



# STUDENT LOAN REPAYMENT **TOOLKIT**



**NASFAA**

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



## Student Loan Repayment Toolkit: Resources to Prepare Borrowers

This toolkit was created to provide important information to borrowers as they prepare to begin student loan repayment. Throughout this document, you will find helpful information in the following sections:

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# Step-by-Step: How to Prepare for Successful Student Loan Repayment

Whether you are returning to repayment for the first time since 2020 or entering repayment for the first time, you can get ready to start making payments by preparing early. No matter your circumstances, the steps outlined below will walk you through the process and connect you with resources for additional support.

## 1. Use your FSA ID to Log In to StudentAid.gov

Every year, millions of student borrowers throughout the United States are able to access financial aid for their postsecondary education through the Office of Federal Student Aid (FSA). To ensure that you have the most accurate information ahead of resuming your student loan repayments, you can log into [studentaid.gov](https://studentaid.gov) using your FSA ID. Your FSA ID will include a username and password, which will allow you to access your financial aid information. This is the same ID you used to complete your Free Application for Federal Student Aid (FAFSA). Once logged in, you should update your personal information and confirm your student loan servicer.

## 2. Confirm your student loan servicer

Through [studentaid.gov](https://studentaid.gov), you will be able to update your personal contact information and confirm your student loan servicer. Your student loan servicer may vary depending on the type of loan you have, (e.g. Direct Federal Family Education Loans (FFEL), Perkins Loans, or private loans) and whether those loans are held by the Department of Education or by a private student loan servicer. If you don't know who your servicer is, you can find out by logging onto [studentaid.gov](https://studentaid.gov) and visiting the "My Loan Servicers" section of your dashboard. That section of the dashboard will also give you the servicer's contact information. A full list of loan servicers for federal student loans can be found [here](#). Since the student loan payment pause came into effect at the beginning of the COVID-19 emergency, it is possible that your servicer may have changed their name or changed completely to another entity.

## 3. Log into your student loan servicer account and update your contact information

Once you confirm your loan servicer, you should create an account or log into an existing one via the servicer's website to review your personal contact information. Your information may need to be updated, which can include your mailing address, email address, and phone number. It is important that your contact information is up to date on your servicer account because if you cannot reach your servicer, they cannot reach you either.

## 4. Reauthorize or select auto debit for monthly payments

If you were previously signed up for automatic debit before the payment pause began, you must reauthorize or select automatic debit through your loan servicer account. This will allow your loan payments to be automatically withdrawn from your bank account every month. If you have direct loans, one of the benefits of signing up for automatic debit is a 0.25 percent interest rate deduction.

## 5. Review payment due date and amount

You will also be able to view your monthly payment amount and the date that your first payment will be due. Make note of this information to ensure you either proactively make a payment by the deadline, or are prepared for the funds to be drawn down by auto debit. You should also ensure that you update any changed banking information.

## 6. Use tools on [studentaid.gov](https://studentaid.gov) and servicers portal to ensure you're in the best repayment plan for you

FSA also makes available [various resources](#) that can help you choose the student loan repayment plan that is best for you and your needs.

# Step-by-Step: How to Pick the Right Repayment Plan

## 1. Log into your student loan servicer account

The contact information your servicer has may be dated and need to be updated. It is important that your contact information is up to date on your servicer account because if you cannot reach your servicer, they cannot reach you either. You should also review your outstanding balances and accrued interest.

## 2. Consider your repayment strategy & decide whether you need to change plans

A significant part of navigating student loan repayment is selecting your repayment plan, a decision that will likely be informed by your repayment strategy. Each borrower must determine their repayment plan based on their own priorities and overall financial situation. Some borrowers may aim to pay off their loans as quickly as possible, others may wish to have the lowest monthly payment possible, and some may wish to pay the lowest total amount over time possible. When you completed loan exit counseling with your school, you selected a plan to repay your student loans. If you didn't select a repayment plan, you were automatically placed in the standard plan. It is possible that the plan you were in prior to the repayment pause no longer aligns with your repayment strategy. With the repayment pause ending, this is a great opportunity to consider which repayment plan will best help you achieve your goals. FSA's [Loan Simulator](#) has tools to help you identify the student loan repayment strategy that best meets your goals and provide guidance on decisions such as whether it would be beneficial to consolidate your student loans.

## 3. Research repayment options & confirm the best plan for you

There are several different repayment plans that borrowers may choose to enroll in. Some repayment plans are solely based on the amount you borrowed and that amount (plus interest) is divided into equal, fixed installments to determine your monthly payment. Other plans take your income into account when calculating how much you'll pay each month. These are called [Income-Driven Repayment \(IDR\) plans](#). In many cases, an IDR plan will provide you with a lower monthly payment than a standard, fixed repayment plan. If you would like to apply for an IDR plan, you can do so via [this page on studentaid.gov](#).

If you don't remember which repayment plan you're in, you can find it by logging on to studentaid.gov or on your loan servicer's portal. You can also find information on your outstanding balances, accrued interest, and current monthly payment. If you are considering selecting a different plan, you should research and do a thorough comparison of the various repayment options to identify the plan that best fits your current circumstances. The [FSA Loan Simulator](#) on studentaid.gov is an easy way to compare repayment plans that you qualify for and view estimated monthly payments based on your circumstances and repayment goals. Your loan servicer may also have different repayment calculator tools to help you figure out which plan is right for you. You should call your servicer if you have questions or need additional support in selecting a plan, but should be prepared for extended wait times for your call to be answered.

## 4. Once you've selected the plan that's right for you, log into your servicer portal or studentaid.gov to select your desired plan

If you decide to change your repayment plan to a non-IDR plan, log on to your loan servicer's website to initiate the change. If you would like to apply for an IDR plan, you can do so via [this page on studentaid.gov](#). Keep in mind that, if you select an income-driven plan, you may be asked for additional information to certify your income and family size. If you need additional support in selecting a plan or have questions about the process, contact your loan servicer via phone or chat.

# Tips & Tricks

## for Preparing to Resume Repayment

### 1. Start Early and Be Ready:

It is important for borrowers to take action as soon as possible before student loan interest resumes on September 1, 2023 and payments are due in October 2023. Ensure you are able to log in to your necessary accounts to access and update any relevant information. Don't delay being proactive if you anticipate encountering any troubles as repayment begins, as there are consequences of not being prepared.

### 2. Review Your Personal Budget:

Along with confirming your payment due date and amount, review your personal budget to ensure that you will be able to make your necessary monthly payments. [This tool](#) provided by FSA can help you create, manage, and maintain your budget. FSA also outlines some [general budgeting tips](#), as well as [information](#) on how to handle your finances and student aid while in school.

### 3. Be Patient and Remain Diligent:

Given the millions of borrowers that will be transitioning into repayment, it is important to be patient, and it is possible that loan servicers may be overwhelmed with a high volume of inquiries. While you may reach your loan servicer via phone, there are other possible methods of communication at your disposal to answer questions. Some of these options include researching through the loan servicer's website, or using their Chat and Live Chat functions. This will help reduce phone call waiting time if you are looking for information that is more readily available. It is possible you may not reach your servicer's representative via phone the first time you call. If that is the case, you may need to call a few times before you are able to connect with someone.

### 4. Keep Documentation:

It is important that you keep good documentation of your financial aid and loan server records and communications, such as forms, research you may have done, who you spoke to, and detailed notes of what you spoke about.

### 5. Stay Alert to Avoid Scams:

- a. Your student loan servicer will provide you with free assistance; you should never pay an outside entity to help with your student loans.
- b. If you don't know who your servicer is, you can find out by logging onto [studentaid.gov](https://studentaid.gov) and visiting the "My Loan Servicers" section of your dashboard. A full list of loan servicers for federal student loans can be found [here](#).
- c. While you may reach your loan servicer via phone, stay alert to avoid scams because they will always initiate communications with you via email, and never by phone. Unless you initiated the contact, you should never share personal information over the phone unless you made the contact.
- d. FSA outlines these additional [tips](#) on how to stay alert to avoid student aid scams and fraudulent attempts to access your information.



# What other programs can help me with my student loan debt?

The Department of Education offers a number of programs to assist borrowers and allow those in specific circumstances to have their loans canceled, discharged, or forgiven. Several of these programs are outlined below.

## 1. Public Service Loan Forgiveness (PSLF)

If you wish to apply for the Public Service Loan Forgiveness (PSLF) program at some point in the future, you must be employed by a government or not-for-profit organization, and in an Income Driven Repayment (IDR) plan. [This](#) page will help you determine if you qualify for PSLF and if you do, you may access the PSLF form [here](#).



## 2. Fresh Start Initiative

“Fresh Start” is a Department of Education initiative to help delinquent and defaulted borrowers enter back into repayment in good standing. This initiative will help millions of borrowers re-enter repayment without any balances that are past due. Borrowers will once again be eligible to receive federal student financial aid to help them complete their studies. Through this [Fact Sheet](#) provided by FSA, you can learn more about Fresh Start and which loans are eligible.

## 3. One-time Federal Student Loan Debt Relief

On August 24th, 2022, the Department of Education announced a plan for one-time student loan debt relief due to the COVID-19 pandemic. The proposal planned to cancel \$10,000 in student loan debt for borrowers making less than \$125,000 annually (or \$250,000 annually as a family). Borrowers who received a Pell Grant while in college and also meet the income requirements may be eligible for up to \$20,000 in forgiveness.

Following months of legal challenge, the Biden Administration’s one-time debt relief program was blocked by the Supreme Court in a decision handed down on June 30, 2023. While student loan repayment is set to resume in October 2023, the Department of Education has announced various initiatives relating to how the administration will handle the transition into repayment and that it will also pursue implementing the one-time debt relief program through the negotiated rulemaking process, which may not be finalized until after the presidential election of 2024. Regardless of any future efforts to implement a debt relief program, borrowers should prepare for repayment to resume by following the steps outlined above (such as confirming your contact information with your servicer and selecting the right repayment plan). You can access additional information and timely updates on the debt relief program via [this page](#) on studentaid.gov.

# Helpful Resources

## [Prepare for Student Loan Payments to Restart:](#)

This page outlines important information that borrowers need to know ahead of payments resuming, provides recommended actions for borrowers to take as they prepare, and includes a “frequently asked questions” section.

## [Repaying Student Loans for the First Time:](#)

This page provides helpful information to borrowers who will be making payments for the first time since the COVID-19 pandemic-related pause.

## [Loan Forgiveness:](#)

Learn more about the various loan forgiveness plans that are available for borrowers who meet certain criteria and circumstances.

## [One-time Federal Student Loan Debt Relief:](#)

Stay apprised of latest updates on the administration’s debt relief plans.

## [Fresh Start:](#)

Learn more about this initiative aimed to assist borrowers in default, which benefits are available under the initiative, and which loans are eligible.

## [Public Service Loan Forgiveness \(PSLF\):](#)

Learn more about the PSLF Program and whether you meet the qualifying criteria to receive forgiveness.

## [FSA’s Repaying Your Loans:](#)

This FSA booklet provides information relating to the repayment of direct loans, Perkins Loans, and FFEL loans.

## [Income-Driven Repayment \(IDR\) Plans:](#)

Learn more about the four available IDR plans (REPAYE, PAYE, IBR, and ICR).

## [Student Loan Deferment and Forbearance:](#)

Learn more about deferment and forbearance, which allow borrowers in short-term financial stress to temporarily stop making payments.

## [Student Loan Delinquency and Default:](#)

This page provides information for borrowers to understand what delinquency and default are, and outlines actions that borrowers can take if they believe their loans were mistakenly put in default.



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