

This publication includes information as of October 16, 2020.
Please also monitor nyc.gov/studentloans.

Important Information for Student Loan Holders:

Automatic Payment Suspension and Other Relief During COVID-19

Federal and New York State Higher Education Services Corporation Student Loan Holders

Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was extended by executive order, federal student loan payments are automatically suspended, without interest or penalties, for nine months. New York State Higher Education Services Corporation (NYS HESC) adopted similar payment suspensions for Federal Family Education Loans in their portfolio. No action is required by borrowers. Below is a quick overview.

Qualifying Federal Student Loans <i>Must be owned by the U.S. Department of Education (U.S. ED) or NYS HESC.</i>	Suspension Start Date	Suspension End Date	Interest Rate During Suspension
<ul style="list-style-type: none"> ▪ Direct Loans* ▪ Federal Family Education Loans (FFEL)* ▪ Federal Perkins Loans <p>*includes non-defaulted and defaulted loans</p> <p>Log in to the National Student Loan Data System at NSLDS.ed.gov to see which of your federal loans qualify.</p>	March 13, 2020	December 31, 2020* *extended from September 30, 2020	0%

Loans that do *not* qualify for this relief include:

- older FFEL loans not owned by U.S. ED or NYS HESC*;
- Perkins Loans owned by schools; and
- private student loans.

*Some information in this publication does not apply to NYS HESC loans and is noted where applicable.

For FFEL and Perkins Loans not owned by U.S. ED or NYS HESC, contact your student loan servicer to understand your options. You may be able to consolidate your loan(s) into a Direct Consolidation Loan that qualifies for relief; however, consolidation will affect your long-term interest rate and total repayment amount. Deferment and forbearance may also be an option.

What You Need to Know

During the payment suspension period (March 13, 2020-December 31, 2020):

- You are in automatic administrative forbearance. Autopay (auto-debit payments) is canceled during administrative forbearance.
- U.S. ED will report “on-time payments” to credit bureaus *whether or not you keep making loan payments.*

If you choose to stop making loan payments, your credit will not be hurt.

If you choose to keep making loan payments, you need to contact your loan servicer to re-enroll in autopay or manually schedule payments online.

Federal and NYS HESC FFEL Student Loan Holders Enrolled in Autopay

- Autopay is suspended during administrative forbearance. You can contact your loan servicer to opt out of administrative forbearance and re-enroll.
- You can get a refund for any autopayment between March 13, 2020 and December 31, 2020. Contact your loan servicer for help with refunds.

Federal Student Loan Holders Enrolled in Public Service Loan Forgiveness (PSLF) or Income-Driven Repayment (IDR) Programs*

- Suspended payments (March 13, 2020-December 31, 2020) count toward your total number of “qualifying payments” in PSLF and IDR.
- As part of administrative forbearance, your recertification date is extended at least 12 months from your original recertification date. Note:
 - Your loan servicer will notify you about your new recertification date before it is time to recertify.
 - You will also receive a reminder 60-90 days before the new recertification date.
 - Contact your loan servicer if you do not receive information about your new recertification date.

Important Guidance for Enrollees and Borrowers Considering IDR/PSLF

Submit your recertification or enrollment now if any of these situations apply to you:

- Your income decreased.
- Your family size increased.
- You want to lower your loan payment.

New IDR/PSLF enrollees will also get credit for suspended payments during the administrative forbearance.

* The advice in this section does not apply to NYS HESC FFEL loans.

Federal and NYS HESC FFEL Student Loan Holders Who are Delinquent or in Default

- No collection actions will happen before December 31, 2020. Collection actions may include administrative wage garnishment (garnishment without a court hearing), federal tax refund offsets, and federal benefit offset (for example, seizure of Social Security benefits).
- If your refund or benefits were offset or your wages garnished after March 13, 2020, you will receive a refund.
- *With the exception of NYS HESC FFEL loans**, suspended payments (March 13, 2020-December 31, 2020) count toward loan rehabilitation.

*For NYS HESC FFEL loans that are in rehabilitation, the administrative forbearance effectively paused your payments to rehabilitate the loan as of March 13, 2020. Once the administrative forbearance ends on December 31, 2020, you will resume making payments to rehabilitate the loan. You may choose to make voluntary payments to continue to rehabilitate the loan. If you cannot afford rehabilitation payments at this time, contact the NYS HESC Office of Default Collections to discuss lowering your rehabilitation payment.

For more information on federal loans, contact U.S. ED's Default Resolution Group at:

- 1-800-621-3115
- 1-877-825-9923
(TTY for the deaf or hearing-impaired)

For more information on NYS HESC loans, contact NYS HESC Office of Default Collections at:

- 1-866-991-HESC (4372) or
- dept736@hesc.ny.gov

Federal Student Loan Holders Who are Able to Continue Payments

- Your payments will pay off accrued interest before March 13, 2020 and go toward the principal loan balance.
- Your monthly payment will not go down; however, you will repay your loans more quickly and pay less over time.
- If you are in forbearance, there is no penalty if you pay less than the monthly payment amount.

Private Student Loan Holders

- Some private student loan servicers are offering relief to borrowers impacted by the COVID-19 pandemic. Contact your private loan servicer to ask about available alternative payment options. Here are other important questions to ask:
 - Does my loan qualify for an income-driven repayment (IDR) plan?
 - Are deferment or forbearance available to me? If Yes:
 - What is the duration for both options?
 - What are the implications for both options?
 - Are there fees associated with the relief the loan servicer is offering? If Yes:
 - Can the fees be waived?
 - Will any relief I receive result in negative credit reporting?

Resources and Free Help

Federal Student Aid (part of U.S. ED): Visit studentaid.gov or click [Federal Student Aid Frequently Asked Questions](#) for coronavirus and forbearance information.

New York State Higher Education Services Corporation (NYS HESC): Visit [COVID-19 Updates for Students, Parents, Borrowers, and Lenders](#)

Student Borrower Protection Center (SBPC): Visit protectborrowers.org or click [SBPC Information & Resources for Borrowers During the Coronavirus Pandemic](#)

City University of New York Chancellor's Emergency Relief Fund: Visit cuny.edu

Free Financial Counseling by Phone: Visit nyc.gov/TalkMoney to make an appointment or call 311 and say "Financial Counseling."

NYC Department of Consumer and Worker Protection (DCWP): Visit nyc.gov/studentloans