



STUDENT LOAN REPAYMENT

FEDERAL STUDENT LOAN REPAYMENTS START OCTOBER 2023

Oregonians with federal student loan debt need to be prepared for the first payments coming due in October.

With the **Supreme Court blocking student debt forgiveness** and the **COVID-19 emergency pause on federal student loan repayments ending**, Oregonians with federal student loan debt need to be prepared for the **first payments coming due in October**, though robust grace period protections exist.

There are protections in place if you miss payments in the first three months.

The Biden Administration has finalized at least a **3-month grace period for missed payments**, and a 1-year protection against consequences for delinquency such as an impact on credit scores. However, borrowers should be aware that **interest will keep accruing** during this grace period. Student loan interest started accruing on September 1st and will continue.

KNOW YOUR RESOURCES

The main federal page every borrower should be familiar with is [StudentAid.gov](https://studentaid.gov).

STUDENTAID.GOV:



Oregon also has a **Student Loan Help Page**, and new Student Loan Ombudsperson with many resources including FAQ, Borrower Rights, and local debt counseling: [Student Loan Help : State of Oregon](#)

OREGON RESOURCES:



Lower Payments, Reduce Interest with the SAVE Plan

The Biden Administration just announced the Saving on a Valuable Education (SAVE) Plan to significantly lower monthly payments and reduce interest costs.

Borrowers can learn more and sign up by visiting StudentAid.gov/SAVE.

The Biden Administration's SAVE Plan will cut many borrower's monthly payments in half from 10% of adjusted income to 5% of adjusted income. You will not owe loan payments if you are a single borrower earning \$32,800 or less or a family of four earning \$67,500 or less.

Borrowers earning more than these amounts will save at least \$1,000 per year compared to the current income-driven repayment plans.

NOTE: The SAVE Plan will not take effect for most borrowers until summer of 2024. Borrowers who were in a REPAYE plan previous to the pause are being automatically moved over to SAVE as payments become due in 2023. Those who were not on REPAYE and hope to "recertify" their loans should know that if they are making more money in 2023 than they were before the pandemic, this recertification could lock in a higher monthly payment that will not be reduced until the SAVE Plan kicks in, in mid-2024.

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TAKE ACTION TODAY

Make sure you are prepared for student loan payments to restart. Borrowers should consider taking the following actions by visiting [StudentAid.gov](https://studentaid.gov) or calling 1-800-433-3243:

- ✓ Update your contact information.
- ✓ Find out what **your monthly payment amount** will be.
- ✓ Explore **affordable repayment plans** at studentaid.gov/loan-simulator.
- ✓ If you were on an **income-driven repayment (IDR) plan**, consider recertifying early if your income has decreased or your family size has increased. Those who recertify with a higher income than before the pandemic may be locked in to paying more for the first year.
- ✓ **Enroll (or reenroll) in auto pay** to save on your interest rate.
- ✓ Check if you qualify for a type of **loan forgiveness**.

WATCH OUT FOR SCAMS

Federal student loan borrowers do not require a processing fee or payment to select or change your repayment plan. If a third party is offering to apply for these programs for you, especially if they are trying to charge you, it is likely a scam. Promises of expedited forgiveness, limited-time offers, and calls from unknown numbers, are all also signs of a potential scam.

DID YOU KNOW?

- 1 OREGON UNIVERSITIES CANNOT WITHHOLD YOUR TRANSCRIPT DUE TO STUDENT DEBT.**
The Oregon Legislature passed [Senate Bill 424](#), which bans institutions of higher education from withholding transcripts from students for debt owed to the institution.
- 2 IF YOU DEFAULTED ON YOUR STUDENT LOAN DEBT, YOU CAN GET BACK ON TRACK.**
U.S. Department of Education's Fresh Start Program aims to get defaulted borrowers back on track. Defaulted borrowers can take advantage by calling their servicer today.

