



# STUDENT LOAN REPAYMENT **TOOLKIT**





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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 making your first ever student loan payment, you can set yourself up for success 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.**

## Step 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 in to [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.

## Step 2: Confirm your student loan servicer

Through 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 third-party student loan servicer. If you don't know who your servicer is, you can find out by logging on to 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.

## Step 3: Log in to your student loan servicer account and update your contact information

Once you confirm your loan servicer, you should create an account or log in to an existing one via the servicer's website to review your personal contact information. Your information — such as your mailing address, email address, and phone number — may need to be updated. It is important to keep your contact information current on your servicer account so that they can reach you with important updates.

## Step 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% interest rate deduction.

## Step 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 by auto debit. You should also ensure that you update any banking information.

## Step 6: Use tools on studentaid.gov and servicer's portal to ensure your repayment plan is the best fit

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

## Step 1: Log in to your student loan servicer account

The contact information your servicer has may be dated and need to be updated. It is important that your servicer has accurate contact information so they can reach you with pertinent updates. You should also review your outstanding balances and accrued interest.

## Step 2: Consider your repayment strategy and 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 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 possible over time. 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 provides guidance on decisions, such as whether it would be beneficial to consolidate your student loans.

## Step 3: Research repayment options and 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 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 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.

## Step 4: Once you've selected the plan that's right for you, log in to 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 IDR 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 to Prepare for Student Loan Repayment

## Start Early and Be Ready

While there are outstanding legal challenges to the debt cancellation program, it is important for borrowers to take action as soon as possible. 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.

## Review Your Personal Budget to Accommodate Student Loan Payments

Along with confirming your payment due date and amount, review your personal budget to ensure that you will be able to make your 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.

## Be Patient and Remain Diligent

Given that millions of borrowers will be transitioning into repayment, it is important to be patient, as it is possible that loan servicers may be overwhelmed with a high volume of inquiries. 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. While you may reach your loan servicer via phone, there are other ways to get your questions answered, such as searching information on your loan servicer's website, emailing, or using live chat features — especially if you are looking for information that is more readily available.

## Keep Documentation

It is important that you keep good documentation of your financial aid and loan servicer records and communications, such as forms, research, who you spoke to, and detailed notes of what you discussed. Keeping good documentation can help you effectively manage your student loans and ensure you are on track to meet the requirements for certain loan forgiveness programs, and can be useful if you need to reach out to your servicer in the future.



## Stay Alert to Avoid Scams

- Your student loan servicer will provide you with free assistance; you should never pay an outside entity to help with your student loans.
- If you don't know who your servicer is, you can find out by logging on to [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](#).
- While you may reach your loan servicer via phone, stay alert to avoid scams. Your servicer will always initiate communications with you via email, and never by phone. Unless you initiate the contact, you should never share personal information over the phone.
- FSA outlines these [additional tips](#) on how to stay alert to avoid student aid scams and fraudulent attempts to access your information.

# Other Programs to Help With 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.

## 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 be enrolled 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](#).



## Fresh Start Initiative

"Fresh Start" is a Department of Education initiative started by the Biden Administration 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. You can learn more about Fresh Start and which loans are eligible by using [this fact sheet](#) provided by FSA.

## One-Time Federal Student Loan Debt Relief

On August 24, 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. This debt cancellation will apply for borrowers who have federal loan balances that were disbursed by June 30, 2022. If you made payments to your student loan balance during the pause, you may be eligible to receive a refund up to the remaining amount of cancellation you are eligible for.

The one-time debt relief program is currently blocked by court orders and is being considered by the Supreme Court. The Department of Education is not currently accepting new applications, and student loan repayment is set to resume once the courts have resolved the outstanding legal challenges, either 60 days after the court decision or 60 days after June 30, 2023, whichever comes first. Regardless of whether you think you may qualify to have loans canceled through the debt relief program, it is still a good idea to prepare for repayment by following the steps outlined above (such as confirming your contact information with your servicer and selecting the right repayment plan) while we await the outcome of the legal challenges. You can access additional information and timely updates on the debt cancellation program via [this page](#) on studentaid.gov.

# Helpful Resources

## [Loan Forgiveness](#)

There are various loan forgiveness programs that are available for borrowers who meet certain criteria and circumstances.

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

Learn more about the Biden administration's debt relief program that will provide cancellation of up to \$20,000 to borrowers if they meet certain criteria, and view timely updates to the program.

## [Fresh Start](#)

This initiative aims to assist delinquent and defaulted borrowers as they enter back into repayment in good standing.

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

The PSLF program is for borrowers in public service who are employed by qualifying employers and meet the qualifying criteria to receive forgiveness.

## The Office of Federal Student Aid's (FSA) "[Repaying Your Loans](#)" Booklet

This FSA resource outlines information related to the repayment of federal Direct Loans, Perkins Loans, and FFEL loans.

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

Learn more about the four available IDR plans that determine your monthly student loan payment based on your income and family size.


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

Deferment and forbearance are options that allow borrowers in short-term financial stress to temporarily stop making payments.

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

Federal student loans become delinquent when a borrower misses a payment. Depending on the type of loan a borrower has, that loan may go into default if the borrower does not make a payment in a certain amount of time. FSA outlines delinquency/default and actions borrowers can take if they believe their loans were mistakenly put in default.



A photograph of three graduates in black caps and gowns. In the foreground, a young woman with long dark hair is smiling and holding a white coffee cup in her right hand and a red spiral notebook in her left. Behind her to the left, a young man is smiling and holding a brown folder. To the right, another graduate is partially visible, also smiling. The background is a blurred outdoor setting with a building.

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