:56:33.360
both income driven repayment and public service
loan forgiveness. This is typically most handy

0:56:33.360,0:56:40.160
for the income driven repayment progress since
counters were removed sometime last year. Um,

0:56:40.160,0:56:46.960
you can see a neater version of your PSLF
progress on your student.gov account. Okay,

0:56:46.960,0:56:55.440
next slide, please. So, step three, um, applying
to a new repayment plan. You've learned a lot

0:56:55.440,0:57:01.360
in this webinar. Um, you thought through your
strategy, you've estimated your payment. Now,

0:57:01.360,0:57:05.840
it's time to actually apply to the plan that
best fits your needs, whatever those are. For

0:57:05.840,0:57:12.480
faster processing time, if you're applying to
incomedriven repayment, um, we recommend going

0:57:12.480,0:57:19.440
to studentaid.gov/IDR and applying. You can also
call your serer if you're interested in enrolling

0:57:19.440,0:57:24.160
in the standard, extended, or graduated plans.
Remember, these are the fixed repayment plans

0:57:24.160,0:57:30.800
that we talked about. We also included a PDF
application here um for the old standard plans

0:57:30.800,0:57:37.680
extended or graduated plans. Save borrowers who do
not take any action will be placed in the standard

0:57:37.680,0:57:45.040
plan 90 days after the date of their service or
notification letter. And finally, I know we talked

0:57:45.040,0:57:50.320
bit about this on the last slide, but we really

do see faster processing time when folks opt into

0:57:50.320,0:57:56.240

the IRS federal tax information retrieval.
Um, so if you're concerned about, you know,

0:57:56.240,0:58:00.960

getting into repayment, starting your progress
towards forgiveness, whether that's income driven

0:58:00.960,0:58:07.040

repayment or PSLF, we highly recommend using this
tool. So, with that, I'll pass it over to Amber

0:58:07.040,0:58:14.960

Haye from Washington State. Thanks, Jesse. All
right, folks. I'm the last presenter here, so

0:58:14.960,0:58:19.600

bear with us. We've got just a few more minutes.
Um, and if you need to leave, feel free to come

0:58:19.600,0:58:24.240

back and you'll get the recording and you can,
um, catch up on these last few minutes. So, um,

0:58:24.240,0:58:30.240

all right. So, action step four. After applying
for your new repayment plan, please closely

0:58:30.240,0:58:36.560

monitor your student loan serer account, check
the electronic inbox in that account for important

0:58:36.560,0:58:43.440

communications. This may include notification of a
temporary processing forbearance, for instance. Um

0:58:43.440,0:58:48.800

that's placed for up to 60 days if you've applied
for an IDR plan and it isn't that application

0:58:48.800,0:58:54.800

isn't processed quickly. Um you should receive
written communication of your new monthly payment

0:58:54.800,0:59:00.080

under the payment plan that you applied for. Um
as well as information about your next due date.

0:59:00.080,0:59:04.880

Be sure to verify that the plan is correct on that
communication that you receive. We have heard of

0:59:04.880,0:59:10.880

borrowers first getting an incorrect notice that sort of broadly identifies R as the payment plan

0:59:10.880,0:59:15.920

with maybe an incorrect monthly payment amount. So if you receive that notice um that's um got that

0:59:15.920,0:59:21.920

kind of generic R, it may not be accurate. Um if the estimates that you get or the the amount that

0:59:21.920,0:59:26.800

you get on that notice is significantly different than what you estimated on the

0:59:26.800,0:59:32.320

different calculators or you think is otherwise incorrect, please call your serer to follow up.

0:59:32.320,0:59:38.320

Uh, finally, we recommend that you sign up for autopay to ensure automatic on-time payments. This

0:59:38.320,0:59:43.360

helps to avoid that delinquency that Selena was talking about and ensures that your IDR payments

0:59:43.360,0:59:50.480

can qualify for PSLF or IDR forgiveness. Normally, all borrowers enrolled in autopay receive a

0:59:50.480,0:59:56.320

uh 0.25 interest rate reduction. However, the Department of Education just announced last

0:59:56.320,1:00:01.920

week that they are increasing this interest rate reduction to 1% for borrowers who are enrolled

1:00:01.920,1:00:08.560

in autopay by September 30th, 2026. This 1% rate reduction will be in place for nearly

1:00:08.560,1:00:15.760

2 years until June 30th, 2028 and will apply to borrowers with loans dispersed on or after July

1:00:15.760,1:00:26.000

uh 1, 2012. Our fifth and final recommended action step is to review your repayment strategy and to

1:00:26.000,1:00:32.640

reertify your income annually. If you're on an

IDR plan using the IDR application, you can sign

1:00:32.640,1:00:39.840

up for automatic IDR reertification by authorizing the IRS information retrieval when you submit that

1:00:39.840,1:00:46.560

R application or by changing the settings in your federal student aid account at studentaid.gov.

1:00:46.560,1:00:51.520

Missing your IDR reertification can result in significantly higher monthly payments and

1:00:51.520,1:00:57.040

potentially interest capitalization depending on which plan that you're in. And note that

1:00:57.040,1:01:03.120

you don't have to wait a year to reertify your R plan if your circumstances change in a way that

1:01:03.120,1:01:08.160

would result in a lower monthly payment. You can certify your plan early. Um so for instance, if

1:01:08.160,1:01:15.760

your family size changes or your income decreases dramatically with how much change has occurred. Um

1:01:15.760,1:01:21.680

it is recommended um that you save copies of all the communication and notices that you receive

1:01:21.680,1:01:29.840

about your student loans. Um that's just a good rule of thumb at all times for your student loans.

1:01:29.840,1:01:35.600

All right, we know that there's a lot of uh stress and anxiety surrounding the end of the save plan.

1:01:35.600,1:01:41.040

This presentation was aimed to help you understand what different options are available to you as you

1:01:41.040,1:01:46.720

navigate this time of decision-making. We know that we covered a lot of information and it can

1:01:46.720,1:01:53.760

be a bit overwhelming. So, take a breath. You will be able to watch this recording back via

1:01:53.760,1:01:59.360

the slides and access all of the links we've included. Um, these resources and tools will

1:01:59.360,1:02:06.240

help you to take control of your student loans. There isn't any one right answer um or approach um

1:02:06.240,1:02:12.320

for leaving the the forbearance that's, you know, right. It all really just depends on your goals,

1:02:12.320,1:02:18.800

uh, your, um, you know, repayment strategy and your financial situation. So, whatever decision

1:02:18.800,1:02:23.440

you make regarding switching repayment plans, remember that your repayment plan is simply a

1:02:23.440,1:02:29.360

tool, not a permanent decision. You can always revisit your options when your circumstances

1:02:29.360,1:02:35.840

change to determine if that plan still works best for you. As we wrap up, we also encourage

1:02:35.840,1:02:41.040

you to share your stories and your concerns about your own uh student loan situation and

1:02:41.040,1:02:45.760

your experience with the student loan system with your congressional representatives. Your

1:02:45.760,1:02:53.200

own self- advocacy can help shape future student loan borrowing uh and lawmaking in the future.

1:02:54.800,1:02:59.840

Finally, we do want to know let you know that we have all of our contactors uh all our presenters

1:02:59.840,1:03:05.280

contact information in these slides as well as links to other state advocates and OMBbuds

1:03:05.280,1:03:10.640

persons who weren't able to join us today. Please reach out to us if you encounter difficulties or

1:03:10.640,1:03:17.200

have further questions. If your state doesn't

have a student loan advocate or OMBbuds person,

1:03:17.200,1:03:22.000

you may reach out to um Federal Student Aid,
the Consumer Financial Protection Bureau,

1:03:22.000,1:03:27.840

and your Congressional representatives to
file complaints and seek assistance. Thank

1:03:27.840,1:03:32.080

you so much for joining us today. Please
look out for our follow-up email with the

1:03:32.080,1:03:39.200

recording and slides within the next week.
And please have a great rest of your day.