

## FEDERAL STUDENT LOANS FREQUENTLY ASKED QUESTIONS (FAQs)

**Q: What happens to my federal student loans during the novel coronavirus (COVID-19) pandemic?**

**A:** As part of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* and the Presidential Memorandum on Continued Student Loan Payment Relief, federal loans payments are temporarily suspended and they will not accrue interest. Loans have been automatically placed on administrative forbearance. If you continue to make payments during the administrative forbearance period, it will be applied to the loan principal once any unpaid interest that accrued prior to March 13, 2020 is paid. For more information, visit the Federal Student Aid website [here](#).

**Q: How long will the forbearance period last?**

**A:** The *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, as extended by the January 20, 2021 Presidential Memorandum on Continued Student Loan Payment Relief, covers federal student loan payments between March 13, 2020, and September 30, 2021. The interest rate on these loans was reduced to 0%, effective March 13, 2020.

**Q: Which types of student loans are eligible for payment relief under the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*?**

**A:** The CARES Act only applies to the following federal student loans owned by the U.S. Department of Education (ED):

- Defaulted and nondefaulted Direct Loans, such as:
  - Federal Direct Stafford Loans
  - Federal Direct Grad PLUS Loans
  - Federal Direct Parent PLUS Loans
  - Federal Direct Consolidation Loans
- Defaulted and nondefaulted Federal Family Education Loan (FFEL) Program loans
- Federal Perkins Loans

However, some FFEL Program loans are owned by commercial lenders, and some Perkins Loans are owned by the institution you attended. These loans are not covered under the CARES Act. Private student loans are not covered by the CARES Act.

**Q: Will suspended payments count toward Income Driver Repayment (IDR) forgiveness and Public Service Loan Forgiveness (PSLF)?**

**A:** The number of months your loans remain in the COVID-19-related administrative forbearance will count towards IDR forgiveness. For PSLF, if you have a Direct Loan, were on a qualifying repayment plan prior to the suspension, and work full-time for a qualifying employer during the suspension, then you will receive credit toward PSLF for the period of suspension as though you made on-time monthly payments.

**Q: What will happen to my regular auto-debit payments?**

**A:** Auto-debit payments are suspended during the administrative forbearance. Any auto-debit payments processed between March 13, 2020, and September 30, 2021, can be refunded to you. Contact your loan servicer to request that your payment be refunded.

