


Student debt relief

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FOSTERUS

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- COVID-19 payment suspension, interest waiver, moratorium on collections ends December 31, 2022
- One-time debt cancellation
- Public Service Loan Forgiveness (PSLF) Waiver (ends October 31, 2022)
- Proposed new PSLF rules
- Proposed new Income-Driven Repayment (IDR) plan
- "Fresh Start" for loans in default

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What to do now to prepare for the end of the COVID-19 payment suspension December 31, 2022

- Update contact information at studentaid.gov AND at your loan servicer's site
- Enroll in an affordable repayment plan (consider Income-Driven Repayment)
- Expect a billing notification 21 days before your due date
- Update income information now or when prompted by servicer

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The Biden Administration's Student Loan Debt Plan

FORGIVING DEBT

\$20,000 if you went to college on Pell Grants	\$10,000 if you didn't receive Pell Grants
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Forgiveness only applies to those earning less than \$125,000

Student loan pause extended one final time through Dec 31, 2022


PAYMENT BASED ON INCOME

If you have undergraduate loans, you can cap repayment at 5% of your monthly income

One-time debt cancellation

- Visit <https://studentaid.gov/debt-relief-announcement/> for updates
- Review your 2020 & 2021 Adjusted Gross Income (AGI) to see if you meet income limits
- Review whether you received a Pell Grant
- Subscribe to Department of Education updates to be notified when application opens <https://www.ed.gov/subscriptions>
- Apply when application opens

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U.S. Department of Education

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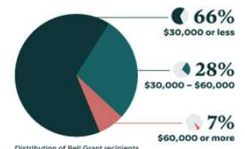
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- Federal Student Loan Borrower Updates
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Nearly All Pell Grant Recipients Come From Families With Incomes of \$60,000 or Less



Income Category	Percentage
\$30,000 or less	66%
\$30,000 - \$60,000	28%
\$60,000 or more	7%

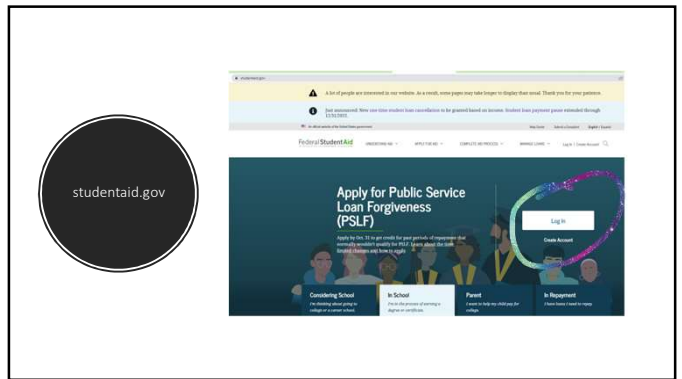
Distribution of Pell Grant recipients by income, 2019 - 2020
Numbers do not add to 100 due to rounding
Source: U.S. Dept. of Education

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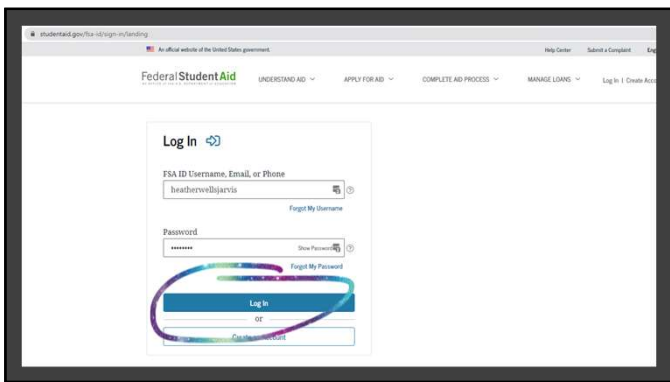
How to look up whether you got a Pell Grant

studentaid.gov
log in, dashboard, view details, grants

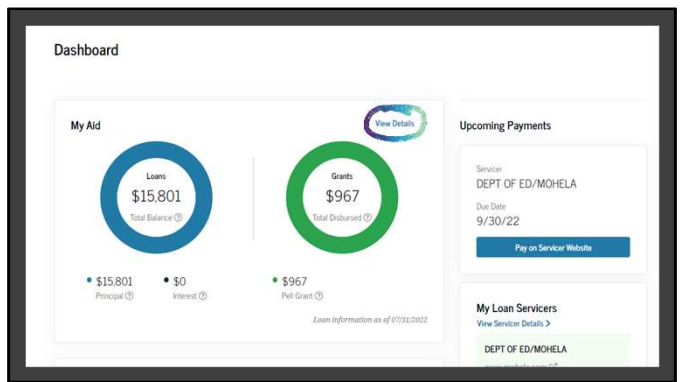
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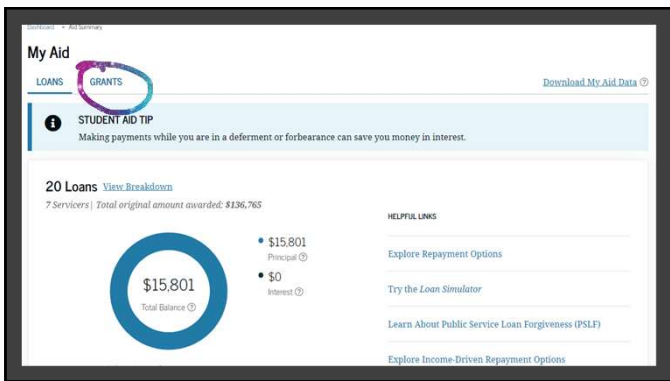
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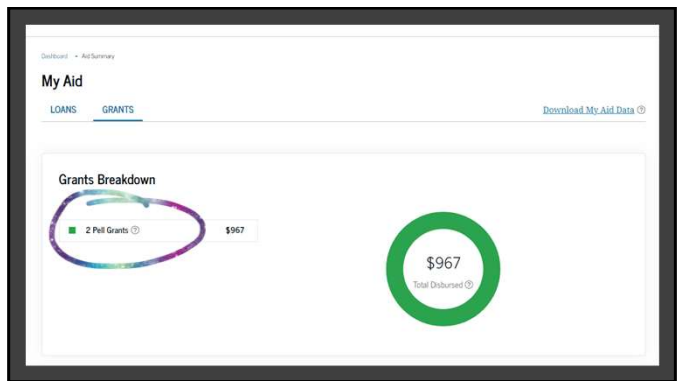
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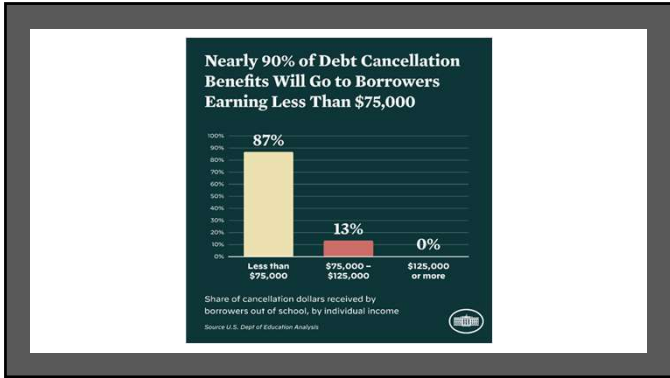
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How to look up whether you meet the income limit

- 2020 or 2021 US Individual Tax Return
- Less than \$125,000 for single tax filers
- Less than \$250,000 for married tax filers
- Adjusted Gross Income (AGI) Form 1040, Line 11

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Single AGI < \$125,000

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Joint AGI < \$250,000

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- ### Student loan borrowers didn't get timely accurate information
- Folks weren't told they needed to consolidate
 - Folks were "steered" into forbearances
 - Folks weren't told they needed to choose an Income-Driven Repayment Plan
 - Folks weren't told they needed to file forms to certify public service employment

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DEADLINE to act for PSLF Waiver: October 31, 2022

Temporary waivers allow for increased progress towards both PSLF and IDR forgiveness



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Under the PSLF Waiver we can count certain *months* worked in public service instead of *payments* made (for a limited time)

any months in which you had time in a repayment status, regardless of the payments made, loan type, or repayment plan;

12 or more months of consecutive forbearance or 36 or more months of cumulative forbearance;

months spent in deferment (except for in-school deferment) prior to 2013; and

any time in repayment prior to consolidation on consolidated loans.

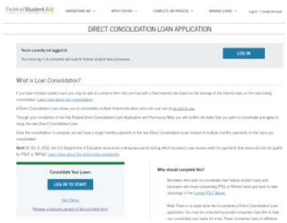
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How to check whether you need to consolidate for the PSLF Waiver

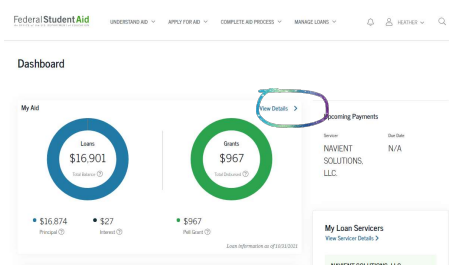
studentaid.gov

- login
- dashboard
- view details
- view breakdown
- view details again

Consolidate loans that do NOT say the word Direct in the Loan Type



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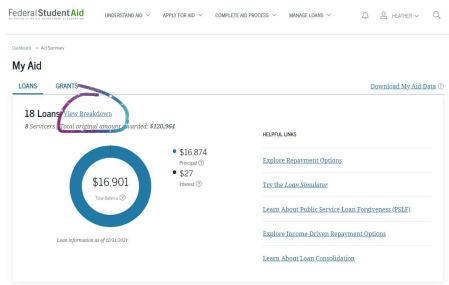
Dashboard

My Aid

- Loans: \$16,901
- Grants: \$967

My Loan Servicers: NAVIENT SOLUTIONS, LLC

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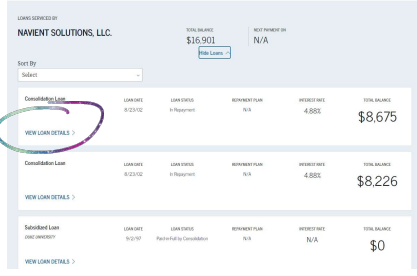


My Aid

18 Loans: **\$16,901**

- \$16,874 (Principal)
- \$27 (Interest)

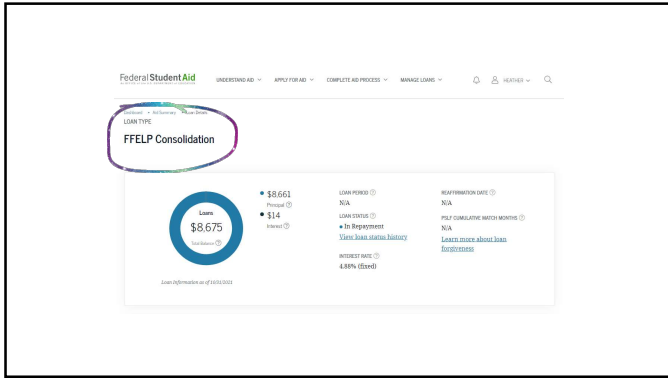
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Loan Breakdown

LOAN ORIGINATOR	TOTAL BALANCE	NOT PAYMENT ON
NAVIENT SOLUTIONS, LLC.	\$16,901	N/A
Consolidated Loan	\$8,675	
Consolidation Loan	\$8,226	
Subsidized Loan	\$0	

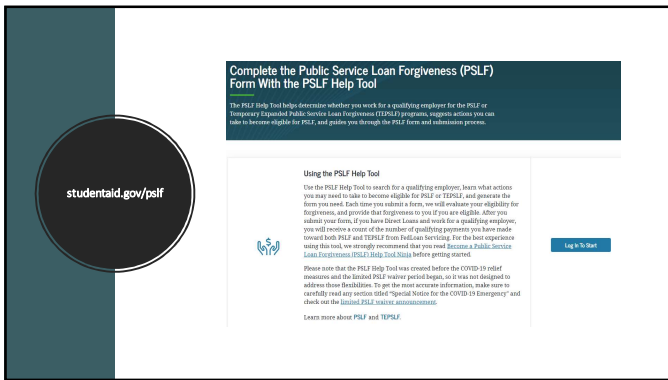
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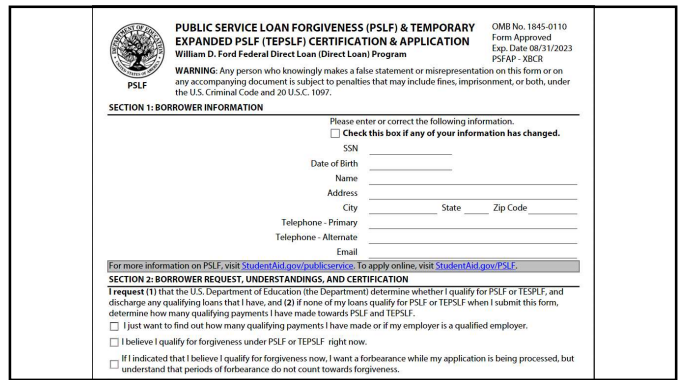
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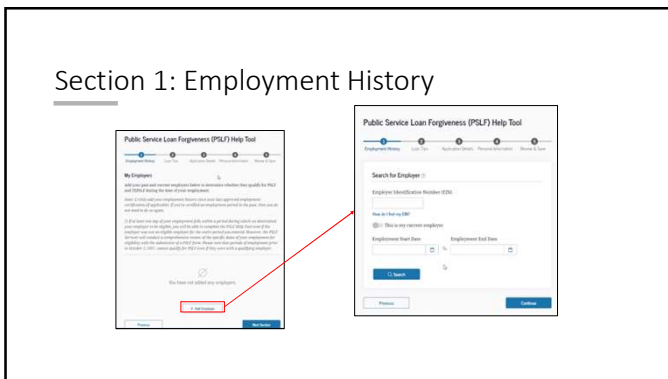
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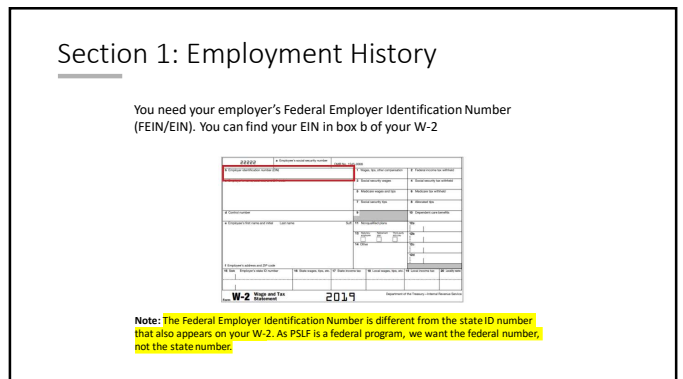
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CONFIRMATION

All borrowers will be presented with the required action of printing, signing, and submitting their PSLF application.

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Signature Examples

Signature Type	Yes/No
Hand drawn from signature pad, mouse, or finger	✓
Typed using a cursive font or any other font	X
A scanned photo of a signature that was hand-drawn on paper	✓
Digital certificate-based signature	X
A wet signature that was drawn in ink and sent to us in its original format	✓

Wet signature required

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DEADLINE:
October 31, 2022

- 1 Consolidate if necessary
- 2 File PSLF Forms

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Keep an eye on those loan servicers

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New PSLF regulations

Expected in November, likely effective July 1, 2023

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Preliminary information about a new Income-Driven Repayment Plan

- Reduce payments from 10% to 5% of discretionary income monthly on undergraduate loans.
- Increase nondiscretionary income from 150% to 225% of the federal poverty level.
- Forgive loan balances after 10 years of payments, instead of 20 years, for borrowers with loan balances of \$12,000 or less.
- Unpaid monthly interest will be waived.

These reforms would simplify loan repayment and deliver significant savings to low- and middle-income borrowers:

For example:


Career and background	Lower monthly payments	Annual savings
A typical single construction worker making \$38,000 a year with a construction management credential	\$31 a month, compared to the \$187 they pay now	Nearly \$1,400
A typical single public school teacher with an undergraduate degree making \$48,000 a year	\$56 a month, compared to the \$197 they pay now	Nearly \$1,700
A typical nurse with a bachelor's degree who is married with two kids making \$77,000 a year	\$61 a month, compared to the \$295 they pay now	More than \$2,800

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“Fresh start” for loans in default

Call the Default Resolution Group at 1-800-621-3115
(TTY for the deaf or hard of hearing 1-877-825-9923)

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If you care about student loan policy

- VOTE
- Encourage others to VOTE

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