



Student loan borrower relief during COVID-19

More than 130,000 Rhode Islanders owe more than \$4.5 billion in student loan debt. The COVID-19 pandemic has compounded these challenges for those who were already struggling to keep up with their loan payments.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act recently passed by Congress provides federally held student loan borrowers with certain forms of relief.

The following measures last until September 30 and are retroactive to March 13 for federally held student loans:

- **Payment postponement:** Borrowers with federally held student loans will automatically receive a six-month forbearance, retroactive to March 13. The Department of Education has indicated that any auto-debit payments, or voluntary payments made during this period, can be refunded. Contact your loan servicer to request that your payment be refunded.
- **Interest waiver:** For the same six-month period, no new interest will accrue on federally held student loans.
- **Collection activities:** All collection activities on eligible federal student loans, including wage garnishment and reduction of tax refunds and other governmental benefits, are suspended until September 30.
- **No negative credit information** will be provided to Credit Reporting Agencies during the suspension period in connection with eligible loans. Servicers are not permitted to report suspended payments as “late” or “missed” payments.
- **Loan forgiveness program or loan rehabilitation program:** Even though a borrower's loan payment is suspended, each month will be counted as a qualifying payment.

[View full Guidance for Student Loan Borrowers and Frequently Asked Questions here.](#)





Office of the
Attorney General

Student Loans

Private/other student loan relief:

- Student loans not owned by the federal government are not afforded relief by the CARES Act and the protections are not extended to private loans, Commercially-held FFEL loans, or School-owned Perkins loans. However, some private loan servicers are also taking voluntary steps to assist borrowers.
- Although Perkins Loans are not eligible for CARES Act relief, the Department of Education has confirmed that it will extend two important benefits to Perkins Loans held by the Federal Government: the **six-month suspension of payments** and the **waiver of interest** during that six-month period.
- While the CARES Act does not provide relief for non-federal loans, many lenders and servicers are offering additional relief options on a voluntary basis. **When in doubt, contact your lender to find out what options are available.**

What to know if you are paying off student loans:

- **Only certain types of loans qualify for CARES Act relief.** The suspension mandated in the CARES Act is only for loans held by the U.S. Department of Education. It does not cover FFELP (Federal Family Education Loan Program) loans or Perkins loans held by private lenders, nor does it cover private loans. If you don't know what type of loan you have, call your servicer or check <https://studentaid.gov/>.
- **If your loan does qualify, you don't need to do anything.** Your payments will automatically stop from March 13 through Sept. 30.
- **You will still be responsible for your loan.** After September 30, you will be responsible for paying on your loan once again. The amount will not be reduced.

We can help. Call us at 401-247-4400 if:

- You have questions or need help understanding the student loan benefits available.
- You believe your rights under the Student Loan Bill of Rights have been violated.
- You believe your servicer is denying you the relief you are entitled to as laid out in our guidance.

You can also [submit a complaint here](#) or e-mail us at studentloans@riag.ri.gov.

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