

COVID-19 Student Loan Support Center Frequently Asked Questions

► **Last updated: November 22, 2022**

Federal student loan flexibilities for the COVID-19 emergency have been extended. We are updating our websites and systems as quickly as possible to explain the types of relief now available for federal student loans held by the Department of Education. We appreciate your patience. Visit StudentAid.gov/coronavirus for updates.

Payments made during the COVID-19 payment relief measures

While making payments during the COVID-19 payment relief period helps you pay down your loans—payment is not required. The U.S. Department of Education (ED) implemented COVID-19 relief measures for federal student loan borrowers where payments are not required through the end of the payment pause.

Please note:

- If you made any payments toward your federal student loans since March 2020, you may request a refund of these payments by contacting us at **800-722-1300**.
- If you do not need payment relief and would like to opt-out of the COVID-19 relief forbearance, please contact us at **800-722-1300**.

Federal Student Aid's coronavirus (COVID-19) information page is located at StudentAid.gov/coronavirus. The page includes information for students, borrowers, and parents about the 0% interest rate and payment pause. These relief measures are available to student loan borrowers with federal student loans owned by the U.S. Department of Education. Please visit the page regularly for updates.

If you're unsure of who owns your loan, go to your Loan Details for each loan and scroll to the bottom to find the Current Owner.

Tip for Aidvantage customers:
You can easily identify if you have federal student loans owned by ED on the Account Summary page after logging into (or creating) your online account at Aidvantage.com.

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ED-Owned Loans 0% Interest Rate

Was the 0% interest rate period extended? What does this mean for me?

On November 22, 2022, the U.S. Department of Education (ED) announced an extension of the student loan payment pause.

This means that all borrowers with eligible student loans will continue to have their payments paused without penalty. In addition, the interest rate on all eligible student loans will continue to be set to 0% through the end of the payment pause.

When did the 0% interest rate begin?

The 0% interest rate on eligible student loans has been in effect since March 13, 2020.

What loans will the 0% interest rate apply to?

The 0% interest rate applies to student loans owned by ED – including all Direct and ED-owned Federal Family Education Loan (FFEL) Program loans in any status (in repayment, in school, grace, deferment, forbearance, etc.).

If I make loan payments during the 0% interest period, how will they be applied?

During the period of 0% interest (March 13, 2020 through the end of the payment pause), the full amount of your payments will be applied to principal once you've paid all the interest that accrued prior to March 13, 2020.

Are private education loans eligible?

No, they are not covered by the CARES Act and extensions of relief provided by ED.

How long is it in effect?

The 0% interest rate will remain in effect through the end of the payment pause.

Do I need to do anything to get the 0% interest rate if I have eligible loans?

No action is required to receive the 0% interest rate if you have eligible loans.

Tip for Aidvantage customers: You can see the interest rates on each [Loan Details page](#) in your online account. Loans reflecting a 0% interest rate are eligible for the COVID-19 emergency relief. Remember, this adjustment is retroactive to March 13, 2020.

What happens if I consolidate during the 0% interest rate period?

A Direct Consolidation Loan has a fixed interest rate for the life of the loan. The fixed rate is the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of one percent. There is no cap on the interest rate of a Direct Consolidation Loan. We will certify the loans for consolidation using the statutory rate. Once the consolidation is complete before the end of the payment pause, the new consolidated loan will be placed at the 0% rate.

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COVID-19 Emergency Payment Pause

Was the payment pause extended? What does this mean for me?

On November 22, 2022, ED announced an extension of the student loan payment pause.

This means that all borrowers with eligible student loans will continue to have their payments paused without penalty. In addition, the interest rate on all eligible student loans will continue to be set to 0% through the end of the payment pause.

What loans does this payment pause apply to?

This payment pause applies to student loans owned by ED – including all Direct and ED-owned Federal Family Education Loan (FFEL) Program loans in repayment.

Tip for Aidvantage customers: You can easily identify if you have these loan types on the Account Summary page after logging into (or creating) your online account at [Aidvantage.com](https://aidvantage.com).

If the “Type” is Direct then your loans are eligible for the payment pause.

If you’re unsure of who owns your loan, go to your Loan Details for each loan and scroll to the bottom to find the Current Owner. If ED is the Current Owner, that means your loan is eligible for the payment pause.

Do I need to request this extension to the payment pause?

No. Unless you previously requested to resume repayment, you don’t need to take any action to receive the payment pause extension on your eligible loans. Your payments will be paused automatically. Please call us if you previously opted out of the administrative forbearance (payment pause) and wish to pause payments. You can always check your loan status by logging in to your account.

We will contact you to remind you when you will need to start making payments again. Please log in to your account and visit your Profile page to ensure your contact information is up to date.

Note: You can request to have this payment pause shortened at any time. Alternatively, you can explore your repayment and deferment options online by logging in to your account – go to Repayment Options.

What if I exit my grace period during the payment pause?

Your loan payments will be suspended, and your interest rate will remain at 0% until the end of the COVID-19 emergency relief period. For example, say your loans entered repayment after the end of your grace period on April 15, 2022. In this case, your payments would be suspended from April 15, 2022, through the end of the COVID-19 emergency relief period. The interest rate on your loans would be 0% during this period.

Interest is usually added to your balance when your grace period ends or at the end of a deferment or forbearance. But because of COVID-19 relief, interest won’t be added during the relief period in most cases. Your interest will capitalize only if you consolidate your federal student loans. Any interest capitalization that has an effective date after March 13, 2020 has been removed. You will receive notification if you have had interest removed.

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Will I be responsible for interest that accrues during this payment pause?

No interest is accruing because the interest rate is 0% through the end of the payment pause. The COVID-19 payment pause is a non-capitalizing forbearance. Under the relief measures the COVID-19 emergency, unpaid interest will not capitalize (that is, be added to your principal balance) during the payment pause and for six months after the payment pause ends.

Your interest will capitalize **only** if you consolidate your federal student loans. We will reverse and delay any interest capitalization that has an effective date of March 13, 2020 through six months after the payment pause ends.

Will my loans be reported negatively to the credit bureaus because of this payment pause?

No. During the COVID-19 payment pause, eligible loans will be reported as if regularly scheduled payments had been made by the borrower. This reporting is similar to borrowers enrolled in income-driven repayment (IDR) with a \$0 payment. Keep in mind that delinquency reported prior to the COVID-19 emergency relief period will remain on your credit report.

We cannot provide advice on how credit scores are calculated; we report specific loan information to credit bureaus. Credit scores are available through several companies using confidential and proprietary methods. If you have questions about a specific credit score, please contact the company that issued it.

How will this payment pause affect my progress toward loan forgiveness?

Paused payments count toward Public Service Loan Forgiveness (PSLF) and income-driven repayment (IDR) forgiveness as long as you meet all other qualifications. You will receive credit as though you made on-time monthly payments in the correct amount while on a qualifying repayment plan. See [StudentAid.gov/pslfwaiver](https://studentaid.gov/pslfwaiver) for more information about the limited PSLF waiver and any actions you need to take to benefit from it.

I have submitted a PSLF form in the last year, and my federal student loan servicer was not FedLoan Servicing (PHEAA) or MOHELA. What's the status of my transfer and PSLF form?

When the COVID-19 emergency relief began in 2020, ED stopped certain loan transfers from other servicers to the PSLF Servicer, FedLoan Servicing. Starting July 1, 2022, MOHELA is the PSLF Servicer.

Since then, ED has instructed its servicers to resume transfer activity, including transferring borrower accounts to MOHELA. The transfer of account information can be slow, but we expect this process to be complete in the next few months.

You can still receive payment credit toward PSLF during this time, no matter who your servicer is or how long it takes to process these transfers. However, you still must verify employment for these periods of time in order to receive qualifying payment credit.

Your new federal loan servicer, MOHELA, will contact you after your loans have been fully loaded into its system. At that point, MOHELA will assist you with your account and the PSLF program going forward.

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What if my income was impacted by COVID-19?

Has your income changed significantly? You can apply for an income-driven repayment (IDR) plan at [StudentAid.gov/idr](https://studentaid.gov/idr). If approved, your payments due under the IDR payment plan will begin after the payment pause ends.

If you're already on an IDR Plan, you may want to recertify early and get a new payment amount based on your current income. To do so, follow these steps:

1. [StudentAid.gov/idr](https://studentaid.gov/idr).
2. Select "Apply Now."
3. Start the application by selecting the button next to "Recalculate my monthly payment."

My income-driven repayment (IDR) recertification date is coming up soon.

Will the COVID-19 relief extend my deadline?

You will not have to recertify your income before the end of the COVID-19 emergency relief period, even if your recertification date would have happened prior to the end of the relief period. As part of the payment pause, your recertification date has been pushed out from your original recertification date.

You won't be required to recertify before payments restart, and the earliest you could be required to recertify is six months after the payment pause ends.

On your account Aid Summary, you may still see a recertification date that is earlier than the end of the payment pause. We are working to get those updated, and we thank you for your patience. If your recertification date falls between now and six months after the pause ends, it will be pushed out by one year. For example, if your account says your recertification date is December 1, 2022, that date will be pushed out to December 1, 2023.

You will be notified of your new recertification date before it is time to recertify. Update your contact information with us if you have moved, changed phone numbers, or have a new email address.

If you would like to recertify during the payment pause, contact us.

If I enter IDR during the payment pause, will my payments automatically remain paused?

Will those months count toward IDR forgiveness?

Yes, your payments will remain paused; and yes, the months will count toward IDR forgiveness.

Will this payment pause count against my voluntary forbearance time?

No.

Can I shorten this payment pause later?

Yes. Contact us to remove or shorten the payment pause at any time.

Can I make payments during this payment pause?

Yes! We encourage you to make payments whenever possible. Making payments during the COVID-19 emergency relief period could allow you to make progress on paying down your unpaid principal – which could reduce the overall cost of your loan.

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Your payments would be applied first toward the unpaid interest accrued prior to March 13, 2020, and the remainder is applied to the unpaid principal. You can continue to make payments at any time by logging in to your account, by phone, by mail, or through your bank's bill payer service (Auto Pay is not available during the payment pause). If you choose to remain in the administrative forbearance (payment pause) and make payments, you will not receive a monthly bill.

What if I want to continue making a partial payment while my loan is in the payment pause?

As long as you are in the payment pause, you will not be penalized for making a payment that is less than your usual monthly payment. You still have the option to make a payment on your loan to make progress toward reducing your balance. You can continue to make payments at any time by logging in to your account, by phone, by mail, or through your bank's bill payer service (Auto Pay is not available during the payment pause).

If I consolidate into a Direct Consolidation Loan during the payment pause, will my new consolidation loan automatically have payments paused?

Yes. However, consolidation can sometimes result in a higher interest rate. You may find that your rate is higher than what you paid previously once the 0% interest rate period ends. In addition, when you consolidate, any unpaid interest will capitalize (be added to your principal balance).

How does consolidation affect my credit toward loan forgiveness?

If you consolidate, you will lose credit for any qualifying IDR payments you may have previously made. Under normal rules, you would also lose credit toward Public Service Loan Forgiveness (PSLF); however, on October 6, 2021, the Department of Education announced a limited-time change to the PSLF program rules that may allow you to get credit for past periods of repayment on loans that wouldn't normally qualify for PSLF by consolidating them into a Direct Consolidation Loan. After the limited PSLF waiver period ends, if you made any qualifying payments toward PSLF on your existing federal student loans, consolidating these loans after October 31, 2022, will reset the payment count to zero and you will need to make 120 more qualifying payments after consolidation. To learn more about the limited PSLF waiver and any action you may need to take to benefit from it, visit StudentAid.gov/pslfwaiver.

Questions about defaulted loans?

Please visit StudentAid.gov/coronavirus for information.

