AGENDA

- COVID-19 payment suspension, interest waiver, moratorium on collections ends December 31, 2022
- President Biden’s 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

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
- Expect a billing notification 21 days before your due date
- Enroll in an affordable repayment plan (consider Income-Driven Repayment)

One-time debt cancellation

- Review your 2020 & 2021 Adjusted Gross Income (AGI) to see if you meet income limits
- Review whether you received a Pell Grant
- Apply by November 15th for processing; application open through December 31, 2023

How to look up whether you got a Pell Grant

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

Deadline to act for PSLF Waiver: October 31, 2022

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

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
File the PSLF Form using the PSLF Help Tool
Even if you’ve already filed it before

Section 1: Employment History

You need your employer’s Federal Employer Identification Number (FEIN/EIN). You can find your EIN in box b of your W-2.

Note: The Federal Employer Identification Number is different from the state ID number that also appears on your W-2. As PSLF is a federal program, we want the federal number, not the state number.
Wet signature required

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DEADLINE: October 31, 2022

1. Consolidate if necessary
2. File PSLF Forms

Keep an eye on those loan servicers

New PSLF regulations

Expected in November, likely effective July 1, 2023

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 100% 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:
    - Married couple, two adult children, combined $60,000 annual income
    - Willing to make $60,000 in annual income for one year
  - Income-driven repayment:
    - 100% of income, which is $60,000
    - $60,000, which is $6,000 per year
  - Ability to pay:
    - $1,400
  - Monthly savings:
    - $1,400
  - Net worth:
    - $500
  - Unpaid monthly interest will be waived.

“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)
If you care about student loan policy

- VOTE
- Encourage others to VOTE