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 or call 314.534.4200 / 800.444.0514

More COVID-19 information & resources available at:
www.lsem.org /covid-19-updates or follow us on Facebook