

Quick Guide to Managing Student Loans

After a cancer diagnosis, you may be wondering how to effectively manage your student loans if you have had a reduction in your income, or an increase in your other expenses. This Quick Guide will cover how to: get information about your loan, understand your options, delay (defer) making loan payments, get your loan forgiven (discharged), and find possible financial help to pay your student loans.

Get Information About Your Loan: If you have a student loan, it is important to figure out how much money you still owe and to whom you owe it.

- Do you have federal loans, or private loans, or both?
 - If you have federal loans, look up your information in the National Student Loan Data System: nsldsfa.ed.gov/login. There are two types of federal loans – direct loans from the U.S. Dept. of Education and loans serviced by a private company. Find contact information for who services your loan: studentaid.gov/manage-loans/repayment/servicers.
 - If you have private loans, you will need to contact the specific loan provider.
- What is the interest rate on each loan that you have?



Understand Your Options: If you are having trouble making payments on your student loans, in order to protect your credit, you should communicate with your lenders before you stop making payments. There may be options to lower monthly payments or reschedule payments to make it easier to stay current on your bills. For example, you may be able to:

- Sign up for automatic payments, to get an interest rate deduction
- Ask if you can change your payment due date
- Ask to move to an income-driven repayment plan, which bases your monthly payments on your current income level. To learn about Income-Driven Repayment (IDR) Plan options: studentaid.gov/idr.
- Use a loan calculator to see if you can lower your payments through refinancing, consolidating, or other financial options: studentaid.gov/loan-simulator.
- Speak with a loan counselor to find out your options for payment plans, refinancing loans, consolidating loans, deferring loans, forbearing loans, or even discharging loans. Make sure to get information from a reputable source, such as Federal Student Aid: studentaid.gov/h/manage-loans.

There are a number of ways to make changes to your loans:

- **Deferment:** is when an eligible individual can temporarily stop making payments or reduce their monthly payment owed for a certain amount of time. If you are done with school, and are not in a situation to start paying on your student loans, you may have the right to defer your loans.
- **Forbearance:** is similar to deferment; however, an individual may be responsible for paying the interest that has accrued on certain types of loans while in forbearance.
- **Loan Forgiveness:** you may be eligible for loan forgiveness (aka cancellation), which means that you no longer need to repay **part** or all of your loan. For example, some loans may be eligible for forgiveness, if the individual has a job in public service. These different repayment programs apply to federal Direct, Federal Family Education Loan (FFEL) Program, and Perkins loans.
- **Disability Discharge:** If eligible, an individual may also be able to get their loan discharged (aka forgiven) as a result of their disability.

Note: The COVID-19 payment pause on federal student loan payments has ended.

For help, visit: StudentAid.gov.

Deferment of Student Loans: There are a number of ways to defer (or delay) paying your student loans. These are some of the most common situations:

- Enrolled in at least a half-time eligible college or career school. Also, if you are in a graduate or professional program, and received a direct PLUS loan or FFEL PLUS loan
- Enrolled in an approved rehabilitation program for people with disabilities
- Unemployed or not able to find a full-time position for up to three years
- Experiencing an economic hardship, or serving in the Peace Corps for up to three years
- Active member of the military in connection with war, military operations, or a national emergency

In addition to these options, if you have a cancer diagnosis you may qualify for a **Cancer Treatment Deferment** for your federal Direct Loan, FFEL, or Federal Perkins Loan. This means that you are given permission to not make student loan payments while you are in treatment and up to six months following the end of your treatment. This applies to loans made on or after 9/18/18 or that entered repayment on or before 9/28/18. To apply: studentaid.gov/sites/default/files/CancerTreatmentDeferment.pdf.

Forbearance: There are two different types of forbearance that an individual can be granted; general or mandatory.

General forbearance can be requested when an individual is temporarily not able to make a scheduled monthly loan payment, for the following reasons: financial difficulties, medical expenses, change in employment, or other reasons that a loan servicer finds to be appropriate. **Mandatory forbearance** is when an individual is eligible for forbearance and the loan servicer is required to grant a forbearance. To learn more, visit: studentaid.gov/manage-loans/lower-payments/get-temporary-relief/forbearance.

Discharge of Student Loans: There are a number of ways to discharge your student loans, meaning that you no longer have to make payments on your loans. This could be because of your job, closure of the school where you received your loans, or having a disability. Discharge of your student loans can also be called “forgiveness” or “cancellation.” For details about available programs, visit: [studentaid.gov/ manage-loans/forgiveness-cancellation](https://studentaid.gov/manage-loans/forgiveness-cancellation).

- **Forgiveness & Cancellation:** There are different types of programs available to forgive or cancel a part or all of a loan. For a list of programs, visit: <https://studentaid.gov/manage-loans/forgiveness-cancellation>.
- **Total and Permanent Disability (TPD) Discharge:** allows qualified individuals with disabilities to discharge their loans through the Direct Loan Program, Federal Family Education Loan (FFEL) Program, Perkins Loan Program, and TEACH Grants. To be eligible, you must prove you are:
 - A veteran with a service-connected disability;
 - Receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI); or
 - Totally and permanently disabled, according to your licensed doctor. The doctor must provide certification that you are unable to engage in any substantial gainful activity. This must be supported by a medical reason, and that total and permanent disability can be expected to last for a continuous period of not less than 60 months, has lasted for a continuous period of 60 months or more, or can be expected to result in death.



If you are receiving SSI or SSDI, you will automatically receive your TPD discharge; you do not have to complete an application for discharge. As of January 1, 2018, if your student loan is forgiven, you do not have to pay federal income tax on the amount of the loan forgiven. For details, visit: studentaid.gov/manage-loans/forgiveness-cancellation/disability-discharge. Some private lenders also offer disability discharge options for individuals with disabilities. These lenders may have different rules, so it is important to contact your lenders for more information.

- **Death Discharge:** When someone with a federal student loan dies, their loan will be discharged: studentaid.gov/manage-loans/forgiveness-cancellation/death. If you have a private loan, details vary.

Financial Assistance to Pay for Student Loans: There may be financial assistance available to you, to help pay for your living expenses, medical expenses, and for your student loans. Think broadly and creatively about financial assistance that you may qualify for. For possible financial help, visit: TriageCancer.org/cancer-finances-financial-assistance.

For information about managing finances: TriageCancer.org/Navigating-Finances