



# Federal Student Loans During COVID-19

Updated 08/13/2021

## Many federal student loans require no payments until January 31, 2022.

If you have Direct Loans, Federal Family Education Loans (FFEL), or Perkins loans owned by the Department of Education, then you don't have to make payments until January 31, 2022.

If your loans are covered, then your account should automatically be put in "administrative forbearance," meaning that you do not have to make payments.

## Some federal student loans still require payment.

If you have FFEL loans owned by a private servicer, Perkins loans owned by your school or some HEAL loans, then you must continue making payments. If you have one of those loans, you can still contact your servicer and ask about available relief. If you are not sure whether you have to make payments on your loans, contact your servicer or look at your loans on [StudentAid.gov](https://studentaid.gov).

## Apply for an income driven repayment plan now.

Income driven repayment programs help you to reduce your monthly payment to an affordable amount based on your income. You can apply for an income driven repayment program at any time at the [Department of Education's website](https://www.ed.gov).

## All collection activity on defaulted loans must stop from March 13, 2020 to January 31, 2022.

If money has been taken from your paycheck, Social Security check, or tax refund to pay your student loans, that money should be returned to you. If you experience any problems, please contact [Legal Aid Chicago](https://www.legalaidchicago.org) for assistance.

## Do you have federal student loans?

1. Create an account on [StudentAid.gov](https://studentaid.gov).
2. View your loan dashboard.
3. Look for a summary of loan types, and your servicer.

## Additional Resources

- **Illinois' Attorney General Student Loan Helpline**  
1-800-455-2456
- **The Consumer Financial Protection Bureau**  
[ConsumerFinance.gov](https://www.consumerfinance.gov)
- **Student Loan Borrower Assistance**  
[StudentLoanBorrowerAssistance.org](https://studentloanborrowerassistance.org)

## What to do after Jan. 31, 2022

- Right now the payment freeze on federal student loans ends as of January 31, 2022.
- Check [StudentAid.gov](https://studentaid.gov) to see if there are any updates.
- Apply for an Income Driven Repayment Plan now to ensure that you can afford your payments when they begin again.



Call

**312.341.1070**

Or



**Apply Online**

Monday to Friday  
between 8AM and 4:30PM

[www.legalaidchicago.org](https://www.legalaidchicago.org)



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## Find out what kind of student loans you have.

### There are two steps:

#### 1. First, go to [StudentAid.gov](https://StudentAid.gov) and log-in with your FSA ID.

- You can create an FSA ID at [StudentAid.gov/fsa-id/create-account/launch](https://StudentAid.gov/fsa-id/create-account/launch).
- Your “loan dashboard” will contain a summary of the types of loans that you have, the current status of the loans, and your current servicer.

#### 2. Get a copy of your credit report at [annualcreditreport.com](https://annualcreditreport.com).

- If you think that you have private student loans, they should show up on your credit report.
- Private student loans are generally those student loan accounts on your credit report that are not on your [StudentAid.gov](https://StudentAid.gov) loan summary.

## For most federal student loans, monthly payments are suspended until January 31, 2022, meaning you don't need to make monthly payments until February 1, 2022.

### The suspension applies to federal student loans that are current or delinquent (not those in default).

- **Current:** making on-time payments
- **Delinquent:** federal loans account between 30 and 270 days late on payment
- **Default:** federal loans account 270+ days late on payment

### This applies to Direct loans and FFEL loans that are owned by the federal government.

- Perkins loans owned by your school and FFEL loans owned by a private bank are not covered. Contact your servicer for information on Direct Consolidation loans.

### During this time period, no interest will be running, so your principal balance should not increase.

- If your loan was in forbearance before March 13, it is possible that the interest the accrued while your account was in forbearance will be added to your principal balance, so you will see your balance increase.

### The months your student loan payments are suspended will count towards the 120 payments for Public Service Loan Forgiveness (PSLF) or the 20/25 years for income-driven repayment plans (PAYE, REPAYE, IBR or ICR).

### If your loan is currently in rehabilitation, it is best to continue making your scheduled rehabilitation payments.

### During this time suspended payments are reported as regularly-scheduled payments on your credit report.

### You should begin making your regular monthly payments as of February 1, 2022.

### You should have received a notice in April 2020 if your loans were going to be covered by this suspension.



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**For borrowers already in default, there will be no involuntary collections until January 31, 2022.**

It is not entirely clear what “involuntary collections” means because the term is not defined in law. It is likely that involuntary collection includes: tax refund withholding, Social Security garnishments, and administrative wage garnishments.

**The Department of Education announced before the CARES Act that tax refunds and social security withholding would stop as of March 13, 2020.**

If your tax refund or social security was in the process of being withheld on March 13, 2020, then the withholding should not occur and you should receive your refund. If the process to withhold your refund or social security was completed before March 13, 2020, then your refund or social security will not be returned.

**Administrative wage garnishments should also stop, however you should contact your employer to confirm that the garnishment stops.**

Wages that were garnished after March 13, 2020 should be returned to you.

**When you are in default, you cannot simply make a payment, instead you can either consolidate or rehabilitate your loan out of default.**

**Consolidation** = new loan that pays off all of your other loans.

**Rehabilitation** = make 9 out of 10 income-based monthly payments on-time.

**Collection calls and letters should also pause during this period of time. This means your loan servicer will not be contacting you.**

If you want to work out a payment plan (such as rehabilitation or consolidation out of default), you can contact the Default Resolution Group at 1-800-621-3115.

**Most Important:**

- Contact your servicer to understand your options after January 31, 2022 and make sure to inform them if your income has changed so that you can get on an income-driven repayment or recalculate your monthly payment.
- If you withdrew from your school due to COVID-19, your Direct student loan for the unfinished academic period should be cancelled.
- Apply for income-driven repayment, and plan to start making your monthly payments as of February 1, 2022.

**Information about federal student loans is rapidly changing, so make sure you that check out the following resources for the most up-to-date information:**

- [StudentAid.gov](https://studentaid.gov) (Department of Education’s website for federal student loans)
- [Studentloanborrowerassistance.org](https://studentloanborrowerassistance.org) (website with updated information on private and federal student loans, run by the National Consumer Law Center)
- Illinois Attorney General’s Student Loan Helpline: 1-800-455-2456



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