

# What Borrowers Should Know

## About the Resumption of Federal Student Loan Payments

The Federal government has indicated that the pause on student loan interest will end on September 1<sup>st</sup> and student loan borrowers will be required to resume making monthly payments in October.

Student loan servicers are working under the direction of the U.S. Department of Education (ED) to prepare borrowers and work toward a successful resumption of loan repayment. Whether you are returning to repayment for the first time since 2020 or making your first ever student loan payment, you can set yourself up for success by preparing early. The steps outlined below will walk you through the process and connect you with resources for additional support.

**NOTE:** The influx of millions of borrowers simultaneously entering or re-entering repayment may make call hold times and processing times longer than usual. Please reach out to your Servicer early and ask questions today. Keep an eye out for communications you'll be receiving from ED and your Servicer. You can be proactive and leverage chat functions and web calculators in addition to phone and email outreach to your servicer.

### How to Prepare for Student Loan Payments to Resume:



1

#### Update your contact information

Create an account or log in to your existing account via your student loan servicer's website and confirm your contact information is correct – mailing address, email address, and phone number. This will ensure you receive important updates. If you don't know who your servicer is, log on to [studentaid.gov](https://studentaid.gov) and go to the "My Loan Servicers" section of your dashboard.

2

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

If you'd like to use automatic debit, you must authorize or reauthorize this option. Go to your student loan servicer account, enroll in auto debit and ensure your banking information is up to date. Direct loans offer a 0.25% interest rate reduction when you enroll in automatic debit.

3

#### Review your payment due date and amount

Make note of your monthly payment amount and the date that your monthly payment will be due. It's important that you make your payments by the due date. Enrolling in auto debit can help.

4

#### Check to see if your payment plan is the best fit

Review the student loan payment plan options associated with your loan via [studentaid.gov](https://studentaid.gov) or your loan servicer's portal. [Federal Student Aid \(FSA\)](#) provides resources to help you choose the student loan repayment plan that is best for you and your needs.

## How To Pick The Right Repayment Plan:



### STEP 1:

Understand your current repayment plan

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. Log into [studentaid.gov](http://studentaid.gov) or your loan servicer's portal to understand your current repayment plan.

### STEP 2:

Confirm your repayment strategy

It is possible that the plan you were in prior to the payment pause no longer works for you. Use [FSA's Loan Simulator](#) to identify the student loan repayment strategy that best meets your needs. You can call your servicer to get answers to your questions and support in selecting the plan that's best for you.

### STEP 3:

Enroll in the repayment plan that's right for you

If you decide to change your repayment plan, you can log on to your loan servicer's website to initiate the change. If you would like to apply for an Income Driven Repayment (IDR) plan, you can do so [via this page](#) on [studentaid.gov](http://studentaid.gov) – you will need to provide additional information to certify your income and family size. Connect with your servicer by phone or chat if you need additional support.

## Tips & Tricks to Prepare for Student Loan Repayment:

### Set-up or Update Your Online

**Account** – Ensure that you are able to log in to your accounts now and while in your account, update your personal contact information.

**Review Your Budget** – Ensure you will be able to make your monthly payments. This [FSA tool](#) helps you create, manage, and maintain your budget.

**Keep Documentation Handy** – While your account documentation and payment history will be available via your servicer's website, be sure to keep your own records of your loan details, payment due date, the numbers of payments made and keep your automatic bill pay service updated.

**Start Early Be Ready** – Loan servicers may receive a high volume of inquiries, so it's possible hold times may be longer than usual. Review the information on your servicer's website now and don't forget you can use email and chat to contact your servicer as well.

**Watch Your Email** – Servicers communicate each time a payment is due. Don't ignore communications from ED or your student loan servicer.

**Stay Alert to Avoid Scams** – Never pay an outside entity to help with your student loans. Your loan servicer helps you for free. Never share personal information over the phone to an unknown entity. If you're not sure who is contacting you, hang up and call your Servicer directly. Review the [additional tips](#) provided by FSA to help avoid student loan scammers.

**Confirm Your Payment Due Date and Amount** – Set yourself up for success by setting calendar reminders for payments or make on-time payments easier by enrolling in auto debit.

