



Financial Wellness Spotlight

October 2021



Student Loan Repayment: ARE YOU READY? **Payment of Federal Student Loans will resume in February 2022**

Now is the time to begin gathering the information you need. There are steps you can take to ease your transition back to monthly payments, find the repayment plan that is most beneficial to your current situation, and seize the opportunity to protect or improve your credit score.

Steps for all federal student loan borrowers in repayment:

1. Get and stay informed. There have been many changes including updates to the Borrower Defense program and Public Service Loan Forgiveness (PSLF) eligible payments. Also, student loan servicers will be changing for many as three of the current servicers will be leaving the business. Seek the most up to date information from reliable sources such as [StudentAid.gov](https://studentaid.gov) and [ConsumerFinance.gov](https://consumerfinance.gov). Both are federal government agencies that provide extensive and helpful information on student loan repayment.
2. Make sure your contact information is up to date, and watch for communication from your servicer and the Department of Education. Log in to your StudentAid.gov and servicer accounts and make any updates needed. Confirm the date your payments will resume in February, and that your auto-pay information is correct. Check the amount that is due monthly, and budget to accommodate the payments resuming.
3. Check your online account with your current servicer to view your payment history and make a copy of your record. It is a good idea to have hard copies of your records. This will help you be certain your history has been transferred accurately if you are assigned a new servicer.

Here are additional things to consider if your payment amount presents a hardship:

- If you are experiencing a **temporary financial hardship** or unemployment, talk with your servicer about economic hardship/unemployment [forbearance](#). This option will suspend your payments temporarily and is available for a limited number of months.

- If the monthly payment will cause you **long term financial hardship**, look into the [Income Driven Repayment plans](#). These plans offer you a reduced payment amount (the repayment period will be extended). You must apply and submit the required documentation annually to get into and remain in a plan.

If you work full-time in the public sector or for a non-profit:

- Being employed in these areas means you may be eligible for the [Public Service Loan Forgiveness](#) (PSLF) program. This program will forgive what is left on your loans after you make 120 eligible payments, which includes payments made while in an Income Driven Repayment plan and working full time. Check with your employer to see if they qualify under the program. The U.S. Department of Education just announced [new rules for qualifying payments](#) for a limited time. Check with your servicer to see if you qualify.

If your loans are in default:

- Collection activity was frozen under the CARES Act and is set to resume in February. Now is the time to evaluate your option for [federal student loan rehabilitation](#). The payments can be very reasonable as they are based on income and family size. Call your servicer to explore income based payments under the rehabilitation program.

ACT NOW!

As we get closer to February, when repayments are scheduled to resume, servicers will be extremely busy. Now is the time to pay attention to the details of repaying your student loans and get into the plan that is most beneficial to you. The options outlined above are available and could provide substantial savings and credit improvement. The sooner you start the process of understanding your options, contacting your servicer, and submitting required documentation, the easier it will be for you in February when your payments resume.

Get the most up to date information and learn more about Student Loan Repayment:

- The U.S. Department of Education has just announced the [Public Service Loan Forgiveness Limited Waiver](#) opportunity. Borrowers may receive credit for past payments made on loans that would otherwise not qualify for PSLF.
- Find information on [StudentAid.gov](#) to help prepare you for payments to resume.
- Find out what your options are for student loan repayment at [ConsumerFinance.gov](#).
- Explore our learning module on [Paying Your Student Loans](#) to learn the basics about student loan debt and to compare different repayment plans.



Community Webinars Series

Our webinars are designed to help improve your financial life. Visit bmifcu.org/calendar to view the schedule, location, and register to attend.

Upcoming Webinars:

Medicare for Beginners

Wednesday, October 20, 2021

Health Savings Accounts

Wednesday, October 27, 2021

Student Loan Repayment: Understand Your Options

Saturday, November 6, 2021

New Youth Webinar! Banking on Your Own

Thursday, November 11, 2021

Asset Protection Planning

Saturday, November 13, 2021

Smart Money: Managing Debt

Saturday, December 11, 2021

[View the schedule and register to attend a webinar.](#)

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