

## **KNOW YOUR STUDENT LOAN RIGHTS**

### **COVID-19 Updates: April 23, 2020**

#### **The Federal CARES Act Provides Benefits for Most Federal Student Loan Borrowers**

**Direct Loans or FFEL Loans held by the Department of Education (ED) are eligible for relief. Between March 13, 2020 through September 30, 2020 these loans:**

- Will temporarily cease automatic payments; voluntary payments can still be made.
- Will be placed in administrative forbearance. This is a “hold” status when no payment is owed.
- Will have 0% interest (this also includes Perkins Loans).
- If a loan is in default, involuntary collections will be stopped including:
  - No Administrative Wage Garnishments.
  - No Federal Benefit Offsets.
  - No Treasury Offsets of tax refunds or other payments, including the CARES Act stimulus payments.

**During this forbearance period, the time payments are suspended will count toward:**

- Rehabilitation payments of defaulted loans.
- Income Driven Repayment forgiveness period.
- Public Service Loan Forgiveness period.

**This time will count toward these programs, even if no payment is made.**

#### **Legal Services offers eligible clients student loan assistance including:**

- Solving student loan defaults.
- Eliminating wage garnishments or offsets of benefits or tax refunds related to student loans.
- Obtaining a disability discharge (or other discharge) of your student loan, if eligible.
- Developing an affordable, income-driven payment plan.

#### **Further Resources:**

For current COVID-19 related announcements see the [Department of Education's FAQs](#)

For general help for borrowers see the [NCLC's Student Loan Borrower Assistance project](#).

**Call Legal Services of Eastern for help at 314.534.4200**

**NEED HELP? Apply online at [www.lsem.org](http://www.lsem.org) or call 314.534.4200 / 800.444.0514**

**More COVID-19 information & resources available at:  
[www.lsem.org / covid-19-updates](http://www.lsem.org/covid-19-updates) or follow us on Facebook**