



Q: Interest is being temporarily set at 0% on federal student loans. Which loans does the 0% rate apply to?

A: From March 13, 2020, through Sept. 30, 2020, the interest rate is 0% on the following types of federal student loans, but only if they are loans owned by ED:

- Defaulted and non-defaulted Direct Loans
- Defaulted and non-defaulted FFEL Program loans
- Defaulted and non-defaulted Federal Perkins Loans
- Defaulted HEAL loans

Please note that some FFEL Program and HEAL loans are owned by commercial lenders, and some Perkins Loans are owned by the institution you attended. These loans are not eligible for this benefit at this time, but you can contact your servicer to ask about what benefits may be available.

To find out if your Direct and FFEL Program loans are owned by ED, visit [StudentAid.gov/login](https://studentaid.gov/login). After you log in with your FSA ID, you will be on your StudentAid.gov dashboard. If you click on “view details,” you will be taken to your Aid Summary. If you scroll down on this page, you will see a section called “Loan Breakdown.” In your Loan Breakdown, if you see a servicer name that starts with “DEPT OF ED,” that servicer is for a loan that is owned by ED.

Q: How can I take advantage of this 0% interest period if I have Federal Family Education Loan (FFEL) Program and Federal Perkins loans not owned by ED?

A: While your lender or school can provide these benefits should it choose to do so, you can consolidate your FFEL Program or Federal Perkins loans not owned by ED into a Direct Consolidation Loan, which would be eligible for 0% interest. However, if you consolidate, after the 0% interest rate period ends, the interest rate on your loan may be higher than what you are currently paying. In addition, when you consolidate, any outstanding interest will capitalize, meaning that any outstanding interest is added to your principal balance. Your servicer can provide you with information about how your loan balance, interest rate, and total amount to be paid would change if you consolidated into a Direct Consolidation Loan.

Q: Who can tell me if my loans will have their interest rate temporarily reduced to 0%?

A: Contact your [loan servicer](#) online or by phone to determine if your loans are eligible. Your servicer is the entity to which you make your monthly payment. If you do not know who your servicer is or how to contact them, visit [StudentAid.gov/login](https://studentaid.gov/login) or call us at 1-800-4-FED-AID (1-800-433-3243; TTY for the deaf or hearing-impaired 1-800-730-8913) for assistance.



Q: If my loans are owned by ED, do I need to do anything for the interest on my loans to be set at 0%?

A: No, ED will automatically adjust your account so that interest doesn't accrue (i.e., accumulate). The account adjustment will be effective March 13, 2020.

Q: If I make loan payments during the 0% interest period, how will they be applied?

A: During the period of 0% interest (March 13, 2020, through Sept. 30, 2020), the full amount of your payments will be applied to principal once all the interest that accrued prior to March 13 is paid.

Q: Are private student loans eligible for the 0% interest benefit?

A: No. ED does not have legal authority over private student loans, and they are not covered by the *CARES Act*.

Questions about the Forbearance (Temporary Suspension of Payments)

Q: I understand that my loans will be placed in administrative forbearance, temporarily suspending my monthly payments. How long will the administrative forbearance last?

A: The administrative forbearance will last from March 13, 2020, through Sept. 30, 2020.

Q: If I'm currently in an income-driven repayment (IDR) plan, will my suspended payments count toward IDR forgiveness?

A: Yes.

Q: Will suspended payments count toward Public Service Loan Forgiveness (PSLF)?

A: If you have a Direct Loan, were on a qualifying repayment plan prior to the suspension, and work full-time for a qualifying employer during the suspension, then you will receive credit toward PSLF for the period of suspension as though you made on-time monthly payments.

Q: What will happen to my regular auto-debit payments if I do nothing?

A: Auto-debit payments are suspended during the administrative forbearance. Any auto-debit payments processed between March 13, 2020, and Sept. 30, 2020, can be refunded to you. Contact your loan servicer to request that your payment be refunded.



If you don't want an administrative forbearance and want to continue making payments, contact your loan servicer to opt out of the administrative forbearance, and your auto-debit payments will resume.

You also have the option to remain in the administrative forbearance and make manual (i.e., not auto-debit) payments during the administrative forbearance period. Visit your loan servicer's website to make a payment, or contact your loan servicer for more information.

Q: If I made a payment after the president signed the CARES Act on March 27, 2020, can I receive a refund?

A: Yes; any payment you made during the administrative forbearance period (March 13, 2020, through Sept. 30, 2020) can be refunded. Contact your loan servicer to request that your payment be refunded.

Q: If I'm trying to rehabilitate my defaulted student loan, will my suspended payments count toward my rehabilitation?

A: Yes. If you're already in a rehabilitation agreement, all of your suspended payments will count. If you enter a new rehabilitation agreement between March 13, 2020, and Sept. 30, 2020, suspended payments that would have been made from the beginning of your agreement until Sept. 30, 2020, will count. For example, if you enter a new rehabilitation agreement on May 5, 2020, and your payment due date is May 15, suspended payments will count toward your successful rehabilitation for May, June, July, August, and September. You will not get credit for suspended payments for March and April, the months before you entered your new rehabilitation agreement.

Q: How will I know when I will have to start making payments again?

A: The 0% interest period and administrative forbearance is currently set to expire on Sept. 30, 2020. Your servicer will contact you, no later than in August, to remind you that you will need to start making payments again. Make sure your contact information is up to date in your loan servicer account profile.

Q: What if I want to continue making payments?

A: Continuing to make payments between March 13, 2020, and Sept. 30, 2020, could help you pay down your loan balance more quickly because the full amount of a payment will be applied to principal once all interest accrued prior to March 13, 2020, is paid.

You may either stay in the administrative forbearance and make payments, or opt out of the administrative forbearance and make payments.

Staying in the administrative forbearance and making payments:



- If you wish to continue paying your loans during the administrative forbearance period, or to pay more or less than your regular payment amount, you are free to do so until the end of the administrative forbearance period.
- You will not be billed.
- You may not be able to resume auto-debit payment during the administrative forbearance period.
- Contact your [loan servicer](#) or visit your servicer's website to make a payment.

Opting out of the administrative forbearance and continuing to make payments:

- You will be billed.
- Auto-debit payments will resume.
- Contact your loan servicer or visit your servicer's website to opt out of the administrative forbearance, make a payment, or to find out how you can continue or start auto-debit payments.
- If you opt out of the administrative forbearance and continue making regular payments but then experience a change in income, please contact your loan servicer as soon as possible to discuss options, such as enrolling in an income-driven repayment plan to lower your payments or opting in to the administrative forbearance that ends Sept. 30, 2020.

Q: What if I want to continue making a partial payment while my loan is in forbearance?

A: As long as you are in forbearance, you will not be penalized for making a payment that is less than your usual monthly payment. Meanwhile, you still have the option to make a payment on your loan to make progress toward reducing your balance. Contact your loan servicer or visit your servicer's website to make a payment or to find out how you can continue or start auto-debit payments.

Q: What if my loan is currently in a grace period, and I was supposed to start making payments on a date that falls between March 13, 2020, and Sept. 30, 2020?

A: You will receive administrative forbearance (and your loans will remain at the 0% interest rate mentioned in the section above this one) for any period after your loans enter repayment between March 13, 2020, and Sept. 30, 2020. For example, if your loans entered repayment on April 15, 2020, you will receive a forbearance from April 15, 2020, through Sept. 30, 2020, and the interest rate on your loan will be 0% during this period. Note that entering repayment is a capitalization event, which means any interest that accrued on your loans prior to March 13 will be capitalized (added to the principal balance) at the end of your grace period. You can make payments during the forbearance and prior to entering repayment if you wish to avoid capitalization of some or all of the outstanding interest that accrued on your loans prior to March 13, 2020.



Q: My Income-Driven Repayment (IDR) recertification date is coming up soon. Will the administrative forbearance affect when I should recertify?

A: Yes. You will not have to recertify your income before Sept. 30, 2020, regardless of whether your recertification date would have happened prior to Sept. 30, 2020. As part of the administrative forbearance, your recertification date has been pushed out six months from your original recertification date. You will be notified of your new recertification date before it is time to recertify.

Q: If I enter IDR during the administrative forbearance, will my payments automatically remain suspended? Will those months count toward IDR forgiveness?

A: Yes, your payments will remain suspended; and yes, the months will count toward IDR forgiveness.

Q: If I consolidate into a Direct Consolidation Loan during the administrative forbearance, will my new consolidation loan automatically be placed in administrative forbearance?

A: Yes. However, if you consolidate, after the 0% interest rate period ends after Sept. 30, 2020, the interest rate on your loan may be higher than what you were paying before you consolidated your loans. In addition, when you consolidate, any outstanding interest will capitalize, meaning that any outstanding interest will be added to your principal balance. If you consolidate, you will also lose credit for any qualifying income-driven repayment or Public Service Loan Forgiveness payments you may have previously made. Your servicer can provide you with information about how your loan balance, interest rate, and total amount to be paid would change if you consolidated into a Direct Consolidation Loan.

Q: What if I'm in a cancer treatment deferment? Will my loans be put into administrative forbearance and then back into deferment after the forbearance ends?

A: Yes, your loans will be placed into administrative forbearance. If your cancer deferment would have ended after Sept. 30, 2020, your loans will be placed back into that deferment automatically on Oct. 1, 2020.

If your cancer deferment recertification date falls between March 13, 2020, and April 1, 2020, your servicer will extend the date to Oct. 1, 2020. If your cancer treatment deferment recertification date falls later in the administrative forbearance period (i.e., between April 2, 2020, and Sept. 30, 2020), your loan servicer will extend the date for six months.

If you would like to recertify during the administrative forbearance, contact your loan servicer to request to do so.



Q: Will the interest that accrued on my loans before the administrative forbearance began on March 13 be capitalized (added to my loans) at the end of the administrative forbearance?

A: Interest could capitalize at the end of the coronavirus-related administrative forbearance period, depending on the status of your loans before March 13, 2020. You should contact your loan servicer about your specific situation, but here are a few common examples:

- Generally speaking, if you were up to date on your payments before the administrative forbearance period began, interest accrued prior to March 13, 2020, will not capitalize.
- If, **before** the administrative forbearance period began, you were in the type of deferment or forbearance in which interest would normally capitalize, then interest accrued prior to March 13, 2020, will capitalize when your original deferment or forbearance ends or on October 1, 2020, whichever is later.
- If you were in your grace period before the administrative forbearance period began, any outstanding or unpaid interest on your account will capitalize as it usually does when you enter repayment.

Questions About Defaulted Loans

Q: On March 25, 2020, ED announced that my federal tax refund would not be withheld to repay my defaulted federal student loan debt. My refund has already been taken. Will I get it back?

A: Yes, but only if your federal tax refund was in the process of being withheld—on or after March 13, 2020, and before Sept. 30, 2020—for the repayment of a defaulted federal student loan.

Your federal tax refund will not be returned to you if the process to withhold your refund was completed before March 13, 2020.

If you have questions about whether your federal tax refund was withheld, call ED's Default Resolution Group at 1-800-621-3115 (TTY for the deaf or hearing-impaired 1-877-825-9923).

Q: On March 25, 2020, ED announced that a portion of my Social Security payment, including disability benefits, would not be withheld to repay my defaulted federal student loan debt. My Social Security payment has already been taken. Will I get it back?

A: Yes. The portion of your Social Security payment that was taken will be returned to you if your payment was in the process of being withheld—on or after March 13, 2020, and before Sept. 30, 2020—for the repayment of a defaulted federal student loan.



The portion of your Social Security payment that was withheld will not be returned to you if the process to withhold it was completed before March 13, 2020.

If you have questions about whether your Social Security payment was withheld, call ED's Default Resolution Group at 1-800-621-3115 (TTY for the deaf or hearing-impaired 1-877-825-9923).

Q: On March 25, 2020, ED announced that my wages would not be garnished, but money is still being taken from my paycheck. What should I do?

A: Your human resources department will receive a phone call or a letter from ED instructing them to stop your wage garnishment. If ED receives funds from a garnishment between March 13, 2020, and Sept. 30, 2020, we will refund your garnished wages and contact your employer again.

Q: On March 25, 2020, ED announced that Department-contracted private collection agencies stopped making collection calls and sending letters or billing statements. What should I do if I want to continue the payment arrangements I started before ED's announcement?

A: You can continue your payment arrangement related to your defaulted federal student loan. Private collection agencies have been instructed to not make collection calls and not accept auto-debit payments from March 13, 2020, through Sept. 30, 2020. However, private collection agencies are available to assist you if you reach out to them during this period. To be connected to your private collection agency to continue your current payment arrangement, [email ED's Default Resolution Group](#) or call them at 1-800-621-3115 (TTY for the deaf or hearing-impaired 1-877-825-9923).

Q: On March 25, 2020, ED announced that Department-contracted private collection agencies stopped making collection calls and sending letters or billing statements. What should I do if I want to consolidate my defaulted federal student loans or start a loan rehabilitation arrangement now?

A: To consolidate, or to start a loan rehabilitation arrangement related to your defaulted federal student loans, [email ED's Default Resolution Group](#), or call them at 1-800-621-3115 (TTY for the deaf or hearing-impaired 1-877-825-9923) for assistance.

Q: Will my defaulted loan accrue interest?



A: Defaulted loans owned by ED will not accrue interest from March 13, 2020, through Sept. 30, 2020. That includes Direct Loans and FFEL Program loans owned by ED. Read the Q&As above to learn more about the 0% interest period.

Q: Do any of the federal student loan relief measures apply to my defaulted HEAL loans?

A: Yes, defaulted Health Education Assistance Loan (HEAL) Program loans are owned by ED; therefore, the federal student loan relief measures apply. Between March 13, 2020, and Sept. 30, 2020, the interest rate for defaulted HEAL Program loans is 0%, and collections activities related to these loans are stopped. Read the Q&As above to learn about your options to continue making payments during this period.

General Loan Questions

Q: I'm currently on an income-driven repayment plan. I'm unemployed because of the coronavirus outbreak and don't know when my income will return to the same level. What can I do?

A: You are automatically being placed in an administrative forbearance that allows you to stop making your payments from March 13, 2020, through Sept. 30, 2020.

If you are on an IDR plan and your income has changed significantly, you can update your information and get a new payment amount based on your current income. To do so, visit StudentAid.gov/idr, click on "Apply Now," and then start the application by clicking on the button next to "Recalculate my monthly payment." After the administrative forbearance ends on Sept. 30, 2020, your monthly payments will resume at the new amount.

If you would like to enroll in an IDR plan for the first time, visit StudentAid.gov/idr, click on "Apply Now," and then start the application.

This Q&A contains general statements of policy under the *Administrative Procedure Act* issued to advise the public prospectively of the manner in which the U.S. Department of Education (ED) and Federal Student Aid (FSA) propose to exercise their discretion as a result of and in response to the lawfully and duly declared COVID-19 pandemic national emergency. ED and FSA do not intend for this Q&A to create legally binding standards affirmatively determining any member of the public's legal rights and obligations for which noncompliance may form an independent basis for action.