

Dear Parents,

If you or someone you know has student loan payments, this may be of interest to you. In essence, as **part of the new federal legislation passed on Friday, March 27, 2020, lenders are working to suspend payments on all U.S. Department of Education (ED) owned loans for six months by 4/10/2020 - the suspension will be in place until 9/30/2020. For more information, contact your lender.**

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**THE CORONAVIRUS AID, Relief, and Economic Security Act**, also known as the CARES Act, will help most federal student loan borrowers by temporarily pausing payments - including principal and interest - on federally held [student loans](#) through Sept. 30. (For six months)!

Here are five things student loan borrowers should know about these changes, which were implemented to blunt the severe economic impact of the [COVID-19 virus](#) pandemic:

- The temporary pauses are automatic.
- Not all federal student loans qualify.
- The pause does not apply to private student loans.
- Borrowers get six months toward loan forgiveness and loan rehabilitation programs.
- You may want to continue making payments, if possible.

### **Not All Federal Student Loans Qualify**

While the new automatic pause on payments and involuntary collections will provide relief to the majority of federal student loan borrowers, the CARES Act excludes borrowers with [Perkins loans](#) and commercially held Federal Family Education Loans, or FFEL loans. These are typically older loans - these programs no longer exist - but there are still many borrowers who are repaying them and will not receive the temporary benefits.

If you're not sure what types of student loans you have, contact your loan servicer to find out. If you have an online account with your loan servicer, you can also check there to see whether the benefit was applied to your account.[]

**READ:**

[When to Contact Your Student Loan Servicer.](#) ]

If you find that your student loan was excluded from the temporary benefits, you can still seek relief by contacting your loan servicer to [apply for income-driven repayment or forbearance](#).

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### **The Pause Does Not Apply to Private Student Loans**

The temporary pause in payments applies only to federally held student loans. If you have [private student loans](#), you can contact your loan servicer to see what options are available to you. Many servicers offer options to postpone payments, such as forbearance.

### **S.3548 - CARES Act**

#### **SEC. 4513. TEMPORARY RELIEF FOR FEDERAL STUDENT LOAN BORROWERS.**

(a) *IN GENERAL.*—The Secretary shall suspend all payments due for loans made under part D of title IV of the Higher Education Act of 1965 ([20 U.S.C. 1087a](#) et seq.) for 3 months.

(b) *NO ACCRUAL OF INTEREST.*—Notwithstanding any other provision of the Higher Education Act of 1965 ([20 U.S.C. 1001](#) et seq.), interest shall not accrue on a loan described under subsection (a) for which payment was suspended for the period of the suspension.

(c) *CONSIDERATION OF PAYMENTS.*—The Secretary shall deem each month for which a loan payment was suspended under this section as if the borrower of the loan had made a payment for the purpose of any loan forgiveness program authorized under part D of title IV of the Higher Education Act of 1965 ([20 U.S.C. 1087a](#) et seq.) for which the borrower would have otherwise qualified.

(d) EXTENSION.—The Secretary may extend the period of suspension described under subsection (a) for an additional 3 months.