

COVID-19 SPOTLIGHT: STUDENT LOAN RELIEF



Student loan borrowers have some help when it comes to the potential financial impact from coronavirus. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides automatic suspension of payments on **federally-held student loans** through September 30, 2020. These suspended payments will count towards any student loan forgiveness program.

Here are some key things you need to know:

DO I NEED TO APPLY TO SUSPEND MY PAYMENTS?

No. Federal student loan borrowers do not need to take any action to suspend payments. Your federal student loan servicer will suspend all payments without any action from you. You do not need to contact your student loan servicer.

WILL INTEREST CONTINUE TO ACCRUE ON MY FEDERALLY-HELD LOANS?

No, interest will not accrue on your federally-held loans while your payments are suspended. For all other federal student loans, interest will continue to accrue.

SOMEONE CONTACTED ME TO PAY A FEE TO SUSPEND MY PAYMENTS. IS THIS A SCAM?

Yes! The federal government or servicer will not ask for a fee to suspend your payments. Beware of imposters and cold-calls attempting to get you to verify private information. If someone asks for money to process this information, it is a scam and you should report them to the South Carolina Department of Consumer Affairs by visiting the [Scams page](#) on our website.

ARE PRIVATE STUDENT LOANS ALSO SUSPENDED?

No. The suspension of payments applies only to student loans that are held by the federal government. The majority of student loans issued since 2010 are federal loans, but some loans under the Federal Family Education Loan (FFEL) Program are owned by commercial lenders, and some Perkins Loans are held by the institution you attended. These loans are not eligible for this benefit at this time. This benefit also does not apply to private (non-federal) student loans owned by banks, credit unions, schools or other private entities.

If you are experiencing hardship or a loss of income and can't afford your payment for your non-federally held loans, you should contact your servicer. You may have to wait because there are a lot of people in need right now. Have your account number handy and check their website first to see if there is any information you need before you call.

Questions you should ask include: What options are available to help temporarily reduce or suspend my payments? Are there forbearance, loan modification, or other options? Can you waive late fees?

Once you're able to secure a relief option, ask for written documentation of your agreement.

For more on student loan relief, visit <https://studentaid.gov/announcements-events/coronavirus>.



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