

The Hero's Guide to Strategic Student Loan Repayment

Presented by Nassau Suffolk Law Services in partnership with the Education Debt Consumer Assistance Program (EDCAP)

September 8, 2023



Agenda

- About Nassau Suffolk Law Services
- About EDCAP
- Federal Student Loan Cancellation: What's Next?
- Key Dates
- Three Strategies for Tackling Student Debt: What's yours?
- Student Loan Repayment Checklist
 - Repayment Options
- Exploring Forgiveness, Cancellation, and Discharge
 - Fresh Start (For Loans in Default)
- Resources

Nassau Suffolk Law Services

Who we are, what we do...

- .Over 6,000 legal cases each year
- . Direct representation, phone consultations
- . Brief service or referrals
- . Offices in Hempstead, Islandia, Riverhead
- . Case handling staff includes attorneys, paralegals and social workers
- . Partnerships with Community Agencies



Nassau Suffolk Law Services

Contact Information:



www.nslawservices.org

Hempstead:

1 Helen Keller Way 5th Fl
Hempstead NY 11550
(516) 292-8100

Islandia:

1757 Veterans Hwy Ste 50
Islandia NY 11749
(631) 232-2400

Riverhead:

400 W. Main St Ste 200
Riverhead, NY 11901
(631) 369-1112

Nassau Suffolk Law Services



Our Programs:

Family

- Domestic Violence Family Court Project (Suffolk)
- Family Law Project (Suffolk)

Housing

- Civil Unit (Eviction Prevention)
- Foreclosure Project

Other

Disability & Health-Related Projects

- HIV Unit
- Mental Health
- ICAN - Advocates in Managed Long-Term Care
- Education and Disability Rights (Special Education and Rights of Developmentally Disabled)
- Disability Advocacy Project (SSD/SSI Appeals)

- Consumer Debt (including Education Debt)
- Veterans Rights
- Civil Rights Project
- Public Benefits
- Adult Care Facility Unit
- Senior Citizen Law Project (Nassau)
- Pro Bono Project (Suffolk)
- Volunteer Lawyers Project (Nassau)
- Community Legal Help Project

Nassau Suffolk Law Services



Legal Support Center for Advocates:

Legal Support Center for Advocates:

Advocates call (631) 232-2400 for
assistance:

Sharon Campo - x3368

Cathy Lucidi - x3324

- Provide Technical Support to Advocates
- “Advocates” include legislative staff, social workers, outreach workers, medical personnel, and guidance counselors
- Host Community Trainings
- Publish Newsletters

The Education Debt Consumer Assistance Program (EDCAP)

Contact Information

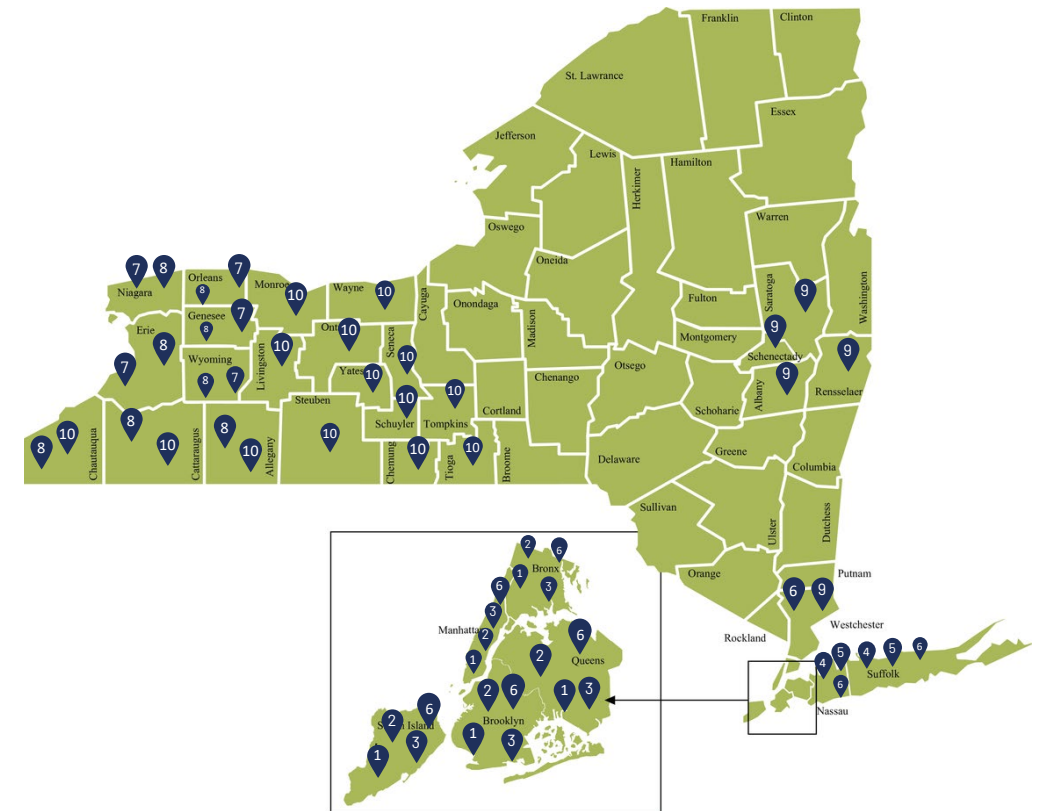
Helpline: 888-614-5004

Email: edcap@cssny.org

Web: edcapny.org

About EDCAP

- EDCAP is a program of the Community Service Society.
- Created to help tackle the student debt crisis in NY.
- Through our Helpline and Network, we help you:
 - Determine your best student loan repayment option;
 - Access loan forgiveness, cancellation, and discharge programs;
 - Apply for consolidation, deferment, and forbearance;
 - Resolve issues with loan servicers and lenders;
 - Get out of default to prevent wage garnishments, social security offsets, and tax intercepts;
 - Understand financial aid offers and make a plan to go to college with less debt.



Federal Student Loan Cancellation: What's Next?

Supreme Court decision does not impact the timing or availability of most programs

- The Supreme Court struck down Biden's plan to cancel up to \$20,000 in student debt.
- The government will explore cancellation under the Higher Education Act of 1965, but it will be time-consuming with an uncertain outcome.
- Other student loan programs are unaffected. Borrowers can still take advantage of these programs.
 - Income Driven Repayment Forgiveness (IDRF)
 - Public Service Loan Forgiveness (PSLF)
 - Total and Permanent Disability (TPD) Discharge
 - Borrower Defense To Repayment
 - Fresh Start (for loans in default)
 - More on this later...

Key Dates To Know

| Date | Event/Update |
|-------------------|---|
| Summer 2023 | The new Income Driven Repayment Plan (SAVE) is available! Learn more here . |
| September 2023 | Interest begins accruing on federal loans. |
| October 2023 | Loan payments are due. |
| December 31, 2023 | Deadline to take advantage of the Income Driven Repayment (IDR) Account Adjustment. Learn more here . |
| 2024 | IDR Account Adjustment results. |
| Late 2024 | Fresh Start for defaulted borrowers ends. Learn more here . |



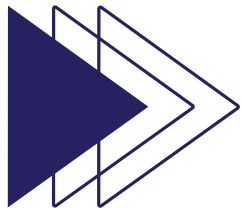
12-Month On Ramp for Repayment

- U.S. DOE announced a 12-month “On-Ramp” period for repayment.
- Interest will accrue September 1st and payment will resume October 1st.
- However, missed, late or partial payments will not be reported to credit agencies or cause loans to go into default before September 30, 2024.
- Missed payments during this period will **not** qualify for Public Service Loan Forgiveness (PSLF) or Income Driven Repayment Forgiveness (IDRF).

Three Strategies for Tackling Student Debt: What's yours?



What's your strategy?



Did you know?
Some repayment strategies do not involve repaying the entire balance?

| Strategy | Description |
|--|---|
| <p>Pay debt in full as quickly as possible</p> | <ul style="list-style-type: none"> • This strategy is suitable for borrowers with low loan balances or high income relative to their balance. • They have the option to make lump sum payments or pay more than the required amount, regardless of the repayment plan. |
| <p>Pay minimum required and pursue forgiveness, if eligible</p> | <ul style="list-style-type: none"> • Borrowers with high balances or low to moderate income compared to their debt can opt for this strategy. • They make the minimum required payment until they become eligible for forgiveness. • Making extra payments is not advisable if you expect to get forgiveness. |
| <p>Pay minimum required until death do you part!</p> | <ul style="list-style-type: none"> • If paying off your debt or pursuing forgiveness is not a feasible option, consider paying the minimum required until you die. • This strategy is often chosen by older borrowers who cannot realistically repay their loans or achieve forgiveness. • Federal student loans are dischargeable upon death. |

Student Loan Repayment Checklist



Overview

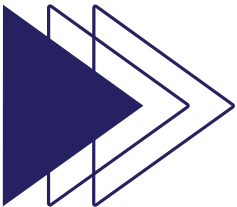
- Update your contact information with Federal Student Aid (FSA) at studentaid.gov.
- Identify your student loan servicer and review your online account information.
- Enroll in the right repayment plan.
- Know what your repayment amount will be and its due date.
- Be ready to make your monthly payments.
- Escalate and get help if things go wrong.





Update your contact information with Federal Student Aid (FSA) at studentaid.gov.

- Studentaid.gov is the federal government's national student loan database.
- If you have federal loans, you have an account. Reset your username/password if you forgot it or create an account.
- Updating your contact information ensures you receive important communication regarding your loan status and repayment options.
 - Watch this quick [video](#) on how to update your contact info.

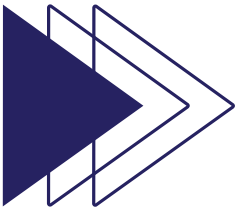


Did you know? ED is working on streamlining borrower experience by creating the Next Generation Financial Services Environment (Next Gen FSA). The goal is to use FSA as a central platform to manage your loans regardless of your student loan servicer. Stay tuned!



Identify your student loan servicer and review your online account information.

- Visit your studentaid.gov account dashboard, watch this [video](#), or call FSA Information Center (800-433-3243) to find your loan servicer.
- Servicers manage your loans for the Department of Education (ED), handling payments, assisting with repayment plans, and other activities.
- 40% of student loan borrowers had a servicer change since 2020.
 - Navient transferred ED-owned loans to Aidvantage. If your loans are with Navient, they are FFELP or private loans.
 - Great Lakes, acquired by Nelnet, is transferring accounts to Nelnet.
 - OSLA stopped servicing loans and transferred its accounts to Aidvantage.



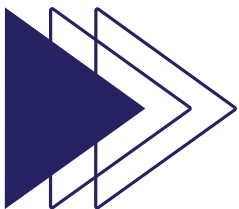
Did you know? Servicers are not your lender and some are contracted by ED to manage specific federal forgiveness programs: MOHELA manages the Public Service Loan Forgiveness and Nelnet manages Total and Permanent Disability Discharge.

3

Enroll in the right repayment plan.

| | Income-Driven Repayment Plans | Traditional Repayment Plans |
|------------|---|--|
| Pros | <ul style="list-style-type: none"> • Affordable payments based on income. • Loan forgiveness after 20-25 yrs of payments. • Required for other forgiveness programs. • Can adjust payments when income changes. | <ul style="list-style-type: none"> • More predictable payments. • Shorter repayment period in some cases, potentially paying off loans faster. • No recertification or income verification. |
| Cons | <ul style="list-style-type: none"> • Annual renewal & income verification required. • Potential interest accumulation over extended repayment period. • Longer repayment period, extending time to become debt-free. | <ul style="list-style-type: none"> • Higher monthly payments, potentially challenging for those with limited income. • Limited flexibility in adjusting payments. • No forgiveness. |
| Plan Names | <ul style="list-style-type: none"> • Revised Pay As You Earn (REPAYE, soon to be SAVE) • Pay As You Earn (PAYE) • Income-Based Repayment (IBR) • Income-Contingent Repayment (ICR) | <ul style="list-style-type: none"> • Standard • Graduated • Extended |

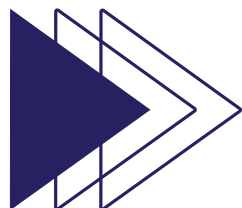
Did you know? You can enroll, recertify or change IDR plans on your own at studentaid.gov/idr. To enroll in traditional plans, contact your servicer.





The New IDR Plan: Saving For a Valuable Education (SAVE)

- SAVE will replace REPAYE!
- The plan will be fully implemented in 2024. The following features are available now:
 - The amount of income shielded from any payment increases from 150% to 225% of the Federal Poverty Level for your household size.
 - If your payment doesn't cover the interest, the excess interest won't be added to your loan. This will prevent your loan balance from increasing.
 - If you are married and file your taxes separately, you can exclude your spouse's income.
- Additional benefits will be implemented in July 2024, reducing payments and bringing borrowers closer to debt elimination. Learn more [here](#).

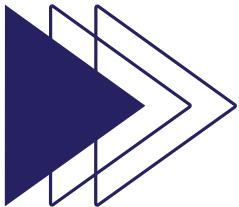


Did you know? You can enroll in an affordable plan like SAVE, or if your goal is to pay off your debt as quickly as possible, you can make lump sum or extra payments. There is no prepayment penalty!



How to Enroll in SAVE?

- You can enroll in SAVE now from your FSA account at studentaid.gov! And...
 - If you are currently in, REPAYE, you will be automatically transitioned into SAVE when payments resume.
 - Eligible borrowers can switch to SAVE at any time.
- Important: Parent Plus loans are not eligible for the SAVE plan. There is only one Income Driven Repayment plan known as Income Contingent Repayment (ICR) available for Parent Plus loans borrowers. To access that plan, Parent Plus loan borrowers must consolidate their loans. Learn more [here](#).



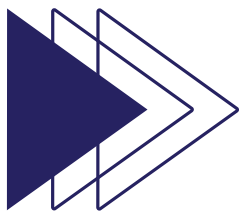
Did you know? For most borrowers, the SAVE plan will be the most affordable repayment plan option. But be sure to explore all repayment options to be sure.



Which plan is best?

Each situation is different, but here are some general rules.

- Borrowers with Direct Loans:
 - SAVE: This may be your best option.
 - Traditional Plans: An option if you can't afford any IDR plan but remember there is no 20-25-year forgiveness with traditional plans.
- Borrowers with Parent Plus Loans:
 - Income Contingent Repayment (ICR): Required for PSLF and IDRF. Consolidation of loans is necessary for ICR eligibility.
 - Traditional Plans: May have lower payments than ICR, but no 25-year forgiveness.
- Borrowers with Non-Direct Loans (FFEL, Perkins, HEAL):
 - Consolidate loans to be eligible for SAVE and additional relief options!
 - Otherwise, Income Based Repayment or Traditional Plans for FFEL. Perkins and HEAL have their own (standard) repayment plan.



Did you know? The new SAVE plan is an Income Driven Repayment plan and meets the program requirement for PSLF and IDRF.

4

Know your payment amount and its due date

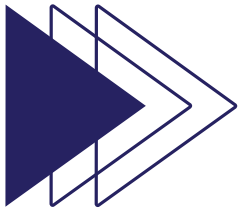
- Your servicer will send you an invoice with your monthly payment and exact due date at least 21 days before the first payment is due.
- You have the flexibility to change repayment plans and adjust your monthly due date to better suit your needs.





Be ready to make your monthly payments

- Prepare your bank account and consider enrolling in auto debit. There's a small interest rate reduction for borrowers with auto-debit.
 - Watch this [video](#) to see how to enroll in auto debt.
 - For more step-by-step guidance, visit [How to Enroll in Auto Debit](#).
- If you can't afford any payment plan, get expert advice.
- Remember that if you can't make payments between October 1, 2023-September 30, 2024, you can use the on-ramp period.
- Requesting a forbearance or deferment will help postpone payments but should only be used as a short-term solution.



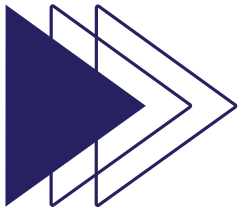
Did you know? You can get free credit reports weekly from Equifax, Experian and Transunion at AnnualCreditReport.com through December 31, 2023. Running your own credit report DOES NOT affect your credit score.



Escalate and get help if things go wrong

If you have issues with your student loan servicer, submit a complaint!

- **FSA Ombudsman:** [Online Feedback Center](#) or by calling 877-557-2575. If you are pursuing PSLF and disagree with an eligibility determination, you must file for a reconsideration within 90 days of a determination notice.
- **Consumer Financial Protection Bureau (CFPB):** [Online](#) or by calling (855) 411-2372, best for issues with private student loans.
- **Department of Financial Services (DFS):** If you live in New York, you can submit a complaint to DFS via their [Consumer Complaint Portal](#) or by calling (800) 342-3736.



Did you know? An increasing number of states are conducting student loan oversight. In New York, DFS conducts regular audits and uses complaint information to guide their audits.

Exploring Forgiveness, Cancellation and Discharge Options

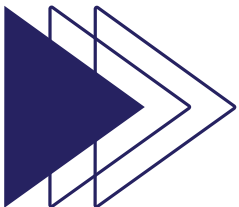
The Forgiveness Programs Everyone Should Know About

| | |
|--|---|
| Income Driven Repayment Forgiveness (IDRF) | Forgives your remaining loan balance after making payments under an Income Driven Repayment (IDR) Plan for 20-25 years. There is no employment requirement. You must be enrolled in an IDR plan. |
| Public Service Loan Forgiveness | Forgives your remaining loan balance after 10 years of having your loans in repayment under an Income Driven Repayment plan and working full-time or an average of 30 hours per week for a non-profit or government employer. You must have Direct loans. Check out updated FSA PSLF webpage! |
| Borrower Defense To Repayment | Discharges remaining loan balance for borrowers who were defrauded by their higher education institution. You must have attended a school that engaged in misconduct and taken out federal student loans to attend that school. Visit studentaid.gov for more info! |
| Total and Permanent Disability Discharge | Allows borrowers to discharge their remaining loan balance if they are disabled. It must be a disability that prevents you from engaging in “substantial gainful activity”—i.e., you can’t work and earn enough to support yourself. |

Learn more at Student Loan Forgiveness Options - EDCAPNY.org

IDR Account Adjustment and its Impact on IDRFB and PSLF

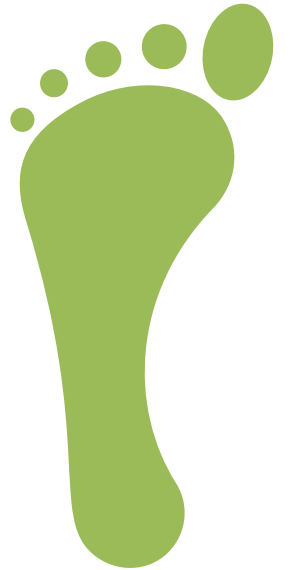
- The IDR Account Adjustment allows more borrowers to get qualifying payment credit towards PSLF and IDRFB. Through this process, borrowers may get credit for the following:
 - Periods in repayment
 - Time spent in forbearance of 12 consecutive or 36 cumulative months.
 - Most deferments prior to 2013, economic hardship deferments after 2013.
 - Months prior to loan consolidation!
 - Credit will be awarded even if you were not making payments or enrolled in an IDR plan!
- Borrowers will NOT get credit for time in an in-school deferment, grace period or default (except when using Fresh Start to bring loans out of default, credit will be given for months in default during the payment pause).
- For PSLF, you must still meet the employment requirement!



Did you know? FSA is responsible for awarding credit and borrowers will get credit between now and sometime next year! Patience is key!

Action Steps if You Are Pursuing PSLF

- **Ensure you have Direct Loans:** Consolidate all non-Direct Loans, such as FFEL, Perkins, and HEAL, by December 31, 2023.
- **File the PSLF Employment Certification form:** After completing the consolidation process, file the PSLF Employment Certification form for every qualifying employer you've had since October 2007. Use the PSLF Help Tool for assistance.
- **Enroll in an Income Driven Repayment Plan:** Make sure you are enrolled in an Income Driven Repayment Plan to continue accumulating qualifying payments.
- **Track your progress:** Monitor your progress through the MOHELA PSLF payment tracker.
 - Learn more about the top [10 things you should know about PSLF](#).
 - If you're already working toward PSLF, watch a short [video](#) on how to track your progress using MOHELA's PSLF Payment tracker.



Action Steps If You Are Pursuing IDRf

- **Ensure you have Direct Loans:** Consolidate all non-Direct Loans, such as FFEL, Perkins, and HEAL, by December 31, 2023.
- **Enroll in an Income Driven Repayment Plan:** Make sure you are enrolled in an Income Driven Repayment Plan to continue accumulating qualifying payments.
- **Track your progress:** For borrowers who have reached the required 20-25 years in repayment, they may see their loans automatically forgiven before payments resume. For everyone else, FSA will provide borrowers with a payment count in 2024.



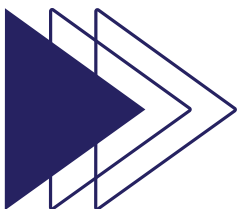
Other Forgiveness, Cancellation & Discharge Programs

| | |
|---|--|
| NYS Get on Your Feet Loan Forgiveness Program | For individuals who earned an undergraduate degree from a college/university in NY and are living in NYS; it provides up to 24 months of loan payments for eligible participants. Learn more here . |
| Teacher Loan Forgiveness (TLF) | Forgives up to \$17,500 in federal loans for teachers who meet certain criteria, including teaching in a designated subject area or shortage area for five consecutive years. CAUTION: Time used to qualify for Teacher Loan Forgiveness cannot be used for Public Service Loan Forgiveness. If you have a high loan balance, pursuing Public Service Loan Forgiveness only may be best. Get advice before applying. |
| School Closure Discharge | Granted to borrowers whose schools closed while they were enrolled or shortly after they withdrew and who did not complete teach outs or comparable programs elsewhere. |
| Bankruptcy | Bankruptcy should be a last resort! It is not impossible, but it is difficult to discharge federal student loans in bankruptcy. You must meet the "undue hardship" test. Seek the advice of an experienced bankruptcy attorney who specializes in student loan discharge cases. |
| Discharge Upon Death | While this path might seem a bit macabre, it's just not feasible for some borrowers to pay off their student loans, and that's okay. Rest assured that student loans are discharged upon death and can never become another loved one's burden. |

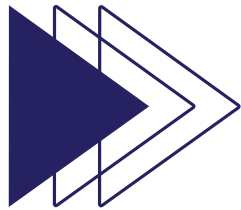
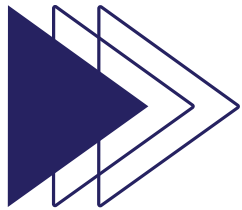
Learn more at [Student Loan Forgiveness Options - EDCAPNY.org](https://www.edcapny.org/student-loan-forgiveness-options)

Fresh Start Initiative: A path for borrowers in default in 2023!

- Borrowers with eligible defaulted federal student loans can bring their loans back into good standing and repair credit through an initiative called Fresh Start.
- Borrowers must take action to benefit:
 - Contact your debt collector: Contact your debt collector (in most cases this will be the Default Resolution Group at 1-800-621-3115) or apply on your myeddebt.ed.gov account. Let them know you want to take advantage of Fresh Start and request that your loans be transferred to a non-default servicer and enroll in a repayment plan after which the default history will be removed from your credit reports.
 - Pursue further education: If you intend to continue your education, apply for the Free Application for Federal Student Aid (FAFSA) and enroll in school at least half-time. By doing so, your loans can be transferred to a non-default servicer and placed in an in-school deferment, resulting in the removal of the default history from your credit reports.



Did you know? Borrowers who use Fresh Start to bring loans out of default will get credit towards IDR or PSLF for months spent in default during the payment pause (from March 13, 2020).



Contact Nassau Suffolk Law Services:

Phone: 516-292-8100

Web: www.nslawservices.org

Resources

Relevant Links

- [EDCAP's Repayment Guide](#)
- Covid Relief-Payment Pause Extension-Preparing for Payment Resumption
 - Visit studentaid.gov
- Student Loan Cancellation
 - Visit studentaid.gov for the last information.
- Public Service Loan Forgiveness
 - [PSLF Program Information](#) (Updated--check it out)
 - [PSLF Help Tool](#)
 - [PSLF Employer Search](#)
 - [PSLF Frequently Asked Questions](#)
 - [Public Service Loan Forgiveness \(PSLF\) & Temporary Expanded PSLF \(TEPSLF\) Certification & Application \(PSLF form\)](#)
 - [Submit a PSLF Reconsideration Request](#)
 - [Loan consolidation online application](#)

Relevant Links, (cont'd)

- Income Driven Repayment Account Adjustment
 - [Federal Student Aid \(FSA\) Announcement](#)
- Repayment Plans
 - [The new SAVE Plan](#)
 - [Loan Simulator](#) to determine your repayment plan options.
 - [Income Driven Repayment](#) plan options.
 - Income Driven Repayment plan [online application](#) to enroll in an income driven repayment plan. If you want to enroll in a standard plan, you will need to call your student loan servicer.
- Student Loan Servicers—Who Is Your Servicer?
 - Information about [federal student loan servicers](#), including contact information.
- For defaulted borrowers
 - Get out of default though [Fresh Start](#)

Relevant Links, (cont'd)

- Total and Permanent Disability (TPD) Discharge
 - [Learn more about the TPD program](#)
 - [TPD Applications \(PDFs\)](#)
 - [File a TPD Application online](#)
- NYS Forgiveness Programs
 - [NYS Get on Your Feet Forgiveness Program](#)
 - [Others](#)
- Other Information
 - [Borrower Defense to Repayment \(BDR\)\(online and manual applications\)](#)
 - [Guidance on how to write a BDR claim](#)
 - [Teacher Loan Forgiveness](#)
 - [Perkins Cancellation](#)