



# Federal Student Loans & COVID-19

If you currently owe on any federal student loans, the March 2020 CARES Act provided some relief which has been extended by the Department of Education: a zero-interest rate and the ability to stop payments on your loan with no penalties. Collection will also be stopped on any loans currently in default. This applies to federal loans only, not to private loans.

## Deferment of Federal Student Loans

- All federal loans will be placed on hold with an interest rate of 0%.
- The hold on student loans applies back to March 13.
- **This hold will last through at least September 31, 2021.**
- All loan balances are frozen as of March 13, 2020. If you do nothing, no payments will be taken out.
- If you made a payment on or after March 13, you could have that payment refunded. Contact your loan provider to request a refund.
- While all federal student loans are being automatically stopped, you can choose to pay them if you wish. A benefit of paying is that all payment will go to principal since the interest rate is 0%.

## Additional Information



- If you are in an income-driven repayment (IDR) plan, the suspended payments will count toward IDR forgiveness.
- If you are in the Public Service Loan Forgiveness (PSLF) program and continue to work full-time during the suspension, then you will receive credit toward forgiveness for the months your loan was on hold even if you made no payments.

